



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES

(Reference: Appropriation Bill 2005-2006)

Members:

MS K MACDONALD (The Chair)
DR D FOSKEY (The Deputy Chair)
MR R MULCAHY
MS M PORTER
MR Z SESELJA

TRANSCRIPT OF EVIDENCE

CANBERRA

MONDAY, 16 MAY 2005

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

By authority of the Legislative Assembly for the Australian Capital Territory

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

The committee met at 10.03 am.

Appearances:

Mr J Stanhope, Chief Minister, Attorney-General, Minister for the Environment and Minister for Arts, Heritage and Indigenous Affairs

Chief Minister's Department

Mr Mike Harris, Chief Executive, Chief Minister's Department

Dr Maxine Cooper, Executive Director, Arts, Heritage and Environment

Dr Sandy Blair, Manager, Arts, Heritage and Environment—Heritage Unit

Ms Mandy Hillson, Manager, Arts, Heritage and Environment—artsACT,

Mr John Heineman, Manager, Arts, Heritage and Environment—Resource Management

Mr Rod Hillman, Manager, Arts, Heritage and Environment—Public Affairs and Information

Ms Harriet Elvin, Chief Executive Officer, Cultural Facilities Corporation

Mr Peter Liston, Acting Manager, Arts, Heritage and Environment—Water Resources

Mr Alan Ramsay, Corporate Services Manager, Cultural Facilities Corporation

Mr David Shorthouse, Manager, Arts, Heritage and Environment—Wildlife and Research Monitoring

Mr Geoff Wells, Manager, Arts, Heritage and Environment—Parks and Conservation Service

Mr John Wicks, Chief Financial Officer, Cultural Facilities Corporation

Mr Rod Hillman, Manager, Arts, Heritage and Environment—Public Affairs and Information

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

Mr Glen Gaskill, Director, Corporate Management

Mr Neil Tothill, Director, ACT Information Management

Ms Margaret Cotton, Director, Office of Industrial Relations

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

Ms Susan Killion, Executive Director, Cabinet and Policy Group

Ms Sue Hall, Director, Community Affairs, Cabinet and Policy Group

Ms Cathy Hudson, Director, Social Policy, Cabinet and Policy Group

Mr Phil Tardif, Director, Cabinet Office

Mr Greg Ellis, Director, Economic, Planning and Regional, Cabinet and Policy Group

Mr Peter Brady, Senior Manager, Office for Ageing

Mr George Tomlins, Executive Director, Strategic Projects and Implementation

Mr Phillip Mitchell, Executive Director, Priority Projects

Mr Jeremy Lasek, Executive Director, Executive Support

Mr Peter Ottesen, Executive Director, Office of Sustainability

Mr David Butt, Director, Office of Sustainability

Department of Treasury

Mr Phil Hextell, Director, Accounting Branch

Mr Karl Phillips, Financial Controller, Corporate Finance

Actew Corporation Ltd

Mr Michael Costello, Managing Director

Mr Mike Luddy, Chief Finance Executive

Mr Aspi Baria, Technical Specialist

Dr Gary Bickford, Principal Strategic Planner

THE CHAIR: I welcome everybody to the first day of the estimates hearings for the 2005-06 budget. I will start by reading the following: 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.

All witnesses coming to the table should state clearly for the benefit of Hansard their name and the capacity in which they are appearing today. Please clearly identify that you are taking a question on notice. It is then your responsibility to check the transcript and respond to the question. Responses to questions taken on notice are required within five full working days. The transcript will be emailed to the minister and the departmental contact officer for distribution to witnesses as soon as it is available. Members, if you want a question to be taken on notice, please identify that clearly and give any page references. That is for members of the committee and any other members who are here for the estimates process.

The proceedings are being broadcast to specific government offices and members of the media may be reporting the proceedings and taking visual footage. I understand that they will be doing so later on this day. There will be no morning tea break today, but on all other days we will be going to morning tea at 10.30 am and afternoon tea at 3.30 pm, approximately. The lunch break will be from 12.30 to 2.00 pm.

This morning the Minister for Arts, Heritage and Indigenous Affairs, Mr Stanhope, is scheduled to appear. Good morning, minister. Would you like to start by making an opening statement?

Mr Stanhope: Thank you, chair. There is no specific statement that I wish to make, other than to thank you for the opportunity to attend today for this estimates hearing. Officers of the Chief Minister's Department are present and stand ready to assist the committee in any way they can.

THE CHAIR: I should make a slight correction to that or an addition. You are appearing as both Chief Minister and Minister for Arts, Heritage and Indigenous Affairs. My apologies.

Mr Stanhope: Yes.

THE CHAIR: I ask Dr Foskey to open the questioning.

DR FOSKEY: Thank you. I feel very privileged to be the first person to ask a question. I am somewhat nervous as well: will it be the right question? All of my questions will be in reference to budget paper 4 and on output class 1, government strategy, around page 28. I am interested in the kinds of cuts and the impacts of the cuts in departmental allocations. What percentage of the cuts does the Chief Minister's Department anticipate bearing, and how will it translate into staff cuts?

Mr Stanhope: The general position that the government has taken and the request that it has made of all agencies is generally that they seek a five per cent savings across portfolios. The government did, however, adjust that; there are some areas of government business that the government has chosen to isolate from the general request for a five per cent saving. I say this across the board in relation to all portfolios: whilst the overarching or the universal figure was a request for five per cent, that does vary from agency to agency and portfolio to portfolio in relation to some of the particular outputs from within each agency.

Generally speaking, the request that I made of Mr Harris in this case was for a five per cent efficiency saving or dividend across the portfolios but, in order to achieve that, there will be, of course, variations from office to office. In relation to the specifics of the action which the Chief Minister's Department will take in meeting that request or demand of government, I will defer to Mr Harris, acknowledging that, whilst much of the work and the discussion in relation to savings has now been undertaken and decisions made, there is still a range of decisions to be made before ultimately we finalise the way in which the savings will be delivered. Mr Harris will be able to give you more specific detail or information on what he proposes to do within the Chief Minister's portfolio, but that is the overarching picture.

Mr Harris: Our general savings target is around \$3.4 million across the complete department, roughly split 50:50 between the central Chief Minister's Department, if I can describe it that way, and the division of environment, arts and heritage.

DR FOSKEY: Were there any funds unspent last year? If so, were they rolled over, and what programs were affected?

Mr Harris: We have a number of rollovers unspent this year. Do you mean 2004-05 rolled into 2005-06?

DR FOSKEY: Yes.

Mr Harris: We have a number of rollovers of 2004-05 funding, including some of the funding for the Community Inclusion Board, roughly half a million dollars; some operational costs for the new human resources system, just under \$200,000; some money for rural fencing, about \$170,000; small amounts for catchment management, Tidbinbilla Nature Reserve; supply options as far as power is concerned; and some very small allocations for community affairs.

THE CHAIR: Sorry, what I will do is bring it back to the ACT executive and I will go through the order that we had actually planned, as scheduled in the details covering the public hearings timetable that has been circulated. So we will go through the ACT executive and then the Chief Minister's Department, going through the output classes. If we have time today, we will move on to the Minister for Arts, Heritage and Indigenous Affairs, but we do have that scheduled for a later time in the hearings in case we do not get to it, which we probably will not. On the ACT executive, Chief Minister, could you outline the reason for the increase of \$323,000 in employee expenses on page 17 of budget paper 4?

Mr Harris: If I might take the question, chair, the increase of \$323,000 is due to the flow-on effect of the 2003-04 audited outcome which transferred budget allocations from supplies and services to employee expenses; so it was a realignment within budget, transferring from one category to another.

MR MULCAHY: In relation to the employee expenses for the ACT executive referred to in budget paper 4 at page 15, how much of the very substantial increase from 2003-04 and 2004-05 is due to wage increases per se and how much is due to increases in staff numbers? Just to assist, the increased percentage of change in those respective years was 30.2 per cent and 24.5 per cent but, of course, this year you are projecting 1.3 per cent, so I guess the second question is: how confident are you that the increase will only be 1.3 per cent in 2005-06 given the pattern of growth?

Mr Harris: Given the detailed nature of that question, could I take it on notice, please?

MR MULCAHY: Are you able to at least explain whether you are going to achieve this by way of a wages freeze or by shedding staff?

Mr Stanhope: Achieve what, Mr Mulcahy?

MR MULCAHY: The 1.3 per cent growth, which obviously is dramatically less than the growth of the last two fiscal years.

Mr Stanhope: In relation to the overall savings that we are seeking; is that the basis of your question?

MR MULCAHY: The growth in costs was 30 per cent in one year and 24 per cent in the next year, and now you are indicating to us that it will be only 1.3 per cent in the current budget. I am curious to know how that is going to be accomplished, given the past performance. Chief Minister, if you would rather take it on notice, I can move on to another question.

Mr Stanhope: Yes. I must say, Mr Mulcahy, that I certainly don't have that information available to me, and Mr Harris, I think, would welcome some opportunity to look at the detail of the question. I do not know whether Mr Harris is, but I am not entirely sure what your specific question is. Does your question go to an increase in the number of executives within the portfolio or to the increase in payments made to executives?

MR MULCAHY: There are two parts to it, Chief Minister. It is about the issue of

employee expense increases. They increased by 30 per cent in 2003-04 and 24 or 24.5 per cent in 2004-05. We have been advised that this year it is proposed that they will only increase by 1.3 per cent. So I guess the question is: how much in the past has it been due to wage increases and how much due to increases in staff numbers, and what is the basis for you feeling confident that these forecasts that we are being presented with in fact can be achieved? I don't know whether it is from the shedding of staff or a wages freeze, but it is certainly radically different from past years.

Mr Harris: My apologies. The timetable I was given did not have the executive on it, which is why I hesitated when you asked the first question because I did not have my notes for that particular part. The issue here is that part way through last year we brought in a fifth minister, which grossly increased the number in that year. We have now gone back to a normal growth pattern. So the very large increase that you referred to is a result of bringing a fifth minister into the cabinet process and the change in staffing levels and therefore salary levels as a consequence. Now we have gone back to a more normal pattern of growth, which is why you see that decline.

MR MULCAHY: Do you think the 1.3 per cent will be achieved through freezing wages, capping staff or shedding some bodies?

Mr Harris: Normal management processes within the organisation, the sorts of processes we all apply. You would not necessarily run straight to cutting staff. You would try to manage your recruitment processes to try to live within the budget. You would try to manage your other expenses before you attempted to tackle staff cuts.

MR MULCAHY: But you traditionally favoured at least a four per cent growth in wages, so this does not sit consistently with that.

Mr Harris: That's true.

MR MULCAHY: It's the ability to pay for less.

Mr Harris: But across the service, all senior managers in the budget for the coming 12 months will need to apply all of their skills in order to balance their budgets and that includes the full range of options available to us, some of which I just described.

MR MULCAHY: We are talking about the executive, so this is the ministerial officers, essentially.

Mr Harris: Yes.

MR MULCAHY: How many people have you got employed? This is the last question on this issue. How many staff are covered by ACT executive employee expenses?

Mr Harris: I would need to take that on notice as I can't quote you a number off the top of my head. If we can find out during the morning, I will try to confirm that before we finish.

THE CHAIR: I understand that Ms Porter does not have any questions on the ACT executive. Mr Seselja do you have any questions?

MR SESELJA: Yes, while we are on the executive, I have one in relation to your office, Mr Stanhope. Is there a general policy in your office, when members of the public approach to speak to members of your staff, in terms of the disclosure of any information that may be given to those personal staff?

THE CHAIR: Sorry, could you repeat that question, please, Mr Seselja?

Mr Stanhope: Yes, I'm not quite clear.

MR SESELJA: I imagine that you get lots of constituents talking to members of your staff throughout the year. Is there a policy, when those staff members receive personal information from those constituents, in relation to the disclosure of that information to third parties?

Mr Stanhope: Most certainly. We, as I think are all members of staff of all the executives—indeed, I would hope all members of staff of all members of the Assembly, not just the executive—are very aware of the importance of privacy and privacy principles. Indeed, it is quite an issue for all members of the Legislative Assembly as well as their staff, in dealing with constituent issues, to understand the importance of gaining approval from a constituent before actually passing on details of a constituent issue or complaint in order to seek a response to the issue that has been raised.

As we all know, many issues can't be dealt with without the disclosure of the personal details or particulars of the constituent request, demand or complaint, and it is a fine tension, I think, within politics and within parliaments for all members, having received a request from a constituent around an issue, then to vigorously pursue it with third parties or other parties in order to resolve it. It does require the disclosure of personal information. Certainly, the general rule that my office has always pursued, and I hope has satisfied, is that personal information would not be unreasonably disclosed to any party other than for the purposes of pursuing the complaint or the representation.

MR SESELJA: Are you aware of a matter—I won't give the name of the gentleman—that arose in relation to a planning and heritage issue in Reid? The Reid resident contacted your office, I think with a view to speaking to you but spoke to one of your staff, and subsequently the information that he gave, including his address and name, was passed on to third parties. Are you aware of the circumstances surrounding that case?

Mr Stanhope: No, I have no recollection of anybody from Reid contacting me on a heritage matter, not that I can recall. But I go to the point that I made: if a constituent contacts my office over a heritage matter and wants the issue pursued, then my office is going to disclose the details of that to officers within the department certainly and to other agencies for the purposes of actually pursuing the complaint. That is how each of us, as members of the Assembly, pursues or responds to representations from the community—we seek information. In order to seek the information, we disclose details.

The point I make is that it is simply impossible to pursue a matter on behalf of a constituent without disclosing some personal or private information, such as a name and, more often than not, address, and almost certainly the nature of the complaint. So it

is not a question so much of the fact that personal information is disclosed. But, of course, the nub of the issue is: to whom is it disclosed and for what purpose? As far as I am aware, my office is quite rigorous in protecting privacy and not inappropriately disclosing personal information.

THE CHAIR: Mr Seselja, before you go on, are you going to bring the questioning back to the actual budget?

MR SESELJA: It is in relation to the Chief Minister's staff, which is obviously in question here. They are being paid for out of this budget and we are talking about the ACT executive. Are you saying that we are only allowed to ask strictly financial questions?

THE CHAIR: No.

MR SESELJA: The tradition has always been for estimates to be wide ranging.

THE CHAIR: Yes, I know, and I am not looking to stifle that, Mr Seselja, but I am wondering where you are going here.

MR SESELJA: Sure. I think that we would all agree that at times it needs to be passed on to departmental staff and the like, but I guess you would have a concern if it was then passed on to other members of the public—not departmental staff, not officials of the government—without the permission of the constituent.

Mr Stanhope: Absolutely. It depends on the nature of the issue, of course. Sometimes in the pursuit of a complaint, if the complaint involved a community organisation or issues around the operations of the community organisation or if it were a community-based organisation from whom a member, a minister or the staff of the minister would seek to pursue and resolve an issue, then, of course, there would be occasions on which issues were discussed; it's simply unavoidable.

MR SESELJA: Would you seek permission normally in those circumstances?

Mr Stanhope: Absolutely. I think the protocol that should be in place is that, before discussing personal issues, then, of course, to the extent that they are discussed outside the confines of government or a government agency, I would expect that the person who made the representation would be fully apprised of the extent of the discussion that might occur in relation to their particular issue. I think issues around privacy are particularly important but, as I say, if a person comes to a member of the Assembly with an issue and they would like that issue pursued on their behalf, the matter can't be pursued without disclosing some level of detail. I would hope that my office would honour that protocol, that understanding or that respect for privacy absolutely. As far as I am aware, they do.

I certainly have instances from time to time of other matters being pursued by other members of the Assembly where it seems to me that questions could be raised about the level of consultation or the degree of approval that constituents have given to those members in relation to the matters that they have pursued. I would think that certainly in the case of representations made to my office by other members of the Assembly about

constituents. It probably happens on a daily basis that a member of the Assembly contacts my office or at least the office of a minister on a matter of some concern to either that member or their constituent.

I think that each of us, as members of parliament, is very aware of issues around privacy that are involved in all the representations that we receive. A particular issue is the one which my colleague the minister for education has raised in the Assembly on a number of occasions in relation to issues around child abuse, of a person ringing up with an expressed concern around abuse of a child in relation to whom they have no filial relationship, perhaps a neighbour's child, and lodging a complaint with a member of the Assembly and then the member of the Assembly dealing with a complaint about a complete stranger to the constituent. How are members to deal with that particular issue? We are not affected by the statutory rules in relation to disclosure.

That is a very good example of the issues which members of this place face. If we receive a representation from a member of the community concerned about the abuse, of say, a child of whom they are aware but with whom they have no relationship—certainly no filial relationship; it's an expression of concern—what do we do? Do we respect the privacy of the child and of the child's family or do we respond? We respond. That is essentially the dilemma which members of the Assembly and all parliamentarians around Australia face from time to time. We are all provided with information on a range of subjects by people who, in providing the information, are breaching a confidence or a right to privacy; yet, more often than not, it behoves us to respond, and we do. But it is a very important principle that should be understood and respected by all members of the Assembly and, indeed, by the staff of all members of the Assembly. If there is a constituent of yours who has a concern about my staff, I would be more than happy to receive the nature of his concerns and respond to them.

MR SESELJA: This has not been, obviously, about child abuse; it is a planning issue.

Mr Stanhope: I must say that, if a member of the community were pursuing a planning issue and it was made to my office, I would refer them immediately and directly to the Minister for Planning and to his office.

MR SESELJA: It was about planning/heritage issues.

Mr Stanhope: If it were about planning in the first instance, I would refer it to the Minister for Planning; if it were around heritage, then my officers would deal with it.

MR SESELJA: In this case, your officers did deal with it. Given that the policy is to ask for permission and in this case that has not occurred, will you be taking any action?

Mr Stanhope: I would be more than happy to investigate the case, if the person wishes to make known their concerns to me. Of course, I am intrigued that a person with an alleged concern about my office goes straight to the opposition.

MR SESELJA: He did try to make it to you, Chief Minister, but you weren't available.

Mr Stanhope: And he wasn't prepared to write?

MR SMYTH: If I can throw some light on it: he did actually write and you bumped him. You suggested that he see your senior adviser. The senior adviser then actually went to the group that was being complained about—in breach of this constituent’s rights, without permission—and revealed what the constituent had raised with your office, and then he was fobbed off by your staffer, and I quote—

Mr Stanhope: The constituent really didn’t want the matter resolved, it seems. So my office wasn’t actually to get to the nub of it and see if there was an issue.

MR SMYTH: The constituent wanted your office to take some action that you refused to take.

THE CHAIR: Order, Mr Smyth!

Mr Stanhope: Well, how surprising!

MR SMYTH: That you refused to see the constituent; it is surprising.

Mr Stanhope: What, that I refused to see one of the 10,000 people that seek to see me every year?

MR SMYTH: You were given a document. You were given several documents, documents that also included other allegations, that were fobbed off by you, Chief Minister.

THE CHAIR: Mr Smyth, order!

Mr Stanhope: This is all hypothetical. I am not prepared—

MR SMYTH: No, it is not hypothetical. I can table the email.

Mr Stanhope: Table the email, then. Table the email, make it available to the world. Have you sought approval to table it?

MR SMYTH: I’ve got the constituent’s approval. I spoke with him last night.

Mr Stanhope: Have you got it in writing?

MR SMYTH: Unlike you, Chief Minister, I have actually spoken to the constituent. I have spoken to him on a number of occasions.

Mr Stanhope: You haven’t got much to do, Mr Smyth, and it is obvious.

MR SMYTH: He hasn’t been able to see you and hasn’t been able to get answers from you on any of these issues, Chief Minister.

THE CHAIR: Order! Chief Minister and Mr Smyth, I call you both to order and I bring your attention to the time. I remind everybody present today that if they insist on digressing and having little arguments across the table—

MR SMYTH: It is not a digression, chair.

MR SESELJA: It goes to the heart of the issue.

THE CHAIR: Mr Smyth and Mr Seselja, you will actually—

Mr Stanhope: Madam Chair, this is hypothetical and anonymous. I have no idea what they are talking about, absolutely none.

MR SMYTH: Because you won't see the constituent.

Mr Stanhope: It is just absolute nonsense that everybody that rings me up and asks for an appointment should automatically be given an appointment. My senior adviser saw the constituent and sought to address his issues, obviously not to his satisfaction. He has now gone to the Liberal Party or to the opposition. I have no idea what you are talking about, not a clue. If you want to lodge a formal complaint or if the constituent wants to lodge a formal complaint with me about my office and the behaviour of my office, I am more than happy to receive it and to investigate it; but anonymous, nonsense complaints about which I know nothing achieve nothing. We can sit here and argue about this for the next half hour. I have not got a clue what you are talking about, not a clue. If you want to read out the email—

MR SMYTH: I will read the email, if you want, yes.

Mr Stanhope: If you want to name this person and actually give me some specificity around the nature of his complaint, please go ahead. I will be happy to pursue it when you do me the courtesy of actually giving me some idea of what you are talking about.

THE CHAIR: I would like to remind everybody that it would not be a good idea to mention any names within this hearing. We might move on.

MR MULCAHY: I have another question on the executive, chair, an unrelated issue.

THE CHAIR: Mr Smyth, do you have any questions on the executive?

MR SMYTH: I do have a question on the executive apart from this. I will get written permission, if that is what you want. I will get the constituent to write to you, Chief Minister.

THE CHAIR: Mr Smyth, I will take another question from Mr Mulcahy on the executive and then I will go to your question. Do you have any more questions on the executive, Mr Seselja?

MR SESELJA: No, not on that issue.

THE CHAIR: On the executive?

MR SESELJA: I will come back to that after this.

THE CHAIR: All right, we will go to Mr Mulcahy and Mr Seselja, and then we will go

to Mr Smyth.

MR MULCAHY: Chief Minister, I am not sure where travel sits, whether it is in the executive budget or CMD, but I am sure you will know the answer. Can you confirm that there is a pending mission to British Columbia that is being contemplated? Is that correct?

Mr Stanhope: To British Columbia?

MR MULCAHY: To Victoria Island.

Mr Stanhope: Yes, I am travelling in June to Nara, and then from Nara to Victoria, and then to Washington and Philadelphia.

MR MULCAHY: Is that within the forward estimates or is it within the current year budget?

Mr Stanhope: That is in the current year budget.

MR MULCAHY: Do you have any idea of the costs, Chief Minister?

Mr Stanhope: No idea at all.

MR MULCAHY: Could we get that information?

Mr Stanhope: Most certainly, if it is available at this stage. I can give you the estimate at this stage of the cost.

MR SESELJA: What is the purpose of that trip; in particular, to British Columbia?

Mr Stanhope: To visit the Butchart Gardens on the way to Washington.

MR SESELJA: How long will that part of the trip be?

Mr Stanhope: The Victoria part?

MR SESELJA: Yes.

Mr Stanhope: Probably a day or two. Three. It is on a weekend.

MR SMYTH: Chief Minister, I have a question about the Office of the Special Adviser. I understand the contract finished on 30 April. Will that office continue, or is that office now a redundant position?

Mr Stanhope: No, it has already been dissolved. In fact, I tabled an administrative arrangements order to achieve that some little while ago.

MR SMYTH: So, when we receive the 2004-05 annual reports, there will still be an annual report from the Office of the Special Adviser covering the 10 months that it operated in this financial year?

Mr Stanhope: If that was a requirement, I would assume so, yes. I haven't had any detail on that but, if that is consistent with our annual report arrangements or guidelines, I would assume that would happen, yes.

MR SMYTH: The Butchart Gardens are world famous. What is the purpose of going to visit the gardens?

Mr Stanhope: My expectation, my hope, is that one day the Canberra arboretum and gardens will be more famous than the Butchart Gardens.

MR MULCAHY: Mr Corbell is to be looking at gardens, too, around the world, isn't he?

Mr Stanhope: No, he is not.

MR MULCAHY: Is it not in the same theme?

Mr Stanhope: No, he is not looking at gardens. You need perhaps to ask him about the details.

MR SMYTH: Will a third member of cabinet be in North America in early June?

Mr Stanhope: No, two.

MR SMYTH: Are you looking at having a cabinet meeting there?

Mr Stanhope: No, there will be two members.

MR SMYTH: Just two. So the rest are staying home to mind the fort.

THE CHAIR: Can we move on? Shall we move on to capital works?

Mr Stanhope: Yes, there is a little travel, I think, to be undertaken over the winter break. I understand your colleague Mr Pratt will be enjoying the sun in Fiji during that winter break.

MR SMYTH: Thank you for that, Chief Minister.

Mr Stanhope: I understand that to be the case. I hope he enjoys the beach. Do you think he will?

MR SMYTH: I would have thought travelling for the CPA was quite acceptable, Chief Minister.

THE CHAIR: It's a nice time of the year to visit Fiji, I understand, Chief Minister.

Mr Stanhope: What, travelling for the CPA is acceptable, but not for the ACT government and the people of Canberra?

MR SMYTH: Nobody is casting aspersions on what you were travelling for, Chief Minister.

Mr Stanhope: I am not casting an aspersion on the CPA.

MR SMYTH: If you are feeling guilty about travelling and being quizzed by the opposition as to why you are travelling and the purposes of your travel, that's your problem, Chief Minister.

Mr Stanhope: I fully support Mr Pratt's trip to Fiji.

THE CHAIR: Order! I cannot hear anything as there are too many people speaking at the one time.

Mr Stanhope: Just as I supported your CPA trip to India.

MR SMYTH: You did, and we have supported your side's CPA trip, Chief Minister.

THE CHAIR: All right, everybody, let's calm down, please. Ms Porter, I understand you have some questions on capital works.

MS PORTER: Chief Minister, could you provide an update on the design process for the Belconnen arts centre and the provision of extra funding for this process in this budget? You will find reference to this in budget paper 3, page 222, and budget paper 4, page 43.

Mr Stanhope: The process the government followed in relation to the Belconnen arts centre and, indeed, the enhancement of arts within Belconnen was, in the first instance, to seek to build some capacity within the Belconnen arts community by enhancing funding to the Belconnen Community Service to employ a full-time arts officer. Until, I think, six months ago the Belconnen community was not served by a full-time arts officer. There was a part-time officer seeking to support community arts organisations and individuals within the Belconnen community that were involved in, or looking to be involved in, arts within Belconnen.

Because of the interest in and the determination to develop an arts centre for Belconnen, one of the issues that artsACT, the arts community and the government looked at within Belconnen was the capacity within the Belconnen community to support the arts and, indeed, to support an arts centre, and to ensure that it was appropriately and fully utilised and that the program that was delivered in the end did support and enhance the arts. The first step in building up, or working up, arts within Belconnen was to fund a full-time arts officer for the Belconnen Community Service. The second step was to select a site in pursuit of an arts centre.

There was some quite detailed community consultation. The community was very involved through artsACT, and through a consultancy, in the identification of a site for the construction of an arts facility or an arts centre. Three sites were considered and short-listed. The two most pursued of the sites were Margaret Timpson Park and a site on the edge of the lake. The community recommended ultimately the lakeside site, or the foreshore site, as the preferred site and the government accepted that recommendation. In

this budget we have allocated \$500,000 to design, to tender-ready position, an arts centre for Belconnen.

THE CHAIR: On page 213 of budget paper 3 there is a reference to the Kingston powerhouse glassworks final stage, and it says that the consultation has taken a bit longer than anticipated. Can you report on the progress of the powerhouse glassworks final stage and say when construction is expected to commence, in light of the fact that things have been delayed? It is a major project, which I am certainly looking forward to, and I think many others are as well.

Mr Stanhope: Certainly, the Kingston powerhouse glassworks is a major work for the ACT and for the arts community within the ACT. To the extent that Canberra and the ACT region seek to claim ownership of the Crisp glassworks—which is, of course, south-west of Yass—as amongst the ACT arts community and glass art output, that really is establishing and, in the view of many, has established itself as the pre-eminent glass art centre of Australia.

The ANU school of art has been instrumental in that. I don't think it can be doubted or disputed—and nobody would argue—that the quality of the scholarship and the quality of the artistic endeavour or output at the ANU school of art is second to none. I had the privilege just last week of opening the latest exhibition. I would commend it to everybody. The exhibition is in the most exquisite building. Not only is that exhibition a wonderful illustration of the beauty of glass art and the status of those artists who continue to work in the ACT but also I think, most significantly, it reflects the work of glass artists who did a significant part of their learning here at the ANU school of art.

It is in building off that platform that the government has committed just over \$7 million. I think it was \$10 million and we have committed an additional \$7 million. There is now just on \$10 million that has been committed by the government to the refurbishment of the Kingston powerhouse as a glass art facility. The architects, Tanners, have been appointed. They have completed a comprehensive building audit and are in the process of developing a concept design. I think one can understand that there will be some significant design challenges in converting an old powerhouse to a state-of-the-art glass workshop or glass facility. That essentially is the challenge.

If one goes and contemplates the Kingston powerhouse and imagines the potential, it really is unlimited in terms of what we can achieve through a conversion of the powerhouse—a fantastic heritage building in its own right—into a major world-class glass art facility. There is a range of other issues associated with that. It's not just a question of redesigning a building and plonking glass artists in it. There is a whole range of issues, particularly around the marketing and art strategy that would flow from such a major capital investment. There is quite considerable continuing work being undertaken in relation to that.

At this stage, the hope and expectation is that the major refurbishment will commence before the end of this year. It's our hope and, I say again, my expectation that the works will be completed next year. So it is well under way; it is well in hand; the moneys have been allocated. We are on the cusp, through the development of the Kingston powerhouse, of developing, I think, the pre-eminent glass art facility in Australia and perhaps a glass art facility—and I think we should hope for this—that will establish us as

the glass art centre of the world.

MR MULCAHY: As I look through the budget papers for 2004-05 I see that \$2.7 million was to be spent on constructing the glassworks and art museum—the powerhouse. As it turned out, only \$270,000 was spent in that fiscal year, with \$6.8 million to be spent in the 2005-06 year. That is in budget paper 4, page 43, for those looking at that. I note the completion date has slipped from March 2006 to June 2006. Four months in itself is not necessarily a major issue, depending on the reasons for the delay, but—probably of more importance—are you confident that it will come in either at or under the estimated costs for the project, as we sit here today?

Mr Stanhope: Yes, I am. I have no reason to doubt the latest estimates. My understanding is that it will come in at that budgeted cost.

MR MULCAHY: Whilst I acknowledge it is not a long period, are the factors in the delayed completion date factors that might arise or give cause for inflation of costs, or not?

Mr Stanhope: I'm not aware. I can't recall having received advice on that, but I will answer your specific question. I have no recollection of having been briefed on a cost issue in relation to that delay but I would prefer, for the sake of a full response to your question, to seek some advice.

Mr Harris: It is, in part, a reflection of the complication of trying to convert a building such as the powerhouse into a different sort of facility, basically. It is a building that is in a fair state of disrepair. The challenges of converting it are quite significant.

DR FOSKEY: Under capital works, I want to ask about the dragway. What page were you just referring to?

MR SESELJA: BP4, page 43.

DR FOSKEY: I was contacted recently by some constituents who will be quite strongly affected by this. At the same time, I was contacted by the Canberra historical railway association. It is very interesting that, in a way, they are both enthusiast groups around transport and can be quite different—and the requests are quite different. As you probably know, the historical railway society has been running a steam train—one of the attractions, especially for families, in Canberra—regularly to Michelago and maintaining, through volunteers, a historical museum for about 30 years. They are very concerned because they have not been able to get from the ACT government any indication of security of tenure for their location. I am sure that's quite a low cost alternative.

MR SESELJA: I'm a very keen supporter of that, too, but I think that falls under Mr Corbell's regime.

DR FOSKEY: I am just comparing the outlays here and the different amount of effort, I suppose, the government has gone to with regard to the dragway in particular. The more I look at it, it is a very bad idea for the ACT—for the area and so on. I note that things are hotting up around the dragway. I am just wondering if the government has responded

to some of its own reports and is reconsidering this allocation. It is probably only the first such allocation, because there is no way \$8,000 is going to cover the cost.

THE CHAIR: It is \$8 million.

DR FOSKEY: Sorry, \$8 million. I thank you so much for your assistance. The \$8 million is probably just a first go at this and we are talking about pulling it out every year and backing it up—and we haven't even got the Hackett and Ainslie people, who are probably going to be very much affected by the noise, out there yet. At the moment, we have just got a very small group of residents who feel as though they are looking at this great juggernaut that they don't know how to stop. I think, in fact, they need the government to step in.

THE CHAIR: I am sorry, I missed the question.

DR FOSKEY: The question is: is the ACT government reconsidering its commitment of \$8 million, which is there in black and white, in terms of the other, more useful, ways that could be used and in terms of the amount that it is probably going to cost over the years to come?

Mr Stanhope: The government is not reconsidering its commitment to a dragway. The government certainly is engaged in a range of continuing studies, particularly in relation to the noise issue. The government has identified a site in the Majura Valley as the preferred site. In the context of available lands within the ACT, it is almost the only site we have been able to identify that we believe would be suitable, prima facie, for the construction of a dragway in the ACT. It really is a very difficult facility to locate, particularly without unduly disturbing significant numbers of people and their quiet enjoyment of their land. There is no doubt—this is at the centre of the question you asked—that the potential dragway in the Majura Valley would have a significant effect on a small number of people, perhaps a handful of people.

DR FOSKEY: And significant enjoyment for a handful of people, too, I'd like to interject.

Mr Stanhope: My point is that there is simply no place in the ACT where a dragway could be constructed where some people's enjoyment would not be significantly affected. It cannot be done. If the benchmark is that nobody's quiet enjoyment of their property be affected by a dragway, then the project should be abandoned now. If that were the benchmark, it could not be done. There is no place that would suit the construction of a dragway where there is not a house within a kilometre or so. That represents a tough question for government.

DR FOSKEY: It's a very tough question, I think.

Mr Stanhope: It does represent a tough question for the government. The government needs to work through the options that are available, having been presented with that very tough equation. The greater issue, though, in relation to noise or quiet enjoyment is, once again, the issue you touched on: will a dragway in the Majura Valley unduly impact on the enjoyment of large numbers of people, accepting that everybody's rights need to be taken account of?

If the dragway, for instance in Majura Valley on the site which we have identified, which is a site under leasehold, with a withdrawal clause that we could potentially access, although certainly at some cost, unduly impacts particularly on suburban areas—most notably Hackett and Watson—then we need to be aware of the level and degree of impact. That’s the detail work that Environment ACT have been seeking to do over these last few months, to the extent that we are still ploughing through some issues in relation to the dragway. That, of course, is the number one issue—what, at the end of the day, will the likely noise impact of a dragway in the Majura Valley be on Watson and Hackett.

If the answer to that question is that the noise impact will be within acceptable levels—and “acceptable” is a subjective test—we need to make a judgment around what we believe to be acceptable. That is the business of government. We will then almost certainly proceed with the construction on the land in the Majura Valley. At this stage, I believe we will be proceeding with the construction of the dragway in the Majura Valley, on the basis of interim results from further noise studies which Environment ACT have been pursuing, including noise studies being undertaken at Eastern Creek, for the purposes of seeking to better understand the noise patterns generated—the noise actually generated by a dragway. It is an interesting feature of the operation of dragways, or dragway facilities, that the—

DR FOSKEY: I fear that I have set you on the wrong track somehow.

Mr Stanhope: Let me give you a blunt answer. I think this information is of interest to everybody. It’s an up-to-date statement of where we are at. The answer to your question, if you want just a two-word answer, is: no; we’re not considering abandoning the dragway.

DR FOSKEY: I am particularly interested in the assessment that might have been undertaken of a likely cost blowout, and whether the \$8 million allocated includes compensation to the rural lessee involved.

Mr Stanhope: Yes, it does. At this stage, the government intends to spend \$8 million on this project. This is one of those cases where the government will, essentially, cut its cloth to fit the suit. We have committed \$8 million to this project and the project will receive \$8 million. This is not “as long as a piece of string”. This is not one of those projects where we’ve built in an escalator. The government does not intend to spend more than \$8 million on this project.

There is a lease that we are looking at. I accept, as I’m sure everybody in this room does, the implications of this decision, certainly for the leaseholder and certainly for the neighbouring properties. There are significant impacts, and we will have to work our way through those. We are currently in detailed negotiations with those leaseholders. We have commenced consultation with the residents’ groups of Watson and Hackett. Those discussions are under way. Within the next week or two we will be appointing a dragway consultative committee.

We will, as the lease currently stands, respond absolutely and completely to our obligations in relation to its withdrawal. That will be that there be just compensation for

improvements undertaken on that particular lease. We will be ensuring, of course, that the payment for improvements resulting from the withdrawal of that lease will be as generous as we are able to make it. We won't be skipping on this, acknowledging the significant cost to the leaseholder. That is built into the \$8 million.

MR SESELJA: You have said that you won't be increasing the amount and that that \$8 million is set. What kind of standard of dragway is now expected to be delivered, given that \$8 million was allocated in the last budget and it is still \$8 million? I imagine costs would have increased in that time. Are you looking now at making a shorter length of track, or are you looking at cutting back on noise attenuation? What will suffer?

Mr Stanhope: At this stage, the issues around the design or the nature of the features that will be incorporated within the dragway have never been decided. Those are issues that will be pursued and finalised through, ultimately, discussion and negotiation with the operators. There is still a whole range of issues around the potential operation, ownership and management of the dragway that haven't been resolved. None of the issues around size, configuration and management have yet been finalised.

MR SESELJA: You would be aware that the proponents, CIDM, had some pretty basic standards, like quarter mile and a number of things.

Mr Stanhope: Yes.

MR SESELJA: Is that likely to suffer?

Mr Stanhope: I don't believe that will, but the proponents had far grander plans or possibilities than that as well.

MR SESELJA: Those grander possibilities took it out to \$18 million.

Mr Stanhope: They did.

MR SESELJA: So when we are talking about \$8 million, we are talking fairly basic to start with.

Mr Stanhope: We are; absolutely—no dispute.

MR SESELJA: So we are now looking at a fairly basic facility that is perhaps unusable. In relation to the time frame, I note your press release of 7 December said, "We will build a dragway within 18 months." The budget papers now show December 2006 as the expected completion date. Given that the promised time frame won't be met, what has happened since December to change it and to blow out the time frame?

Mr Stanhope: The delays that we have experienced to date are around coming to grips with issues around noise impact and the environmental studies we are undertaking in relation to trying to best understand the nature of the noise impact, particularly on Watson and Hackett.

MR SESELJA: Some noise studies have already been done.

Mr Stanhope: They have. The noise studies that have been done were based on a range of assumptions that have been rigorously rejected and opposed by the dragway proponents. We are testing those as a result of their total rejection by those involved in dragway activities. The noise report that was received, and on which we made earlier decisions, has been completely rejected by dragway proponents. We are testing the assumptions to the point of taking physical recordings at Eastern Creek. The point I was making before was that the noise profile of the dragway consists very much of quite widely interspersed peaks of significant noise of very short duration.

Dragways don't operate on the basis of very high levels of constant noise. They do, of course, involve an extreme of noise, but normally over a very short time span. As to where the greatest noise impact will be, particularly acknowledging that Hackett is just under four kilometres—3½ kilometres—from the dragway site, the test for the community, the government and the dragway proponents is the extent to which the noise from the dragway will impact on the suburbs of Canberra. We are not prepared to build a dragway until we are quite comfortable around those noise impacts.

MR SESELJA: When that announcement was made, was there any inkling that further noise studies would be needed? Were those further noise studies going on at the time?

Mr Stanhope: The one outstanding issue in relation to the dragway, the one issue ultimately for decision, is the issue of noise; the need for us—not just the government but also the community and certainly the dragway proponents—to have a significant level of comfort that the noise impacts will be within acceptable limits. Once we are satisfied and comfortable with that assumption, I don't believe there's a single other impediment to the matter progressing quite rapidly.

MR MULCAHY: Was this advisory group you're setting up in the next week or so mentioned previously in the Assembly?

Mr Stanhope: Let me explain. This is a decision to be made by cabinet; it will come to cabinet in the next couple of weeks; but yes.

MR MULCAHY: Might one reasonably assume that the advocates of the dragway will be part of that process?

Mr Stanhope: Yes, you can reasonably assume that—and you can assume that there will be some non-dragway community representatives involved as well.

MR SESELJA: Maybe I haven't quite understood your answer in terms of the 18 months. When you made that announcement, were you aware that there may well be ongoing noise issues that could blow the time frame out?

Mr Stanhope: I didn't expect that the time frame would blow out but, yes; I was certainly expecting confirmation of issues around noise. It is the number one issue in relation to this. We have identified a piece of land that would be appropriate for the construction of the dragway, and it's on leasehold with a withdrawal clause. The only issue in relation to the dragway today is—and the money has been allocated—what the noise impact will be. No government of any colour would build a dragway until it is confident about the noise impact. At this stage, we are not quite confident, but we are

getting there.

MR SESELJA: There are no other outstanding issues, as I remember, from the report back in May or whatever. You talked about a number of environmental issues. I might be mixing up the sites. Is it block 52 we are talking about, or block 51?

Mr Stanhope: There will have to be an assessment, but I have not been advised that there are other environmental issues that would be likely to inhibit our use of that particular site.

DR FOSKEY: It is very likely that the commonwealth will have to sign off on this site, isn't it, given the activities that occur on a site extremely close by? There are all kinds of issues about safety, ordnance and so on, because there is a shooting range next door. Quite a lot of firepower happens there and fencing will be required, for instance, to stop children wandering off. To me, when I really look at this site, there are so many issues. I think, Chief Minister, with respect, that there is a lot more than noise involved when you get down to the fine details. Having looked at the site, there is the expense that will be required to get that quarter mile track across gullies and over dams.

MR SESELJA: I don't think it would be a quarter of a mile.

DR FOSKEY: As you said yourself, the proponents aren't prepared to accept anything else. They have set incredible terms and conditions that I'm very surprised the government is prepared to acquiesce to.

Mr Stanhope: We haven't acquiesced to those demands.

DR FOSKEY: That's what I want to hear.

Mr Stanhope: We have allocated \$8 million. If the proponents want to come to me and say, "Too bad" and walk away, that's their prerogative, but I've got a suspicious feeling they won't do that. As to the defence issue, the dragway is adjacent to Majura Road. If it's unsafe to be on the dragway because of the activities of the defence firing range, then it's unsafe to drive up and down that road. So I don't think the defence issues, or the fact that the ADFA training range is within the northern end of the Majura Valley, are at all relevant.

THE CHAIR: I would like to move on.

MR SESELJA: I have one very quick one in relation to the airport and whether it had any concerns in relation to safety or anything like that.

THE CHAIR: After the Chief Minister answers that question, I would ask that further questions in relation to the dragway be placed on notice, please.

Mr Stanhope: No. The airport people have never indicated to me that they regarded a dragway on this site as an issue for the airport—not that I can recall. I'm sure they haven't. I'm sure I would know if they had, but I have absolutely no memory of them expressing safety concerns.

MS PORTER: Could you elaborate on the \$250,000 allocated to the ACT government office building in the capital works section of the budget, on page 222 of budget paper 3?

Mr Stanhope: Over the past couple of years I have become quite supportive of the notion that the ACT government should build and own its own government office facility. I'm mindful of the significant cost the ACT government incurs just in periodic removals, or removals and fitouts, and relocating, and the determination of all the rental leases that we require for the housing of ACT government staff.

We spend some millions of dollars almost every year just on removal costs and refitting as we move or shuffle from commercial space to commercial space around the city. I have long felt that we should take account of the moneys we use, not just in rent but in this constant moving and shuffling—and there is the disruption that occurs and then the fitting out or refitting of offices that we move to. Over the past 18 months we have faced significant costs, particularly through the department of justice as the different components of justice were moved.

At the moment, I think in this coming financial year, we face essentially a forced removal of the Registrar-General's Office. I understand the owners of that building want the space for a commonwealth tenant and we have simply been moved on. I think the costs involved in that for us are around \$2 million. That's when I first conceived the idea of, or asked the question around, the prospect of the ACT government having greater ownership of, or control over, some of its office needs.

This particular funding of \$250,000 is essentially the beginning of a cost-benefit feasibility process which might lead to a design. In some of the work, and in the debate that is currently under way in relation to the future of the centre of the city—and, most particularly, City Hill—I think members would be aware of some discussion around the prospect of an ACT government office. This \$250,000 is an expression of the government's interest in pursuing the idea.

I'm interested at the outset in some feasibility or cost-benefit work being undertaken in terms of what the costs and benefits would be and how they stack up against our traditional approach to the staffing of our public service, which is simply to rent from the private market. Through this process I would also be looking at some advice on, or some exploration of, our capacity to pursue other options for construction and ownership of an ACT building—construction or perhaps part ownership, say. Those are the sorts of issues that will be pursued through the initial funding for that project.

MR MULCAHY: Does this signal a general direction? Will you be moving potentially down the ownership road? I just wonder, if you think about the lifecycle of buildings and the expectation in the public sector of having what I would call Rolls Royce standard accommodation, how you are going to be positioned 10 years hence, as the building becomes ready for replacement. Are you not creating further problems down the track?

THE CHAIR: You might like to comment as well, Chief Minister, on our ability to purchase and build buildings and then have Liberal governments sell off the entire farm.

MR MULCAHY: That was not the nature of my question.

Mr Stanhope: That is essentially the sort of issue that I hope would be explored through this particular funding—a feasibility, a cost-benefit, an exploration of those very issues; what the costs to us of being an owner of public service buildings would be. Certainly I think there is an orthodoxy, or a current view, in relation to the wisdom of a government owning office space or owning its own buildings, and I wish to see that tested. As I say, traditionally we don't build and own our own accommodation. I believe we should look at and test that, and that is what we are seeking to do. I am not wedded to the construction of an ACT government office block, but I think we should look at the opportunities and the opportunity cost. The issue you raise is, of course, at the heart of that.

THE CHAIR: Mr Smyth has a question on capital works. I would then like to move on, and ask that further questions on capital works be placed on notice. We are moving rapidly towards the lunch hour and we have a lot more to get through.

MR SMYTH: Chief Minister, on the arboretum again, I notice there is an extra \$2 million in the budget this year, in addition to the \$10 million that you have already put there, which brings the total to \$12 million. Is that the expected final cost of the construction of the arboretum?

Mr Stanhope: I would think perhaps not, but certainly that's the money that I think we will expend over the next four years before we propose the formal opening of the arboretum to the public. The possibilities presented by the arboretum and gardens project there are simply unlimited, in my estimation. I honestly believe, in a most heartfelt way, that an international standard arboretum and gardens in the national capital will, in time—and I think that will be some time away—rival our other iconic tourist attractions for precedence within the ACT. My view, and my vision of the arboretum, is that it will become that significant.

On this site of 250 hectares at the western end of Lake Burley Griffin overlooking the town, the vista is simply breathtaking. The opportunities are endless, and I believe we can achieve this. We have the capacity to drive the initial funding that's now in the budget—\$12 million of capital. I think that that, with just less than \$2 million over four years for a management team and a team to do the work to create the arboretum, will deliver enormous dividends to the territory.

Through the process of working up the arboretum and garden proposal we have, of course, done those initial cost-benefit analyses. I don't have them with me, but they predict the gardens going into the positive at some time in the not very distant future in terms of the stimulus to the economy and simply the value as a major new tourist attraction. Underpinning the decision is, of course, a determination to broaden the range of attractions to make us a more popular destination, and to add something new and potentially very exciting to a whole new market. The older market is particularly interested in arboreta and gardens.

We see that with the only other major garden of this order currently in development within Australia—that is, the Hunter Valley gardens, which I visited some months ago. I can't quite remember when, but it was last year. I must say, it's worth a visit. In the space of four years there is a major garden being developed in the Hunter Valley. It's had an enormous impact, attracting not only the Newcastle market but also very much a

burgeoning Sydney market.

It's privately owned by Bill Roche and his family. I think that we now, with our resources, our capacity and our opportunity with the land available, will certainly match the Hunter gardens. I hope that in due course—and I see no reason why we should not set ourselves this aim—we will one day be spoken of in the same terms as the Butchart Gardens in Victoria, a garden which has a 100-year start on us. They have a very significant advantage as a result of that. The Butchart Gardens were started just on 100 years ago, when somebody thought, "Look, what a great spot for a garden." They are now almost the major tourist attraction on the west coast of Canada.

MR SMYTH: When is the expected opening of the arboretum?

Mr Stanhope: My advice is that it will take four years, because of what we have to do. At this stage we have something of a start. It is very disjointed but I believe that, once the international design competition is concluded, which will occur within the next two to three weeks, a final design will be chosen, or at least recommended. My expectation is that we will be working on the site within the next few months. The plantings probably won't commence then, but our expectation is that they will commence in the next growing season, just 12 months away.

Of course, in the context of growth rates and whatnot, it won't be particularly spectacular in three years time but it will be established and it will be set out, with the \$12 million that will be spent over the next three to four years. I imagine a significant amount of work will be undertaken on the site. We have the advantage of the corkwood plantation and the Himalayan cedars, which will be part of the arboretum. I don't have advice on this—and I know this is work that is being pursued by the NCA—but I'm hoping that the NCA will, some time this year, announce its plans for the restoration of that western end of Lake Burley Griffin, which, since the 2001 fire, has been cleaned up by the NCA but no work has been undertaken.

I understand that the NCA is working on that particular precinct. Indeed, as we are all aware, the Lindsay Pryor Arboretum survived the 2001 fire but is in desperate need of some maintenance. I believe that, with the Lindsay Pryor Arboretum, the Himalayan pines and a burgeoning zoo and aquarium, there are, within that particular precinct, already significant works that we can build off so that, in the next three or four years, we will have a facility that people will begin to wish to visit.

Added to that—and this is not a decision that has been made, but it is an issue in contemplation—is a decision around whether or not we bite the bullet and establish Floriade permanently on its current site or we do a bit of both. It may be that, with a major arboretum and gardens being developed by the ACT government, we look to develop or maintain the existing Floriade but that, as a government, we perhaps look to the commonwealth to partner us in Floriade on the lake, as we develop a major garden that might compete with Floriade on the arboretum and garden site.

THE CHAIR: All right. We might move along.

MR SMYTH: Do you feel that water issues are under control?

Mr Stanhope: I have spoken at length with John Mackay and I have every faith and comfort in the advice he has provided me around our capacity to mine grey water for the site. This particular proposal or project won't proceed unless we can satisfy its water needs. Its water needs will be, in the main, satisfied with grey water. We are lucky that the Weston Creek sewer to the Molonglo water treatment works runs through the site. John Mackay has informed me that there would be no great technical difficulty at all in developing a grey water plant for the site. There may be other opportunities available to us as well in relation to grey water.

MR SMYTH: Is there a final figure on how much it may cost? If it's not \$12 million, what are you expecting it might get to?

Mr Stanhope: This is a project. At this stage, I'm satisfied with that level of funding. I believe it's appropriate that we now do the work that we have set ourselves. We have provided recurrent funding. There will be a management structure; there will be people in place, through that funding in this budget, to manage the development of the gardens. At this stage, I'm not inclined to support any additional appropriation. I believe I now look at this as a \$12 million project. It's a project that, if one chose, one could spend any amount that one wished on, just as one could with the existing Floriade. As you would probably be aware, there has been a debate ever since Floriade started about the establishment of a permanent Floriade. There would be a significant capital cost associated with that. Successive governments have chosen not to do that.

MR SMYTH: It's just that \$12 million is not going to go very far on a 250-hectare site. I suspect that \$12 million wouldn't even put a fence around the site. What will we get for \$12 million? Is there any point in starting something on a site that big when you don't know how long the process is going to be or what it's going to cost you all up?

Mr Stanhope: You could stop at that—that's my point. The point I was seeking to make in relation to this particular site is that the government was presented with a challenge. The site has already been replanted with radiata. The site was planted at a time when it did rain—that was in the winter of 2002—and there has been a very significant take. I know that in other areas of the ACT the replanting has not been as successful as we would have wanted. In some coupes, it is around 60 per cent; in others it is 70 per cent and in others it is 80 per cent. I understand that on this particular site it was almost whole.

The site is currently covered with rapidly-growing pinus radiata. Post the 2003 bushfire a decision was taken that it wasn't appropriate to maintain a radiata forest on that site. Having taken that decision, some radiata plantings—not a forest but dispersed—are, we believe, quite appropriate. Faced with that decision, the government then needed to take decisions around the question: if it's not going to be a radiata pine forest, what will we do with it? We decided on an international arboretum and, at a level, we could quite easily achieve that with \$12 million. The answer to the question is that successive or future governments can take whatever decision they wish with the arboretum gardens. You can leave it as a \$12 million arboretum or you can seek to take on the world. My proposal at this stage, and my intention, is to take on the world with this arboretum and these gardens.

MR SMYTH: With \$12 million?

Mr Stanhope: At this stage, yes; but I've got a feeling that it won't be me who makes the decision. This is probably a 50-year project which will be a challenge for successive governments. But, if they choose not to take the challenge, we'll have a wonderful \$12 million arboretum.

MR SMYTH: Is the rest of your trip to Washington to look at gardens as well?

THE CHAIR: Mr Smyth, no! Excuse me, Mr Smyth.

Mr Stanhope: I will take the opportunity, but it's primarily around business. I'll be leading a business delegation to Washington and Philadelphia.

THE CHAIR: We will move on now. I did flag 10 minutes ago that we would move on after Mr Smyth's question.

MR SMYTH: I can't help long answers.

THE CHAIR: I accept that, but if you want to get through the rest—

MR SMYTH: You have to control it, Chair.

THE CHAIR: You ask questions but you don't want the Chief Minister to answer the questions in full; and then you complain that you don't get enough information.

MR SMYTH: You're just shutting us down.

THE CHAIR: We will move on to output class 1, government strategy—1.1, strategic policy.

DR FOSKEY: I'm going to ask this question of all the departments and ministers. This is the first year we're using some sustainability indicators in the budget reporting. I'm interested in whether you've had any feedback on them and whether you feel they're taking us where we want them to take us, to make the budget a more useful tool in developing sustainability.

Mr Stanhope: I personally have had no feedback, although it may be that the officers or the Treasurer have.

DR FOSKEY: We'll be exploring that. I know that there is a desire to have feedback, because this is a developing tool.

Mr Stanhope: Yes, absolutely.

DR FOSKEY: That's something that I can perhaps assist with through my questioning. In the Canberra social plan—and we can talk about the social plan and all the government's plans, which are overseen by the Chief Minister's Department—action 6.1 says that the government will allocate significant additional funding for the supply of public and community housing, yet projections made in the accountability indicators for social housing services—that is budget paper 4 at page 320—indicate a net reduction of

98 in the number of social housing dwellings. Investment in self-funded building projects also appears to be decreasing. Can the Chief Minister explain why there hasn't been significant additional funding for public and community housing in this budget?

Mr Stanhope: I think the detail of issues around housing would perhaps be better handled by the minister and his department. The non-appearance of funding for any initiative in this budget is a simple and direct result of, or response to, the bottom line budget position.

This was a difficult budget for the government; we've acknowledged that. We did not have available the funds that we had hoped for a year ago, or indeed that were indicated by the mid-year review. The simple answer to the question is that it was a hard budget to put together; some tough decisions were made; and, at the end of the day, we provided according to a range of priorities which we set ourselves and a range of pressures on a range of expenditures.

The level of funding for housing followed three years of enormous additional expenditure. There's been something like an 80 per cent increase in funding for social housing over the last three years. Over the last three years we've spent \$200 million on housing, and there is currently in the pipeline \$50 million worth of public housing expenditure. Those are the reasons.

It's a matter of regret that the level of funding that I, any of my ministers or indeed any member of the community, would have liked, in an ideal world, for just about any priority that you wish to name, wasn't greater. It's simply a result of or response to the moneys available and the pressures and priorities the government had.

MS PORTER: Chief Minister, could you outline to the committee the whole-of-government approach taken to the strategic policy and implementation and how this budget facilitates that whole-of-government approach? It's referred to in budget paper 4, page 28.

Mr Harris: I assume you're referring to the Canberra plan.

MS PORTER: My supplementary was going to refer to the Canberra plan, but I was really referring to the whole-of-government policy development and its implementation. If you want to answer my supplementary at the same time and go onto how it aligns with the Canberra plan, I'm quite happy for you to do that.

Mr Harris: The objective of our strategic policy development is to provide whole-of-government policy advice to the Chief Minister and to cabinet. We attempt to do that in a number of ways, but the current focus comes from the Canberra plan.

All policy issues have some relationship to the Canberra plan, or should have. To the extent that they don't, they sit outside policy at this particular point in time. One of our objectives is to ensure, when we are giving whole-of-government strategic policy advice, that we are relating it to the various components of the Canberra plan, be that the white paper, the social plan or the spatial plan or, to a lesser extent but still importantly, the sustainable transport plan.

We have core areas of the department that are devoted to that task—primarily the policy and cabinet division within the department—which clearly have responsibility for pulling together whole-of-government responses to all cabinet submissions that come through from line agencies or other ministers, providing specific advice to the Chief Minister as to the relevance of those proposals against the broader objectives of the Canberra plan and the particular objectives of the components of the Canberra plan.

MR MULCAHY: I have some questions, Chief Minister, about the community inclusion board fund. Just by way of background, I know that in the state of the service report for 2003-04 there are quite a few references to close and effective links between the ACT public service and the community. I cite, for example (vi), “close rapport with the community,” and at (viii), “The ACT public service is close to the community.” At page 7 it says, “We’re working closely with the community.” At page 34 it says, “The staff are working directly with the community,” and on page 34 it says, “We value the way community organisations work closely with us.”

Could you explain what the board and the fund will achieve that could not be achieved by a public service that is obviously so closely meshed with the community—and could you also indicate what funding is available to the board.

Mr Stanhope: The community inclusion board was a direct outcome of the development of a social plan, our commitment to implementation of the social plan and to some of the very demanding targets that we’ve made through the social plan. The rationale was very much the desire, or determination, to have available independent expert advice on issues of community inclusion.

If we can expand on, discuss or debate what we mean by that, or what we’re seeking to achieve, the social plan or the Canberra plan is underpinned by a philosophical position or direction of this government—that every member of this community has an equal opportunity to reach their potential and, through reaching their potential, to participate fully in the life of the community. It’s one of the underpinning values of this government; it’s our essential and basic philosophy; and we’re looking at how we might achieve that, which to some extent it is always argued is unachievable.

Through the initiatives we’re pursuing through the social plan and the establishment of the community inclusion board—and through it the community inclusion fund—we’re looking at new, better, different and hopefully successful ways of addressing disadvantage in the first place, or ultimately. In seeking to address disadvantage, we’re looking for new ways of ensuring that everybody has the opportunity to reach their potential.

In the chairman of the board and through its membership we have a quite remarkable group of people with a particular insight into issues of community disadvantage—and we have significant disadvantage within this community. The danger always, in a relatively affluent society or community, and particularly in the pre-eminent planned city in the world, is that from time to time we tend to forget that, for instance, we have 30,000 people in our neighbourhoods who live below the poverty line.

Some of those people who battle with disadvantage, who are on the edge, tend to fall between the cracks and fall out of our line of vision. And some of them present some of

the most intractable problems that communities face in relation to addressing disadvantage.

MR MULCAHY: I understand that that's a very worthy direction, but my question was: what are they providing that this very community-focused public sector can't provide? I also asked you what is the cost of the fund.

Mr Stanhope: They provide expertise; they provide innovation; they provide potentially a new way forward.

MR MULCAHY: They are not resident in the public sector?

Mr Stanhope: Yes, most certainly.

MR SMYTH: I'm sure Mr Harris is disappointed to hear that there's no innovation in the ACT public sector.

Mr Stanhope: Mr Harris is not at all disappointed to hear directly from me that he's no Hugh Mackay, the pre-eminent social commentator.

MR SMYTH: That's not what you said. You said that the innovation is not resident in our public sector.

Mr Stanhope: No. I said that level of expertise.

THE CHAIR: Order! This is not the place to have a little dialogue going across the table, please.

Mr Stanhope: Whatever he is, despite his sterling personality and character, and despite the sterling qualities of every ACT public servant, we do not have within our ranks a Hugh Mackay—somebody with a lifetime understanding of community, social and societal dynamics. He is the pre-eminent Australian social commentator and expert in relation to the operation of societies. Why wouldn't you engage the person—

MR SMYTH: So Peter Sterling is going to run sport and rec for you?

Mr Stanhope: Why would you not understand? Why would you not support the engagement of somebody of that enormous capacity, depth of experience and understanding? It's through Hugh Mackay, as chair of the board, and its extremely high quality membership, that we're pursuing 15 or 16 separate projects in partnership with the community. They are absolutely wonderful projects, all designed to enhance inclusion and all designed to ensure that we address issues of disadvantage.

All the time I have been in the Assembly the issue that people within the community sector come and talk to me about and express, I believe, the greatest degree of frustration about is our capacity to intervene early in relation to a range of issues that affect or impact on people's capacity to be part of community life. We need some new approaches; we need new directions; we need innovation and experimentation; and we need courage to find new ways of doing things better.

That's why we've established the family and children's centres. That's why the community inclusion board is conducting a household debt project—something that's never been done in Australia—dealing with those people who have intractable debt problems, who spiral into poverty because of their incapacity to manage even basic finances.

Nobody's ever done this work, and we're doing it. Nobody's ever established child and family centres of the sort and the character that we've established in the ACT. I believe it's leading edge. It's new; it's a new way forward; and I believe you'll see in time that it'll be adopted nationally.

MR SMYTH: And the costs?

Mr Stanhope: There is a cost. I'll ask Ms Hudson to go through some of the details of the projects and the costs.

Ms Hudson: The cost for the community inclusion board is \$565,000 for 2005-06. That includes the remuneration for the board members.

MR MULCAHY: How much of that is remuneration?

Ms Hudson: \$90,000 is remuneration—secretariat support—and there is also around \$290,000 for research and projects, including projects that the Chief Minister referred to. The board is set up in a similar manner to the Canberra partnership board, which looks more at business working with government, whereas the community inclusion board is more government working with the community on the social issues and providing that high-level social policy advice.

MR SESELJA: Does that \$565,000 include the \$480,000 being rolled over, or is that a separate figure that's rolled over in budget paper 4, page 40?

Ms Hudson: The total amount for 2005-06 for this is \$2,065,000 for the board and the fund.

MR SESELJA: So \$565,000 goes to the board. The \$480,000 goes into that \$2 million and it's just a sort of \$480,000 rollover, which helps make up that \$2 million?

Ms Hudson: \$382,000 of the rollover is for commitments under the community inclusion fund. When the deed of grants went out it was around December, I think. That money needed to be rolled over for that amount. About \$106,000 was rolled over from the board's allocation from last year.

MR SMYTH: Is that a reduction, then? Did you say \$2,065,000 for the board and fund this year?

Mr Harris: There has been no reduction in funding for the board.

MR SMYTH: I thought last year's figures had something like \$2.3 million for 2005-06.

Ms Hudson: No.

DR FOSKEY: I have some further questions. I commend the community inclusion fund and the process. I know there are some excellent projects that are often quite difficult to get going under the usual departmental guidelines. I can understand why the fund fulfils a purpose.

I also know that there were 120 applications last year and a total of \$80 million worth of funding requested, which out-numbered grants eight to one. ACTCOSS called on the government to assess the worthiness of all the proposals that were in at the moment, and to allocate funds in the budget so that the particularly worthy projects could be funded.

I notice from the budget that this hasn't occurred. I'd like to ask the Chief Minister or, through the Chief Minister, Ms Hudson if this proposal was considered in the budget process. Will worthy proposals that have already been before the board be included in the next round, or will community organisations have to rewrite their proposals and resubmit?

Mr Stanhope: Ms Hudson may wish to respond to the second part of the question but, in relation to the first part, the suggestion or request by ACTCOSS was taken seriously by the community inclusion board. Indeed the chair, Hugh Mackay, wrote to me about it and I pursued it with my ministers. I took up the suggestion. I informed each of my ministers that, in considering the work and priorities of their departments, they should take account of the nature of the requests or the proposals put that were unsuccessful; that they should, as appropriate, and of course subject to their view and their discretion, pursue them in their budget deliberations or considerations. It's a very good point. As you say, there were 122 applications seeking \$24 million worth of funding. It's not unusual that, in any grant or funding round, those are the sorts of responses received.

In the first call for submissions for community inclusion fund funding, applications for the community totalled \$24 million. That is obviously, of course, well beyond the government's, the board's or the fund's capacity, but it is only reasonable that that work not be discarded but that it be pursued, and that's what we did.

Ms Hudson can talk about the funding process for the next round but I wouldn't have thought it was possible to say that these submissions weren't taken into account, that they were ignored, or weren't funded. They might not have been funded discretely as a project but they would certainly, as a review of those programs that were successful for funding would show, be partnerships. In many instances they enhance or broaden work in hand, in any event. So it may be that the proposals informed departmental assessment of priority.

Ms Hudson: One of the key functions, in fact, of the fund is to build on the work that was done under the addressing disadvantage project. Some of the outcomes of that were the importance of government and non-government agencies working together to progress these areas of disadvantage, and also that we should be looking at multiple risk factors that individuals face and giving a holistic response, rather than one individual risk factor being taken care of by one department and another being taken care of by another department.

That sort of best practice innovation and looking for the way forward is one of the things

that is really looked for in the fund. Agencies look through and assist with the assessment process. Part of that is looking at how they can do core business better as well—so there's that advantage of the applications coming in.

There's been mixed feedback, originally from ACTCOSS, for example, around whether the fund should stay broad or whether it should perhaps focus on one particular area—for example, indigenous disadvantage. That issue will be considered by the community inclusion board at its next meeting towards the end of May.

One other thing that may be useful to mention about the board is that it does have two government chief executives as well as non-government representatives. So, again, that partnership between government and non-government is articulated both in the board and through the fund, which is proving to be very worth while.

THE CHAIR: We will move onto 1.2.

MR SESELJA: Chief Minister, under strategic implementation and projects, do you have a basic idea of how many people are in this area and what they do?

Mr Stanhope: I'll ask Mr Tomlins to explain that.

Mr Tomlins: The area has roughly 20 people in it, working on a range of projects. There's the raft of projects flowing from bushfire recovery, so there's essentially revamping Tidbinbilla; there's the rural villages project; there's work on the Cotter; there's the Stromlo recreation park and the arboretum. We are also doing the office project that's been talked about, the dragway, monitoring the Canberra plan and some of the whole-of-government work that was talked about earlier today. There are 20 people in the area.

MR SESELJA: In budget paper 3, page 173, there's \$2.2m in 2005-06 and nothing in the outyears. Would you be able to give us some background to that?

Mr Tomlins: As the bushfire recovery winds down, the projects that have a whole-of-government input are moving into design. They will be handed back to the department. In other words, they'll be mainstreamed. Tidbinbilla will go to Environment ACT and Stromlo will go to the recreational areas to manage, et cetera.

MR SESELJA: Thank you.

DR FOSKEY: I'm interested in the process by which strategic projects are determined—for instance, how you decide whether to provide funds for Stromlo forest or increase funding to the arboretum against, for instance—and these are just instances—putting more dollars into water saving initiatives. I'm wondering if you have a set of guidelines or other pointers to making such decisions.

Mr Stanhope: They're decisions that ministers make.

DR FOSKEY: Those are cabinet decisions?

Mr Stanhope: Yes, it's the cabinet budget. That's essentially the work that's done

through the cabinet budget process in determining what a government's priorities are and what funding requirements or imperatives we need to meet.

Of course, the decisions are made on the basis of detailed assessments by departments—in many instances through formal cost and feasibility studies. As I indicated before, this is part of the process of government determining what initiatives or projects to pursue and, at the end of the day, how much money to allocate to them.

I don't have the numbers with me now but, in the context of the entire spend represented in these budget papers, 10 times as much would have been bid for by departments and agencies. I say that just roughly—an awful lot more, I'd better say, to be less specific. We have had the discussion on the community inclusion fund. We call for applications for the expenditure of \$2 million and get \$24 million worth of bids. That's representative of almost every issue that the government faces in relation to expenditure.

DR FOSKEY: In relation to questions I asked earlier about Cotter revegetation and the business case study for the current approach, we're told to refer to the Jaakko Poyry report. However, this is a business case for commercial forestry. I'm just wondering if a thorough business case assessment was undertaken of replanting with pines or, for instance, replanting with various native species. Was there a predicted cost arrived at of replanting with natives? Has this figure been robustly evaluated?

MR MULCAHY: Chair, I don't want to be difficult, but this seems to be well off the expenditures for CMD.

DR FOSKEY: It's in the budget.

MR MULCAHY: I know it's an interesting issue.

DR FOSKEY: I thought we were talking about the budget and, in fact, the Chief Minister's Department.

MR MULCAHY: All right.

DR FOSKEY: And strategic implementation and projects.

THE CHAIR: I think we can let the Chief Minister deal with the question as it comes, Mr Mulcahy. I'm sure he's capable of dealing with it.

DR FOSKEY: I understand your concern about keeping me on track, but I think I'm on the track.

Mr Stanhope: It is a question that's very specific to work that Mr Tomlins has been responsible for marshalling. I'll ask Mr Tomlins to respond to the work he did through the shaping our territory implementation group, which delivered that range of work. He should be able to assist.

Mr Tomlins: The shaping our territory work governed the philosophy that's being implemented for a range of the non-urban areas, even though some of the expenditure is in other agencies. In terms of the revegetation of the Cotter, there was quite lengthy

consideration of whether pines, natives or grassland should be implemented in the area.

There is no easy answer. One member of the non-urban studies steering committee, Professor Wasson, indicated that the knowledge of restoration ecology is in fact fairly limited. Professor Peter Cullen, Professor Wasson, Professor Kanowski and Sandy Hollway took the lead on this issue with consultants who are expert in a range of issues assisting. The debate about what should be done to restore the Cotter was probably the most lengthy exercise of the non-urban study.

The considerations that were taken into account were essentially the issues of controlling erosion. The quickest way to do that would be to reseed the area with grassland. The problem then is that the bushfire control of grassland would mean that you'd need to introduce sheep or cattle. The E-coli issues associated with that and the contamination of the water meant that the committee ruled that out. It then went to an issue of replanting. The large-scale replanting with natives was considered to be somewhat problematic for two reasons.

The costing that we got, based on Victorian experience, was about \$2,000 per hectare to replant pines, but it was going to cost about three times that to do it with natives. For a number of reasons, the pine wilding issue was going to be a significant one. As the pines grow faster than natives, the control would have to be quite rigorous—in other words, expensive—to make sure that the pines were consistently removed so that the natives would take hold.

The alternative strategy that was adopted looked at planting natives in all the repairing areas to a width that was sufficient to control the pollution once the natives took hold. This is based on experience elsewhere. Experts were brought up from Ballarat. They had the water monitoring information that was considered adequate—not by our committee but by a subsequent committee with which Professor Wasson was involved.

There was also a requirement that a coupe by coupe, subcatchment by subcatchment approach be taken not only looking at the primary objective of maintaining water quality but also looking at other objectives, such as using some of the area for non-polluting recreation and also taking into account the feasibility of cost with the insurance money that we had available to do the exercise.

DR FOSKEY: That was a very thorough answer, thank you.

THE CHAIR: Just before we move onto output 1.3, for clarification, does the family violence intervention program come under your area?

Mr Stanhope: No; JACS and police. It was a joint DPP and police exercise.

THE CHAIR: That's all right. Yes, I'll redirect it to you as Attorney General.

Mr Stanhope: It's justice and police.

MR SMYTH: I notice that none of the estimated outcomes for 2004-05 have any values against them. Is there a reason for that? None of the output classes in your portfolio contain a breakdown, yet most of the other departments seem to have been able to supply

that information.

Mr Stanhope: I' sorry, Mr Smyth?

MR SMYTH: On page 28 of BP4, you have two columns—2004-05 estimated outcome and budget. I notice there's no estimated outcome for this year, so it's hard to determine which areas have suffered reductions or cuts. Is there a reason for that? I think just about all the other departments seem to have been able to furbish those figures.

Mr Stanhope: I'm sorry, I can't answer your question.

Mr Harris: May I take that on notice and provide you with an answer?

MR SMYTH: Thank you, Mr Harris.

THE CHAIR: We will move along to budget output 1.3, sustainability.

MR SMYTH: Has there been a cut to the office of sustainability in the coming year? It's impossible to tell from the documents on page 29 of budget paper 4.

Mr Harris: The answer is yes; all parts of my department have had expenditure reductions consistent with the five per cent discussion we had earlier on in estimates. It's not even across the department; it varies from section to section, but on average it comes up to the \$3.4 million number that I referred to earlier on.

MR SMYTH: What percentage cut has the Office of Sustainability suffered?

Mr Harris: It depends on how you assess some of the grants programs that we have. Some programs are stopping and others are starting. I would need to take it on notice to give you an exact percentage but, from recollection, it's slightly higher than the average five per cent.

MR SMYTH: So it's higher than five per cent?

Mr Harris: From memory, yes, but I would take it on notice and give you a precise number.

MR SMYTH: Does Mr Ottesen know the answer?

Mr Harris: Mr Ottesen probably does, but it is a complicated exercise to get to that answer given that, through the admin arrangements, we grew the office from about three officers to around 20-odd, or 25 now, by transfers from environment, transfers from Treasury, budget initiatives and so forth. Getting to the number is not as simple as taking two published numbers and making a calculation.

MR SMYTH: All right. If you could take that on notice, that's fine. Can you tell us what the reduction in staff will be in the Office of Sustainability?

Mr Harris: We don't have specific staff reduction numbers across the organisation yet. We're still working through the various management techniques that we will employ to

balance our budget. It is likely that we will have some separations from the department. That's probably inevitable if we're going to meet those targets. Across the organisation, it's probably somewhere between 15 and 25.

MR SMYTH: Across all of Chief Minister's, not the office of sustainability?

Mr Harris: Yes—15 or 25 would take the whole office.

MR SMYTH: What areas will be targeted for reduction in the Office of Sustainability?

Mr Harris: We're not targeting any areas. To the extent that voluntary redundancies, for example, eventuate across the organisation, we'll then recalculate our budgets in order to make sure that we take the minimum pain possible right across the organisation.

That's one of the reasons why some of these numbers aren't as expansive as they might be. I don't know yet, because we've only just started the process, where voluntary redundancies might occur across the organisation. When I know that, and when we've brought together the other techniques that we will bring to bear to manage our bottom line, we'll then recast our budgets to make sure priority areas don't suffer.

THE CHAIR: On that issue—and I apologise because this is also a whole-of-government issue rather than related just to sustainability—rather than looking only at redundancies, are you also looking at slightly friendlier workplaces such as family-friendly practices and looking at offering more part-time positions? I believe most positions are offered on a full-time basis.

Mr Harris: We'll look at every possibility before we look at staff separations. That is the short answer to that question.

DR FOSKEY: As you said, the Office of Sustainability has been through significant change over the last few months, from a small team to quite a large team, and that is very rarely done without some growing pains. I wonder how that transition is going and if you could give me a feeling for that? How has it changed the direction of the work, and the ability to work cohesively?

Mr Harris: I'll let Mr Ottesen make some specific remarks, but you're quite right. We've grown something that had three people and a relatively specific agenda to something now approaching 25 people. It has a much broader agenda than before and a wider range of responsibilities across energy policy as well as sustainability. That takes time, and we haven't had a great deal of time yet. Indeed, this is the first budget that this office has been through. Part of my hesitancy in responding specifically to Mr Smyth's question was that if we're going to answer those sorts of questions we need to put together comparative budgets for something that didn't exist last year—and that's not an easy thing to do. Mr Ottesen might have some more specific comments.

Mr Ottesen: Yes, it has been a challenging task, but, I think, a successful task as well. If you recall, we are bringing together people from three different organisations and setting up our first budget, looking for synergies, locating geographically in the same place so we can create a culture and a direction. So they are some of the challenges we are still dealing with.

DR FOSKEY: You now include greenhouse, which has moved over from the Department of Environment. I have quite a few questions here, so I hope you will bear with me. How much is being spent on greenhouse measures? As you are aware, the budget just gives large lumps, it does not give breakdowns. I am interested in how much is being spent and how that compares with last year.

Mr Ottesen: Our greenhouse and energy program was about half a million dollars, but I cannot give you specifics and a breakdown at this point. I can certainly take that on notice.

DR FOSKEY: These are probably questions for the minister.

Mr Stanhope: Yes, I am listening, Dr Foskey.

DR FOSKEY: I just thought you might have something to add.

Mr Stanhope: No.

DR FOSKEY: These are questions of a political nature. Are you still committed to meeting the greenhouse targets? To follow on from that, what is being done to implement the motion of the Assembly of 23 June last year, where the whole Assembly committed to meeting our greenhouse targets? I have here the report in which you gave your response to that.

Mr Stanhope: Dr Foskey, I accept—along with you, and I am sure with many other people around the world—that one of the greatest, if not the greatest, universal challenge, apart from trying to achieve international peace, is the need for the world to address issues of climate change. We are most certainly staring down the barrel of some very significant and disturbing impacts, as a result of the expanded release of greenhouse gas during the past century or more. I do not dispute that we are not yet entirely aware of or convinced about or knowledgeable on the consequences of that. The ACT community needs to continue to lift its response, as part of the international community, to issues of energy consumption.

These are difficult issues within Canberra, as the vast majority of our greenhouse or energy use involves electricity or petrol. We need to develop a whole range of new mechanisms to ensure that we dramatically reduce our use of the non-renewable energy sources. The single biggest step that we as a community have been able to take since self-government has been the greenhouse gas abatement scheme, which will effectively reduce our greenhouse gas use by more than any other single initiative that we might take, particularly with the funding or support involved in that scheme.

The government needs to do more to show leadership in relation to energy use and energy reduction. A range of schemes is in place across the board. This is the difficulty in answering your first question, the question that Mr Ottesen responded to in relation to expenditure. For instance, we have allocated in just this budget a million dollars for public housing tenants and their energy reduction measures within our public housing sector. That is directed at both showing leadership in relation to energy use or the reduction of energy use within the household and seeking to assist the energy costs for

people within public housing. The government is committed to doing whatever it possibly can. I said at the time of that motion and ever since that the bottom line cost of the information technologies currently available to meet that target is in excess of \$100 million, and we do not have it.

DR FOSKEY: What was the rationale for cutting the solar hot water rebates scheme? That was a really simple, cost-effective measure that was very successfully running. The budget commits no further funds to this program.

Mr Ottesen: I will answer that question. That has been a three-year program—\$1.2 million over that period of time. It is being reviewed at the moment. It is also worth noting that the commonwealth also operates a scheme, and the ACT scheme has been supplementing that as well. We understand that similar schemes in other jurisdictions are not as generous. We are having a review undertaken by Treasury, looking at the cost-effectiveness of the program, or of a future program, and what it can deliver in real greenhouse gas abatement.

DR FOSKEY: This is one city where such a hot water system is quite successful due to our long hours of sunlight, so perhaps that national comparison is not as useful here as might be thought. I understand that the government has made an election commitment to develop an energy policy. I am not sure about the purpose of such a policy or its objective. Is it about looking at how the ACT could locate more of its energy from sustainable energy sources? Is it about energy efficiency? I understand that a high level committee was going to be set up to oversee the policy. Is this still an intention of the government?

Mr Ottesen: We have prepared advice at the moment which addresses all those issues. The issues you ask about, what could go into policies, yes to all those issues. We have just finalised advice on that way forward, what would be the scope of such a document, how it will bring together the existing policies that we have in the ACT on energy and energy efficiency, where are the policy gaps, what are our thoughts on addressing those gaps, and how does that link with greenhouse. So, they are the sorts of questions we are looking at right now.

THE CHAIR: Before you go on, Dr Foskey, for the information of members of the committee, visitors and witnesses the time is a quarter past 12. We are at output class 1.3. I am loath to move on to output class 1.4, even though I know there are quite a few questions on that area, because I think we will get only part of the way through them. We will not finish them. I know Dr Foskey has a lot of questions on sustainability but I have told her she cannot ask all 500 of them. She will place the ones we do not get to on notice and we will have to bring back the areas from 1.4 onward the next time we are due to meet, 2 June. I apologise to everybody that we have not got further along, but that is the nature of the estimates process at times. So, we will finish at 12.30.

DR FOSKEY: I am not sure, Mr Ottesen, whether you answered my question about the high-level committee being set up to oversee the policies?

Mr Ottesen: That is part of our advice that we are giving to government.

DR FOSKEY: I see. Can the minister outline why additional funds have not been

allocated to implement the water policy? An awful lot of expense went into the think water act water strategy, for which I certainly commend the government, but it is not much good if it falls flat on its face now because of lack of funding. I note that the Institute for Sustainable Futures recommended 15 low-cost measures to save water, water efficiency measures, that could cut \$40 million in our expenses. I am wondering why all these measures are not being taken up?

Mr Stanhope: I will ask Mr Ottesen to respond to the detail of the question. I do not have the numbers with me—I am not sure that I have them in the briefing paper—but one area of very significant expenditure has been in relation to water and water policy. If one looks across the board at the moneys we have committed, expended or anticipate expending on water it really is quite significant. For instance, in the context of a jurisdiction as small as the ACT, we have a very narrow funding base and we have a small budget. In the context of our budget, the \$5 million commitment that I have made, and which has been funded, for national water initiatives, or the Murray-Darling moneys I expect to be expended in the ACT, is a very significant commitment to water and the implementation of the water policy and issues about water. Of course, we are hopeful that through the national water initiative and the partnership between the commonwealth and the states and territories we will expand our commitment to the implementation of water policy.

Through Think Water, Act Water, we set ourselves some very demanding targets in relation to the production and use of potable water and an increase in the use of grey water. At this stage I am more than satisfied with the progress we are making towards those targets—which are tough targets. For instance, just in relation to grey water, we as a city use or re-use grey water at a greater level than any other place in Australia. Our level of achievement is appropriate in the context of the targets that we set and over time will become more and more so. But Mr Ottesen will have details of expenditures.

Mr Ottesen: Yes. The office's budget for water is \$2.1 million. With Think Water, Act Water we are really into one year of a four-year program. We are looking to do a review of that after one year, to check progress and look for efficiencies. That program encompasses many areas. You would be aware that we have some rebate programs. We have an indoor program, which is proceeding very well and attracting a lot of interest in the community. We have an outdoor program, which is looking at efficiency in gardens. We have a rainwater tank rebate system out there. We had a showerhead program, which we stopped in December, but we have rolled it into the indoor program. There was a previous showerhead program, more than 12 months ago, which was very successful. We have released rainwater guidelines. We have released grey water guidelines. There was recent legislation to bring in a water-efficiency labelling scheme. So a number of things are happening in a broad number of areas.

DR FOSKEY: What measures are being undertaken to evaluate the effectiveness of those programs and whether you have the right mix there?

Mr Ottesen: Well, as I said, we are looking to review the first year of the program, and this is a normal thing as part of a four-year program. That has also been identified in the strategy.

THE CHAIR: Does the home energy advice team come under your area, Mr Ottesen?

Mr Ottesen: Yes, it does.

THE CHAIR: It sounds like an excellent program to me, and I kept thinking I must get in contact with them and get them to assess my place. What has been the nature of the response and the take off?

Mr Ottesen: That has been a very successful program. It was first introduced in 1998. We are approaching the end of a contract period, in October. That service provides residents in the ACT with free advice on how to improve the energy efficiency of their houses. This has implications for their bills and also on greenhouse.

THE CHAIR: And more money has been put in to continue it?

Mr Ottesen: Yes. There is already existing money in the budget. There is extra money to top that program up.

DR FOSKEY: Is it true that the water program lost \$300,000 through the budget process? That is what it looked like from reading between the lines.

Mr Stanhope: I think that question will have to be taken on notice, Dr Foskey.

DR FOSKEY: Okay. Finally, could you please provide an update on the proposals that the office has been developing in regard to the national water initiative?

Mr Ottesen: Yes. The government expressed its strong commitment to the national water initiative. There is an Australian Water Fund, which the Commonwealth has advertised, and we have put up a proposal to that fund for consideration. It is focussed very strongly on effluent re-use. As a city, we have already achieved a lot with that, but we can do substantially more by improving or extending the existing infrastructure. Our proposal is about an investment in better infrastructure so we can make better use of our effluent and therefore create more recycled water.

THE CHAIR: I think this question might come under the environment, so I am happy to ask the question then, but my office has put it under this area. The national weed import and fire ant eradication program is environment, is it not?

Mr Stanhope: That is the environment but I am happy to answer it now if you like. It is a national scheme jointly funded by all states and territories. It drives me mad.

THE CHAIR: We do not have any red ants here?

Mr Stanhope: No, we do not.

DR FOSKEY: It must be working.

Mr Stanhope: That is what drives me mad. It is one of these frustrations with a federation but it is a vital piece of attempted eradication or control of a major pest that unfortunately landed in Brisbane from, I think, the United States. It is a very invasive ant. It is very destructive and very aggressive. All states and territories are working

desperately in the first place to contain it and in the second place to eradicate it. At this stage, the states and territories and the commonwealth combined have spent millions. It now takes us up to \$600,000 to \$700,000 over the past few years—all designed to ensure that it never gets here, of course. It is a major pest. There are a number of jointly funded programs such as this. This one is, I think, the most expensive that we have been involved in. I am advised by Queensland that they are very encouraged by the results to date. It has been contained but not yet eradicated.

THE CHAIR: We have not seen any of them here in the ACT?

Mr Stanhope: No they have not crossed the NSW-Queensland border yet.

DR FOSKEY: They are riding on the cane toads.

Mr Stanhope: That is the worry. The cane toad is another project. The cane toad has reached Darwin, unfortunately, and is heading for the Kimberleys.

MS PORTER: I suspect it is probably too cold for them down here.

DR FOSKEY: Let us hope so.

THE CHAIR: Okay, we might finish it there. I ask Dr Foskey or anybody else who has any further questions on sustainability to place them on notice. Thank you, Chief Minister and officials, for your attendance today. As I outlined before, we will see back those areas from 1.4 onwards, but Mr Ottesen is free to go, as are areas 1.1 and 1.2.

Meeting adjourned from 12.26 to 2.00 pm.

ANDREA SIMMONS was called.

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

Ms Simmons: My name is Andrea Simmons. I am here today representing ADACAS—the ACT Disability, Aged and Carer Advocacy Service. I am the manager.

MR MULCAHY: Chair, before Ms Simmons proceeds, I wish to clarify whether she is also an employee of the Legislative Assembly.

Ms Simmons: I have not been an employee for a couple of months. The role of ADACAS is to assist people with a disability, people who are ageing and their carers to speak about the things that they need, and about their dreams and aspirations. For many people, this means that we provide information and support and we assist them in identifying their options for action, and we stand beside them as they progress their own issues. That is the lower level of what we do.

For others, particularly for people with severe communication limitations or decision-making limitations, our role is essentially the same but different; it is much more complex. We still have to find ways for this group of people to communicate to the appropriate people the things that they need and desire in their life, but we also have to take responsibility for ensuring that the messages that they have are heard and for discovering ways for them to communicate meaningfully with other people.

Today I wanted to come and talk specifically about that group of people who are not able to speak for themselves, often because they cannot speak or because their disabilities are so severe that they do not allow them to have the option of communicating in the way that ordinary people do. They are often people that we have traditionally described as dangerous or, more euphemistically these days, people with challenging behaviour. Their behaviour is often difficult to manage, they can be violent and they can have a limited capacity to communicate their feelings or needs to other people and, for this reason, they are amongst the most vulnerable people in our community.

They find it difficult to form relationships with other people because of their challenges and it is also very difficult for them to let people know how they feel. Traditionally, our system has been to put people like this together with people who are the same as them in a house or a facility where the focus of the management has been on keeping them safe and keeping other people safe. Safety in that context has been about preventing physical damage occurring to the people themselves, to the staff that work for them and to the rest of the community—so it is very much about just keeping people physically safety.

Little regard has been paid to their emotional health, their emotional wellbeing. That is

partly because it is difficult and partly because when you have to focus on containment you are not focusing on people's internal needs. The community preference has been for those sorts of facilities and houses to be located as far away as possible from other people so that their challenging behaviour is not disturbing to others and we can feel comfortable and secure.

You are probably wondering about now why I am here and what this has got to do with the budget estimates, but I wanted to let you know that I am focusing on this group for four reasons. The first is that the budget talks of a really significant capital investment supposedly for the benefit of these people, and I will talk a bit more about what that is later. It is also because we see in our work at ADACAS a great disconnect between the way the ACT service system is currently treating this group of people and the values and directions that have been outlined in the vision, values and future directions framework adopted by the government and promoted by the government in relation to disability matters.

I am also here on this topic because recent research and documented developments now provide us with much better and more humane and respectful ways of responding to the needs and behaviours of this group of people, and some of this stuff is relatively new and is worth talking about because people have not heard about it. We are still operating on kind of an ancient set of thinking. Lastly, I am here because I want to urge the government to take a values-based approach to providing service and support for all people with disability, not simply the easy ones, not simply the ones that we like to be near and around, but for those people whose communication and behaviour seriously challenge us.

I could spend the rest of my limited time telling you about the way our service system is not meeting the needs of these people, and I have a long list because we work with them on a day-to-day basis, but I do not want to go there at the moment. I want to let you know that much of what happens to this group of people would not be tolerated by any of us in our lives. Let me give a couple of examples. We would not accept living with armed guards and a constant array of strangers wandering into our house and treating our home as their office, nor would we accept being told how we are to live and who we are to live with, and for how long, and being asked to shift whenever the mood takes a bureaucrat.

I could go on, but I do not want to because I know that our service response has been driven by a paradigm that is based on a notion that this group of people are unable or unwilling to control their behaviours. We think that they need tightly and externally controlled environments and that they have little or no opinion about their treatment or their circumstances. Our service response to this group is not going to change until we change this set of assumptions that we make. We know now that this set of assumptions is wrong. We know it now particularly because of recent technological developments that have helped some of these people communicate with us where they were not able to before. People that the community assumed did not have the cognitive ability to communicate are suddenly able to communicate because of technological assistance. They have been able to tell us for the first time the things that they care about, and that they know what we do to them, and it hurts.

I take this opportunity today to challenge the government, in particular, to change the

basis on which those decisions are made. This group of people are entitled to the same level of respect for their needs as every other person with a disability and every other person in the community. Much more effort needs to be made, and can now be made, because we know how to do it, to help them communicate what they need, and to help them manage their issues better.

There is a substantial evidence base confirming that many people now labelled with seriously challenging behaviour can find ways to modify their behaviour if they get the right sort of compassionate, informed guidance. We know that this guidance has to come from skilled people who are willing to take the time to get to know the individual and to work with them in their environment, and we know that it is expensive, but we also know that it pays lots of dividends in the future. We also know that we can help many of this group to communicate.

We have to resist the temptation to see the answer to their needs as residing in the development of some kind of fancy custodial arrangement, and I'm now getting to the point of what all this was about. We have to start from the premise that all people should be accorded respect and be recognised as needing the same things for a good life—a home, people who love and respect them, meaningful activity, and power and control in their lives. We have to give careful consideration to the setting and the environment where these people spend their time, and the influences that are around them, because we know that all people are influenced by the people around them. I ask you: how does it make any sense, with our current level of knowledge, to persist in surrounding people with challenging behaviours with other people with challenging behaviours? That is exactly what we do.

With everything we know, is it not more reasonable to put these people with difficult behaviours with other people who can model socially acceptable behaviours, who can appreciate their abilities and their struggle to communicate and be in this community, and who can assist them to build on their strengths? That is what I want to urge the government to think about doing, much more than it has to date. This budget sets aside \$1,660,000 for an intensive care and treatment facility for these kinds of people. It is to be constructed over two years beginning, as I understand it, in January 2006. It also sets aside \$104,000 for the reconfiguration of accommodation for two people in Long Gully—that is where we currently put people that we do not feel comfortable with.

While it might be true that there is occasionally a need for short-term containment of these people for their own safety, and for other people's safety, we now know that a respectful and skilful approach to working with their challenging behaviour pays long-term benefits to the community. For most people, the vast majority—and more and more, as we learn more—it means that down the track we need a much less restrictive environment for these people. But it does require putting in the energy, the effort and the money in the first instance.

It is also well known that the most effective behaviour management strategies for this group of individuals are environment and lifestyle specific. If you help people work out how to behave in a particular way in one environment, it does not actually translate into another. If you do it in this specific fancy facility, in many cases—when they go back to live in the community, or in their own home, or in their workplace—what they have learned will not translate, and we know this. It is not open to question; it is proven. So

why do we have this special purpose facility? I know there are other groups in the community that might have a different use for it. I know that a good number of the people whom it is intended will use this facility are actually the people I am talking about. I urge you to understand that we know, virtually without exception, this group is not going to benefit significantly from such a facility. Why spend all this money? Can we think instead about planning to provide effective long-term skilled support, directed towards helping this group have more say and more control over their lives?

THE CHAIR: Thank you, Ms Simmons.

MR SESELJA: You spoke a little about a values-based approach. What do you mean by that?

Ms Simmons: I mean that we spent a lot of time in the disability reform process a few years ago developing a vision and values for how we should work with people with disability and how we should treat them. I do not have any gripe with that approach, but we are not using that approach for all the people we work with. We are only using that approach where it suits us. I am saying that those sorts of approaches, those sorts of values, need to be applied to the people that I am talking about here as well.

MR MULCAHY: You mentioned challenging the government, and you talked about behaviour modification and working with people in their environment. Have you got any costings or estimates on what you think that might cost?

Ms Simmons: No, and it is something that I would like to do more work on. As you know, I only moved into this job in the last few months, and some of the research I am talking about comes from overseas and is relatively new. That is something I would like to produce for the Assembly down the track, but it will take a bit of time and effort.

MS PORTER: You mentioned there have been various technological advances. Could you, very quickly, give us an idea of what they are? Also, whilst we are trying to find out what it is that they would prefer or how it is they would like to express themselves, and how that combination, for instance, may be more suitably provided, what happens to these people in the meantime?

Ms Simmons: Assistive technology takes a variety of forms and I cannot easily describe it to you. I have seen a few different things in use. Some of it is about fancy computer systems that people are able to use to express themselves. Somehow or other, for some reason they cannot do it in any other way, but they can hit a key on a computer and the computer will have been configured to know that hitting that key means this set of words. There are also various boards that people use and skilled people are working now with individuals using this technology that can help them translate stuff.

Your other question was about working with people and what we do with them in the meantime. I would say that you work with people in the least restrictive environment that can be safely managed for those persons. In the vast majority of cases, the least restrictive environment will be a home-type environment. But it will also be about having the right kinds of supports for the person—that is, you don't put them in a home-type environment with a security guard; you put them in a home-type environment with people with them that have the capacity, the knowledge and the skills to understand

them and to help them manage their behaviours. That's a considerable difference from what we currently do. The skills and training of many of our carers at the moment are very limited. You have to suit the purpose to the person that you are employing, and we are not doing that well.

MRS BURKE: There will be \$1.660 million for an intensive care treatment facility. Why is that not going to meet the needs of the people out there?

Ms Simmons: Perhaps I did not explain it very well. When you work with people with challenging behaviours, you have to work with them in the environment that they need to get around in. If you teach them something in a special facility, in a very controlled environment that is very different from their home or their workplace, or out in the park where they might go, then, because of their understanding difficulties, their cognitive difficulties and their behavioural difficulties, what you teach them doesn't translate. It just doesn't. Much of the behaviour is environment specific.

DR FOSKEY: Thanks, Andrea, and I will seek a briefing from you about the kinds of treatment and facility that you think are appropriate. I have a generic question about the budget. Have you have had a look at the sustainability indicators for the sector that you are interested in, disability, and how you think they measure up? We are very keen to make sure that the government is measuring its performance by the right kinds of indicators. If you have looked, I would like to hear; if you haven't, I would like to hear from you later.

Ms Simmons: You'll hear from me later on that one.

DR FOSKEY: A question on notice.

Ms Simmons: If what you are looking for is a community in the longer term where all people have a capacity to contribute and to connect with others, and to have a meaningful life, then the way you go about it is not by removing people from the community. You go about it by working with them in the community. The research is starting to show that this is a very cost-effective way to do it. It does not start out looking that way because the up-front costs are high but, in the longer term, people, once they learn skills, are able to translate them and to keep them going—with support often, but with much less intense support—with less need for crisis intervention. There would be no need for incarceration, no need to head off to Woden hospital only to be shunted somewhere else because they won't take you. That's the sort of thing that proper intervention at the right time avoids down the track. I would say the other is unsustainable.

THE CHAIR: Thank you.

ANGELA SEYMOUR and

PAUL BARTHOLOMEW

were called.

THE CHAIR: Welcome. I invite you to start by making a statement to the committee.

Ms Seymour: First of all, I would like to thank the committee for inviting us to present to you. ACROD ACT division is the national peak organisation for disability services. My name is Angela Seymour. I am the executive officer of that organisation and with me I have Paul Bartholomew, who is the chair of ACT division's committee.

ACROD ACT division works with 28 member organisations based in the ACT, ranging from the large multiple service providers to small self-help groups, so we have a fairly wide membership in that sense. The clients and members of ACROD ACT member organisations are numbered in the thousands, as I suspect most of you know. Most of them are the most disadvantaged and marginalised members of our society in terms of life opportunities and life expectancy.

ACROD ACT welcomed the budget initiative to assist people with disabilities, and the community organisations that support them in this budget, and is pleased to see that the ACT government has acknowledged that the services to people with disabilities in the ACT have been, in the past, grossly underfunded. According to 2003 statistics from the Australian Bureau of Statistics, almost 16 per cent of the ACT population have a reported disability. That has actually increased from 14 per cent in 1998. People with disabilities are living longer, the survival rates for babies born with disabilities are improving but, unfortunately, the number of people with disabilities entering the work force is declining or, at best, staying stagnant.

It is for this reason that ACROD sees as essential that the ACT government have a transparent and well-publicised plan for meeting the expected expansion of need over the next five to 10 years, working with their community partners, our members, to successfully implement this plan. Whilst we are encouraged that the focus of increased spending measures in the budget is on early intervention and increasing the capacity of people with disabilities to participate in the community in a fulfilling and productive way, we also need to ensure that the community sector has the capacity to support them in these initiatives.

Indeed, the ongoing failure of ACT government to adequately fund community organisations in a way that truly compensates for the costs of quality service and the true cost of management and infrastructure is something that will not simply be solved by an extra one per cent funding in 15 months, and by this I am talking about the indexation change of model that will be implemented in 2006. Unfortunately, this budget does not give us confidence that the ACT government is prepared to look strategically at this expansion of need that is going to happen and be inclusive of the community sector partners.

By continuing to respond to unmet need by increasing individual funding packages—the ISPs, as they are called, and there has been quite a bit in the media recently about how

they provide the support dollars that are linked to an individual—the government is limiting the ability of community organisations to enhance their capacity to help meet the unmet need. The ACT government has recognised the value that the community sector contributes to Canberra in its social plan and commits not only to producing their longer-term viability but also to a more collaborative approach. The social plan, priority 3, states:

The policy moves away from the outdated purchaser/provider model towards a more collaborative approach ... This will ensure the longer-term sustainability of community organisations, maximise consumer outcomes ... and support innovation ...

The ACT government needs to look at a way of ensuring that year after year it does not have to return to the budget process, looking to plug holes by crisis intervention. ACROD believes there are two ways of achieving this. Firstly, the expenditure has to focus on early intervention and support and, as I've already stated, the budget has started on this approach. Secondly, we desperately need a long-term planning strategy and measured growth funding for community organisations and for individuals that truly recognise the invaluable contribution that community organisations working in the disabilities sector make. Just by way of reference, the Western Australian Disability Services Commission has committed to a planned and transparent growth funding formula which is built into the annual budget process. The ACT government has not got that, as yet. Thank you.

THE CHAIR: Thank you. We have time for some questions.

MR MULCAHY: Ms Seymour, I have two questions. What is your view, and I think you may have subtly indicated this at the end of your remarks, about the ACT government's performance in terms of hiring people with disabilities? Secondly, at the commencement of your remarks, you spoke of an increase in the number of people in the ACT community indicating they have a disability from 14 per cent to 16 per cent. Is that on self-assessment or is there some other basis on which that figure is arrived at?

Ms Seymour: That figure is on reported disability, so it is from the Bureau of Statistics. The first question was on—

MR MULCAHY: The ACT government's performance in hiring people with disabilities.

Ms Seymour: Yes, it has dropped a few percentages over the last few years, as it has done nationally and federally. The ACT government has set up an accessibility strategy, but there was nothing that I could find in this budget to enhance that. They have done an audit of their own departments, looking at the accessibility side of things, but from then on I am really not clear where they are going.

MR MULCAHY: Does it trouble you that the numbers are falling?

Mr Bartholomew: I think it has in the past. I think that they are doing very well. They have actually got a plan in place. They have put targets in place, as I understand it, for each government department to increase the number of people they employ with

disabilities. I am no advocate for the ACT government but, if you look at the performance in this area compared to the commonwealth, I think they've done very well, or at least they have a plan to address the issue.

DR FOSKEY: You made an interesting comment in relation to the ISPs and I would like you to expand on it. You used individual support packages in relation to community organisations. I would like you to tease out the implications of what you are saying there.

Mr Bartholomew: We have a philosophy, and I applaud the philosophy, of giving people with disabilities and their families control over the funding that is made available to them, and all of the growth funding in recent years has been allocated that way. However, it has two consequences. One is that you now have some very small packages of \$5,000 or \$10,000 to which there is an enormous process associated with people trying to manage this money. It has also meant that agencies that are block grant-funded that might be providing small hours of support to hundreds of people have had no opportunity to access growth funding because there is none available through the budget process. It all goes through an individual support package process.

I think there is a need for a balance between people with very high support needs who have packages of \$80,000 to \$100,000—and obviously an organisation needs to manage that on their behalf to get the best value for the money—as opposed to people who have very small packages. ACROD believes that you would get greater value for money for those small amounts of funding by including them in the funding that is already available to some of those block-funded agencies, where the person chooses that agency to provide the service.

DR FOSKEY: Three major issues have been raised with me, and remember it is early days. One is the urgent need for more respite care. This is mostly from parents of young people—and not always young people, actually—with a disability. Another is the access to funding for modification facilities for their houses so that they can care for people at home, and the third one, which I think is a bit of a burning issue everywhere, is the improper placement of young people with certain kinds of disabilities in aged care facilities. Could you comment on those things?

Mr Bartholomew: I think in terms of respite for families with young children it is a disgrace. We have an organisation called FABRIC, which is about the only organisation to provide this service, which has 160 families on its waiting list. That's on the last information I have. I might be out by 10 or 20 there, but it's up around that figure—a couple of months ago it was 160. That means these families are at home providing the support that their son or daughter needs to be able to stay at home with them, and they are on a waiting list of 160 people to get respite.

I think there are about 7,000 young people in nursing homes around Australia. Again, I think it's an untenable situation that as a nation we have to lump young people with a disability, because we can't provide appropriate support for them, into residential care facilities for the aged. I mean, it's not appropriate. The government in this budget has made some attempt at addressing that issue. They say they are going to move four people in the ACT out of nursing homes into the community, and I think that is a start. I reiterate the fact that a lot of this needs to have more of a planned approach. We have families out there who have been looking after their son or their daughter for 30 or

40 years, who don't see any hope, who don't see that the government has a plan that says, "In five years we will address this issue of unmet need."

DR FOSKEY: And the modification of facilities?

Mr Bartholomew: I'm not sure how big an issue that is. I'd have to do some more research.

DR FOSKEY: Okay, it was just raised with me.

MRS BURKE: Mine is more a question of clarification. You talk of innovation instead of plugging holes, early intervention and support and a long-term planning strategy. I am a little confused because doesn't the government have out a social plan that sets the way forward? If it does, why is that failing you? Why is the plan not meeting your expectation? Doesn't that set out before it the steps that you have just talked about?

Mr Bartholomew: I don't see the dollars attached to it. You can't address the issue of unmet need for people with disabilities without a planned approach. As a person becomes a young adult, they should have the option of being able to live in the community by themselves or with someone of their own choosing. They should not be forced to stay at home because that is the only place that they can get support, through their parents. As Andrea Simmons said in the previous statement, we have a wonderful document about vision and values for people with disabilities in the Canberra community. I struggle to see where the dollars have been made available in a planned sense over a projected period of five to seven years to allow those values to be achieved.

THE CHAIR: I am terribly sorry but I do have to cut it off there; otherwise we won't get through everybody else. Thank you for coming along today.

SANDRA LILBURN,

LLEWELLYN REYNDERS and

KAREN NICHOLSON

were called.

THE CHAIR: I call Karen Nicholson from the ACT Council of Social Service. I believe she has a couple of other people to bring with her to the table. You were all present before when I read the statement about the witnesses.

Ms Lilburn: Yes.

THE CHAIR: Ms Nicholson, would you like to make an opening statement?

Ms Nicholson: I am actually deferring to my deputy director, Ms Lilburn.

Ms Lilburn: My name is Sandra Lilburn. I am the deputy director of the ACT Council of Social Service, or ACTCOSS. In the first instance, I want to apologise for our director who was unavoidably detained today and so wasn't able to appear. But she does send her regrets and apologies to the committee. I will pass now to my other colleagues to introduce themselves.

Mr Reynders: My name is Llewellyn Reynders. I am a policy officer with ACTCOSS.

Ms Nicholson: I am Karen Nicholson, the senior policy officer with the ACT Council of Social Service.

Ms Lilburn: I am sure the committee has received a copy of our budget analysis, which we provided, of all we do following the handing down of the budget, so we won't go into the detail that is contained in that document. Today we did want to raise a couple of issues specifically. One is that the social plan is certainly the foundation that we look to for government action and government spending. There are some targets in that document that we are very keen to see fulfilled over the next period of time.

The specific issues that we wanted to raise today, however, concerned the community sector and particularly community sector viability. We were delighted to see in this budget that indexation would be provided but of course are disappointed that this won't be available until next year.

We are also concerned to find that, in terms of achieving some of the reductions in the spending for this budget period, the community infrastructure grants have been reduced. I think there is a \$1 million reduction in those grants, leaving only \$600,000 for community infrastructure. This, of course, is a serious concern for the community sector because it affects our capacity to provide services. There are some poor facilities that services are struggling to maintain their operations in.

The second issue that we also wanted to raise was around the question of affordable

housing. This is the foundation that we see a lot of the social policy in the ACT resting on. We repeatedly highlight the blockage in a lot of services, particularly SAAP services, because there is nowhere for people to go to access affordable housing, whether that be in public housing or social housing. There was a commitment made to allocate funds towards the stock of housing in the ACT and we are looking to that being provided as soon as possible.

The third thing that we also wanted to raise for the committee was the impact that federal government welfare reforms are likely to have in this jurisdiction. We are concerned that there is a narrow definition of disability that is being, I guess, proposed at that level and that that has an impact too on supporting parents or single, sole parents supporting children. Those imposts on those people will, I think, have an implication for residents of the ACT, which the community sector will in many instances pick up.

The particular issue that we note in many of our analyses is that the ACT community sector does provide support, in terms of training and access to the workforce, for many people who have not been in the workforce for some time. We do a lot of work with people, getting them back into jobs. Of course, a lot of those people also do a lot of the really important caring work.

Some of the previous speakers have mentioned disability support areas. A lot of the people who come back into the work force are often in caring roles. We would just highlight that as being something that the community sector plays an important role in and, again, to not have extended funding to that sector may have long-term implications. I might pass to my colleagues to fill in any of the gaps that I have left in that or ask if we can take questions.

Ms Nicholson: There was just a point of clarification on the new community facilities grant that Sandra mentioned first off. There is \$600,000 left in that, as far as we understand. We confirmed with the department today that that decision had been taken. Apparently in the last round there had been \$2.7 million in requests for community sector infrastructure upgrades and there was \$900,000 at that time to hand out.

This is also something that is being taken up by government service providers as well; so it is not just going to small community organisations. There are government services in government facilities that have access to this money as well. It has shrunk to be a very small pool of money that the community sector was looking forward to, for improving its OH&S, for example, and its community access and infrastructure.

Mr Reynders: And I would just add to that: that is one example of where we have seen a line item in the budget which says general savings of several million dollars throughout all the departments. The budget papers don't actually give us information about those general savings and where they are being saved from. The government has said that it is not coming out of front-line services, but there are certainly a lot of administrative services within government that are crucial to the community sector and public services being provided.

We currently have, really, very few clues about how those general savings are going to be met, and I think we would certainly invite the committee to explore those during the estimates process so that the community sector has a better idea of how those cuts might

be made throughout government.

MR MULCAHY: I have got just a couple of questions. I am not sure whether it is for Ms Lilburn, Mr Reynders or Ms Nicholson, but the message I think I hear is that you would like to see more funds made available for helping your clients or the people that you represent.

Ms Nicholson: We are a peak organisation; we don't actually have clients. We are the peak organisation for community welfare providers.

MR MULCAHY: You have member organisations under you, I understand.

Ms Nicholson: Our member organisations are in the front line. We have had this discussion over indexation for several years and it was a very welcome promise to match indexation to a better formula because the CPI forecast in advance by the federal Treasurer is quite often several percentage points below what the costs in increases to—

MR MULCAHY: But my question is: would you like to see more funds made available for areas of social welfare than are presently provided?

Ms Nicholson: Yes, certainly, in terms of being able to pay proper wages.

MR MULCAHY: I assumed that. The question is then: if that is the case, and given the—

THE CHAIR: I would like to see the community organisation that said no to that question.

MR MULCAHY: That is right, but we just need to be clear because my next question is: given that the territory is running at a \$91 million deficit under the accounting system they are using, and given that they have had to impose tax increases to achieve that, what areas of territory expenditure would you like to see curtailed so that the territory government might be able to make more funds available for those in need?

Ms Nicholson: I think that it is a case of looking at wider revenue issues. We have called for several years for a review of the revenue base of the ACT. There was a revenue inquiry by a committee during the last Assembly, but I don't know if that came out with any radical change to the status quo.

MR MULCAHY: What sorts of revenue measures would you be favouring?

Ms Nicholson: We are in the social welfare business, although we do have economic qualifications amongst us. We would prefer that that was a wide-ranging inquiry. We have actually suggested, before, that the territory is in a unique position as a city/state to capitalise on its land tax and to actually do it better and more efficiently.

MR MULCAHY: So increase land tax to fund these things?

Ms Nicholson: No, there is not necessarily a need to increase land tax, but land tax and rates are both really the same tax in some ways. In the states it is divided between local

and state governments. They are a very inefficient way of raising revenue. Here the ACT government holds all of the information and could actually do some sort of combined tax. That would probably be more efficient.

MR MULCAHY: They are increasing them, as you know.

Ms Nicholson: It would increase them for some people; for other people, I presume—

MR MULCAHY: But they are already. They have announced increases of an average of \$104.

Ms Nicholson: Yes, they have increased the status quo. What we are saying is that there is capacity there to be innovative and to look at the range of taxes on land that we use and to do it better, because land is, after all, an asset and a fiscal equalisation.

MR MULCAHY: Whichever way you cut it, you would like to see taxes go up?

Ms Nicholson: Yes.

DR FOSKEY: I just want to thank you very much for what is a very brief presentation. You have spelt it out here. That is where people can go for more information. I am just going to ask you, if you wouldn't mind, having a bit of a look at the sustainability indicators because we would really like to know. I guess I am carrying the can here. If you are going to have them, they have to be the right ones. I will give you a question on notice to report back.

Ms Nicholson: We have actually been involved with the department on its development of the triple bottom line.

DR FOSKEY: You have seen the ones used in the budget?

Ms Nicholson: Unfortunately, at the moment, there are three Assembly committees and three ICRC presentations to be done all within a month of one another, so our organisation is a wee bit stretched to actually go into something as luxurious as an extra look at the budget papers. We took the look that we did, and we will go back to them. We are reviewing our processes. But yes, we will certainly get back to them because it is part of the ongoing process to comment on the triple bottom line.

Can I also make one short comment? We did raise the issue of ICT in our submissions, and the Chief Minister has admitted that the digital provide moneys will run out fairly soon. If I can use an analogy—and I think it is a reasonable one—we seem to have been given a community that has got transport but no petrol stations. We have no backup. The community sector has got machines, has got internet access, but has no help desk support. All of those things that come with computing that make it functional are just not there in this budget, so we would like to go to bat for the digital divide again.

THE CHAIR: I don't know what it is that makes you think that IT people will actually help you solve your IT problems, but thank you very much for your time.

Ms Nicholson: We live in hope.

TRISH HARRUP was called.

THE CHAIR: You were here before when I read the witness statement?

Ms Harrup: Yes.

THE CHAIR: Would you like to make an opening statement.

Ms Harrup: Certainly. My name is Trish Harrup. I am the director of the Conservation Council of the South-east Region and Canberra. Thank you for the opportunity to appear before the committee today.

The conservation council prepared a budget submission for the 2005 budget, covering the area pertinent to our concerns, that is, the programs covered by Environment ACT and now the Office of Sustainability; public transport under the Department of Urban Services; and planning issues handled by ACTPLA.

Overall, on the budget, the conservation council is disappointed in the decision to cut funding to the environment by 6.6 per cent. We understand that this will translate into eight jobs being lost within Environment ACT and that there are to be cuts to the Office of Sustainability programs. We are also concerned about the lack of detail at this stage as to where those cuts will occur and what the percentage reduction will translate into in terms of program delivery.

At this stage there are a few other things I would like to bring to your attention. Two of the big challenges facing the ACT and Australia are the challenge of climate change and the challenge of reducing our use of water. A failure to address these, especially climate change, will result in a much greater cost to society in the future. We understand that funding for the water and greenhouse programs will be cut by a significant amount in this budget and that that will translate into reduced program delivery to the community.

There are a few things I could comment on there. We were disappointed with the allocation of funding for the improvement to energy efficiency of public housing. This budget has allocated \$1 million. There was a promise of \$4 million. That promise of \$4 million was welcome but was only a portion of what we have estimated would be required. Our figures show that we would need \$30 million in order to bring the current public housing stock up to a decent standard of energy efficiency.

While the \$1 million will translate into real results, we need more money for that sector. The improvements to energy efficiency will translate into savings to the tenants, but that also helps to address their utility debt, which can in fact translate into fewer rent arrears and therefore increase the return to government in the management of the public housing stock and help to prevent homelessness.

Some other things have been cut. The wood-heater replacement program: it appears that this successful program has been scrapped and that there will be no funding for the program in 2005-06. I understand that the existing funding is about to run out next month. This is an important program that addresses both local air pollution and the impact of firewood cutting and collection on biodiversity.

I understand that there are approximately 25,000 wood-heaters in the ACT, so we need this program to continue. It was translating into people actually replacing their wood-heaters with new gas or electric heating.

The office of the Commissioner for the Environment will not receive any additional staff funding. There has been a small increase to this office to cover the pay rise and CPI increments. The decision not to increase staff funding to the office of the Commissioner for the Environment is disappointing. There was a substantial review of the role and functions of the office, and that review made a number of recommendations.

The government responded to those recommendations and invited the office to submit to this budget an annual budget with their asked-for increased funding. They had asked for an additional full-time position. That had been supported in the review by the consultant. I will just read briefly from the consultant's review:

The current resourcing level for the Office of the Commissioner for the Environment is inadequate to enable it to fully meet its statutory responsibilities, which could result in adverse environmental impacts. There is an urgent need to provide urgent relief to the Office to meet its current statutory responsibilities. There is also an urgent need to reassess the level of involvement of the Commissioner.

It is therefore disappointing that they have not received any additional funding for an additional staff position.

It is also noted in the consultant's report that, at the moment, there is not sufficient funding for the office to implement any of the recommendations contained in the consultant's report. I also note that the commissioner is currently employed eight days per month, and I believe it is insufficient and unsustainable to carry out the duties of that office at that level of funding.

There are two more. One is the funding to the community groups. Environment ACT handles three service agreements—one with my organisation, the conservation council; one with the RSPCA; and one with the environment centre. We were initially advised that a possible six per cent cut was going to be applied to our funding for the coming year. Of note is that that is in variance to all other departments that are cutting their funding by isolating the funding to their service delivery and to the community organisations that they fund. They are going to take their cuts internally through administration and staff costs. So we are very distressed to hear that our funding could potentially be cut.

I have since been advised—this has yet to be formalised—that we won't suffer a six per cent cut; however our funding is to be equivalent to that of last year. So it is welcome that we won't have a cut, but it means that we won't receive any CPI increase. So effectively it will be a cut of around \$2,000, or 2.5 per cent. Also, as raised by ACTCOSS, there is no allowance for salary increments. So that will affect the three community organisations funded through the service agreements with Environment ACT.

Last, on the Environment ACT grants: it wasn't clear from the budget what the allocation will be for the coming year, which is concerning as many community organisations rely

on that grants program to deliver important projects each year. I also understand that the funds were not fully allocated in the previous year, which is also concerning, because we know that there were several projects rejected due to a lack of funding. So we are not certain what has happened to the remaining funds from that grants program.

Just to summarise: it is still not clear how the environment cuts will affect on-ground projects, for example, threatened species work and the implementation of action plans to protect threatened species. Across the board, it is still not exactly clear what the impacts will be. Until we get that detail, our ability to analyse and comment on the budget is somewhat hampered. But certainly it is concerning at this stage that there has been a 6.6 per cent cut in the environment budget.

THE CHAIR: Thank you. I will start with Mr Seselja, and then Ms Porter.

MR SESELJA: Thank you very much for that, Ms Harrup. You spoke a bit about climate change being one of the real problems facing Australia and the world. What in particular would you like to see the ACT government doing to address climate change?

Ms Harrup: In our budget submission, we have made recommendations that the government improve the energy efficiency of public housing. As I mentioned, a total figure of \$30 million needs to be allocated to this but at least, in the short term, the \$4 million that was promised right up to the election. We would like to see an increase in the energy rating for new residential dwellings and the implementation of energy ratings for the commercial building sector akin to the residential sector. Also we have suggested increased funding for community education and awareness-raising on this important issue so that the community can also participate in the response.

MR SESELJA: What about things like transport?

Ms Harrup: Certainly. We have supported the implementation of the sustainable transport plan, which seeks to increase the number of trips by alternative modes and a capital investment in improving our public transport infrastructure.

MR SESELJA: Just quickly on that: is it the conservation council's view that sustainable transport is about basically getting people out of their cars as a bottom line or is it sort of just giving alternatives to cars?

Ms Harrup: It is about a mixed response. But one of the target areas would be to reduce the number of trips to work undertaken by the private motor vehicle, to encourage greater utilisation of other forms, including cycling, walking, public transport.

MR SESELJA: How are you going to do that?

Ms Harrup: The government has developed a sustainable transport plan that sets out a number of actions that, if implemented, we believe would go a long way towards achieving a significant shift in modal use.

MR SESELJA: Does the sustainable transport plan go far enough, in your opinion?

Ms Harrup: I think the key thing is actually implementing the recommended actions and

providing the funding necessary to implement them.

MS PORTER: Trish, could you just go back to that description of your concern about the funding cuts to community organisations. I got a little bit lost there. I wasn't quite sure what you think now is going to happen or is in danger of happening as far as you are concerned.

Ms Harrup: For the three organisations that received the service agreements, our new contracts for the next three years need to be signed by the beginning of the financial year. We were advised that it would be a six per cent cut. I have been given verbal advice from the department that that won't be the case, that we will be refunded at exactly the 2004-05 levels for 2005-06, but that hasn't yet been confirmed, Mary. I can get back to you if I do receive written confirmation.

MS PORTER: So the three organisations are the RSPCA and—

Ms Harrup: The environment centre and the conservation council.

MS PORTER: As far as you know, these are the only three organisations that have been affected in this way across all of the service agreements that there are?

Ms Harrup: Yes. My understanding from the other peaks is that—and I have heard from the Department of Health and from housing and community services—their intention is not to cut any of the service agreements, that they will absorb the cuts within their departments.

Meeting adjourned from 3.16 to 3.30 pm.

KERRIE TUCKER was called.

THE CHAIR: For the benefit of witnesses, I will read the following. 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. I welcome to the other side of the table Ms Tucker on behalf of ACT Shelter. Ms Tucker, would you like to make an opening statement?

Ms Tucker: I'm Kerrie Tucker, representing ACT Shelter. Thanks for the opportunity to address the estimates committee. There is not a lot to talk about for housing in the budget, because there actually wasn't very much money put into housing, which was quite disappointing to everyone who's been watching housing and what's going on. Basically, we were under the impression that the Labor Party had made an election commitment of \$10 million for three years, commencing this year, as an injection into housing, the purpose of which was to expand public housing stock.

That is really quite serious for us now, because we know that there is a very serious undersupply of affordable housing in Canberra. The private market clearly has not delivered affordable housing, so there is a very strong reliance on public housing in the ACT. I don't think I need to go into—I'm sure you're all aware of it—the very high percentage of allocations that go from early allocation 1, EA1. That is for those who are functionally homeless and it is about ninety per cent. We have long waiting lists and for EA1 we have SAAP—supported accommodation assistance program—services experiencing a bottleneck, because basically there are no exit options for people when they go into SAAP services in crisis.

This is a problem not only for homeless people who are being turned away from SAAP services because they can't get in, because the SAAP services are full of people who can't get out of the SAAP services because there are no exit options. That's a problem for homeless people who are being turned away; but it's also a problem, I would argue, for the government in terms of how it is expending public money. Clearly, if people are in SAAP services for longer than they need to be, there are resource implications. The resources in SAAP services are very extreme and intense; they are for people in crisis and in transition, so, if you have people unnecessarily in that level of intense support, arguably you are not using public money as effectively as you would want to see it used.

The other issues around that, of course, are the social issues, which have to always be given a very strong focus in any discussion of estimates. This government has acknowledged the importance of integrating what used to be called externalities, that is, the environmental and social liabilities and factors that result from policy decisions. The social implications for people to be inappropriately housed in SAAP services are also serious and need to be considered. The social implications of homeless people not being able to get into SAAP services are also, obviously, very serious.

If you want to look in any detail at that, there are a number of reports. In particular, I'd

refer you to the Youth Coalition's report on homelessness, about how vulnerable young people are when they become homeless, particularly young women but also young men. So there are a lot of social issues there.

In terms of the number of people waiting for secure, appropriate and affordable housing, there are serious social implications resulting from the lack of affordable housing supply as well. It is well understood that the non-shelter benefits of housing have to be taken into account; that is, housing is more than just a roof. A secure, affordable and appropriate home is essential for you to deal with all your other life issues, and you're not going to be able to do that if you don't have secure housing. So you have to see the lack of affordable housing in the broader context. Once again, you can look at not only the social implications of that for people but also the economic implications, because if people aren't able to deal with their life issues they become a cost burden on society.

Just getting back to the money, we were hoping to see \$10 million in the next three years to expand the public housing stock, but I also want to—

MR SESELJA: Is that \$10 million per year or \$10 million over three years?

Ms Tucker: Yes, three years—\$30 million was committed to in the Labor Party's election platform. The other thing I want to draw to your attention, though, is the home loan portfolio. You may be aware that we had about \$32 million put into housing a couple of years ago, which was from the home loan portfolio. I emailed to the secretary a copy of Shelter's budget submission. If you want to look at it later, I will be happy to answer any questions you might have—on another occasion, because you probably won't have much time to do so today. But I did say there that Shelter would like to see an annual review of the home loan portfolio, because that is at least one place where you might see some money available to expand public housing stock. I imagine that that will be happening quite soon, although I don't know. I haven't heard what the government is doing with that, but I think this is the second year, so it should be done. I would also urge the committee to support it being looked at every year and that that money be utilised every year from that. Because it is housing money, it has to be spent on housing. Maybe it makes the bottom line look good for another year to leave it there, but let's actually look at it every year and utilise it, if we can, because the need is so great.

In terms of the figures, \$5 million was put in for four years in the last budget, so that is \$20 million. That was put in as new money last year and, while strictly speaking it was new money, you have to also remember that we lost the GST compensation money, which was \$5.9 million last year. So, if you are looking at the viability of Housing ACT as an entity, you need to realise that that \$5.9 million is not there now either. So the \$5 million that went in as new money for four years was good, but there's also a problem with losing the \$5.9 million.

Generally, I would also raise questions about the affordable housing task force and the recommendations of that task force. In our budget submission we've made clear that we would like to see an implementation strategy developed. We've seen two responses—one in May 2003 and one in August 2004—to the affordable housing task force. But a response is not an implementation strategy. These responses do not have time lines or targets, and what we basically need are targets and financing mechanisms to actually provide an increase in public housing stock. We also need to look really seriously at how

we can influence the private market so that it provides affordable housing. There are various suggestions from the affordable housing task force that address those issues, but they need to be pursued much more rigorously and thoroughly with the development community in Canberra.

A sliding scale of land tax was a recommendation of the affordable housing task force. That sliding scale of land tax was supposed to provide an incentive for development in affordable housing. Shelter would like to see whether that has in fact delivered it, because people talk about revenue and taxes, but you also have to look at revenue forgone. Whenever you forgo revenue, you need to determine whether or not it is achieving the result that it was claimed to achieve. I think that's a basic responsibility—to see that evaluated. Maybe the argument is that it's too early at this stage—it has only been a couple of years—but I would still like to see further investigation in terms of even just basic questions such as how many people benefited from it, or some research to see whether it has actually meant affordable rent for anybody. That would be the outcome that we would want to see.

Also we are very concerned about the joint partnerships and the decommissioning of Currong. That has been recommissioned, if you like. It was decommissioned at the end of last year; it has been recommissioned now for student accommodation. As far as I know, no joint partnership has been successful. I think there needs to be a really careful look at why we're giving away such high-value inner-city land for such small return in terms of public housing. We need to look at that very valuable asset for the ACT—how we develop that in terms of not only maintaining the asset for the ACT but also in terms of providing affordable housing. As the budget shows, clearly there is going to be a decrease in stock as a result of the decommissioning of Fraser Court and the Currong apartments—and we can ill afford that. I think I'll finish there.

MR MULCAHY: I have a few questions here, Ms Tucker. You use the phrase “effective use of public money”. Do you have a view of what is an appropriate level at which people ought to be able to access housing in terms of their income and means? If their circumstances change—improve—do you believe that they should continue to enjoy the benefit of public housing?

Ms Tucker: Is this about taking people out of public housing according to their income? Is that your question?

MR MULCAHY: Well, you talked about “effective use of public money” for housing. My question to you is: do you have a view about the point at which people should no longer be able to access public housing in view of their improved social or economic position?

Ms Tucker: Have you seen the AHURI report on sustainable financing for public housing authorities in Australia?

MR MULCAHY: No.

Ms Tucker: That is really worth looking at; also the market renters report that was commissioned by the government a couple of years ago. What it shows quite clearly is that, as a result of declining commonwealth funding and the targeting policies of mainly

the federal government but influencing the states and territories—all states and territories are targeting now—the financial viability of housing authorities around Australia is seriously at risk. That AHURI report by Mike Berry and Jon Hall really gives you a good breakdown of that. There's no capacity with a high percentage of rebated renters to cross-subsidise from the market renters, which keeps the housing authorities viable, which actually gives you a sustainable public housing entity. If you want to say, "Okay, stop it being a business entity. We'll just go straight in and we as government will"—I don't know what the Liberal position is on this—"certainly make up the difference between the rebated rents for all those tenants and the market rent," there will be potential for the viability of the housing authorities. But, as it is, if you continue to target to rebated renters and you don't have anybody paying market rent, you've got to find another way of actually sustaining the housing authorities.

MR MULCAHY: That's an interesting model, but I don't think you've actually answered my question. I asked: do you have a view about people on high incomes enjoying the benefits of public housing? Are you saying that really you've got to have all these people on high incomes to subsidise the others if you're going to run it as a business entity?

Ms Tucker: That's right, because effective use of taxpayers' money requires that you have a sustainable system. You might say that you think it's a more effective use of taxpayers' money for the government to use the public money to make that difference up totally between the rebated rent and the market rent. If you do the figures on that, that's going to be quite different from having a cross-subsidisation, which also, I have to mention, has social benefits, because the stigma that's now attaching around public housing is a direct result of this targeting. What you want is viable and sustainable housing authorities so that they can expand their stock so that those in need can access affordable appropriate housing.

MR MULCAHY: But your model doesn't take into account the capital tied up in providing accommodation for those who could afford their own accommodation. You're just simply talking about the rent being used to subsidise.

Ms Tucker: I'm talking about basically having viable housing authorities.

MR MULCAHY: I'm talking about social justice here. I've got no problem with people who need help, but the question I'm challenging with, which I'm not getting an entirely clear answer to, is: are those who are most in need getting help?

Ms Tucker: That's where I would refer you to the market renters report, because what you seem to be implying—and this was not supported by the market renters report—is that on the whole those people who are paying market rent are households which may be in about the third quintile, which is still a group under housing stress. When the private market is impossible for people on low income, you have a real problem.

MR MULCAHY: People on low income are not the issue here.

Ms Tucker: Okay, so now you're saying that people on high income—

MR MULCAHY: Look, can we move on to my second question: do you have a view on

the limit on amount of housing stock? The territory government proclaims that it has more people in public housing per capita than anywhere else in the country, and you've said here that you want to see more housing stock made available. I'm just wondering how you reconcile that with the figures the government has pronounced?

Ms Tucker: I'm not quite sure what the argument is there. I have heard it before—

MR MULCAHY: The argument is simply: do you need more and more and more—

Ms Tucker: that we've got more than other people.

MR MULCAHY: And, therefore, what's the amount you believe we need in the territory?

Ms Tucker: I can't give you a finite amount. If you actually dealt with the market failure—which is at the base of the problem in terms of its capacity to deliver affordable housing—maybe you wouldn't have such an incredible need for public housing. But, as it stands now, we have to look at public housing in order to house people in something that they can afford—secure appropriate housing, basically. So, in terms of the ACT having more than other states and territories, I don't accept that as an argument, if you're suggesting, when we've already got something like 500 people waiting over seven months who are functionally homeless, that we should say, "We can get rid of some public housing because they've got less than us in New South Wales per head."

Among our citizens, and the people that you're responsible for, we have an unacceptable number of people who are functionally homeless and not likely to get appropriate housing for a long time, which has implications for their families, their children and society as a whole, because it's such an underpinning and basic social requirement to have shelter.

MR MULCAHY: But there's not a finite figure?

THE CHAIR: Mr Mulcahy, I'm sorry but I'm going to have to stop you there.

MR MULCAHY: I'm just trying to get answers to my questions. I haven't got an answer yet.

THE CHAIR: No, I'm going to have to stop you there.

Ms Tucker: I've said I don't have a finite number.

MR MULCAHY: Yes, okay.

THE CHAIR: Thank you for your time. I'm sorry that we've had to rush you through. As you would remember, these things are very rushed for the community groups coming before us. Thank you for your appearance.

LINDA ROSIE was called

THE CHAIR: I welcome to the table Ms Rosie from the Mental Health Community Coalition. 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.

Thank you for your appearance here today. We are running a bit behind time, thanks to certain people deciding to have little chats across the table. I'll have to keep them in line a bit more in future. Would you like to make a statement to the committee?

Ms Rosie: My name is Linda Rosie and I am the Executive Officer of the Mental Health Community Coalition, which is the recently formed peak body for mental health in the ACT. I am here to represent the community organisation, mental health consumers and carers.

One of the things we were greatly disappointed with in the budget was the lack of sufficient funding to support the ACT mental health strategy and action plan. The most recent per capita funding that has been published in the mental health report already shows the ACT to be second bottom on the list. The per capita spending is \$89.11 compared to Victoria at \$105.6 and New Zealand at \$177. Those are the latest published figures, but I have recently received some figures from New Zealand for the year 2003-04. The estimated figure I received from Mental Health ACT is that we have increased to \$117, but in the meantime New Zealand has escalated to \$198.5.

These are of great concern, given that mental health is considered to be in crisis at the moment. Just before the budget, Victoria announced that their funding for mental health services would go up to \$180 million over the next three years—I don't know how that translates per capita—and at the same time from the ACT government we saw a very minimal increase, with very little support for any of the non-government community organisations suggested for funding.

One of the particular items that I wanted to bring to your notice, apart from the lack of funding, was one that Kerrie Tucker voiced so eloquently, and that's accommodation. When it comes to accommodation for people with a mental illness, the most important thing, as with Maslow's hierarchy of needs, is that they actually have a roof over their heads, that they're not wandering the streets and they're not without accommodation. This is not happening in the ACT and this budget has not really fulfilled any need there, although the lack of housing stock at Burnie Court and Lachlan Court just exacerbates that need. At least there was a roof there and there isn't now.

Everything that Kerrie Tucker said is escalated when it comes to people with a mental illness, and this is supported by the Paterson report of 2002, the Mental Health Council of Australia's report *Out of hospital, out of mind!* in 2003, and the yet to be published "not for service" report which will be published in June this year by the Mental Health Council of Australia.

One of the most basic and important issues that we have for people with a mental illness is not only that they have accommodation but that they also have accommodation that is suitable, that is appropriate and that is permanent. At the moment we see many people moving from accommodation to accommodation, if in fact they can find it. Losing accommodation is another issue. We would have liked to see some significant support in the budget for people with a mental illness and for their accommodation needs. Last year in the SAAP program, which Kerrie also spoke about, there was 86 per cent unmet need in the ACT. A lot of people who apply for supported accommodation have a mental illness, and those figures stand for themselves: they were not found accommodation. A lot of these were young women.

The second issue that is of major concern to the coalition is that of rehabilitation, training and employment options for people with a mental illness. Unfortunately, we still have major stigma and discrimination in our society and there seems to be very little in the budget that would in any way go towards education programs that can ameliorate this position.

The final thing I want to talk about is greater access to free health care, dental services and, most importantly, psychological services for people with a mental illness. When people go into the PSU, they are critically ill, they are suicidal. They are not just slightly ill; they are in danger of taking their own life or someone else's. When they're discharged from the PSU, they are very seriously ill. They are not fixed. They are not better. They are seriously ill. Psychological services would help these people. Lots of evidence has been published about the benefit of the particular therapy CBT, which is usually used by psychologists. There is very little opportunity for people with a mental illness to access the services of psychologists.

The other major need is dental treatment. People who have a mental illness are way down the list when it comes to free dental treatment; the waiting lists are extremely long. These people do not have the resources, the finance, to actually go into the private sector to get their teeth fixed. It may seem a minor problem, but it's not; it's major, particularly for people with a dual diagnosis who are on the methadone program. As you will find in the 1999 report, a stepping stones report, the number of people with dual diagnosis was anywhere between 50 and 70 per cent of people who have a mental illness. I'd like to finish there.

THE CHAIR: Thank you, Ms Rosie. I appreciate that statement. Ms Porter, did you have a question?

MS PORTER: I just wanted you to give us again those references that you gave at the beginning of your report. There were three reports, I think, that you referred to. Could you just give us those references again, please?

Ms Rosie: There is the Paterson report of 2002, the *Out of hospital, out of mind!* report, which was from the Mental Health Council of Australia in 2003, and another report that will be published in June of this year, called "not for service", a joint report from the Mental Health Council of Australia and the Human Rights Commission.

THE CHAIR: We'll be in contact with you anyway from the Standing Committee on

Health and Disability, I'm assuming, to talk to you about those particular issues on another inquiry that we're conducting.

MR MULCAHY: Ms Rosie, an issue that the police in the past have raised with me relates to the fact that often the first point of reference for people with mental health issues is the police, and in their remand centre the police are not really well equipped to deal with people often exhibiting different problems. Are you finding that that area of administration is being handled better in terms of them being referred to more appropriate quarters for treatment—this is people who, say, are apprehended for various offences—or is the way we are dealing with people still a major problem in the system?

Ms Rosie: I think it's patchy; it depends entirely on the quality of the police handling the situation. We sometimes get good reports and sometimes not so good. The way in which the police are often called to deal with situations is unfortunate. A carer may well feel that the person they care for needs some sort of intervention and often the police are called in that situation, which is a very sad situation to be in because trust is then completely lost between the consumer and the carer, and that's one of the major pitfalls with a lack of response from the crisis assessment team or the parameters put around the response for the CAT team, which is suicide or danger of inflicting harm on someone else.

MRS BURKE: Does the mental health crisis unit come under your purview?

Ms Rosie: Yes.

MRS BURKE: I've had the opportunity to use the team and they are brilliant; they're excellent at what they do. However, we heard from Ms Tucker—I think ACTCOSS alluded to it, and now you are—about the pressures placed upon the MHCU. Can you tell me where the pressure points are for them at this stage and where the gaps in service delivery would be?

Ms Rosie: The CAT team comes under Mental Health Services ACT; we just respond to the carers and consumers and community organisation as they report to us of the services of the CAT team. Sorry, I think I didn't hear your first question—so I can respond to you in the way in which those services are found in the community.

MRS BURKE: I'm just wondering about the resourcing of that particular team.

Ms Rosie: We would like to see the parameters changed so that the CAT teams do not respond just to a suicide or a threat that people may be harmed by a person with a mental illness.

MRS BURKE: Is that a resourcing issue that they're not able to do that at this stage?

Ms Rosie: It could well be a resourcing issue.

THE CHAIR: Sorry. It could well be, or it could be something else; you're unaware? Is that what you're saying?

Ms Rosie: I'm unaware. I can't speak for Mental Health ACT.

THE CHAIR: Dr Foskey, you can ask the last question. The Auditor-General's office has all filed in behind Ms Rosie, so we'll have to move to them in a second.

DR FOSKEY: Thanks, Linda, for your obviously very brief presentation. I'm interested to know if there are particular groups of people, say, young people, with a mental illness that you think are not being catered for at a particular time. If we have only—which we clearly have—a limited number of resources, where is the real need? How would you prioritise the things that you would like done?

Ms Rosie: People with a dual diagnosis I would say are the top priority, and there are quite a number of them. They still are slipping through the net of service; they still don't have a coordinated response from drug and alcohol and mental health. They would be at the top of my list.

THE CHAIR: Are we making progress, though, in that area?

Ms Rosie: I think we're moving forward.

THE CHAIR: I know there was a big launch a few years ago about dual diagnosis treatment and strategy. It's a difficult one to address, in my opinion, but it would be nice to think that we were actually making some progress.

Ms Rosie: We still have two organisations—drug and alcohol and mental health—and it would be good if we had one.

THE CHAIR: Thank you very much for your time, Ms Rosie, and we appreciate your coming along today.

Appearances:

Auditor-General

Ms Tu Pham, Auditor-General

Mr Rod Nicholas, Director, Performance Audit and Corporate Services

Mr Bernie Sheville, Director, Financial Audits

THE CHAIR: I call the Auditor-General's office to the table. 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.

Could you please clearly identify when you want to take a question on notice, and it is your responsibility to check the transcript and respond to any questions taken on notice. Responses to questions taken on notice are required within five full working days. The transcript will be emailed to you as soon as it is available. Also, once again I remind members to clearly identify if they want a question to be taken on notice, plus give any page references when asking questions. Proceedings are being broadcast to specified government offices, and the media may be recording proceedings and taking visual footage.

Tu Pham, would you like to make an opening statement? I don't know that we'll need the full hour today—we think we might be giving you an early mark—because some members of the committee feel that we've been here and done this before.

Ms Pham: Thank you, I will make a very brief comment about the 2005-06 budget for the audit office. As you know, we sought some additional funding for three performance auditors to improve our capacity to do performance audits and investigations. I understand that the public accounts committee recommended that funding to the Treasurer. However, the funding was not provided for the 2005-06 budget. Certainly, that causes some concern to me as Auditor-General about our ability to perform our functions in a timely and efficient manner, as we would like to.

A number of issues have been referred to our office and a number of significant areas in the ACT government have not yet been subject to audit. I am concerned that without an increase in our capacity to do performance auditing, areas of government activities may not be as efficient or effective, and these areas will go without any audit attention for quite a number of years. At this stage, we have a team of six performance auditors, and three current audits are in place. We have to advise people that we will not be able to commence looking at issues referred to us now for another six to 12 months. Certainly that is not as timely as it should be, but that is the limitation constraint that we have to work under.

MR MULCAHY: Ms Tu Pham, the decision by the territory government to reject the unanimous recommendation from the public accounts committee to support the revisions to your budget will obviously result in fewer performance audits. Over the next three years, based on this current projection, what number would you see not being fulfilled

that would otherwise have been undertaken by your office?

Ms Pham: In our proposal, we hope that three additional auditors would allow us to do an additional three major audits per year, plus two or three different types of reviews and investigations. With current audit resources, we would be able to table about seven reports a year. But it is more likely that it could be five to six reports a year, given that there is a high level of staff turnover during the year that we may not be able to anticipate. For example, one of our performance auditors just advised that he is leaving us this week to join Deloitte, so, the number of, say, five performance auditors is reduced to four and it will take two months to recruit and supplement that.

MR MULCAHY: So you are still having recruitment problems in getting auditors because of competitive arrangements? As I recall, and I may be wrong here, was there not also provision in that additional funding to take into account some of the extra costs with your new location—revisions in that respect? Or was that all dealt with in your core funding?

Ms Pham: Sorry, I missed that.

MR MULCAHY: In your new office arrangements, I thought there was some extra provision in the revised budgeting.

Ms Pham: Yes. We received funding from the government to pay for the additional accommodation cost. So that issue has been approved.

MR MULCAHY: So, you have your appropriate office, but you cannot do the job as well as contemplated.

Ms Pham: Yes.

MR MULCAHY: Can you illustrate some examples of what risks might face territory agencies? I am not leading you, but what issues could arise as a consequence of the reduced performance audits? You may not agree with my observation, so I do not want to be seen as leading you.

Ms Pham: We plan, in our program, to finish the current three audits in about August or September and start three more audits. One of the three that we plan to do is on public housing, one is on vocational training and we would like to do one on the collection of fees and fines. We believe the three areas are important. I listened to the discussion before we came up and we think there is a significant level of interest in the community on public housing and how efficient or effective public housing is provided or targeted. We may or may not be able to start the audit on public housing next financial year if the number of auditors is reduced due to staff turnover or other unexpected delays.

MR MULCAHY: What are the issues with fines and fees that you might be looking at, just in broad terms?

Ms Pham: It came to our attention while we were doing an audit for the courts administration. For example, the courts may or may not be collecting all the court fines properly. We are auditing the ACT Planning Authority, and certainly the collecting of

fees and fines still has a lot of shortcomings. The ACT government collects, I think from memory, about \$57 million in fines and penalties alone. That includes traffic fines but not other types of fees and charges. That is a large proportion of revenue of the ACT's own revenue outside the commonwealth grants. We would like to be able to look into the number of fees and fines collected by government, the system in place to collect them, how they follow up with outstanding fees and fines and the debt recovery system. We would like to look into that type of thing, but, again, it is a major audit, which requires substantial resources. We are worried that with only five performance auditors, at this stage, we will not be able to fulfil the program as we would like to.

DR FOSKEY: Tu Pham, there are only a certain number of questions we can ask related to the budget itself, so this is a budget-related question. We have gone to a couple of your reports for this. One of the things you do is assist government agencies to bring their financial statements up to an acceptable level. I have a few questions about that. For a start, how high a priority is this task, given limited resources? Would you still see this as a task to put above new audit reports? That is my first question. I have a few related to that.

Ms Pham: Thank you. I will answer this question and then pass it on to Bernie Sheville to add some more comment to it. During our financial audit program, which is an annual program to look into all agencies' financial statements, one of our concerns last year was that the level of quality of financial statements provided to the audit office was not very good. Audit staff need to take a lot of time and effort to help agencies to correct their financial statements, or to bring them up to the standard where they can be audited. That is the behind-the-scenes work from the audit team, before we reach the stage where we provide an opinion—whether it is a qualified or an unqualified audit opinion. The team always works along the lines of helping an ACT agency to reach this high level of financial statement standard instead of saying, “You did not do the right thing, you; will get a qualified audit opinion.” We try very hard to sort out the problem with them beforehand, and we start at this time of the year, during our interim audit, before we get to the final stage of final audit opinion given in August and September.

Mr Sheville: We do give a very high priority, as we realise that the publication in the annual reports of agencies of audited financial statements needs to be credible. As you pointed out, many agencies struggle to produce satisfactory statements. Most of the larger ones do a reasonable job, but some of the smaller ones, where there may be only one or two accountants, struggle. Because our audit teams spend a lot of time in financial reporting, they are well placed to assist them—not in preparing the whole statements, but improving the disclosures where we can, making sure they comply with the accounting standards, and also directions and guidance with the material provided by the Department of Treasury. We will continue to do that within the time constraints we have available. I think we do a reasonable job overall. We pay particular attention in the early parts of the audit to identifying the issues that are likely to arise, including any resource and capacity issues out of the agency. If we need to report to the chief executive or senior levels of management at the agency with any concerns, we do so at that time.

DR FOSKEY: Do you notice any improvement over time with agencies that you have worked with or is staff turnover too much so that the lessons learned are not retained?

Mr Sheville: Since the Financial Management Act was introduced, overall it has

improved quite a bit. When we first started auditing and when the FMA was first introduced and accrual accounting was first introduced in the territory, a lot of basic issues about accounting in the territory had not been settled. A lot of the ongoing issues have been settled. The guidance provided is fairly stable, and in recent years, large volumes of changes have not been required by the accounting standards setters, although they are likely to be in the future. So it's been a case of refining, more than re-inventing the wheel on reporting.

MS PORTER: You mentioned earlier in your introductory statement, or maybe in answer to a question by Mr Mulcahy, about a recruitment or retention problem amongst the staff. Is that the usual pattern that you experience, or is this unusual? Apart from the competition for jobs that Mr Mulcahy was referring to, are there other factors that may influence that? Also I have a sort of supplementary around a note on page 19 of budget paper No. 4. It talks about improved staff training and development. Is that internal, or an audit you are doing or hope to do into external staff? I just wonder whether there was any connection between that improvement in staff training and development, and maybe your recruitment and retention problems?

Ms Pham: The staff turnover in the audit office in recent years was higher than the average level in the public sector. In the past two years our average staff turnover rate was about 25 per cent. That was very high for a small office. This financial year we did a survey of staff to find out the reasons for staff leaving the office, and put in place a number of measures to address these concerns raised by staff. Accommodation, for example, is one of the reasons. Staff felt that their working environment was not sufficiently satisfactory because of our very poor accommodation standard. This year in particular is a difficult year, because of the high demand for auditors from accounting firms and commonwealth government and ACT government departments.

At times our salary levels are not comparable to what is offered by bigger accounting firms, which provide the opportunity to travel interstate—and even overseas with some big international accounting firms. So there are a number of reasons for the high staff turnover, and we do what we can in our control to improve the opportunity for staff to stay with us, including training and staff development. One of the key issues raised by staff was that, in the past, we did not provide them with sufficient training to improve their skills outside their auditing skills. So we have a very comprehensive training and development program to encourage staff to stay with us.

We also negotiated some increase in salary with our certified agreement. We just went to the Industrial Relations Commission to have our certified agreement amended to put more provisions in it to provide better working conditions. We also provide more flexible arrangements for staff, including permanent part-time, three months a year during the peak period of the year. So, the whole range of things we are doing will hopefully reduce the current staff turnover level of 25 per cent to around the average of maybe 10 to 15 per cent.

MS PORTER: Thank you, I was going to ask you a question about the accommodation. You said that the new accommodation has one benefit; that is, hopefully retaining more staff. Do you see any other benefits?

Ms Pham: We are moving at the end of this month, so we are hoping that a more

modern office environment with better facilities will provide, for example, a room for sick children—a staff carer room—and facilities so that we in a small office, far away from everyone else, will be able to offer the same simple and standard facilities to our staff as is received by other public servants.

MS PORTER: Even though you do not have the extra staff at the moment, hopefully that will assist you in meeting some of the floor plans that you have?

THE CHAIR: Ms Pham, I did not hear you mention the issue of security. Did you just mention the issue of security as well, because I know it was an issue in the current office?

Ms Pham: Yes, definitely. Security was an issue with the current accommodation where the building is shared with other tenants and open to the public, so we have to share a lot of facilities with the public. So anytime during the day, sometimes 8 o'clock at night, you see people walking in and sometime it scares you a bit, being there late at night. No security is provided for you to stay and work late, during the night.

MR SESELJA: I am interested in the issue of follow-up. Given your limited resources, when you do a report, like the recent one on the development application process, in which you make a number of recommendations, what capacity is there within the office to follow-up down the track how agencies have responded to that?

Ms Pham: At this stage, very limited capacity. Indeed, we do not have the capacity to follow-up recommendations from audit reports, and we rely on Assembly members to ensure that government departments undertake the recommendations as agreed to. We have only the capacity to finish an audit report and move on to another one. As it is, it is very hard to have a target of seven performance audits a year with only five staff at any one time to do that.

MR SESELJA: Just on that, at the start you spoke about it likely being five to six reports a year with a target of seven. How much would the three extra staff that you were hoping for have increased the capacity? Would that be an extra couple of reports per year?

Ms Pham: At least three reports a year from three staff, plus other investigations. In addition to producing performance audit reports we are also required under the act to investigate matters brought to our attention under the Public Interest Disclosure Act.

MR SESELJA: Is there a timeframe on when you are required to do that under the legislation?

Ms Pham: Under the Public Interest Disclosure Act we need to respond to the people who brought the matter to our attention, whether or not we intend to investigate the matter. For all of them we need to do an initial investigation to see whether or not we need to take the next step, to investigate further. So certain preliminary reports need to be done for every single public interest disclosure referred to our office. Currently, there is no time frame limit, and currently we could not undertake any investigation without pulling people out of their current performance audit. I think Mr Nicholas can explain a little bit more the pressure we have in responding to public interest disclosure matters.

MR SESELJA: If I can just understand what you are telling us, the lack of resources means that in many cases you cannot properly respond to public interest disclosures, is that correct?

Mr Nicholas: The Auditor-General's involvement in public interest disclosures is twofold. One, we are a proper authority to receive disclosures regarding our own organisation, for example, but the other is in relation to disclosures that may be referred to us in which we firstly have to determine whether we have a capacity to intervene. We intervene if another organisation, being a proper authority, has not been able to conduct an investigation properly for whatever reason or has not conducted an investigation properly. That initial investigation is typically quite an intensive process for us. We look at what has been undertaken by the other agency, by the proper authority, to see whether it reveals some disclosures or some matters that require further follow up.

As the Auditor-General has indicated, we are pretty well occupied with our staff undertaking our performance audits as it is. Any additional investigations, such as a PID, have to take their turn according to our overall priorities. Some of those are fairly urgent. Certainly the people making the disclosure to our office feel they want to have an investigation conducted quickly because they are matters of obvious and serious concern to them. Unfortunately, we have to put a number of those aside while we find the resources to do the work. So I guess we have not really got the resources to devote to our public interest disclosures. We were hoping that the additional staffing we could have got would have provided us a better capacity for that. It is problematic for us.

THE CHAIR: Even if you had been given the money to put on the three additional performance auditors, it would not guarantee that all PIDs would necessarily be dealt with in a fashion that the people who make the PIDs would like, would it?

Mr Nicholas: No, it would not. Again, we have to look at a public interest disclosure that is referred to us in the context of our overall priorities for our audit tasks. It could mean that a disclosure is looked at, determined not to be the highest priority at the moment and put aside for a short while—or perhaps even a longer while. Certainly, as you are indicating, the people who make the disclosure want action, and they want action quickly. Unfortunately, now or even if we had the additional staff, I do not believe that we had an ability to provide that.

MR MULCAHY: Ms Tu Pham, I am not sure if you or one of your officers would like to respond to this, but I am wondering whether you have a view on the presentation of the government's operations from an accounting standard point of view, whether you would favour the current AAS format or whether you are a believer in the government finance statistics basis, which produces a radically different deficit of somewhere in the order of \$350 million, as opposed to \$90 million.

THE CHAIR: Mr Mulcahy, you told me this was going to be a short question.

MR MULCAHY: It is a very simple question as to which method of accounting standards or presentation of the government's operations the Auditor-General believes is more appropriate.

THE CHAIR: It is a matter of opinion, is it not?

Mr Sheville: I understand it depends a bit on whether you are an economist or an accountant. I think the GFS is primarily for economists. It is used by most jurisdictions in Australia. I prefer the Australian Accounting Standards. That is my preference, rather than necessarily an audit office perception, mainly because I like the idea of an independent standard for the preparation and presentation of the financial statements, although I must add—

MR MULCAHY: Notwithstanding the sale of assets and revaluations being treated as income?

Mr Sheville: Well, I am not an expert on GFS accounting, but the Australian standards have a method of accounting for these things and other transactions. They are followed by listed companies and governments, and provide for better consistency and comparability.

Ms Pham: Since there are so many different views on the pros and cons of the system and there are so many expert bodies put together to look into these methods, I think we will play along with the recommendation that came out of the Heads of Treasury Forum or the National Board of Accounting Standards. Rather than have individual views about each of the systems, I think we play by the rules and follow the standards recommended by the national bodies and accepted by most governments, we follow them.

Mr Sheville: I might add, there is a move to harmonise GFS with accounting standards. It is a fairly major project. I have heard a range of different possibilities coming out of that. How the statements might look at the end of the day has changed in the time we have been looking at it and there has been a series of changes over time. They are planning to eventually release new standards in relation to whole-of-government reporting. Whether they result in fully harmonised GFS and Australian Accounting Standards still remains to be seen.

MR MULCAHY: It is only us and Victoria that have AAS in Australia?

Mr Sheville: That is right, as far as I am aware.

MR PRATT: Ms Tu Pham, good afternoon and good afternoon to your colleagues. The scope you have operating is six or so major performance audits. How do you determine the priorities? Do you feel you have the capacity now to determine where you ought to go to look for systemic weaknesses or do you wait to be requested by the Assembly or the government?

Ms Pham: We have a three-year program planned and examined at the beginning of every financial year. So we have a very strategic approach to the way we select performance audit topics. We do not react to whatever comes out of the community or the Assembly in an ad hoc manner. Every year we look at a number of criteria and decide on a number of topics we would like to look at as part of our three-year program. We then liaise and consult with key stakeholders, including the public accounts committee, and get their views and feedback.

Internally, we do a scoring system to rank priority of topic according to how significant is the government expenditure on the topic, the impact of risk of a particular area—for example, if the government is exposed to higher level of risk compared to some other topic—and then look at, for example, what is the potential of our audit having an impact on improvement of government activities? That means: can we add value into public sector improvement with our recommendations?

Then we look at our resources and our expertise available in-house. We look at the burden of audit. That means, how frequently the department has been audited—how many years ago this topic had been looked at—and then we take into account community interest, or Assembly interest if the issues were raised in the Assembly. Then we use intelligence from our financial audit team, who are also aware of what is going on in various departments, and then put everything together. We have something like 36 audit topics on our books at the moment and we go through them in a three-year rolling program. But every year we review them, review the priority and then notify agencies accordingly.

THE CHAIR: Thank you, Ms Pham, Mr Sheville and Mr Nicholas for your attendance this afternoon.

Short adjournment.

Appearances:

Mr Wayne Berry MLA, Speaker Legislative Assembly for the Australian Capital Territory

Legislative Assembly for the Australian Capital Territory Secretariat

Mr Tom Duncan, Clerk

Mr Ian Duckworth, Corporate Manager

Mr David Skinner, Senior Project Officer

Ms Robina Jaffray, Manager, Committees

Mr Russell Lutton, Manager, Hansard and Communications

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

Can each witness, on coming to the table, state their name and the capacity in which they are appearing. Please clearly identify when you are taking a question on notice. It is then your responsibility to check the transcript and respond to the question. The responses to questions taken on notice are required within five full working days. The transcript will be emailed to the appropriate people. Can members please clearly identify if they want a question to be taken on notice, plus give any page references. I have now said that for the third time today.

Proceedings are being broadcast to specified government offices—I am sure the Speaker is hoping that is the case—and the media may be recording proceedings and taking visual footage.

MR MULCAHY: Chair, can I raise a matter just before the Speaker speaks. Earlier today we had a witness who spoke in terms of the number of people employed with a disability in the Australian public service in the ACT. I have just received information from the federal minister for employment indicating that the number of people employed in the commonwealth as of June 2004 is 3.8 per cent. In the ACT public service, at 30 June 2004, the equivalent figure is 1.8 to 1.9 per cent. I just want to put that on the record, because the impression was left that it was the reverse situation. That is all I need to say.

THE CHAIR: Moving right along: Mr Speaker, welcome; and to the Clerk and all secretariat officials, welcome. Would you like to make an opening statement?

Mr Berry: A very brief one, Madam Chair. It is our pleasure to be here to subject ourselves to the scrutiny process and, indeed, to subject the secretariat to that process because of the importance of the role they perform in assisting members in our parliament. It has been a long tradition of this Assembly, in particular, that the scrutiny process is taken seriously. We certainly take it seriously, as do all of the officers of the

secretariat.

We invite, and I invite, members to subject us to that process with as much fervour as they can muster. But we do take it, and in particular I take it, very seriously because, after all, that is what the parliamentary process is about—scrutinising the executive and all other processes, including the parliamentary process. Thanks for the opportunity to make those few comments.

THE CHAIR: Did the Clerk wish to make any statement? No. The Clerk speaks very little, is that not the case? Before I move on to others, I might ask—and this is a little bit of a loaded question, Mr Speaker—in previous years the Assembly secretariat has made requests to the government for increases in funding because the building is very old and needs to be done up a bit, and there are a number of issues that need to be dealt with. Would you like to make a comment on how you have gone this year?

Mr Berry: Indeed, we have made bids—and we can go to the detail of those if the committee wishes—but we have made bids that have been unsuccessful. I doubt that there would be a place throughout all of the agencies that hasn't made bids that were not successful. No doubt ministers, in their various portfolios, have made bids that haven't been successful as well. But at the end of the day we have been given a budget to work within and we will do our utmost to work within that budget.

On the bids, some of them did go to issues around the building, the provision of security and so on. We have estimated that we will be able to work forward with the budget that we have been given. As always, we would say that we would have been able to work forward in a better way had we received all we had asked for. But it is a time for restraint, it would appear, and we will be subject to the same restraint as other agencies. But if you would like some details I can call on officers to provide that.

MR SESELJA: I would like some details; I don't know about the rest of the committee.

Mr Duckworth: I might comment on the history of funding for the building and the various upgrades. Certainly on previous occasions before the estimates committee we have talked about our plans for the public entrance. In this current budget year, as it was being developed a year and a half ago, we resubmitted a request for funding to enable us to change the design of the entrance. That was based on some work that had been done several years ago.

The timing of the budget cycle actually meant that we got funding in the current budget year to do work, but by the time the year began we had been able to take stock of a security review that led us to the clear conclusion that the design that we had been funded for was going to be grossly inadequate. So we effectively have continued to sit on the money that we received. Those figures are \$300,000 for a revised entrance, and a separate \$300,000 for upgraded security.

The process leading up to this current budget round involves the Speaker communicating with the Treasurer, as is set out in section 20 of the Financial Management Act. The money sought was significantly more—I think in the order of an extra \$740,000-odd. That extra funding was intended to enable quite a significant redesign of the public entrance, largely involving a change to the entrance, the amount of security procedures,

and quite a bit of internal work was required to achieve the design outcome.

As the Speaker indicated, that request wasn't successful; so we have recommenced a process of sitting down and looking now at what design we can achieve. We are confident that we can come up with a redesign for the public entrance that fits the budget that we have got available to us. It is not going to offer us the functionality that we had hoped, but we do believe that we can make our best efforts to at least provide some additional security for staff at the entrance and provide some installation of security equipment that will enable better access control to the building and so on.

MR MULCAHY: Chair, on this issue, if I could ask the Speaker or, if appropriate Mr Duckworth or the Clerk: you have indicated mainly in the terms of capital works the amount of \$740,000 being knocked back by the Treasurer. We previously had a hearing here before the public accounts committee where you forecast additional resources being sought. I am not sure without referring back to *Hansard*, whether at that time, you indicated they were going to provide what was being asked for. I wonder if you could advise the committee what appropriations you have actually sought, exclusive of capital works, in terms of resources and personnel, as opposed to what you actually received.

Mr Duckworth: Apart from capital-related expenditure, the additional funding that was sought this budget year was in the order of \$129,000 to address staffing some positions to deal with public sector management-type issues for the secretariat, which finds itself, I guess like most agencies, a bit stretched for resources in those areas. We just do not feel that we are getting the opportunity to address some of those issues. So \$129,000 was the additional funding sought, exclusive of capital for the current year, and that was not forthcoming.

MR MULCAHY: Given then that this was in the wake of a probably less than happy report from the Auditor-General—financial audits reports No 10—especially in its addressing of the way in which the Assembly was functioning, and given now that the government has decided not to give you the additional resources, how do you see yourself tackling a number of criticisms that were included within the Auditor-General's report as you are not going to have the extra bodies to perform the miracles that may be required?

Mr Duckworth: In fairness, in relation to the additional positions that we had identified through an external review of the corporate services staff structure, which identified three additional positions that we felt were necessary to meet both the criticisms from the audit report that you refer to plus some additional areas of attention in the public sector management sphere, it is fair to say that one position, which has been funded through an internal reorganisation of budget priorities, has been slotted into the structure. That particular position would largely address the Auditor-General's concerns about segregation of duties and inadequate controls.

MR MULCAHY: But where does that come from? It sounds like you have had to shuffle the deckchairs somewhat.

Mr Duckworth: Yes; I guess internal budgeting. Every year we look at our budget and we look at where we have to devote resources. On this particular occasion, I think the bulk of the funding came from the committee office through the withdrawal of

a committee secretary position.

THE CHAIR: Which leads me to the next question. There has been a large turnover of staff in the committee office and you have a few people who are on secondment and who will not be there for much longer. I know that there have been some interviews done in the last week. Do you want to tell us what is happening with the permanent positions?

Mr Duncan: It is subject to a merit selection process and I know the head of the committee office is undertaking the selection process. But that will just be handled in the normal course of events.

THE CHAIR: She brings her own nametag. I am impressed.

MR MULCAHY: Very efficient. Chair, a related question to yours: we are aware that there is one fairly pivotal role where there is a recruit being sought, which I think is the same position at the moment as secretary of the public accounts committee. I understand the capacity to look at prospective candidates in other parliaments outside the ACT was not considered an option because we either cannot, will not, or do not agree to funding removal costs for people.

It seems incredibly myopic that we cannot look beyond our territory to possibly bring people into Canberra who may be very talented because something as basic as removal costs is beyond the scope of the budget in this place. Is there a comment that someone would like to pass on that?

Ms Jaffray: I will take that. With this particular selection process, the position was advertised in the local paper. It was advertised in the House of Representatives and in the Senate. We did not advertise nationally, not simply because of the difficulty of funding removal costs, if we could find a really good candidate. If we needed to go further, then that might be an option. I have to say the current selection process did lead to a very good field and I do not think we will have any trouble filling the positions that we have available with good candidates.

Mr Duckworth: I might just add—

MR MULCAHY: But you acknowledge that one of the points advanced was that removal costs was an issue. In fact, I advanced the idea of looking at other parliaments.

THE CHAIR: Actually if we can allow Mr Duckworth or Mr Duncan to answer that question.

MR MULCAHY: All right.

Mr Berry: I think the Clerk disagrees with that.

Mr Duckworth: I was just going to say it is quite clear that those positions have been advertised in the *Gazette* and in the press. We are required to advertise all permanent vacancies in the *Gazette*. Anybody in the country can apply for those positions and, if they were recruited from interstate because they were the best person for the job, we would pay the removal costs. It is as simple as that. And we would meet that.

MR MULCAHY: My point, chair, was that a contrary view was advanced that that was an issue, because I actually suggested you look at the South Australian and West Australian parliaments.

Ms Jaffray: I recognise that I said that it is expensive getting people from interstate, but that is not the consideration in not advertising interstate. The *Gazette* is online and available to be accessed by anyone within Australia.

THE CHAIR: I cannot remember if my original question was actually answered. Sorry, Ms Jaffray.

Ms Jaffray: I will update you on the selection process. It is not finalised. We have almost completed interviewing. Because of a bizarre situation with Australia Post where an application went astray, we probably will have one more interview to do. But I am in the process of finalising the reports, subject to the completion of that interview. I hope to have it finished by the end of the week. There will be two permanent positions filled and an order of merit for any positions that may become vacant within the next 12 months.

THE CHAIR: That answered a question I was going to ask about the number of positions. Moving along: Ms Porter or Dr Foskey, you have not asked a question yet of anybody.

MS PORTER: Mr Berry, I had a question about the public service seminars on business roles and functions of the Assembly. Who are these seminars particularly targeted at? This is at page 1 of budget paper 4. And what do you believe are the benefits of these?

Mr Berry: It is targeted at ACT public servants and familiarising them with the role of the Legislative Assembly. Contrary to popular belief, it is not a place where people come for their usual entertainment, but we think it is our job to expand the knowledge of the operations of the Assembly as far as we can. The Clerk would probably be able to give you some more detail on the matter, but it is an important project for us.

Mr Duncan: We are offering four public services seminars, on 3 June, 6 August, 2 September and 4 November. Basically, one is on the general Legislative Assembly, one is on the role and the operation of the committee system, one is on the budget process and one is on the legislative process. Basically, they are half-day seminars for public servants and we will be holding them in the reception room.

We actually will be involving members. Members probably have already been contacted. We will do it on a cross-party basis obviously and get them to come along to explain how they fit into that process. But we just try to outline to the ACT public service how this place operates and give them a broader understanding of how the place works.

I can say that, for the first one, we have got about 50 people coming on 3 June; so it is progressing quite well. We intend to run these things every year as long as there is demand for it.

Mr Berry: Of course, for some more junior officers, it might be one of the only opportunities that they have to come here and examine the process quite closely; so

I think it is an important thing in terms of good governance and certainly something that will continue, as the Clerk has said, while ever there is a demand for it. While ever there is recruitment into the ACT public service, I suspect there will be a demand for these sorts of services.

MS PORTER: Again, on page 1, it talks about building and extending relationships with other parliaments and participating in inter-judicial benchmarking with other Australian parliaments. I was wondering if you wanted to comment on the strength of the ACT government relationship with parliaments from interstate and overseas.

Mr Berry: Recently, I know that there has been some criticism of travel and so on, but I see a relationship between us and other parliaments as fundamental in the development of this parliament and, if you like, the development of members who serve here because I think that cross-pollination is an extremely important part of the development of any organisation.

MR MULCAHY: So you don't see Mr Pratt's attendance at the CPA as a holiday, as was characterised this morning, Mr Speaker?

Mr Berry: I think I will duck that question and not get into the political hurly-burly. I think it would be better for me to stay out of that one. Members can speculate on what all of this means, in the scheme of things, in their report, I expect. But I would ask the Clerk. He might be able to provide some additional details that might be of use to the committee on the question that you have asked, Ms Porter.

Mr Duncan: Ms Porter, you might have seen around the place some posters in the various rooms on the first floor setting out the strategic plan for the secretariat. The vision for the secretariat—and this is a very bold vision, I might add—is that by 2009 we will be a leader in the provision of parliamentary services in Australia. That is our vision for 2009.

The trouble is: how do we know how we compare with other parliaments and things like that? I am having discussions with my counterparts in Queensland and the Northern Territory parliaments, because they are unicameral parliaments and it is a lot easier to measure apples with apples, rather parliaments with two houses, because it gets a bit complicated there.

We are starting discussions and we hope to have something in the next six months when we start benchmarking something like Hansard services, because, with Hansard, it is fairly easy to estimate the cost, the timeliness, the quality and the quantity. We hope to be able to compare ourselves with how we provide these services against other parliaments. We might find that we are lagging miles behind or we might find that we are a leader. We won't know until we actually compare ourselves.

The difficulty is going to be comparing like with like. There are differences in all parliaments. Queensland has got 89 members; we only have 17. The Northern Territory parliament has a brand new, state-of-the-art building, \$165 million, which we saw recently. These sorts of things you have to factor in.

THE CHAIR: Does it leak?

Mr Duncan: It doesn't leak, as far as we know. We are starting the process. It will take a while, but we think we need to do that to make sure that we are providing the level of service that we need to for members.

MR MULCAHY: Most organisations measure customer satisfaction. In this case, your first customers, I guess, are the members of the Assembly. Have you ever contemplated actually measuring their assessment of the provision of services and satisfaction?

Mr Duncan: In the past we had a purchase agreement between the Speaker and the Clerk and the secretariat and we actually surveyed members four times a year. We did four in different instalments. The feedback we got from the members, I must say, was: "Thanks for asking us but we're fairly busy and you keep coming back to us to ask if you're doing all right. If we don't think you're doing all right, then we'll use our representatives on the admin and procedure committee," because the admin and procedure committee is there to represent, as you know, the different parties. This was several years ago.

Now the Speaker may say, "Look, Clerk and the secretariat, it's time that you reconsider that." Mr Mulcahy, if you are pushing that view, we will certainly consider it.

MR MULCAHY: Four times is probably ambitious, but maybe once a year or something.

Mr Duncan: Yes, we can certainly do that. But certainly in the course of the year the admin and procedure committee meets, as you know, six or seven times. There is always an opportunity then for the representative of the various members to express to the Speaker and the officers of the secretariat where they may be dissatisfied.

DR FOSKEY: On page 1 of budget paper No 4, where it refers to the highlights, it says, at dot point 2, that you will be implementing a new financial management system. Don't tell me in detail but tell me something about that. The third dot point refers to a business continuity and disaster recovery plan and associate arrangements. Could you spell those out for me, please.

Mr Duckworth: I am happy to respond, certainly to dot point 2, Dr Foskey. The secretariat has gone through a lengthy selection process, starting just prior to Christmas, to select a replacement financial management system. The system we have been using since accrual accounting was introduced in July 1996 has largely been unchanged, with the exception of a couple of minor tweaks around Y2K time and the introduction of the GST.

We considered that we needed to upgrade that system to a more contemporary product. We considered both an upgrade to the current system and two alternative systems. As it transpired, the vendors for the current system were not able to meet our requirements. So we have chosen a system called—it is a curious name—Great Plains. It envisages all sorts of wonderful things, but it is a very good system. It is very smart. We are a very small agency, so we are not suited to the large systems like Oracle and SAP that a lot of other large public sector agencies use. The implementation is currently under way. It is on track, and we expect to be going live with the new system from 1 July.

DR FOSKEY: Did you say “Great Plains” as in native America?

Mr Duckworth: Yes. I don’t know what the message is in it, but it is certainly a very smart system.

Mr Pratt: Buffalo charges.

Mr Duckworth: Yes, that is right. Hopefully nothing too frightening.

DR FOSKEY: Part 2 of that question, the business continuity and disaster recovery plan.

Mr Duncan: Dr Foskey, I will answer that question. Last year we went through a risk management process and we looked at the risk management processes for the secretariat. One of the things that were identified was that we do need a business continuity and disaster recovery plan. Basically, it is in the event that something happens to the building—and we are talking possible terrorist attack or bombing, or fire, or natural disaster. Most parliaments are now going through the exercise of saying, “Right, if the building’s not available, where do we conduct the business of the parliament? Where do we conduct the business of committees? Where do members have their offices? Where do the executives have their offices?” that sort of thing. So we are liaising with other parliaments to see what they have done as well.

I can tell you the Northern Territory and Queensland parliaments have not got very far. We are hoping to have something in place in the course of the next financial year. It may well be something like the Albert Hall or it may be some other place where we can actually hook up a Hansard system, where members can meet, in the event that that sort of disaster does occur.

DR FOSKEY: You would need a contingency plan in case the contingency plan was also involved in the disaster, wouldn’t you?

Mr Duncan: Quite possibly, Dr Foskey. We will be looking at all contingencies.

DR FOSKEY: I have one more question, but I am happy to ask it after Mr Seselja.

MR SESELJA: Thank you. I have just a couple of questions. I guess they are micro-type questions, but some other members have concerns about them. The first is in relation to member services. In members guide 11.7, on page 71, it states that business cards are available to members and their regular staff. I think a number of members have received oral advice from corporate services that cards for a second member of staff are to be met from DOA. Are we able to get a clarification on the correct ruling in relation to business cards for staff members?

Mr Berry: They were adopted as a standard business card, in consultation with the admin and procedure committee when we adopted a new corporate logo. As such, provision was made, of course, in the DOA for expenses such as this.

MR SESELJA: I don’t think business cards come out of the DOA, certainly for some staff.

Mr Duckworth: I think the advice that you referred to there, which is that the current arrangement that was agreed to around about the time Mr Speaker was just referring to, was that members would be provided with business cards; they could nominate a staff member from their office who would be provided with business cards, but not any additional requests. In other words, if members wanted all their staff to have business cards, the DOA would be used to pick up any additional—

MR SESELJA: Is there a reason that is not reflected in the actual members guide?

Mr Duckworth: I would have to say that that must be an amendment to the members guide that is required.

MR SESELJA: Just on another issue—and this is clearer, but I guess it is a question of why it exists rather than the actual ruling—in relation to taxi usage: obviously there is provision in the members guide for cab charges, but it talks about use of taxi vouchers. Is there a reason why members aren't issued with Cabcharge cards? Is there an issue of trust there? What is the background to that?

Mr Berry: As the Clerk explains to me, members were issued with cars, which essentially covers travel in the ACT and travel in accordance with the Remuneration Tribunal's awarding of that entitlement. And when travel interstate is necessary, a guesstimate about the number of taxi warrants that are necessary is made and, in my experience, there have always been plenty of these. But for local use, since members were first issued with cars, of course that became the primary means of transport around the electorates, and not taxis.

MR SESELJA: Yes, I understand that. But given that provision is made for taxi vouchers to be used—as you say, there are numerous circumstances particularly where members are interstate—it seems odd when you compare it to, say, most public service agencies where low-level public service officers will be issued with a Cabcharge card or a travel card, and they just reconcile that. It seems like a simpler system in many ways rather than, every time you travel, you have to ask for five or six or however many taxi vouchers.

Mr Berry: I would ask Mr Duckworth to speak on the micro issues of it, because I am sure there are management issues with that.

THE CHAIR: Mr Duckworth, while you're answering that, you might also answer what the administration of providing each member with a taxi Cabcharge card would be as well.

Mr Duckworth: I probably have the advantage of having spent a number of years working in the organisation. I have to say quite genuinely that I honestly don't think it has ever been an issue until these current questions. We have always had members travelling interstate, usually as part of a committee trip, or it might be a CPA conference. Usually there will be either a committee secretary or somebody who can arrange to provide Cabcharge vouchers. Cabcharge vouchers do provide some administration, but I don't honestly think a Cabcharge card would be any simpler.

MR MULCAHY: Can I tell you there are quite a few virtues, Mr Speaker. First of all, it provides a lot more security. Cabcharge vouchers, if lost, are a transferable—

THE CHAIR: Mr Mulcahy, this is —

MR MULCAHY: Yes, I was just going to explain to the question—

THE CHAIR: No. This is not the place to start having a conversation about it. If you want to take up the idea—

MR SESELJA: This is adding to the question.

THE CHAIR: The question wasn't directed to you, Mr Mulcahy. Now let me explain this to you. We're here to actually scrutinise the budget.

MR MULCAHY: This is part of the administration—

THE CHAIR: I have no problems with the issues being raised, but if we decide that we're going to have conversations flowing backwards and forwards about the merits of certain things, then we would need an entire year in order to scrutinise this budget.

MR MULCAHY: Well, it was a supplementary comment to my question, which we've had all day long.

THE CHAIR: Well, I'm sorry, but I'm not prepared to allow it, Mr Mulcahy.

MR MULCAHY: Obviously you're not allowing supplementary questions now.

Mr Berry: Madam Chair, if I can assist in this matter. It is the first time I have heard this issue raised seriously, because we have always had plenty of access, in my experience, to vouchers for taxis. I have not heard of the security issue being raised before, but I am quite happy to look at that side of it. If it can be demonstrated to be an issue and if we can work out a more efficient way of administering it, which might involve a card, I have no difficulties with that approach, but I must say that I am a little surprised because it has never been an issue in all the time that I have been here.

MR MULCAHY: I have another latent question of where this is all going. The reason I asked about reductions in capital works but more particularly in appropriations is that a significant number of members have raised with us concerns about a trend emerging here of debate on relatively small outlays. My concern is that the Assembly's work may be impacted upon because the government won't provide sufficient funds for the administration of the Assembly. If they are getting knocked back on fairly modest budget amounts of \$137,000 for people to do the job—

THE CHAIR: What is your question, Mr Mulcahy?

MR MULCAHY: Mr question is: are these symptomatic of an Assembly that is struggling to make ends meet in providing services to members?

Mr Berry: In my judgment, no, but we all have to manage within budgets and to deal

with specific issues as they turn up. We raised in our bid with cabinet the issues which we thought were appropriately raised in the context of the current budget. Cabinet, in its wisdom, has decided to give us an allocation and we will do our utmost to work within that and provide the maximum level of support for members throughout the remainder of this budget period. I am sure that, if members find specific problems are troubling them in the carrying out of their duties, they will raise them with me through the administration and procedure committee. That has been the practice in all of my experience, and I have to say that nothing has been raised along these lines at this point, especially in relation to Cabcharge cards. Members have never been backward in the past in raising issues in the administration and procedures committee that cause them discomfort. We have always worked out a way to deal with them.

MR MULCAHY: Just by way of explanation, and for the Speaker's benefit, six members have raised issues with Mr Seselja, one government staffer and me. So these are not trivial matters we are raising. They are symptomatic of what was—

THE CHAIR: Mr Mulcahy, while I appreciate what you are attempting to do, there is an avenue for those members to take it up through the admin and procedure committee. They can write directly to the Speaker, who will then take it to the admin and procedure committee, and I recommend that that be the way they deal with this.

MR MULCAHY: It does impact on their budget, though.

Mr Berry: Of course. I think it is fair to say that we will not be able to respond to all of the wishes. We will always do so with the background of proper performance of the parliament and its committees and members in the representation of constituents. But, again, we are limited in budgets like everybody else.

MR PRATT: Mr Speaker, just following up on the issues raised by Mr Mulcahy: What are the most prominent themes dominating issues that have been raised over the last 12 months with the admin and procedure committee by members, members' offices, and perhaps even the CSO?

Mr Berry: I don't think there have been any standout issues. The ones that I have been dealing with have been matters of security and those sorts of issues. That is one of the big issues for us. Mrs Dunne has raised the issue of IT. There are the routine things. We have quite interesting discussions about the order of members' business, when it comes to deciding that on the first sitting day of each sitting period. That is about the management of the various political or partisan political wishes of the members but, on procedural issues, there is nothing that stands out in particular. But IT has been raised on a number of occasions, as new pieces of equipment come onto the market that are yet to be supplied to members, and we try to deal with that process. We have had quite lengthy inquiries into the provision of IT services in the past and, given the evolution of these things, I expect that we will be having more inquiries about these to provide more up-to-date services to members from time to time.

Mr Duncan: We have only had two deliberative meetings of the admin and procedure committee, apart from the Tuesday meeting, so there is not much time for these sorts of themes to come through, but there is, I think, another meeting scheduled for 7 June.

THE CHAIR: I believe I raised the issue of blackberries at the last meeting, at which there was some guffawing and mention of Round Up.

Mr Berry: That was from me.

MR PRATT: I have heard that there has been a level of dissatisfaction in some areas of the InTACT service. Are you picking up on that?

Mr Berry: Some levels of dissatisfaction?

MR PRATT: Yes, particularly on the question of flexibility.

Mr Berry: From time to time there is. A member wrote to me recently and complained to me that, if both of the phones in the office were being used and a call came in, the call went to the answering service. I guess that happens if you are busy in your office. But we will take it seriously and we will examine it and see if there is some way that we can provide an additional service along those lines. I have yet to look at a response to the member but in due course we will do that.

DR FOSKEY: My question relates to a matter that has been discussed by the admin and procedure committee, that is, the need for the Legislative Assembly to develop and implement an environmental management system. That is certainly something that other parliaments have done, including the federal parliament. In Victoria, it is a requirement of all government departments. I am hoping that there is some action in relation to my concerns. I think the Clerk is doing some investigations with other jurisdictions. I just wanted to point out that, while this might cost some money or require some allocations in the first instance, I expect that it would become cost effective in the longer run as well as being a model for the sustainability and environmental procedures that we are, I believe, asking of our departments. Has any thought been given to these kinds of considerations being brought into the mix?

Mr Berry: In its design and since this place was opened we have had the benefit of technology that reduces energy consumption, and on quite a few occasions along the journey there has been some finetuning of that to make the building more energy efficient, both in terms of the air handling equipment and other energy consumption issues.

Mr Duckworth: I think there are two points that I could make, Dr Foskey. The first relates to energy efficiency issues. It is certainly true with the delayed, frustratingly so, process on a redesigned public entrance that there is an energy efficiency element in that. We hope that, as we move forward to a simpler but nonetheless different design, we will be able to address some issues of energy efficiency that occur when we get huge bursts of hot and cold air at various times of the year. Following on from Mr Speaker's comments, we have certainly improved our energy efficiency over the years in the building through a series of small measures that, in my view, we probably have not mapped out well so that we have not been in a strong position to illustrate the improved energy efficiency that we have established. Nonetheless, I think we are doing quite well there.

The other key area, and genuine area, where there will be an improvement in the next

little while is that we are on the verge of signing a contract for cleaning of the building. That cleaning contract quite clearly envisages changes to waste management and waste removal processes. At a public accounts committee meeting earlier this year we flagged the fact that we had an audit done and that a very high percentage of the waste that is leaving this building is going to landfill and that that could be diverted into recycling streams. We are basically using the new cleaning contract to achieve what we hope will bring about 50 per cent or 60 per cent of waste going into recycle streams rather than our current arrangement of its going to landfill. I would hope that by year's end we could provide some genuine and realistic data on the improvements that we have achieved there.

Mr Duncan: This matter is on the agenda for the next admin and procedure committee meeting, as per your wishes, Dr Foskey, so it will be discussed in another committee.

DR FOSKEY: Thank you. I never had a doubt.

Mr Berry: I think we need to emphasise that this building was, in effect, a recycled building. It is the reuse of a public service building which, with all of its pluses and minuses, given the redesign of it, hasn't worked out too badly. If we were building another building now we would certainly build it differently.

DR FOSKEY: Remembering, and I don't expect you to address it now, that the question was about an environmental management system, which is something a little different again, but I shall save further discussion on that.

MR MULCAHY: I have a question in relation to page 2 of budget paper 4. If you look at the forward estimates for increased employee severance payments, there is no provision for 2008-09, which I believe is an election year. Could you elaborate on the mathematics of the forward projections for wage negotiations at an amount of \$74,000 per annum as a constant? Is that an averaging or is there some other explanation for those two features?

Mr Duckworth: Mr Mulcahy, my understanding of the first part of your question, dealing with an increased employee severance payment, is that that was effectively an adjustment in the current budget year, 2004-05. It was an adjustment to our estimated outcome because the election last year led to higher than budgeted severance payments and that figure—

MR MULCAHY: Is 170 above what you thought would happen?

Mr Duckworth: Yes. You observed that there was nothing in 2008-09, and that is to be an election year, but the table we are referring to is a summary of the changes to the appropriation, and my understanding is that the forward estimate already includes a loading in that 2008-09 year, for that election year severance payment. Dealing with the second part of your question, that there was \$74,000 both in the coming year and each of the outyears for wage negotiations, my understanding is that that adjustment was not anticipated—I mean, the certified agreement that currently applies to staff was finalised after the last budget, and this is a flat adjustment recognising an increase. But, in the budget papers for the territorial appropriation, there is indexation of 1.3 per cent for every outyear. Does that address your question, Mr Mulcahy?

MR MULCAHY: It might. I will have to do a bit more digging around on that.

MR SESELJA: I am a bit confused. I do not think this was covered in Mr Mulcahy's question just then but, if it was, correct me. Page 8 of budget paper 4 talks about the increase in employee expenses. In 2003-04, there was an increase of \$493,000 and this was put down to severance payments, which is why I am concerned about going over the same grounds. Page 11 says the increase "is due to severance payments made to staff of non-Executive Members who either did not seek re-election or were not re-elected". The forward estimates show that the increase for 2007-08 to 2008-09 is \$45,000. So that's an election year. I could be off track here, but are you able to clarify why there is only a \$45,000 increase there? Would the \$45,000 be covering the expected severance payments for members not re-elected and their staff?

Mr Berry: We might need a crystal ball for that one.

Mr Duckworth: My recollection is that the magic figure that was agreed between Treasury and the Assembly was in the order of \$150,000. Obviously we would like to be in a position to provide a response on the spot but it may be, in light of that question, that we would have to take that question on notice and provide a more comprehensive response. In doing so, I would be more than happy to address the issues raised by Mr Mulcahy in relation to that \$74,000.

MR SESELJA: Thank you; that would be helpful.

MR PRATT: I want to go back to page 2 of budget paper 4 and the question about the \$300,000 rolled over for security and the \$300,000 rollover for the public entrance upgrade. You were saying that the design process for the front entrance has been put on hold until the security aspects are further looked at and that that is going to influence how you finalise that processing. Are you confident that you will be able to have the work completed by May 2006? What is your assessment on where this is going? Will you have those design requirements done in time?

Mr Berry: Of course, there is a whole range of things we have to fit into here. We have got to get through the design work in an appropriate time. We have also got to fit it in with a decent time slot when the Assembly is not sitting. So there are some interesting management issues.

MR PRATT: Perhaps you could send us overseas on leave, Mr Speaker, with the Chief Minister.

Mr Berry: You might be subject to self-criticism if that were to happen.

MR PRATT: Not if we can do it with the Chief Minister.

Mr Duckworth: I think it is certainly our current planning to have design issues finalised within the next couple of months with a view to then going through the necessary planning approvals and having a refurbishment or construction phase occurring towards the end of the calendar year and into the first half of 2006. Mr Speaker has quite accurately indicated that the logistics are going to be a real challenge. We have

issues around the fact that it is the main entrance to the building. We believe that in the process we have to do some major work on the public entrance lift service, which is really not in good shape, and we have to do something about it. We have to do something about the planning and the logistics of the move but, yes, certainly this budget year is the year that we plan to have the work completed.

MR PRATT: Couldn't we, as an Assembly, look at an alternative entrance—perhaps make provisions for the back entrance to be used so that business can be conducted as normal so that there is no interruption?

THE CHAIR: Where?

MR PRATT: The public entrance, perhaps. Surely you could cut down on the time frame by utilising existing resources and avenues elsewhere and making a few adjustments and arrangements.

THE CHAIR: That is where we are going to upgrade.

Mr Berry: I think we would probably be a bit ahead of ourselves if we were able to say that we can do that because we really have to look at the design which we come up with for the front entrance and how, if there are construction rearrangements that need to be done, they match in with whatever the new security requirements might be. I think those are issues that we might look at but with no way of knowing exactly what we will be doing at this point.

MR MULCAHY: Mr Speaker, just on the issue of security, I understand that the Australian Security Intelligence Organisation did an assessment of this building. I do not doubt their competence to assess security inefficiencies in public but I seriously raise the question as to what the measure of risk is for us and for our staff, in the total scheme of things, that would warrant an outlay of more than half a million dollars. Is there really a compelling case that security issues are so great in this building that we have to make ourselves less accessible?

Mr Berry: If one looks around the world, there is enough cause to be concerned about security issues. It is something that has been in the minds of most people in the community at one level or another, protecting themselves from some unknown threat, and, really, I think the assessment that was conducted of the place was done by these expert people against a growing concern in the community about security and, in places where there were not adequate levels of securities, we have seen just what can happen.

For my part, I think I have an obligation to ensure that elected members of the parliament have adequate protection to ensure that they are able to get on with their parliamentary duties. I will be quick to point out that I am not a security expert; I merely know when I am fearful. But it seems to me that, on expert advice, there are some issues that we really must address if we are going to be responsible.

I can recall in the past when some of us kicked up a fuss about additional mild security measures that were put in place over at the former Assembly—and they were very mild, I have to say. Since then there have been some international events which have made us not so keen to brush these sorts of issues off lightly. I think it is something we have to

take seriously. I wish we didn't, I must say, because I like the openness of this Assembly. But I think I would be failing in my duty if I did not address this issue properly with expert advice, and we will try to put in place something that is as convenient as is possible for members—in consultation through the administration and procedure committee, I might add. I would like to avoid controversy about this because I do not think it helps in the pursuit of reasonable security for members. At the same time, I would not try to avoid scrutiny over it, either. It is not something that one ought to avoid scrutiny over because the community is entitled to have access to their politicians. If I can just make a light-hearted remark: the ones that criticise security around access to the Assembly chamber might like to sit closest to the door!

Mr Duckworth: I might just clarify, to pick up one of the points that Mr Mulcahy made, that the assessment that was undertaken highlighted to us the physical threats that can confront staff here at staff entrances from aggrieved community members who feel they are getting a rough trot from their local system of government. They are probably the people that pose the greatest threat to us. We don't have adequate protection for our staff at the public entrance and that has always been the kernel of our concern. I think the other thing is that the funding that has been made available is also designed to replace an entirely new access control system. The current system is probably 10 or 11 years old and it is dated. It is not effective. So a large part of that investment is into a new system. But the recurrent costs of these measures are not significant; they are largely one-off costs.

Mr Duncan: I have a copy of the report here. It is restricted, but the only part that is restricted is the threat assessment. I am happy to give you a private briefing on that, but you are correct in your summation that, compared to the federal parliament, we are certainly at a different threat assessment level.

MR SESELJA: So there is no concrete barrier planned for around the perimeter.

MR MULCAHY: No \$11 million concrete walls.

Mr Duncan: There are 74 recommendations and they will be going to the admin and procedure committee. We will be briefing that committee and keeping them up to date on the progress of those recommendations.

MR PRATT: A few well-placed bollards will probably do, then.

THE CHAIR: We might just get you to patrol around the perimeter, Mr Pratt.

Mr Duncan: There is a whole range of recommendations, Mr Pratt, and, without getting into the details, there are some quite tricky recommendations which the committee is going to have to give some advice to the Speaker about which ones get picked and which ones do not. In the chamber, for instance, the recommendation is that there be a glass barrier between the public gallery and the chamber.

MR SESELJA: Is repairing the ceiling on the agenda?

THE CHAIR: No, that is not a security issue.

Mr Duncan: That is something that will have to go to the admin and procedure committee because that is quite a different operating environment from what we have previously had.

MR PRATT: Am I to gather from one of your previous comments that the public entranceway and the reception area will be better controlled so that staff will be better protected?

Mr Duncan: Yes.

Mr Berry: It is almost always that the staff around the place end up having to deal with these issues and it takes some skill to deal with people who are troubled about various issues from time to time.

MR MULCAHY: I am not unsympathetic to those people, Mr Speaker.

Mr Berry: So we have an obligation there as well.

THE CHAIR: It looks like everybody has decided that it is time to go home.

Mr Berry: I have walked out of estimates committee proceedings in the past at around midnight, so I feel as though I am getting off lightly.

THE CHAIR: Thank you very much for your attendance. One of these days we will get Mr Skinner and Mr Kiermaier up to the table. I look forward to that day.

Mr Berry: We look forward to that day.

The committee adjourned at 5.48 pm.