



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**SELECT COMMITTEE ON ESTIMATES 2006-2007**

**(Reference: Appropriation Bill 2006-2007)**

**Members:**

**MS M PORTER (The Chair)**  
**DR D FOSKEY (The Deputy Chair)**  
**MR M GENTLEMAN**  
**MS K MacDONALD**  
**MR S PRATT**  
**MR B SMYTH**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**MONDAY, 19 JUNE 2006**

**Secretary to the committee:**  
**Ms S Lilburn (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 that have been authorised for publication by the committee may be obtained from the committee office of the Legislative Assembly (Ph: 6205 0127).

## **APPEARANCES**

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## **The committee met at 9.36 am.**

Appearances:

Corbell, Mr Simon, Attorney General, Minister for Police and Emergency Services, and  
Minister for Planning

Department of Justice and Community Safety

Leon, Ms Renee, Chief Executive

Phillips, Mr Brett, Deputy Chief Executive

Joyce, Mr Phil, Executive Director Corporate

Garrison, Mr Peter, ACT Government Solicitor

Clifford, Mr John, Deputy Counsel, ACT Parliamentary Counsel's Office

Refshauge SC, Mr Richard, Director of Public Prosecutions

Ockwell, Mr Mike, Registrar General, Registrar General's Office

ACT Human Rights Office

Watchirs, Dr Helen, ACT Human Rights and Discrimination Commissioner

Public Advocate of the ACT

Phillips, Ms Anita, Public Advocate of the ACT

Public Trustee for the ACT

Taylor, Mr Andrew, Public Trustee for the ACT

ACT Electoral Commission

Green, Mr Phil, Electoral Commissioner

**THE CHAIR:** I wish to deal with a couple of issues. I am sure everybody knows that these sessions are being broadcast. I ask everyone to remember to turn off their mobile phones or to set them to silent while they are in the committee room. The morning tea break will be at approximately 10.30 am and we plan to finish at 12.30 pm for lunch. We will try to keep to the order that we already have on our daily program. I hope we stick to our program fairly well. We have limited time so we will try to move through the program fairly quickly. There are questions for all areas but we have limited questions for the Public Trustee, which will be dealt with after morning tea.

It should be understood that these hearings, which are legal proceedings of the Legislative Assembly, are protected by parliamentary privilege. That gives you certain protections, but it also places on you certain responsibilities. It means that you are protected from certain legal 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. The Assembly will treat as a serious matter the giving of false or misleading evidence. Witnesses are also reminded to introduce themselves when they come to the table and to say what position they hold.

**Mr Corbell:** Good morning, Madam Chair and committee members. Thank you for the opportunity to be here this morning. I seek clarification: are we dealing solely with the Attorney-General's portfolio, or are we dealing also with emergency services?

**DR FOSKEY:** With the Attorney-General's portfolio.

**THE CHAIR:** We believe that the emergency services portfolio is scheduled for another time.

**Mr Corbell:** I thought so. I just wanted to clarify that, given that there are some transition issues between emergency services and the Department of Justice and Community Safety. Madam Chair, I do not have an opening statement. My preliminary comments are that the budget contains a number of measures that provide additional resources to a range of functions in the Department of Justice and Community Safety. The department is also required to accommodate a range of savings and regulatory changes as a consequence of whole-of-government reforms. On both those fronts my departmental officers and I are happy to answer any questions that you might have.

**THE CHAIR:** I have an opening question about regulatory reforms. Could you clarify how you see those being brought into one area and being dealt with? What advantages do you see in that?

**Mr Corbell:** In establishing the Office of Regulatory Services it is the government's intention to bring together a range of regulatory activities that currently exist in a number of agencies across the ACT government. The benefits of this approach are to provide a one-stop shop for a broad range of regulatory services that previously were dealt with and managed separately in individual departments. That will have benefits to businesses and members of the community more broadly in that they will be able more easily to find a range of government regulatory activities in a single location, whereas previously they might have had to visit two or three government agencies to get all the approvals they needed.

A good example of this is in relation to people who run, for example, an outdoor cafe, or a cafe that has an indoor and outdoor element. For example, they might need to deal with people from the Department of Health in relation to tobacco licensing or smoke-free regulation issues. They might need to deal with the former Department of Urban Services in relation to licensing issues and the use of public land. They might even have to deal with ACT WorkCover. All those regulatory functions are now being brought together into a single office of regulatory services. That will have the advantage of providing a single point of reference for someone in that situation.

There are other benefits from such a move within government. There will be the ability to share common skills and experience across different regulatory areas. There will also be an opportunity to focus on how IT systems can more commonly be implemented across all these separate areas. We anticipate efficiencies and a reduction of duplication as a result of this change and the budget has savings of \$1.9 million in 2006-07 and \$3.8 million in out years from this reform.

The only other point I make in relation to this is that the policy settings that inform the functions of these different regulatory activities will remain the responsibility of the relevant minister and the relevant minister's department. For example, even though as Attorney-General I am responsible for the Office of Regulatory Services, which includes, for example, smoke-free regulation and issues around smoke-free policy, tobacco regulation will still remain the responsibility of the Minister for Health.

**THE CHAIR:** So you do not think there will be any confusion between the two areas—the policy area and the regulatory area? Will that be able to be managed quite smoothly?

**Mr Corbell:** I think it can be managed smoothly. To date it has already occurred in the ACT. Under the previous government, for example, WorkCover policy and occupational health and safety regulation were managed in two separate areas. So it can work. It certainly also works in other jurisdictions. We think, after a period of bedding down, this should be a very effective arrangement.

**DR FOSKEY:** I ask a supplementary question. How long is a reasonable bedding-down period?

**Mr Corbell:** I am not directly responsible for the management of this reform. I might ask Ms Leon whether she would like to take the stage.

**Ms Leon:** The team that is putting together the Office of Regulatory Services is already meeting regularly to assess the range of systems, accommodation and other co-location aspects that need to be worked through. While it is a little early to say what is the precise timetable for that, I note that the savings factored into the establishment of the Office of Regulatory Service assume a half-year effect in the first year. So we are all operating on the basis that it will take up to the first six months of the financial year to bring the separate elements of the office together into a fully functioning, combined Office of Regulatory Services.

**MR SMYTH:** How much will it cost to set up?

**Ms Leon:** The budget allows for \$1 million in transition and reinvestment costs. We are working to that figure.

**MR SMYTH:** Then we will make \$1.9 million from the overall reform. Is that in the first year?

**Ms Leon:** It is \$1.9 million in the first year—that is the half-year effect—and \$3.8 million in the out years.

**MR SMYTH:** So it will cost \$1 million to set up?

**Ms Leon:** There is a budget of up to \$1 million for establishment. That is to cover things such as assessing and possibly making changes to different business systems, some relocation costs and that type of thing.

**MR STEFANIAK:** I note at page 229 of BP4, output 1.7, regulatory services, that there is a significant cost increase in the estimated outcome for this current financial year compared to the estimated outcome for next financial year and the government payment outputs for both those years. I take it that those are staffing costs. If so, how many staff members are involved in that significant increase in costs?

**Ms Leon:** You described it as an increase in costs when it is really a transfer of costs in other portfolios. The Office of Fair Trading and the Registrar-General's Office are

already within the portfolio. Coming into the portfolio are WorkCover, ICRC, tobacco licensing and smoke free, parking operations and some of the outdoor land-use activities. So those costs are not new money; they are just transfers from other portfolios.

**THE CHAIR:** We might ask some overview questions. Do members have any overview questions?

**Ms Leon:** I was going to tell you the number of people involved in that.

**MR STEFANIAK:** Thank you.

**Ms Leon:** In WorkCover there are 61 staff; in parking and regulation, what was urban services, there are 50 staff; in tobacco licensing and smoke-free there are two; and the Office of Fair Trading and RGO are already within the portfolio.

**THE CHAIR:** We will deal now with overview questions.

**MR SMYTH:** Page 226 of BP4 states that the staffing head count will go from 721 to 1,382. Could you give us a breakdown of those increases? What job losses do you expect across the department?

**Ms Leon:** Some of the head count was incorporated in the answer I gave to Mr Stefaniak. The most significant increase in head count is the transfer of personnel from emergency services, which is 573; WorkCover is 61; parking and associated regulations is 50; and tobacco licensing and smoke-free is two. Then there are new initiatives that are not about bringing in functions from elsewhere; they are new positions to be created by additional funding. There are five in the DPP and three divided between the courts and the ACT Government Solicitor for child protection and legal support.

**THE CHAIR:** How many was that, Ms Leon?

**Ms Leon:** There are two in the ACT Government Solicitor and one in the courts, so there are three all together. There is one extra position in the ACT Government Solicitor for taxation compliance and enforcement. The assumptions that have been made about savings in number of staff, based on the budget figures, are that there will be 12 staff reduced as a result of bringing emergency services into the portfolio. Two positions are reduced from the Human Rights Commission and there is an assumption that 20 staff positions will be saved by bringing all the regulatory functions together.

**MR SMYTH:** Can you detail where the 20 in the regulatory functions come from?

**Ms Leon:** Not as yet.

**MR SMYTH:** What areas are we looking at?

**Ms Leon:** It is too early in the process of identifying the duplications to say exactly what 20 positions that would involve.

**MR SMYTH:** So how do you know that 20 will go?

**Ms Leon:** It is an estimate of what the savings will be. One has to do a certain amount of estimating, depending on the level of positions.

**MR SMYTH:** So it could be parking, it could be WorkCover, it could be tobacco or it could be anything?

**Ms Leon:** That is right. The process that is being undertaken by the team that is implementing the office of regulatory services is to identify all the functions and all the positions and assess where there are areas of duplication and where there is the capacity to undertake work more efficiently by structuring teams differently. Once that work is undertaken we will be in a position to say exactly what positions are involved.

**MR SMYTH:** What if you cannot find 20 positions to save in regulatory functions?

**Mr Corbell:** I think that is a hypothetical question. The government set a budget target, and all departments will need to meet that budget target.

**MR SMYTH:** So what areas will be affected then? If you have set the target surely you have some understanding of it?

**Mr Corbell:** As Ms Leon indicated, it would depend on detailed implementation work that is currently under way.

**MR SMYTH:** So after the merger she will lose 32 jobs?

**Ms Leon:** That adds up to 34.

**MR SMYTH:** There are 12 positions in ESA and 20 in regulatory functions. Where are the other two?

**Ms Leon:** It is not because of a merger; it is because of the reduction of two positions in the Human Rights Commission.

**MR GENTLEMAN:** I refer to page 225 of BP4 under the heading “Priorities”. The first priority is the construction of an ACT prison. Minister, could you tell us what stage the prison is up to? What effect would that have on the corrective services budget?

**Mr Corbell:** I thought we were doing that tomorrow.

**THE CHAIR:** That is correct.

**MR SMYTH:** Ms Leon, do the regulatory functions also include speed cameras, or are they staying in the Territory and Municipal Services portfolio?

**Ms Leon:** They stay in Territory and Municipal Services.

**MR SMYTH:** So which functions come across from Territory and Municipal Services?

**Ms Leon:** Parking inspections and some functions to do with outdoor cafes and hawkers licences.

**DR FOSKEY:** I have some questions relating to the priorities for 2006-07. Is it proposed to continue the work that the government has been doing on civil unions? We know that that work will have to continue, but I would like to know whether the ACT government has made a strong commitment to the legislative reform process for people in the lesbian and gay community. In 2003, I believe, Mr Stanhope made a commitment to work on issues relating to the broader community, including intersex people and gender identity.

One of the promises he made was to look at legislation to include when and if an adult or child should be required or allowed to undergo reversal genital assignment surgery. Three-and-a-half years have now passed since those statements were made. I was just wondering whether those issues were still part of the gay, lesbian, bisexual, transgender and intersex, or GLBTI, reform agenda. If they are, what work has the Department of Justice and Community Services done since that commitment was made at the beginning of 2003? Does the government have any plans for the budget in this coming year?

**Mr Corbell:** The government remains committed to pursuing policy reforms in that area. The government, though, has had to prioritise its work. I am sure that all members would appreciate the highest priority over the last six to 12 months has been the development and the passage of the civil unions legislation. Clearly, in the past week we suffered a major setback to that piece of legislation, thanks to a very conservative, and might I say discriminatory, social agenda on the part of the Commonwealth government. So the government will now be reviewing its options in relation to civil unions. That will probably take a higher priority than the work on intersex people and also issues around gender change, but it is still on our work program. I anticipate the government dealing with that issue during this term.

**DR FOSKEY:** I refer to dot points 3 and 4 of the priorities of the Department of Justice and Community Safety, which state:

implementing and integrating harmonisation rules in Courts and Tribunals;

modernising the ACT Courts and Tribunals case management system ...

I would appreciate a little more detail on that. Would the minister's response include whether any thought has been given to reinstating corrective services liaison officers? I know this question should be asked of corrective services tomorrow, but this is a funding issue and we have been told that considerable cost savings are to be made in having liaison officers available at the courts. Did the decision to suspend those liaison officers take into account the fact that that would increase costs? Is there any plan either to reinstate the service or to replace it with something equivalent to serve the purposes of the courts and reduce costs for the government?

**Mr Corbell:** I will ask Ms Leon to deal with case management systems in the courts and with the corrective services liaison officers issue. In relation to court rules, new rules for the Supreme Court and the Magistrates Court are well advanced. If I recall correctly, the Supreme Court's new rules will commence on 1 July. I understand that the Magistrates Court is proposing to commence its rules on 1 January. So both courts are well advanced in their work relating to rules and harmonisation of their rules.



I recently met with the justices of the Supreme Court. They are willing and ready to go on their rules. I have signed off on that or I have agreed, in conjunction with the chief justice, that that is the case. In relation to the Magistrates Court, because of the complexity around some of its rules, it will be commencing its rules on 1 January. I will ask Ms Leon to respond to questions about case management systems in the courts and corrective services liaison officers.

**Ms Leon:** The courts received additional funding in this year's budget to enhance the electronic case management system. The courts system is called MAX. Budget funding will provide two years of expert investment in the system in order to bring it up to a 2006 level. It will also provide the basis for modernised case management practices in the future, including e-filing, and will increase the synergies between the courts by enabling easy sharing of files and so on across jurisdictions.

I am happy to deal briefly now with the court liaison unit from corrective services, but I am conscious that corrective services is listed for consideration at a later time and we might wish to deal with it in more detail then. The savings that were achieved by the closure of the court liaison unit was \$120,000 per year by the reduction of two staff that used to perform that function full time. I am conscious that the courts have views about the cessation of that service.

I am sure members would be aware that the issue of how one deploys one's resources is always a question of assessing relative costs and priorities. To deploy two people out of corrective services full time into the court requires one to make an assessment that one would like to take two people off the task of doing some other work in corrective services. Higher priority work in corrective services includes matters such as providing intensive supervision to high-risk repeat offenders.

An assessment was made not to have two people at the court. I am told that they performed, on average, about 300 tasks per year, so that is a couple of tasks a day, taking into account weekends and leave days. By comparison, if people were back in the office performing full-time work on corrective services matters, one would get greater usage of them rather than having them based at court.

That said, I continue to discuss both with corrective services and with the chief magistrate whether there might be other means by which the needs of the court can be met within the budget priorities of corrective services. I anticipate that we will continue to work through that issue.

**DR FOSKEY:** It sounds as though the cost savings of \$120,000 need to be weighed up against additional costs to the Magistrates Court, which in the end come out of the same pool of money.

**Ms Leon:** The normal way in which reports are provided to the court on a whole range of matters is by way of written report. Those reports are being provided in a way that progresses work in corrective services.

**MR STEFANIAK:** I direct you to BP3.

**MS MACDONALD:** Mr Stefaniak, that is not necessarily the overview.

**MR STEFANIAK:** I suggest it is important in that it deals with savings. I refer to several graphs on pages 99 to 103 of BP3. Various departments, including the Department of Justice and Community Safety, are listed. The table on page 99 is entitled “Human Resources and Finance Function Consolidation Savings by Agencies”. The table on page 100 is entitled, “Information and Communications Technology Savings by Agency”. The tables on page 101 are entitled “Procurement Consolidation Savings by Agency” and “General Cumulative Savings by Agency”. The final tables on pages 102 and 103 are entitled “Rationalising Boards and Committees by Agency” and “Accommodation Rationalisation by Agency”.

The Department of Justice and Community Safety is mentioned in all those tables. In some areas there are limited savings and in others areas—for example, in IT—there are savings of over \$1 million each year. JACS seems to be bearing the brunt of the accommodation rationalisation. How do you anticipate each of those departments making these savings? Does that mean positions will be lost? Why are savings being made in these areas, especially in relation to accommodation? Savings in that area seem to be greater than savings that are being made in other areas of government.

**Ms Leon:** In relation to accommodation, the decision was taken in the most recent budget that since funding and efficiencies need to be looked at across the whole of government it was important to ensure that the public service is also using public funding as efficiently as possible. One of the areas that we examined was space utilisation and the amount of money we spend on leased space.

The decision was taken to reduce the amount of money expended on rent for public service accommodation. One of the ways in which that is to be achieved is by ensuring that we all fit into a smaller amount of space. Currently, the Department of Justice and Community Safety has an average occupancy of about 24 square metres per person. The benchmark for office work is much closer to about 15 square metres per person. This is not an issue that affects only the Department of Justice and Community Safety; it is a whole-of-government issue.

The Department of the Territory and Municipal Services is conducting a whole-of-public-service review of the amount of space that each agency occupies. It is assessing areas where there is currently unused or underutilised lease space that could be better utilised by moving functions into those areas. It is assessing also whether better utilisation can be achieved by consolidating or relocating some functions. The detail of that is with the Department of Territory and Municipal Services. We will play our part in that by relocating or consolidating our accommodation in accordance with a whole-of-public-service plan.

**MR STEFANIAK:** You have some specific figures in each of those areas. I will take accommodation, as it is a good example. The figure for JACS is \$1.038 million for the next financial year, and that figure will go up to \$2 million in the out years. In last year’s estimates committee hearings questions were asked about a blow-out in the cost of moving JACS to Moore Street. The figure of \$900,000 springs to mind.

Are you still paying as a result of that blow-out? Referring to your accommodation needs and to the figures you have arrived at, does that mean you will be relinquishing some

space to save money? How do you intend to achieve what appear to be quite significant savings?

**Ms Leon:** Although the figures appear in each agency's budget, because that is where the savings will be realised, the responsibility for determining the accommodation needs of the public service rests with the Department of the Territory and Municipal Services. That department, in consultation with the corporate areas of each department, is presently engaged in the process of assessing all the accommodation currently leased by the public service and working out how it can be better utilised. Actual accommodation for this department in the future is not something we are progressing unilaterally; it is something that has been progressed by that department.

**MR STEFANIAK:** I appreciate that. It is just that you have a specific figure for this coming financial year and in the out years you have \$2.012 million. How did you arrive at that specific figure? Is that a target you indicated you would aim to achieve, or is there some basis for that figure because of work you have done to date?

**Ms Leon:** The figure is derived from looking at the utilisation ratio of 24 square metres per person and calculating the saving if you reduce the 24 square metres per person to a figure considerably closer to the benchmark. That figure has been derived by a calculation across the public service rather than by changing the configuration of a specific number of offices. It is derived by assessing how much less rent we would pay if we were not occupying such a high ratio of metres per person.

**MR STEFANIAK:** Calculating the metres per person derives that figure; it is not derived by assessing the space in buildings, measuring the floors of buildings, or anything like that.

**Ms Leon:** Not specifically, no. That work of assessing exactly what needs to happen with each building and each floor on each building is being undertaken by the Department of the Territory and Municipal Services in consultation with us and with other agencies.

**MR STEFANIAK:** I refer to the table on page 100 entitled, "Information and Communication Technology Savings by Agency: The figure for JACS is \$1.241 million and that figure will go up by small amounts each year. How did you arrive at that figure? Was it just based on a formula? Did you do any extra work, or is there something more to it?

**Ms Leon:** The majority of the savings in IT will be achieved as a result of reduced fees from InTACT. InTACT will be doing its business more efficiently and, therefore, charging agencies less for the services we get from that whole-of-government IT provider. We will achieve some savings by working with InTACT to consolidate and more efficiently use IT systems and services.

**MR STEFANIAK:** Earlier Dr Foskey asked you a question relating to boards. You have achieved some fairly specific small savings in that area—\$75,000 rising to \$150,000 in a full year. Have you identified what boards you will consolidate?

**Ms Leon:** Not as yet, but, as you said, it is not a significantly large amount. At the

moment we are assessing board and committee structures, their costs, the frequency of meetings, and other arrangements for secretariat and other support. It is a small amount in the first year and it rises in the out years because it is assumed you would get only a half-year effect in the first year. It will take us a few months to undertake that assessment and to put in place revised arrangements.

**MR STEFANIAK:** So these are indicative figures. You really have to do the nitty-gritty work from now on?

**Ms Leon:** That is correct.

**MR SMYTH:** I refer to page 245 of BP4. Halfway down that page is a line item “Reducing General Procurement, \$322,000”, which coincides with what is in table 2.19 in BP3. Two lines down from that is a line item, “Consolidating Procurement Services, \$183 million” and about four lines down from that is a line item “Reducing General Procurement”. What is the real story? Why is the line item “Reducing General Procurement” listed twice? Why is it added to the line item “Consolidating Procurement Services”? What is the real story?

**Ms Leon:** There are two areas for savings in procurement. One is in the whole-of-government exercise. So Procurement Solutions will need to work to find ways in which we can reduce costs across the whole of the public service; for example, by more common-use contracts. At the moment, if everyone does their own thing on procurement, there are a lot of inbuilt inefficiencies and waste in that. Procurement Solutions has now been tasked with finding ways to make our purchasing across the whole of the public service more efficient.

**MR SMYTH:** Which line item is that? Is that reducing general procurement or is that consolidating?

**Ms Leon:** That is consolidating.

**MR SMYTH:** So that is consolidating procurement services at a cost of \$183,000?

**Ms Leon:** That is correct. Reducing procurement is for all of us to look at the ways in which we spend money, to ensure we are not doing so wastefully, and to ensure we are getting best value for money out of all of our procurement work. Procurement Solutions will work with us to assist us on that.

The reason it appears in several different places is that these across-the-government savings have been applied also to areas that are coming into the department. Reducing general procurement applies to JACS this current financial year, as it did last year. Reducing general procurement applies also to significant incoming units, such as emergency services.

**MR SMYTH:** Which is which?

**Ms Leon:** I might have to take that question on notice and get back to you. I am fairly sure that they arise in order. I will get back to you and let you know which one relates to the department and which one relates to emergency services. I have just been informed

that the figure closer to the bottom of the page, “Reducing General Procurement, \$193,000” rising to \$289,000, is for the original JACS department.

**MR SMYTH:** So the larger amount of \$322,000 applies to units like the ESA and to WorkCover. What do you expect to save there?

**Ms Leon:** The amounts are as shown in the budget papers. Are you referring to where the savings arise?

**MR SMYTH:** What do the savings consist of? They are fairly specific amounts.

**Ms Leon:** It is too early to say precisely what those savings will relate to.

**MR SMYTH:** How do you know you can make those savings there?

**Ms Leon:** Because that is my job.

**MR SMYTH:** We are going to have a chicken-and-the-egg argument here. What is going, then? If that is your job, what do you intend to target?

**Ms Leon:** As you will see, there is only a half-year effect in the first year, as with a number of these savings, because it is expected that chief executives will spend some period of time making an assessment about how the savings are to be achieved.

**Mr Corbell:** In relation to the consolidation of procurement, obviously each of the entities which are to be merged into justice conducts some level of procurement itself. So there is a rationalisation there as a consequence of bringing those procurement activities together.

**MR SMYTH:** All right, but you are going to save \$322,000 in the half year and \$658,000 in the full year from ESA and WorkCover. I would assume there is not a great deal of fat in WorkCover; so, let's be straight here, this is applying to ESA.

**Mr Corbell:** ESA undertakes significant procurement in terms of equipment, capital works and so on and has a significant budget.

**MR SMYTH:** So what is being targeted there?

**Mr Corbell:** It is all about administrative efficiency. It is not about frontline service delivery; it is simply about administrative efficiency.

**THE CHAIR:** We will go onto output 1.1, because I think we have spent enough time on the overview.

**MR STEFANIAK:** According to page 227, the policy advice and justice programs have gone up a little bit, from \$6.385 million to \$6.605 million and, in terms of government payments, from \$6.372 million to \$6.582 million. Could you indicate why there has been that increase? Admittedly, it is not a huge one.

**Mr Corbell:** I am advised that this primarily relates to indexation and additional

superannuation costs, but there is no increase in the base level in terms of increased capacity.

**MR STEFANIAK:** How much does JACS actually spend on the policy advice component?

**Mr Corbell:** As opposed to justice programs? I don't know whether they are differentiated in a budget sense. They are not differentiated.

**MR STEFANIAK:** Just in relation to the program side of it, you have several initiatives this year. You make no mention—not that I can see in the papers; I might have missed something—of what appear to be the ongoing justice programs, namely, looking at last year's budget papers, circle sentencing, reducing property crime, the new case management system, which has some money in the outyears from last year and I know you have increased that this year, and the security coordination unit. Also, I think you have got money continuing for the Human Rights Commission from last year, and the children and young people commissioner. Are those programs continuing?

**Ms Leon:** Yes.

**MR STEFANIAK:** All of them.

**Ms Leon:** Yes.

**MR STEFANIAK:** Without any alterations to the figures in last year's budget?

**Ms Leon:** No. I should say in relation to the Human Rights Commission, which you mentioned from last year's budget, that it comes up under a separate output.

**MR STEFANIAK:** Yes.

**MR SMYTH:** Given that other areas have been asked to make savings, why have the policy advice and justice programs not been asked to make savings?

**Mr Corbell:** The first thing I would say about policy advice in the department of justice is that it is extremely lean and mean already; but, that said, there may be some impact on this area as a result of the whole-of-government savings that are expected across all departments, including justice.

**Ms Leon:** So, for example, when we see that IT and procurement costs are reduced for the whole department, every area of the department will need to contribute to achieving those savings. So, if we introduce more efficient use of IT, that will be across the whole department. You will see that there are not across-the-board savings by way of staff cuts. The only staff reductions that have been referred to and that we have already discussed are ones that arise from the specific decisions to amalgamate different functions, which doesn't affect the policy area.

**MR SMYTH:** But in the end the policy area goes up; it is not losing staff.

**Ms Leon:** If you look at the figures throughout, you will see that every area appears to

have an increase, except for the areas where there has been specific additional funding which I mentioned, namely, the DPP, the courts, and the Government Solicitor. The other areas have not received additional funding by way of new programs or new staff, but their figures all go up because of indexation and increased superannuation contributions to government.

**MR SMYTH:** What index figure is being applied and is it being applied consistently across the department in each of the areas?

**Ms Leon:** The indexation is applied consistently across the whole department. It is 1.3 per cent for salaries and 2.5 per cent for admin costs. They are whole-of-government indexation figures; they are ones that are developed and applied by the Department of the Treasury, not by us.

**MR SMYTH:** If the government is looking to make savings, minister, why are you applying indexation at all?

**Mr Corbell:** There is still an increased cost in running an agency. Prices don't remain level, Mr Smyth; they continue to increase.

**MR SMYTH:** Can you tell us as to policy advice and justice programs what the cuts will mean?

**Mr Corbell:** No, I can't. The reason for that, as Ms Leon has indicated previously, is that there is a range of implementation issues that need to be addressed in terms of how exactly will efficiencies in IT, in procurement and in a range of other functions actually flow through to people on the ground, and we just don't have that level of detail yet. We have the figures. They are outlined in the budget papers. But, in terms of the actual impact on the ground, that is work that needs to happen in a considered way. The government has been cognisant of that in relation to some areas where there has been a half-year effect, as Ms Leon indicated earlier, but it is a matter for negotiation within the department, discussion and decisions on implementation within the department, and obviously negotiation and consultation with staff and unions.

**MR SMYTH:** The Western Australian government went down this path about five years ago as a result, oddly enough, of another Michael Costello review, but has not garnered a single cent in savings. How is it that you will be able to get these savings yet, for instance, the WA government can't?

**Mr Corbell:** I don't accept your assertions about the WA government. The government has, in putting together this budget, given very careful regard to how we can more effectively and efficiently deliver government services to the people of Canberra. We want to reduce duplication and we want to reduce administrative costs to ensure that more services are focused and more dollars are focused at the front end, where the community sees and expects them to be delivered.

**MR SMYTH:** The WA treasurer, Eric Ripper, said in a letter to the *Canberra Times* last week or the week before that they had not garnered any savings, but they were expected in the coming financial year. They started their project in 2003 and they are not going to make any savings till 2007-08.

**Mr Corbell:** I am not here to comment on the Western Australian government's budget management. I am simply indicating to you what the ACT government's position is.

**MR SMYTH:** So you are confident you will achieve these savings.

**Mr Corbell:** The government expects these savings to be delivered.

**MR STEFANIAK:** Minister, you would appreciate that at this stage probably not a huge amount of work has been done and you are doing this largely on a formula, but formulas have a habit sometimes of not working. How can you be so confident that, for example, in accommodation you are actually going to achieve these figures when in the past few years you have seen accommodation costs blow out?

**Mr Corbell:** These are very large-scale reforms, there is no doubt about that, and they are not unique to the justice department—it is happening across the board—but the government has confidence in its chief executives and in the staff of its departments to deliver what we are asking of them in terms of this budget.

**THE CHAIR:** We will go on to 1.2 at this stage.

**MR GENTLEMAN:** In budget paper 4 at page 227, there is an increase from \$6.4 million in the 2005-06 budget to \$7.403 million for legal advice and representation to you as the Attorney-General. Page 237, under output 1.2, talks about the percentage of services provided. Can you tell us how that increase will affect services provided?

**Mr Corbell:** There is a range of sources for this increase, Mr Gentleman—two budget initiatives. The first relates to providing additional support for the Government Solicitor to manage cases before the Children's Court in relation to child protection. As members would know, there has been a very significant increase in the number of notifications for children's services and that is flowing through to an increased level of activity in the Children's Court—in fact, a very significant increase in activity in the Children's Court—and therefore demands on the Government Solicitor in terms of representation for the territory. So there is additional funding to ensure that we are meeting that increase for child protection services. That is approximately \$190,000.

There is also additional funding provided to the Government Solicitor's Office to support enforcement in relation to revenue collection by the ACT Revenue Office, and that is approximately \$200,000. On top of that, there are the other issues around supplementation for superannuation and other administrative costs, as we were discussing earlier. Finally, the Government Solicitor continues to receive payments under our insurance arrangements in relation to the coronial inquiry into the 2003 bushfires.

**MR GENTLEMAN:** So, with the extra money going into revenue collection, will there be extra staffing involved there?

**Mr Corbell:** Yes, there is additional staffing in relation to revenue collection and in relation to children's services as well. Four staff across both areas.



**MS MacDONALD:** With the legal services, are any of those outsourced?

**Mr Corbell:** Can you be a bit more specific?

**MS MacDONALD:** Are they all being provided by the Government Solicitor's Office?

**Ms Leon:** Yes. There are some services that are provided by counsel—for example, we engage external counsel for some matters—but that is encompassed by the total amount that is expended by the Government Solicitor. If other agencies engage external counsel, that would appear in their budget papers. But, for instance, in relation to the bushfire, as you are probably aware, the costs of the bushfire litigation are being met from insurance money rather than from within the budget as it stands.

**MS MacDONALD:** I was just curious to know what this covers.

**Ms Leon:** It covers all of the costs incurred by GSO, which does include an amount of external service provision from counsel.

**DR FOSKEY:** I was just going to ask for a more detailed analysis of the extra \$1 million that is going to legal services for government when other areas are experiencing cuts. Also, as to the percentage targets, 90 per cent for targeted legal services provided by the Government Solicitor's Office; there are contradictory targets which you might be able to explain to me. We slip down to 80 per cent and then the note actually says this might not be realistic, but we will know that in about 2005-06. Therefore, should we be adjusting the target downwards? Why is it 80 per cent, which is relatively low, when, I suppose, every department should be going for 100 per cent?

**Mr Corbell:** Which particular measure are you referring to, Dr Foskey?

**DR FOSKEY:** Page 237. I am looking at the accountability indicators there.

**Mr Corbell:** Which one in particular? There are two that are at 80 per cent. Which one are you referring to?

**DR FOSKEY:** The note does not actually say. I think that note refers to both of those areas.

**Mr Corbell:** Is your question in relation to both of those?

**DR FOSKEY:** I am just interested in how the 90 per cent in the first one differs from the 80 per cent in the second and third ones and why it is that the 80 per cent might not be a realistic target anyway and in getting some more detail about the \$1 million increase in this area, which I know that you have already spoken about to some extent.

**Mr Corbell:** I will ask Mr Garrison, who is responsible for the Government Solicitor's Office, to respond.

**Mr Garrison:** The figures that are disclosed as the outputs in percentage terms are, in fact, estimated figures. This is the first full year in which this method of performance indication has been adopted. We made some assumptions, based on our appreciation of

our performance in past years, as to what would be a reasonable figure, and that was the point of the note. At the time that the figures were compiled, we did not know whether it was, in fact, a realistic performance in terms of the percentage of urgent matters completed within a time frame, for example. I must say that to date those figures have proved not far off the mark. In relation to the first figure, the percentage of advices completed within 28 days, that estimate was based on our experience in past years, where there was, in fact, a more detailed breakdown of time frames—seven days, 28 days, and so forth—and it was determined that the more meaningful indicator was, “Within a month, how many of your advices are complete?” So this move to these broader figures was seen as providing a more meaningful indication as to the performance of my office.

**DR FOSKEY:** And the detailed analysis of the extra \$1 million?

**Mr Garrison:** As I think has already been indicated by the attorney and Ms Leon, it comprises several elements. The first of those specifically identified in the budget papers is the initiative in relation to support for childcare matters. Secondly, the additional support in relation to initiatives for ACT Revenue. Thirdly, the indexation issues, if you will, relating to superannuation. Finally, as I think this committee is aware, my office is not funded in relation to providing support for the bushfire litigation and the inquiry. Accordingly, we are subject to the ACT’s insurance arrangements, and as a result of that we engage staff to meet the requirements for dealing with those matters and also some other matters that are the subject of the ACT’s insurance arrangements so that the resourcing reflects the additional payments received under those arrangements which enable us to engage staff, more often than not on a contract basis, in order to provide the necessary legal services. That fluctuates, as you can imagine.

**MR SMYTH:** In budget paper 4 of 2005-06, the expected outcome in 2004-05 was \$8.775 million for this legal services to government class. The budget for 2005-06 was \$5.812 million, yet the expected outcome for legal services to government is actually \$6.493 million, \$670,000 more than expected. What was the overrun caused by?

**Mr Garrison:** It is not so much an overrun, Mr Smyth. It is, as I have indicated, attributable to the fact that some proportion of our work is funded by the ACT’s insurance arrangements so that, to the extent that there is more work required to be done, that is reflected in the payments under the insurance arrangements and the increasing requirements for staff.

**MR SMYTH:** What did the extra \$600,000 or \$700,000 cover in this case?

**Mr Garrison:** That would be the resourcing in relation to the bushfire litigation and the initiatives that we have pursued during the course of the year to support legal work within the office generally which had been supported by those insurance arrangements. It is not exclusively the bushfire. There is a significant amount of other litigation that we address that is also met under those arrangements.

**MR SMYTH:** So that all of that \$600,000-odd comes from insurance payments; it is not additional money from the government.

**Mr Garrison:** Correct.

**MR SMYTH:** Is there an all-up cost to date of what the bushfire litigation has cost the territory?

**Mr Garrison:** I can give you the figures for my office. The total amount that has been expended has been, if round figures will suffice, \$6 million.

**MR SMYTH:** Can you get us a more accurate figure?

**Mr Garrison:** I could give you a precise figure.

**Mr Corbell:** I have that information, Mr Smyth. Total overall legal costs and expenses associated with the coronial inquiry, \$6,028,370.67. The costs and expenses of individual representation—I presume these are subsets of that figure—\$1,917,282.02, and the costs and expenses for the representation of the territory come to \$4,111,088.65.

**MR SMYTH:** And the government's appeal has cost the people of the territory how much?

**Mr Corbell:** All of these costs have been met under our insurance arrangements. There has been no direct cost to the government; it has all been a consequence of insurance, with the exception of \$31,682.

**MR SMYTH:** All up, how much did the appeal cost the insurance companies, then?

**Mr Garrison:** We would have to take that on notice.

**Mr Corbell:** We would have to break that up. It is part of that figure.

**THE CHAIR:** Okay, take that one on notice.

**Mr Corbell:** But I have to stress that it has not cost the territory taxpayer a cent, aside from that \$31,000, because these costs are covered by insurance.

**MR SMYTH:** How much did the territory's premium go up, Mr Corbell?

**MR STEFANIAK:** Can you take on notice how much the premiums went up?

**THE CHAIR:** One question at a time, please.

**MR SMYTH:** That would be the question: how much have the premiums gone up, and does it break down to such a case that we can be told what the JACS premium went up?

**Mr Corbell:** I am unclear as to how the government's insurance arrangements work.

**Ms Leon:** The premium is not allocated to an individual department.

**MR SMYTH:** That is right, but you can take on notice and tell us how much the premiums went up across the board.

**Ms Leon:** If it went up.

**THE CHAIR:** If it went up. We will take it on notice now.

**MR SMYTH:** Just finishing on the outcomes, I note that the outcome for 2005-06 is to be \$6.5 million and you expect it to go to \$7.4 million this year and the coming year. Why has it gone up \$700,000?

**Mr Garrison:** I have actually just given that answer.

**MR STEFANIAK:** It is \$900,000.

**Mr Garrison:** I have given that answer.

**MR STEFANIAK:** Just on the answer to Mr Gentleman, part of that was in relation to cases you actually do. How much of the coming budget would relate to high-profile cases? You have given figures today on the program. How much are you anticipating that you will spend, firstly, on the coronial inquiry and, secondly, in relation to the High Court challenge in the WorkChoices case?

**Mr Garrison:** The High Court challenge in the WorkChoices case obviously has concluded and the only additional expense there will be going along to hear the judgment.

**MR STEFANIAK:** Very little.

**Mr Garrison:** Very little. In relation to other cases—

**MR STEFANIAK:** Especially the coronial inquiry, but other cases you might be anticipating.

**Mr Garrison:** There are other cases. Mr Stefaniak, as you are aware, there is the ongoing litigation involving Mr Eastman. That is not a significant amount of money in the scheme of things. I think the real issue is that the extraordinarily broad range of legal work addressed by my office across a very large number of matters, with an increasing flow of work, leads to the general expansion.

**MR STEFANIAK:** I appreciate that but, within the global figure you have there for output class 1.2, how much of that for the next financial year are you allocating to major cases either you anticipate you are going to do or you know you are going to do, such as the coronial and Eastman matters?

**Mr Garrison:** We manage those within that resource figure, so we don't allocate a specific amount to it. We know, for example, that we have certain staff that are allocated to dealing with the bushfire inquiry, which one might expect will be resolved during the course of this calendar year. As you would also be aware, there is civil litigation now on foot in relation to the bushfires and we are dealing with that litigation as well. The resourcing in relation to that area involves two lawyers, a paralegal and some secretarial support, together with other input from senior lawyers, including myself.

**MR PRATT:** Supplementary to the last question from Mr Stefaniak, you don't budget or make contingency for major cases out of the blue.

**Mr Garrison:** Regrettably, we don't have that luxury.

**Meeting adjourned from 10.38 to 10.59 am.**

**THE CHAIR:** Thank you, everybody, for coming back so promptly. We will move on to output 1.3, legislative drafting and legislative information. I might kick off. On page 237, minister, the average cost per page for the production of legislative material is to be more than halved, from \$48.20 to \$22.30. Could you outline to the committee what has led to this reduction?

**Mr Corbell:** Thank you, Ms Porter. I will ask Mr John Clifford from the Office of Parliamentary Counsel to answer that question.

**Mr Clifford:** Can I just check your question? You are talking about the drop in production costs?

**THE CHAIR:** Yes. The question was: page 237 of budget paper No 4 indicates that the average cost per page for the production of legislative material is to be more than halved from \$48.20 to \$22.30. Would you outline to the committee what has led to this reduction, please?

**Mr Clifford:** These target costs are based on five-year averages. When the legislation register was first established just over six years ago, the targets were set rather conservatively because we did not know the volume of legislative instruments, apart from bills, that would come forward for publication. So working through our five-year averages, we have been revising the targets downwards progressively.

We have completed a full five-year cycle now, so we can be pretty confident, I think, about what the likely result is going to be. This figure here brings it much more closely into line with what we think it will be for the future. In fact, this is closer to the result for the last three financial years.

These costs are driven by our page production. So, as the volume rises and falls, these costs figures will rise and fall. We are almost entirely demand-driven and our work cycle rises and falls in line with the election cycle.

**MR SMYTH:** As a supplementary question, you have just said that the \$22.30 is more closely aligned to the outcome for the last three years. The estimated outcome for 2005-06 is \$48.20 and the target for 2004-05 is \$46.70.

**Mr Clifford:** It is because we have not revised the targets as hard as we could have, probably.

**MR SMYTH:** No. I am quoting estimated outcomes. I am not quoting targets. You just made the statement, unless I misheard you—

**Mr Corbell:** An estimated outcome is still a target, Mr Smyth.

**MR SMYTH:** How can an estimated outcome be double, minister, what appears in the paper?

**Mr Corbell:** I think the point you are making, Mr Smyth, is that the estimate versus the actual is different. In fact, you are quoting the estimate, not the outcome.

**MR SMYTH:** No. I am quoting the target. The 2004-05 target from budget paper No 2 is \$46.20.

**Mr Corbell:** You are quoting the target, Mr Smyth. You are not quoting the actual.

**MR SMYTH:** The estimated outcome for 2004-05 is \$46.70.

**Mr Corbell:** Again, Mr Smyth, the point is you are quoting the estimate, not the actual.

**MR SMYTH:** The question was: how can the estimates be out that badly? You are talking about estimates being out by 100 per cent at that rate.

**Mr Corbell:** I think Mr Clifford just answered that question.

**Mr Clifford:** I can give you the actual figures for the results for the past three years. The target for last year was \$45 a page and the result was \$19. In the previous year it was \$61 target and the result was \$23. The previous year the target was \$92 and the result was \$29. Now, as I mentioned earlier, these targets were set conservatively because we did not know what volume of legislation would come forward. Now that we have completed our five-year cycle, we are much more confident about what that result will be. Hence it is much more closely in line with those figures.

**MR GENTLEMAN:** Minister, on that same topic, we have had an explanation for the reduction of material produced, but on page 227 there is extra expenditure of \$113,000 in the 2006-07 budget. Can you tell us where that money was going?

**Mr Corbell:** Again, Mr Gentleman, that is simply indexation for administrative costs and superannuation.

**THE CHAIR:** Dr Foskey, do you have a question on this output class?

**DR FOSKEY:** Not on this particular one. I just want to thank you for the work you do.

**THE CHAIR:** We might go on to output class 1.4, then.

**MR GENTLEMAN:** Minister, in output class 1.4 there is an extra \$730,000, and that is to help conduct appeals and the provision of assistance in coronial proceedings. Can you tell us how that extra money will be spent to help conduct appeals and in the provision of assistance to the coroner in coronial proceedings?

**Mr Corbell:** Thank you, Mr Gentleman. Before I ask Mr Refshauge, who is the Director of Public Prosecutions, to give you some detail on this, I would simply like to outline what the government is trying to achieve with this initiative, which is to improve

the level of resourcing to the Director of Public Prosecutions.

We know that the office of the director is facing an increasing range of challenges in terms of the complexity of cases it is having to deal with, particularly serious cases, for example, murder cases and so on. But we also know that there are challenges in terms of recruiting and retaining staff of a sufficient level of expertise and experience to successfully prosecute cases. So the government wants to ensure that the DPP has an improved level of resourcing to help them meet those challenges. But I will ask Mr Refshauge to give you some detail on that.

**Mr Refshauge:** The additional funding in the office will be directed principally, as the attorney has said, towards additional staff. The two pressures that we have at the moment, as the attorney has indicated, are simply the number of staff to be able to prepare prosecutions at an acceptable level and then to conduct them in the courts and also the requirement to attract and retain staff of a sufficient seniority to conduct what is becoming an increasingly complex range of prosecutions that we have to undertake.

In general terms, our office is extraordinarily attractive as a first stage for practitioners because we provide, probably uniquely, opportunity for immediate advocacy, and that is a skill that is attractive and saleable for a prosecutor who has some experience with our office. But then to retain them when there is strong market competition in both Canberra and Australia more generally is a challenge, and this money will be used to try and rectify that.

For instance, in Western Australia at the moment there has been a further 42 prosecutors funded by the Western Australian government, which has increased the number of prosecutors in that office by roughly 50 per cent. The commonwealth recently provided an extra approximately \$6 million to provide additional funds for the commonwealth Director of Public Prosecutions, and he will be seeking further prosecutors.

So there will be a recruitment challenge and we will be in a tight market. But we are endeavouring to have the number of prosecutors and retain them and attract them at a level of seniority to ensure that we deliver the service that the community can expect.

**MR PRATT:** Supplementary to that, Mr Refshauge, are you satisfied that the \$500,000 that we have talked about here is enough to get the three quality prosecutors that you have been talking about in the past, the minimum of three, if not more, given those recruitment challenges?

**Mr Refshauge:** One would never expect to say that it is enough. I think a former attorney indicated that no public servant could ever refrain from asking for more money. Certainly it would be desirable for us to get three or four or perhaps six times more money. But I am confident that the amount of money will enable us to continue to provide a service that we have traditionally provided, but in the last 12 to 18 months have been finding increasing challenges to maintain.

Our output shows that about 90 per cent of our prosecutions are provided in a timely manner, in accordance with the court's requirements. Nevertheless, I think partly because we are so successful in that, you will have noticed from time to time in the last six to 12 months comments by judicial officers about delays and allegations that the

office that I have the honour to represent or to lead has been responsible.

Now, we could argue about the fairness of those allegations, but the fact is that they have, in some cases, been fair criticisms. They are the exception rather than the rule, but they are becoming a regrettably more frequent exception than we would like, and these funding supplementation arrangements will assist us to return to a much better level of compliance.

**MR PRATT:** I presume there is increased funding for, perhaps, forensic services, which is an area of work that has been commented upon by magistrates, to try and assist prosecutions to expedite outstanding cases. I presume that is a JACS expenditure elsewhere, perhaps in the police budget. Do you have any oversight of that capability?

**Mr Refshauge:** No. The money for the delivery of forensic science services is a police budget matter, but we will be looking to try and manage that in a way that the additional supplementation will assist in providing a better assessment of the case at an earlier stage to determine whether forensics is needed, whether it will add to the case, whether it has been sought, whether it has been sought in a timely fashion and so on. That will allow us to help to manage that and then to plug that expectation into the case listing process of the courts.

**MR PRATT:** Can you elaborate on how you would do that? What needs to be spent, and where, to be able to give you that additional ability to assist policing services to bring these matters to a close?

**Mr Refshauge:** There are really two issues here in the forensics area and I am sure that my colleague the Chief Police Officer, when she has the opportunity to appear, if that is the wish of the committee, would be able to assist in that. The two issues are what we call the CSI effect, which is the belief now that not only will forensics answer every prosecution question, but that it can all be done within the half hour television program requirement so that the three weeks to actually grow a culture of DNA and to analyse it can be done more quickly. So there is first the expectation management, which is critically important in this area.

The second is that there is also, stemming from that belief, a view that either every case will have DNA which will give the answer or, if there is not DNA, then that means that there is not an answer, and that is simply not true. To take a classic example, in a sexual assault case, DNA can prove whether an assault took place and intimate samples were left by the alleged accused. But if the only issue is consent, then the presence of semen is irrelevant, because that will not assist to determine whether consent is necessary. So sending samples off where the issue is consent is not cost effective, yet there are cases where the defence say, "Well, we can't tell you whether we are going to plead guilty or not guilty until you give us the DNA."

Now, in our system, that is a legitimate approach, but it is not very cost effective where consent is the real issue. But they are keeping their powder dry because if we do not have DNA, then they might say, "Well, it wasn't me anyway." Identification might then become an issue, which is more complicated, and we then have expensive procedures being used for what may not be ultimately an issue in the case.



**DR FOSKEY:** Can we go back to the question of trying to recruit and retain people of a high calibre at a relatively senior level? Do you think that the people of the experience and qualifications that you are referring to could also be attracted by packages that include other benefits than salary? You said before that the ACT is a relatively attractive place for people to work when they are starting out in their careers, presumably because of the wide range of work that is offered in a small jurisdiction. But given that there are more and more female legal graduates of an extremely high quality, what about family friendly workplaces and provision for some part-time work and job sharing? Can you give me some indication of how your workplace compares in relation to offering those things?

**Mr Refshauge:** I cannot give you specific comparative details, but I can say to you that at the moment we have three prosecutors who are specifically part time because of their wish to have greater commitment to their families. That can be a challenge to manage because trials do not always last the three or the four days that people want to work. If those people, particularly as they become more experienced, cannot be assigned to the more complex trials, that puts pressure on the other members of the office.

But we have managed to meet those commitments on the whole. One of those part-time prosecutors at the moment is running a trial that was meant to last till Thursday. It is still going and is expected to go till tomorrow and she has been prepared to give up her Friday, her traditional day off, and continue, as you would expect from a committed prosecutor, but she has done that and we have managed that in an appropriate way. So we do make efforts to ensure that those kinds of opportunities are provided and I think we do that pretty well.

**MR SMYTH:** Just on recruitment, you mentioned earlier that we are competing with the federal government. Given that they are upsizing, and doing so quite dramatically, how important will the decrease in superannuation benefits be, and will it affect your ability to recruit adequate staff for your area?

**MR PRATT:** Or retain?

**Mr Refshauge:** Since I have not put an advertisement for staff in the paper since that change in policy, I cannot comment on that.

**Mr Corbell:** The point to be made on that, Mr Smyth, is that, as Mr Refshauge has already indicated, there is competition not solely from the commonwealth, but also from other state directors of public prosecution. For example, Mr Refshauge made the point of a very large recruitment occurring in Western Australia. They, of course, operate on the same superannuation provision that the territory is proposing to move to.

**MR SMYTH:** Of course, minister, the direct competition here in the ACT is with the commonwealth. I understand the commonwealth offers probably higher wages and certainly more generous superannuation than we currently do.

**Mr Corbell:** We know that people do move between jurisdictions for a range of reasons. The government does not consider that superannuation is the most significant of those reasons. The reasons that we consider to be more significant are the overall level of salary, rather than superannuation, but actual salary level is very important, as well as the

range of work that they are undertaking.

**MR SMYTH:** Based on that, are we paying higher levels of salary than the commonwealth?

**Mr Corbell:** We seek to provide competitive rates of pay.

**MR SMYTH:** Are we paying more?

**Mr Corbell:** No. We seek to provide—

**MR SMYTH:** Was that a no?

**Mr Corbell:** competitive rates of pay.

**MR SMYTH:** Sorry. Did you say no?

**MR STEFANIAK:** He did.

**Mr Corbell:** No, I did not say no, Mr Smyth. What I said was that we seek to provide competitive rates of pay. It is not feasible or reasonable to suggest that the ACT government can provide higher levels of pay above that of the commonwealth in every single area of its operations. It is certainly something that your government did not achieve when you were in office, nor is it something that this government is able to achieve either.

**MR SMYTH:** So you are confident that, while paying lesser wages and lesser superannuation, you will still be able to recruit the staff you need?

**Mr Corbell:** Mr Smyth, your question, as always, is a loaded one. What I would say in response to that is that you cannot walk away from the fact that the territory is providing an additional half a million dollars every year to the DPP to attract and retain the skilled staff that he needs.

**MR SMYTH:** Yes, but that comes after a cut, Mr Corbell. In the year 2004-05, the estimated outcome was \$6.6 million, the budget in 2005-06 was \$5.8 million and we have just had confirmation from Mr Refshauge that a lesser budget did affect their ability to prosecute. It is going back up to \$6.6 million this year, which is still less than it was two years ago. Is it an adequate funding of the DPP in this case, Mr Minister, given the criticism that has come from the judiciary because of your cuts?

**Mr Corbell:** What is your question, Mr Smyth?

**MR SMYTH:** Is \$6.6 million an adequate level of finding for this area?

**Mr Corbell:** Yes, we believe so.

**MR SMYTH:** You believe so?

**Mr Corbell:** Yes.

**THE CHAIR:** Mr Stefaniak, is your question in relation to this particular discussion?

**MR STEFANIAK:** Yes. Mr Refshauge, how many extra prosecutors will you actually be able to employ, assuming that people are there to take the jobs on? What is your current number of prosecutors in the office?

**Mr Refshauge:** It depends, of course, on the level at which we are able to attract them, so we would estimate between three and five prosecutors will be able to be employed with that money. The current level of prosecutors that we have, excluding executives, is, I think, 22. But I can take that on notice and let you have the precise figures.

**MR STEFANIAK:** 22, and how many executives have you got?

**Mr Refshauge:** Four.

**THE CHAIR:** So you are taking part of that question on notice?

**Mr Refshauge:** I will take that on notice.

**MR STEFANIAK:** It is certainly not the 50 per cent that Western Australia has?

**Mr Refshauge:** No.

**MR STEFANIAK:** Just one further question on that. Basically, assuming that 22 is correct—and you will get back to us on that—three to five extra prosecutors will take it to 25 to 27. I do note that whilst the money appears to be there, certainly for this budget, you did have \$6.8 million in 2004-05. Minister, even with these additional prosecutors, how does that enable the DPP to actually do the more complex work the director has talked about? He has not only talked about it here today. He has constantly said that for a couple of years at annual report hearings, and I think last year as well?

**Mr Corbell:** First of all, in relation to the budget figures in previous years, I am advised that the reason for those higher budget levels in previous years was down to two matters: first of all, the Eastman matters, which were one-off additional expenses that the DPP had to accommodate; the other was coronial inquiries, again one-off matters which did lead to additional supplementation of the DPP. I am Sorry, Mr Stefaniak. What was the second part of your question?

**MR STEFANIAK:** My second question is: basically this year's budget is just getting back to that level of two years ago.

**Mr Corbell:** As I have just said, it is because there were some additional one-off expenses that the DPP had to accommodate which were over and above the base level of expenditure. So if you were to extract those out—

**MR SMYTH:** But you said earlier that all the initial expenditure came from insurance.

**Mr Corbell:** If I could answer the question, Mr Smyth? If you extract those, you will see the overall level of base funding has increased.

**MR STEFANIAK:** What I also put to you was that the director, today, in last year's estimates and at the two annual report hearings we have had in this term of government, has constantly referred to the increasing complexity of, and demands on, his office, the effect of the Human Rights Act, which will result in more complicated—

**Mr Corbell:** That is why we are giving him an extra half a million dollars a year.

**MR STEFANIAK:** I hear what you are saying, certainly in relation to Eastman and coronial inquiries, but surely these difficult matters will continue. You will continue to have coronial inquests. The current fire inquest is continuing and obviously, from time to time, complex matters such as Eastman will crop up in a jurisdiction like this.

**Mr Corbell:** Yes.

**MR STEFANIAK:** Is what you are doing actually sufficient, given all those constraints which the director has quite rightly brought to everyone's attention for two years and which you are obviously well aware of?

**Mr Corbell:** I think it is a very significant increase for the DPP's budget. There is no getting away from that.

**MR STEFANIAK:** Just in terms of the inquest, were the DPP's costs covered by that insurance you have mentioned?

**Mr Corbell:** No.

**MR STEFANIAK:** So how much were they?

**Mr Corbell:** I am not sure. I will have to take that question on notice.

**MR STEFANIAK:** The other thing I would like you to take on notice—

**Mr Corbell:** The point I was making earlier was in relation to the representation of the territory.

**MR STEFANIAK:** Representation of the territory by the government solicitor and barristers appearing on behalf of the government solicitor?

**Mr Corbell:** Yes.

**MR STEFANIAK:** We had the DPP as well. I am not sure if legal aid was involved. I do recall the Chief Minister, probably in this case as attorney, last year mentioning legal costs of, I think, \$7.9 million for the inquest. Your figure, let us get it straight, just relates to the government solicitor's component?

**Mr Corbell:** Representation of the territory and officers of the territory, that is correct.

**Ms Leon:** Including those who are separately represented.

**MR PRATT:** Does Mr Refshauge have those additional costs for those two activities at this point?

**Mr Corbell:** We are happy to take the question on notice.

**MR SMYTH:** I think Mr Refshauge has the costs.

**Mr Corbell:** I am happy to take the question on notice and provide an answer.

**MR SMYTH:** Mr Refshauge, do you have the costs?

**Mr Corbell:** Mr Smyth, I have indicated to you that I am happy to take the question on notice—

**MR SMYTH:** Are you happy to obfuscate and hide the costs—

**Mr Corbell:** I will provide the information to the committee.

**MR SMYTH:** when the head of the DPP has the costs?

**THE CHAIR:** Mr Smyth.

**MR SMYTH:** Why are you afraid to give us the cost?

**THE CHAIR:** Mr Smyth, the question has been taken on notice.

**Mr Corbell:** Mr Smyth, I am not afraid of anything. I am happy to give you the information.

**THE CHAIR:** It will be provided to you. I do not think it is a question of the information not being given to you. The minister very clearly said that he would provide that question. Dr Foskey has a question.

**MR SMYTH:** Does Mr Refshauge have the costs, then? Members are allowed to ask questions. If they have the information, they are expected to provide it. A gentleman, an officer came from the back with a chart and showed the Director of Public Prosecutions, I assume, numbers. Does the Director of Public Prosecutions have the cost of the inquiry to the government?

**MR STEFANIAK:** You can ask him that.

**Mr Corbell:** Mr Smyth, as I have indicated to you, I am happy to take the question on notice and provide—

**MR SMYTH:** The question is: does the Director of Public Prosecutions have the answer?

**Mr Corbell:** the answer to the committee.

**MR SMYTH:** Mr Refshauge, do you have the answer?

**Mr Corbell:** I have taken the question on notice.

**Mr Refshauge:** I do not have an answer that I am prepared to give without further consideration.

**MR STEFANIAK:** Very diplomatic.

**MR SMYTH:** A very good answer, Mr Refshauge, to cover your minister's arse.

**THE CHAIR:** Thank you. We are moving on.

**MR STEFANIAK:** While you are taking things on notice, could you also take on notice any additional cost to any other government agency, specifically the courts, and if legal aid were involved, any other government agency? You have already given JACS costs. We are getting the DPP's costs. Could we have any other costs to the courts, legal aid or any other government agency involved?

**Mr Corbell:** I can do that.

**MR STEFANIAK:** I am well aware of the Chief Minister's figure of \$7.9 million, which is almost 12 months old.

**Mr Corbell:** I am very happy to do that, Mr Stefaniak. As I would always say, the costs of a coronial inquiry are beyond the control of the government, or indeed the DPP, in that decisions around the costs of counsel assisting the coroner are decisions made by the coroner, not by the DPP.

**MR STEFANIAK:** Minister, you did say the DPP's costs are not covered by insurance?

**Mr Corbell:** That is correct. The coroner's costs, which are funded through the DPP's office, are not funded by insurance.

**DR FOSKEY:** Please tell me if this question about diversionary programs is inappropriately directed here, but are there cost savings in programs like restorative justice and diversionary programs? Tell me if I should save that one for tomorrow.

**Mr Refshauge:** We are involved, so I guess there is an issue there. Cost savings in that context is a loaded word because the answer is yes and no. Restorative justice takes a lot of effort and a lot of time. Circle sentencing, for instance, for a plea of guilty, will take some hours. Restorative justice, I believe, takes about nine hours to prepare and deliver, on an average.

However, the evidence shows that the outcome is, in the long term, cost effective because it reduces recidivism. It reduces the level of reoffending if it does not absolutely remove recidivism and mostly provides an opportunity for the offender to become a productive member of the community, which obviously results in cost savings because they are not using the criminal justice resources. But in the short term there is further expenditure in the sense of time and effort by the criminal justice system in going through the diversionary processes.

If that diversionary process, as it often does, results in a program such as a therapeutic intervention through the alcohol and drug system or the mental health system or the family violence system, then there are costs of those programs also, which sometimes are not necessarily comparable with imprisonment costs and so on. So the ultimate answer is that the evidence seems to suggest on an overall basis that, yes, there are costs savings, but it does not necessarily give you an immediate answer in the immediate budget period.

**DR FOSKEY:** Given that those cost savings are not evident, and governments usually like to be able to see them on a balance sheet, do you feel that you have adequate funding to continue to operate those kinds of programs?

**Mr Refshauge:** Yes.

**MR PRATT:** Mr Refshauge, given the recidivist problem that we happen to have in the ACT—and you are at the front end of dealing with that—are you satisfied with the existing suite of diversionary programs that we have? Is there enough depth in those programs to make a dent in this recidivist problem that we have?

**Mr Refshauge:** I am not sure that I am really the right person to say, but in general terms I think we have very good programs. It would be nice to be able to extend them more widely, there is no doubt about that, but on the whole, the offenders who wish to or might be encouraged to take advantage of them generally have access. For example, our alcohol and drug program is probably more widely available than the drug court in New South Wales, which is still quite a limited program. It is a very expensive program, but with some quite outstanding results. The most recent Bureau of Crime Statistics and Research evidence suggests that it is cost effective, but it is still quite expensive. That would be a good extension, perhaps, a drug court, but in a more modest way we have access to almost all that we need, although I guess there is always the opportunity for more.

**MR SMYTH:** Minister, you said you think we offer competitive wages with the Commonwealth. Could you table the charts that you have used to compare the pay rates in the ACT and the Commonwealth for the benefit of the committee, please?

**Mr Corbell:** I think the Minister for Industrial Relations has previously provided to the Assembly examples of comparative rates of pay. It is important to stress that there is no uniform comparison. Different levels in different agencies for different types of work are compared with a range of Commonwealth agencies. For example, there is no uniform rate of pay in the Commonwealth either for any particular level. So these comparisons can be quite complex.

**MR SMYTH:** Well, I am happy to see the data you use for the complex calculations.

**Mr Corbell:** I will endeavour to provide you with some information, Mr Smyth.

**THE CHAIR:** So that will be taken on notice.

**MR SMYTH:** Thank you, minister. A question to the director: is there a success rate?

How many prosecutions did you attempt to undertake in this financial year, and how many were you successful in?

**Mr Refshauge:** Of course, the Crown does not celebrate any successes. It depends what you mean. We managed to get cases to the jury, and that would be one level of success, whether or not a conviction ensued. So it depends what you mean by success.

**MR SMYTH:** Can I take a step back then and maybe remove the word “success”. Where do you get the cases from that you would determine should go to a court? I assume they mainly come from the police.

**Mr Refshauge:** They mainly come from the police, but from a number of regulatory agencies also.

**MR SMYTH:** How many such suggestions would you receive each year, or have you received, say, in this financial year?

**Mr Refshauge:** The number of charges is about the order of 14,000.

**MR SMYTH:** And of that 14,000 that are suggested to you, how many would you take to the courts?

**Mr Refshauge:** The vast bulk of them.

**MR SMYTH:** Of the vast bulk of them, in what percentage do you have an outcome, a successful outcome, in that a prosecution is made and the defendant found guilty?

**Mr Refshauge:** I could not give you those figures. I am happy to look at that. I do not know whether that can easily be done. One of the other comments I have made in annual reports is that we simply do not have, in the ACT, the infrastructure to be able to give good criminal justice statistics. So whether we can do that without excessive manual assessment is a problem, but I am certainly happy to give, in the order of the kind of question that you are asking, as much information as I can about that.

**MR SMYTH:** Does it hinder you in not being able to have good criminal justice statistics in the ACT?

**Mr Refshauge:** It does not hinder the ability to prosecute fairly and justly, but, in management of the office, it would obviously be desirable to manage workloads more efficiently—but we can do it. Policy would obviously be assisted by better criminal justice statistics.

**MR SMYTH:** So with better statistics you would better spend and better target the money that you currently receive from the government?

**Mr Refshauge:** Yes.

**MR SMYTH:** Minister, would it not be appropriate, therefore, to make sure that good criminal justice statistics are kept in the ACT—if nothing else, just as a cost-saving and effectiveness tool?



**Mr Corbell:** We do have a broad range of criminal justice statistics that are compiled by national agencies—for example, the ABS and the police—and which we use regularly to inform our planning and assess our performance.

**MR SMYTH:** So you do not accept the opinion of the director?

**Mr Corbell:** No, I am not saying that at all, Mr Smyth. That is another one of your very loaded and unfair questions.

**MR SMYTH:** One of your glib and evasive answers, minister.

**Mr Corbell:** Not at all. I am trying to put it in some context, Mr Smyth, which is often what you frequently fail to do. Also, the Australian Institute of Criminology provides quite extensive data that we use. Mr Refshauge makes a reasonable point about the ability of his office to analyse his performance of case management systems and so on. That is something that I am interested in working with him on, and that is something that I am sure he will raise with me and with my department in the coming 12 months as we prepare for future budgets.

**MR SMYTH:** But is it not ineffective and inefficient to be implementing reforms when, as the DPP has just said, if he had those statistics he could manage his case load and direct his workload better? I am going to conclude—and you can bag me for this—therefore that the reforms you are about to implement are not based on fact, but simply on the financial need of the government.

**Mr Corbell:** Again your assertion is incorrect. A broad range of statistics are available to the government on the performance of our criminal justice system. We use them all in making judgments about the level of resourcing that is needed. The Director of Public Prosecutions has recently undertaken a process to examine the needs of his office, and the future demands that he may need to respond to. The additional half a million dollars per annum that we are providing in this budget will assist with the most urgent of those needs, which is additional prosecuting capacity to effectively prosecute here in the ACT. Clearly, there will be a range of other needs that his office will have to continue to look at into the future, and I am sure that the director will raise with me and with my department the funding and resourcing issues his office continues to face, which the government can then consider. I certainly stand open to do that.

**MR GENTLEMAN:** Minister, the director mentioned earlier some 14,000 cases are referred to the department. Do we compare that with what occurs in other states and territories, per capita? Can we compare that to what Sydney would do?

**Mr Refshauge:** It is difficult to do that easily because of the different legislative structures of the various communities. One of the big issues that we have been dealing with, and we think that we have better under control, is the charging of offenders, or defendants, with multiple charges that arise out of the one incident. The policy in different states and territories is not always the same in relation to that. So, the gross number of charges compared to the gross population of a community would not necessarily give you an indication of the lawlessness or lawfulness of the community in that sense. Generally that has not been undertaken other than in the ABS statistics, and of

course there are very well prepared and documented statistics that the ABS produces. Its challenge is that what is defined as an assault in one jurisdiction might not necessarily be quite the same in another jurisdiction. Then there is the nature of the assault. For instance, not all jurisdictions have a minor assault, which may incur a six-month penalty. So, aggregating that and producing figures from that can be quite complex. There is the ABS comparison, but other than that it is not of special value to my office to make those comparisons.

**MR STEFANIAK:** Minister, this question has been asked at estimates on probably the past six occasions and it relates to the courts' ability to compile statistics. It was asked of me when I was Attorney-General and I started doing something and I asked your predecessor. It seems that apart from the ABS, which seems to be able to get statistics, we still cannot get an effective collection of case information and statistics such as would help the director. I note the recorded case management system gets some extra money this year and next and has as part of its role the better collection of statistics. Will that money enable us to get the effective statistics Mr Smyth refers to about the director's office and other information that is going to be useful to the courts, the private profession and the Legal Aid Office, perhaps? I mean just when are we going to have these basic bits of information available that will assist all the arms of justice in the ACT and which we do not seem to have been able to do to date?

**Ms Leon:** The short answer is yes, that is a large part of what the additional money that has been given to the courts is for. Half of it is to upgrade the technology so that it can better collect and produce reports, and part of it is to employ a person whose specific task will be to improve the performance reporting work of the courts. Already, as part of that, the internal case management reporting of the courts has been aligned so that the statistics that the courts collect align with the statistics that are used in the Productivity Commission annual report on government services which, as you would be aware, has a whole section on the delivery of justice by the courts. So to ensure that we are collecting statistics that can be used in a comparative way, we have aligned the courts' internal reporting system with the types of data that are collected in the Productivity Commission report. As I say, that additional money has been given to the courts for its case management system and a proportion of that is specifically targeted to improving performance reporting.

**MR STEFANIAK:** When can we expect to see some meaningful statistics coming out?

**Ms Leon:** That funding commences from 1 July, so I think when we are sitting here 12 months from now I will be able to tell you about the progress of that performance reporting upgrade.

**MR STEFANIAK:** The trouble is we have had a performance report on improvement, supposedly, in the past five or six years and we still cannot get basic statistics out of the system.

**Ms Leon:** I hasten to add that this is not the commencement of performance reporting. The courts already deliver statistics, and I believe I have sat here and gone through quite a number of those statistics not long ago. What we are doing now is increasing the capacity of the court to improve its performance reporting, but we are not starting from a blank slate.

**MR STEFANIAK:** My other question is to the director, and you will probably want to take it on notice. It is probably not as difficult as the other one, because there are fewer cases. Could you provide statistics for 2005 and the year to date of how many hearing matters—not pleas of guilty—went to the Supreme Court; how many were dealt with by judge alone; how many resulted in convictions; how many resulted in acquittals; how many were dealt with by jury; how many resulted in an acquittal by the jury; how many resulted in an acquittal by the judge taking it away from the jury; and how many resulted in a finding of guilt by the jury?

**Mr Refshauge:** Yes.

**THE CHAIR:** Let me know, minister, if this question has been asked before. Page 238 of budget paper 4 says that the average cost per prosecutor business day is estimated to go down. Can you give us some idea how that efficiency is going to be achieved?

**Mr Corbell:** I am advised that that reduction from \$1,200 to \$1,100 per day is a result of the significant cost per prosecutor day in the 2004-05 and 2005-06 years from the bushfire inquiry and the Eastman inquiry. We do not expect these matters to significantly impact on the budget in the coming year.

**THE CHAIR:** Thank you. We will move on to output 1.5. Do you want to bring anyone forward for that area?

**Mr Corbell:** It depends on the questions. There is a range of commissioners and commissions.

**MR GENTLEMAN:** Minister, in output class 1.5 on page 228 of budget paper 4 there is an increase of funding of approximately \$1.1 million in the protection of rights. I think you may have touched on it earlier, but could you expand on whom this will include, and what levels of increase will there be in each subset, if there are increases in all of the subsets?

**Mr Corbell:** I am seeking some clarification as to what that cost is.

**Ms Leon:** Part of it is the transfer of money between portfolios for the establishment of the Human Rights Commission. You would be aware that the Human Rights Commission was expected to have been established in the current financial year and it has not as yet, so money has been transferred between portfolios for that. There is a decrease of \$400,000 to the Human Rights Commission by the reduction of the statutory positions from five to three. There is a change to the way the Public Trustee's money is appropriated, but there is no overall change in the total amount. The increase for the Human Rights Commission in last year's budget was only a part-year increase. This year it is a full-year increase for the money that is transferred from health back into this portfolio.

**DR FOSKEY:** I am interested in whether the establishment of the human rights office is covered in this amount of money; whether it includes the new commissioners that are supposed to be appointed and whether there is any further indication about when it is likely to happen?

**Ms Leon:** It does include the Human Rights Commission, but with a decrease in the amount that was to be allocated to that commission of \$400,000, because the number of statutory office holders will be reduced from five to three.

**DR FOSKEY:** Which are the two that we do not expect to see?

**Ms Leon:** The exact structure of the office is currently being considered.

**DR FOSKEY:** So when you say two, might that include the Children and Young People Commissioner or the Disability and Community Services Commissioner?

**Mr Corbell:** The intention is to still have those commissioners, although it may be that one or two individuals carry the roles of two commissioners. So they have more than one commission, so to speak.

**Ms Leon:** As happens at the moment in relation to the Human Rights Commissioner and the discrimination commissioner. Both those roles are currently filled by one person. We are now considering the best way to divide up the roles of the commission amongst the statutory office holders.

**DR FOSKEY:** A recruitment process has begun. How does this rationalisation sit in the face of that? I would have assumed it would have been fairly well advanced, given the timing of the appearance of the advertisements.

**Ms Leon:** All of the people who applied for the previous positions have been contacted and informed that there has been a change in the funding of the office and that therefore consideration has been given to the exact division of responsibilities amongst the commissioners. Then, depending on the outcome of that consideration, those people may either wish to continue with their current application or wish to submit a fresh application for the positions, if the one they have applied for has changed.

**DR FOSKEY:** What is the timing of the decision about the consolidation and when can we expect to have this office up and running? What is the forward planning now?

**Ms Leon:** I anticipate that the timing about the structure will be resolved within the next month and then recruitment can be completed after that. Depending on the outcome of that consideration about the structure, it may be appropriate to readvertise the change to positions, but that would depend on the extent to which they line up with the positions that have already been the subject of some recruitment.

**DR FOSKEY:** Has a physical location been identified and prepared?

**Ms Leon:** A physical location has been identified and plans are well advanced for the fit-out of that location.

**MR SMYTH:** Where is that location?

**Ms Leon:** In Allara Street.

**DR FOSKEY:** I note that the Human Rights Commissioner was not invited to the table.

**Ms Leon:** If you have a question for her she can be.

**Mr Corbell:** She is very willing to answer your questions, Dr Foskey.

**Ms Leon:** The reason, as I think the Minister indicated, we did not ask anyone to come to the table immediately is that protection of rights encompasses the Human Rights Commissioner, the Public Advocate, Public Trustee, victims of crimes, the Privacy Commissioner and the Ombudsman. So it depends on your question which person ought to come to the table.

**DR FOSKEY:** I think it would be unfortunate if we did not ask the community or Public Advocate a question or two as well. But I was wondering, Dr Watchirs, as you have been in the position for some time, how your work has spelled out, how the operation of your position and office has changed over time and whether the resources allocated allow you to expand in those directions where there is more demand for your services, or how you will be able to work within the constraints of the budget.

**Dr Watchirs:** The discrimination work performed by the human rights office has not changed over time. It is a very small office compared to other jurisdictions. The funding to implement the Human Rights Act remains at \$252,000. That consists mainly of two positions for systemic work, one mainly human rights and one partly human rights and discrimination. We have had a very ambitious program of education of the community and involving the community in the work we do and participating in public debate. So we have had an intensive period, but we have also had to endure the setting up of the new commission. It will be a positive experience having a one-stop shop, but that has meant continuing work over the two years to get ready for that relocation and co-location.

**DR FOSKEY:** Was your office given extra resources for the work, for instance, that you put into the ACT version of the terror laws?

**Dr Watchirs:** No.

**DR FOSKEY:** How did that affect your workload?

**Dr Watchirs:** We looked at several series of legislation. In the first part I did the work myself and in the second one I did it partly with the legal 1 position. So it has been an amount of work but we were happy to perform it because it impacted greatly on what legislation we came up with here in the ACT.

**DR FOSKEY:** Could you indicate the process that is involved with the human rights legislation being applied to legislation that comes from this Assembly? We get a wasted piece of paper, in my opinion, which always says that this legislation is compatible with the Human Rights Act. I am assuming that there is some discussion and thought and it is not just roneoed off and named for that legislation. I wonder whether your office has any input into the compatibility statements?

**Dr Watchirs:** No, we do not have any input into the compatibility statement, but

certainly we give comments on cabinet submissions and comment on bills that have been tabled or released for public exposure.

**DR FOSKEY:** Do you do that with all bills or just with selected bills?

**Dr Watchirs:** No, we do not see all bills, and some that are referred to us we do not comment on, because it is difficult for us to say something is compatible when we have not had the extended amount of time and resources to say that explicitly. We will more likely say we see these problems and want them improved, such as emergency electroconvulsive therapy, antiterrorism laws and new prison legislation and Quamby.

**Ms Leon:** Could I just add to that, Dr Foskey? A robust dialogue goes on within government, not all of which is exposed in the compatibility statement that you refer to.

**DR FOSKEY:** I would not say any of it was exposed.

**Ms Leon:** No. But as Dr Watchirs says and as you are aware, the department has a human rights unit, which does scrutinise all legislation and all cabinet submissions on their way through the development process. We also have an internal process to notify the human rights and discrimination commission of all the cabinet submissions that are coming around. Those that are likely to have, or might have, human rights issues on which the Human Rights and Discrimination Commissioner might wish to comment are referred to her and her comments are thoroughly considered and are often then the subject of further discussion with the originating agency. Although the Assembly does not necessarily see all of that, I can assure you that many pieces of policy and legislation are substantially changed in the development process as a result of that dialogue both with the commissioner and with the department.

**DR FOSKEY:** I would be interested to know the impact of the budget on that section of JACS, because again it is not a transparent process. Secondly, Dr Watchirs, in the light of the excellent work that you did on your report on Quamby, how closely are you related to the establishment of the new ACT prison?

**Ms Leon:** Shall I answer the first part of the question first?

**DR FOSKEY:** Please.

**Ms Leon:** As I think we talked about in general questions, the reductions that have been made concerning across-the-board savings are not directed at staff cuts. They are directed at changes to the way we procure services, reductions in the amount we spend on IT and rationalisation of accommodation. So, I am not anticipating that the human rights unit will experience any greater impost as a result of those than anyone else. It may well be that like everyone else it may have to move into a smaller office space, but that is not the same as saying there will be any reduction in the work of the human rights unit. As you are aware, the government is very committed to human rights work, and has no intention of reducing the output from that area at all. In relation to the prison, there is a human rights reference group, and I will ask Dr Watchirs to speak about her role in that.

**Dr Watchirs:** John Paget, of the new prison project, convenes a meeting, probably

quarterly, on the human rights implications of setting up the new prison. That looks at quite technical things like new electronic mechanisms for searching people that are much less intrusive than personal or internal searches, and looking at draft legislation. That has been quite an intensive process. Of course, that has influenced the legislation, but there can be tensions over the testing of prisoners for drugs or disease, and I understand those issues are still under discussion. In relation to Quamby, I have been involved in the new facility. We have monitored the new standing orders, but I gather they will be finalised fairly soon. So we have had some involvement with the new juvenile detention centre, but it is not as intensive, probably, as the new prison project in the regularity of meetings.

**DR FOSKEY:** Do you have an eye on the Belconnen Remand Centre?

**Dr Watchirs:** We take complaints there, but the office that mainly has the carriage of those complaints is the ACT Ombudsman, which, as you know, is the federal Ombudsman, and that office has about 100 complaints a year. In his annual report he said we would do a joint audit of BRC but I understand that he no longer has the resources or strategic direction to do that. So if that audit happens it will be done by our office.

**DR FOSKEY:** Without extra resources?

**Dr Watchirs:** It is possible that corrections may find some resources to assist in that process, but that has not been established yet. The legal 1 position has been vacant since March this year and a person will not be on board until 10 July.

**Mr Corbell:** Dr Foskey, if I could just add, I think your commentary on human rights compatibility statements is unfair—mostly for the reasons Ms Leon indicated. This is quite a rigorous process the government puts itself through and the whole intent of the legislation—

**DR FOSKEY:** We do not know that.

**Mr Corbell:** Well, I am just responding to your criticism. The whole intent of the process is to ensure that government agencies abide by the Human Rights Act. That is one of the key elements of the legislation. Where there have been particularly contentious or difficult matters, such as the ECT issue and the antiterror law, the government has gone beyond its statutory obligation and has provided very detailed legal advice to the Assembly on the issues around compatibility with human rights principles.

That is beyond what is required of it in legislation, but we treat these issues seriously and we provide detailed advice to members and to the broader community when issues become significantly complex or contentious. For day-to-day legislation the issues around human rights compatibility can be thoroughly and effectively addressed through the mechanisms within government through the human rights area in my department.

**THE CHAIR:** We need to move on very shortly to the next two output classes because we have limited time. Mr Pratt, is your question on 1.5?

**MR PRATT:** Yes, it is.

**THE CHAIR:** We will have two more questions on 1.5.

**MR PRATT:** To supplement the previous question, before the office and the commission were established, how did government check every piece of legislation to ensure that the human rights aspects were protected, covered or dealt with?

**Mr Corbell:** It is not the role of the commission to assess compatibility of legislation with the Human Rights Act.

**MR PRATT:** Okay. What proportion of the \$5.8 million funding established last year and the \$1.1 million increase was new, and what proportion of that funding has been funding transferred from other departments before there was a commission? I do not ask you to give me a specific dollar figure but can you talk in proportional terms?

**Ms Leon:** The reason there appears to be an increase this year is largely because last year's transfer from other portfolios was only a part-year effect, it was not a full-year effect. This year the figures for 2006-07 are a full-year transfer of resources from other departments. I would have to take on notice for you how much of it originally was new funding and how much of it was a transfer. But by way of illustration, as you would be aware, the Health Services Complaints Commissioner and the funding associated with that is already fully funded within another portfolio. So that aspect is only a transfer, whereas the creation of some new statutory positions and staff to support them are new funding. So, the original amount was to cover a president and two additional commissioners and associated staff. Now those positions have been reduced in number, but there is still new money associated with that.

**MR PRATT:** Can you just confirm that it is new dollars as well as dollars transferred, and perhaps just double-check the numbers of new staff that have been created?

**Ms Leon:** I take it that your question is over and above what existed before the decision to establish the Human Rights Commission?

**MR PRATT:** Correct, yes.

**THE CHAIR:** So you are taking that on notice.

**MR PRATT:** With the resolution of complaints role—the investigations, advocacy et cetera—clearly the primary role of the commission is to check the resolution of complaints and advocacy, dealing essentially with human rights breaches, people's rights being trampled et cetera. Again, can you give an indication of what proportion of the role of the commission is also applied to advocating or defending or pursuing complaints by victims of crime as opposed to victims of human rights abuse?

**Ms Leon:** Mr Phillips has available the figures that you were asking for in your question that I took on notice about what the new funding is for the Human Rights Commission.

**MR PRATT:** I would be happy to ask you to take that on notice.

**Ms Leon:** No, he has the figures.



**MR PRATT:** Okay.

**Mr Phillips:** The new funding in the 2005-06 budget and 2006-2007 budget relates to funding for the children's commissioner and funding for the president and on staff. I understand that the new funding is around \$750,000. That has now been reduced by \$400,000, so it will be new funding of \$350,000 or thereabouts. As to the funding transferred, there was \$1.1 million or thereabouts transferred from health to the health complaints commission and \$260,000 or thereabouts transferred from disability, housing and community services for the disability commissioner position.

**Ms Leon:** In relation to your question about complaints, someone who had been a victim of crime might complain if they felt that they had been discriminated against under one of the grounds covered by the Discrimination Act, but there isn't a specific avenue to the commission for general complaints by victims of crime about anything to do with their experience in the criminal justice system unless it arises under the Discrimination Act, which is the complaint handling function that currently exists. The Human Rights Commission doesn't have a complaint function about complaints that people's human rights have been breached.

**DR FOSKEY:** This is supplementary to the question before. You just mentioned again that there are funds set aside for the recruitment of a commissioner for children and young people and a disability and community services commissioner, but we have previously heard that those positions may be collapsed into one position or added on to other positions. I would like a little bit more, if possible, about the thinking there. I would also like to know if the public advocate is considered as one of those positions who might have something added on to it, or whether the health commissioner is a person that might have something added on to his or her duties.

**Ms Leon:** The public advocate isn't part of the funding base of the Human Rights Commission. The public advocate is a separate entity, so no consideration has been given to putting any of those roles together with the public advocate. The positions that are part of the Human Rights Commission are the Human Rights Commissioner, the discrimination commissioner, the disability commissioner, the health services commissioner, the children and young people commissioner and the president. They were the existing ones.

**DR FOSKEY:** Is it disability and community services—or has it just become disability?

**Ms Leon:** Disability and community services, I am sorry. They are all of the roles that are to be performed by the commission. Exactly how those roles will be divided up is under consideration.

**DR FOSKEY:** Will both those positions be filled by two separate people, or are we looking at one new person?

**Ms Leon:** Both positions. There are a number of positions.

**DR FOSKEY:** Currently we have two new commissioners proposed. Will there be two new commissioners in the Human Rights Commission or will there be one or no more?

**Ms Leon:** There were to be five statutory office holders. The government's decision is that there will be three.

**THE CHAIR:** Mr Stefaniak, you have one quick question and then we will move on to the next output class.

**MR PRATT:** Could I just ask—

**THE CHAIR:** No. Mr Stefaniak—sorry.

**MR PRATT:** I was just seeking quick clarification on a previous question.

**THE CHAIR:** Well, a quick clarification, but we need to move on because we have only got 20 minutes and two more output classes.

**MR PRATT:** Thank you, chair. Did you or did you not say that the commission has a role to play in representing complaints by people regarding their rights. You said that?

**Ms Leon:** No. The commission has a complaint handling role at the moment in relation to discrimination—claims that a person has been discriminated against. Then, when the commission exists as a whole, there also is, as you are already aware, the health services complaints function that is currently handled by the health services commissioner. So that complaint handling function will continue.

**MR PRATT:** You don't think it is right or proper that the commission also would have a role to represent advocacy matters regarding people who are victims of crime?

**Ms Leon:** If it arises under existing legislation they have a function, but under existing legislation they don't have a generic right to take complaints about human rights generally. That is not currently in the legislation.

**MR STEFANIAK:** I refer very quickly to pages 238 and 239. Perhaps you would just advise us how you arrived at the figure of 70 per cent for a reasonable level of conciliation of complaints by the commission, and also for complaints concluded in a timely fashion by the commission which is 70 per cent.

I note that other areas are often 80 or 90 per cent. Sometimes they are lower, but perhaps you could address that. Also we have two new measures on page 238. Firstly, under "Number of completed projects promoting rights protection and service improvement" you have four. I wonder if you could tell us what they are. Finally, under "Number of participants in community education" you have 4,000 as a target. What does that mean?

**Dr Watchirs:** Sorry about my delay. The 70 per cent conciliation rate was decided between my office and health complaints. It is considered best practice by the national council on quality and safety in health care. Those conciliation rates are consistent across other jurisdictions. That is where we got that figure from.

The number of projects is four. That would be one for each of the respective commissioners, even if they are combined. That is how that was arrived at. In my case

that would be something like the Quamby audit or a review of the Discrimination Act or Human Rights Act—doing some big work like that. The satisfaction of clients rate is completely new. We haven't tried those kinds of surveys. We only currently do surveys of people attending education sessions. That figure was consistent with conciliation as a benchmark.

**THE CHAIR:** We will go on to output 1.6.

**MR GENTLEMAN:** I refer to budget paper No 4, page 228, electoral services. Minister, I have been advised that officers of the Australian Electoral Commission have been instructed to severely reduce educational services to the community. In fact, they will no longer be able to provide explanatory education, other than advertisements and pamphlet promotion, to new citizens, community groups and schools. If Elections ACT has to provide educational service in the ACT, how would that affect the budget for electoral services?

**Mr Corbell:** I might ask Mr Green, the Electoral Commissioner, to answer your question.

**Mr Green:** I actually wasn't aware that the Australian Electoral Commission was going to be cutting back its electoral education budget. That is news to me. There is a federal parliamentary Joint Standing Committee on Electoral Matters inquiry into electoral education that is currently seeking submissions. In fact, we have just submitted a submission to them which will go up on their website in the near future, I would imagine.

It is probably a bit premature to be speculating exactly what the AEC is going to be doing by way of electoral education in the future. I imagine that will depend on the outcome of that inquiry. In terms of what we do here in the ACT, we do a lot of electoral education. Obviously, we don't have very many staff so we don't do an awful lot of face-to-face electoral education sessions, although we do do that. We do that also in conjunction with the ACT Assembly.

We are mainly putting our resources into materials that teachers can use in the classrooms in their curriculums, particularly the recent changes to the civics and citizenship curriculum that is being pushed by the federal government at the moment. We are endeavouring to provide resources that teachers can use in their classrooms to teach civics and electoral education. We are putting our effort into developing materials so that it is the teachers themselves who will be doing the face-to-face sessions, rather than my staff.

**MS MacDONALD:** This is actually peripheral to the ACT Electoral Commission. I am aware that the Senate, as of last Friday, has just begun debating a bill that the electoral rolls will close for federal elections the day that the election is announced. I was wondering if that would have an impact on the ACT Electoral Commission. You assist the Australian Electoral Commission with federal elections; do you not, Mr Green?

**Mr Green:** The ACT commission has no role in federal elections as such, other than providing information to people who contact our staff rather than federal staff. Obviously, we have a joint electoral roll with the commonwealth and we are involved in

jointly managing the electoral roll with the commonwealth.

In terms of the legislation currently before the commonwealth parliament, one of the measures in the Electoral Amendment Bill would close the federal roll as at the date of the issue of the writs. That would only apply at federal elections, not to ACT elections, because our legislation is our own. For a start, we have fixed-term elections anyway, so we always know in advance when our rolls are going to close. Our rolls close a week after the start of the pre-election period.

What I would say about the federal proposal to close the rolls at the date of issue of writ is that there is a potential for people to miss out on enrolling if there is not very much notice given of an early close of rolls. If people think back, as I can do, to the 1983 election, which was the last election when the rolls for federal elections closed on the date of issue of writ, the rolls were closed, the election was announced on the same day and the writs were all issued on that same day. There were reportedly hundreds of thousands of people who weren't correctly enrolled because of that.

That won't have a direct impact on our elections because our roll closure will be a different date. But there is the potential to degrade the overall quality of the national roll, if thousands of people are not enrolling because the rolls are closing so quickly. They may then not get on the roll after the rolls close, if that is the case.

**Mr Corbell:** There is no doubt that that change will disenfranchise many thousands of people, both here in the ACT and around the country. We know that particularly young people who are voting for the first time—or who perhaps aren't voting for the first time but are still in their first couple of years of being eligible to vote—traditionally leave their enrolment until the last moment. The decision to close the rolls on the day of the issue of the writs is going to disenfranchise many people from voting, for no good reason. It is a move that the ACT government is very strongly opposed to.

**MR PRATT:** I gather we are talking about perhaps an increase in capacity in officers to assist in the process of supervising the standards of elections. Has there been an increase in staff in this budget? If that question was asked while I was out of the room, I apologise.

**Ms Leon:** There is not an increase in staff in this year, but there is an increase in the outyears because there are additional staffs in the year in which an election is held.

**MR PRATT:** When I go back and revisit the 2004 experience, I recall that, in the Tuggeranong Valley—and some members here will as well—there were a number of creative tension moments around a number of polling booths.

**MS MacDONALD:** You created them, didn't you?

**MR PRATT:** That is a very interesting point. There were a number of conflicts, as I was saying, where clearly the rules were breached on the 100-metre rule. And clearly there was confusion on the part of a number of officials who were perhaps required to supervise that particular standard. Are you happy that you have got enough staff, or that your budget will be sufficient for 2008 to give you the people you would require in the field to ensure that those standards are met and that those creative tensions are removed

from the landscape?

**Mr Corbell:** Mr Green can probably answer the issue about resourcing, but can I just indicate that this is one of the matters the commission raised in its report on the last ACT election to the government. The government is considering its response to that and a whole range of other matters to do with the conduct of that election and issues that arose out of it. The 100-metre boundary is clearly one of those matters. The government is currently considering whether that provision should be retained or not.

**THE CHAIR:** We will move on to the next output class.

**MR PRATT:** Sorry. Is Mr Green going to answer that?

**Mr Corbell:** As to whether or not Mr Green has sufficient staff to police the current provisions, I will leave that to Mr Green.

**MR PRATT:** The budget should be able to cover those requirements. Would you like to answer that?

**Mr Green:** As I understand it, the budget funding we have been provided for the election year is based on the budget funding we had for the last election year, plus some money to account for population growth. Obviously, with every election you have more voters than you had at the election before, so that the funding we have provided is based on the funding that we had for the last election. On that basis, I am quite confident that we can run a better election than we did last time.

**THE CHAIR:** We will go on to the next output class, 1.7.

**MR GENTLEMAN:** There is a change now to some of the services that are covered under output 1.7, in particular WorkCover. How would this change affect the autonomy of ACT WorkCover and its commissioner, as well as some of the other mentioned agencies?

**Ms Leon:** There will be no change to the statutory functions of any of the commissioners that come into the office of regulatory services; they will still maintain their statutory roles. Just as, at the moment, the Commissioner for Fair Trading is part of the department but performs the role of Commissioner for Fair Trading without interference in the performance of those statutory functions, so too will the incoming commissioners. The co-location and co-administration of these is intended to deliver administrative efficiencies, but not to change the functions of the commissioners or the incoming units.

**MR GENTLEMAN:** Would any of those positions be shared positions, such as we talked about previously?

**Mr Corbell:** It is not proposed at this point to do that.

**MR SMYTH:** How is the independence of the commissioner guaranteed, given that there are many ways to control what people do—through control of funds, through control of staff and through allocation of resources. Does the commissioner still report directly to the minister, or does the commissioner report through the head of the

department?

**Mr Corbell:** As a statutory officer, the commissioner would report to the relevant minister as a statutory officer.

**MR SMYTH:** Without the commissioner being able to control his or her budget, it is at the whim, therefore, of the person who does. The resources that go to WorkCover are now controlled; I take it, by the head of the department of JACS?

**Ms Leon:** They will be.

**MR SMYTH:** No offence in the question, but how does the commissioner assert his right to carry out his functions if he cannot control the resources that are allocated to him?

**Ms Leon:** I think it is worth setting this in the context of how every other independent body operates within the government at present.

**MR PRATT:** Or did.

**Ms Leon:** I think sometimes there is a misperception that because people have independent statutory functions, they therefore have some kind of independent call on budget, which they don't. The government sets the budget, and then it is my job to administer it. The Electoral Commissioner has just been at the table. I administer the budget of the electoral commission, and I administer the budget of the Human Rights Commission.

While technically a chief executive could completely starve one of those areas of existence, in practice I also am answerable to the minister. I have to ensure that the functions that are to be performed by a wide range of independent bodies within the portfolio can still be performed. The same position will apply in relation to the incoming units that are coming into the department.

**MR SMYTH:** The role of the Electoral Commissioner is slightly different from the role of the WorkCover commissioner, in that hardly anything you will do will impact on the way an election is conducted; whereas, for instance, if your successor—I am sure it wouldn't happen under you—is found to be in breach of the Occupational Health and Safety Act and the commissioner threatens to thump a notice on them if something is not changed, how is that independence—

**Ms Leon:** I or my staff already could be in breach of the Discrimination Act. The discrimination commissioner conducts inquiries into that kind of complaint completely without any interference by the chief executive. The same would be true for any other activity of an independent commissioner within the portfolio.

**MR SMYTH:** Again, they are all slightly different in what they actually do, but the WorkCover commissioner is one who would regularly go into workplaces. You conduct a workplace and the government conducts a number of workplaces: how do you guarantee the independence there, Minister?

**Mr Corbell:** It is in the legislation.

**MR SMYTH:** Lots of things are in legislation.

**Mr Corbell:** If people don't abide by the legislation, they are in breach of their responsibilities under the act, whether it is the minister, the statutory office holder or whoever else may be given certain powers and responsibilities under a piece of legislation. The point needs to be made that, as Ms Leon quite rightly points out, there is a budget; the government has spelt out very clearly what the available level of resourcing is for all of these different elements of government—statutory and non-statutory—and how that is to be spent, in broad terms.

That is something that I am ultimately accountable and responsible for; it is why we come to estimates committees; it is why the Assembly votes on budgets in the Assembly—so that it is very clear what the level of resourcing is to statutory office holders and non-statutory parts of government. So I think the suggestion that there wouldn't be any funding made available, in breach of the budget, is a fairly long bow to draw.

**MR SMYTH:** Is it possible to speak with the workplace commissioner?

**Mr Corbell:** Of course.

**MR SMYTH:** Commissioner, WorkCover has worked successfully with yours being an independent organisation, where you have been responsible for not only the administration of the act but also the administration of the funds that are appropriated to you.

**Mr Janssen:** That is a judgment others would need to make.

**MR SMYTH:** I am asking are you happy with the current arrangements?

**Mr Janssen:** I have certainly been happy with the operation of WorkCover and some of the improvements we have put in place in recent years.

**MR SMYTH:** Do you see it as an enhancement of your ability to do your job to be drawn back into the department in this way?

**Mr Janssen:** Look, I think I will be in good company with many other commissioners in a larger portfolio. I at this stage can't see any reason why the way I operate as a commissioner in exercising my responsibilities would need to alter as a consequence of going into a larger regulatory agency.

**MR SMYTH:** Part of the argument made when it was made an independent body was that it needed the independence to be able to manage its own affairs and direct resources as needs be. This seems to be a retrograde step, in that we are just going back to as it was. Have the new arrangements been, therefore, less than effective?

**Mr Janssen:** Again, I can't judge on what was in place before my term. Certainly I am in a process, with others coming into the new regulatory office, to work out the structures

and to also work out governance arrangements. My intention would be to ensure that the level of discretion available to me to exercise my powers to launch investigations or exercise compliance enforcement powers wouldn't be reduced.

**MR SMYTH:** We heard that regulatory services would appear to be losing 20 staff. Do you anticipate any of those to be from the existing WorkCover work force?

**Mr Janssen:** My expectation would be that there will be some staff in all of the areas coming into the office impacted, simply because being currently a separate agency we have a corporate function which you wouldn't need in a larger organisation. So there are some opportunities there, no doubt, for savings in staffing. We would be impacted also by the shared services agency which is being established. So there is an expectation that there would be some staff in WorkCover impacted.

**MR SMYTH:** How many staff are currently in WorkCover?

**Mr Janssen:** In total, including some who are off on extended sick leave, we have 63. There are two more than there were initially simply because I have got a couple of inoperatives.

**MR PRATT:** How many of those are in corporate?

**Mr Janssen:** In the combined executive, including myself and my personal assistant, our corporate, our legal assistant and a communications and IT projects—non-inspectorate: 17 people.

**MR PRATT:** So you would anticipate that there would be a saving to the authority of 17 positions?

**Mr Janssen:** No.

**Mr Corbell:** No, he didn't say that.

**MR PRATT:** Okay.

**MR SMYTH:** An estimate of the number of staff you expect to lose?

**Mr Corbell:** As Ms Leon has already indicated when we were discussing the office of regulatory services earlier, the details of implementation, the number of positions and where they will come from is yet to be determined.

**MR PRATT:** Do you have any idea at this point?

**Mr Corbell:** Not in terms of the break-up of which different elements—WorkCover, tobacco regulation and so on. No, we don't have a clear position on that at this point.

**Ms Leon:** I think also that, once these bodies are brought together, it is fallacious to start referring to the staff as only being the staff of WorkCover or the staff of parking and so on. If we are going to combine and achieve more efficient operations, then the people will become staff of the office of regulatory services, and there may well be



opportunities for some multiskilling.

**MS MacDONALD:** I understand that somebody allowed the current registrar general to retire. I am curious to know when he will be replaced. Also, I just want to place on record my compliments to him for having done his job with a great deal of skill and care in the last 10 years that he has been with the ACT government. I think it is a sad loss to the ACT that he is being allowed to retire, so thanks to Mike Ockwell for doing that.

**Ms Leon:** Mr Ockwell is with us today. I am happy that he is able to hear your thanks and the thanks of the Assembly for his work. I can assure the Assembly that Mr Ockwell flagged with me many months ago his intention to retire in July. I would hate anyone to think that his retirement has in some way been precipitated by the combination of functions of the office of regulatory services. While I am sure Mr Ockwell is feeling a great deal of regret about the fact that this will be his last estimates hearing, I hope that in his retirement he will find that there are other joys and challenges to be found.

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

**Meeting adjourned from 12.33 to 2.30 pm.**

Appearances:

Auditor-General's Office

Pham, Ms Tu, Auditor-General

Nicholas, Mr Rod, Director, Performance Audits and Corporate Services

Sheville, Mr Bernie, Director, Financial Audits

Prentice, Mr Malcolm, Senior Audit Manager

**THE CHAIR:** 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 am sure you all understand that.

**Ms Pham:** Yes.

**THE CHAIR:** Do you wish to make any opening remarks?

**Ms Pham:** I am ready to take questions, thank you.

**MR GENTLEMAN:** It is stated on page 19 of budget paper 4 that one of the strategic and operational issues to be pursued in 2006-07 is staff training through the office's learning and development program. Could you please expand on what sort of training this may entail?

**Ms Pham:** The skills of our staff are very critical to the performance of our office, so our office places significant emphasis on learning and training programs for audit staff. The learning and development programs have two or three levels of training. The first one is technical training, concentrating on audit methodology, audit standards and any developments in audit-related areas which staff need to be aware of. Other issues of training relate to general skills required by an auditor, such as negotiation skills, report writing and general awareness of government businesses and ACT government policy. We delivered a very successful program last financial year and this financial year. The last survey of staff indicated that staff feel that the learning and development program meets their need and provides them with the right skills and abilities to do their job better.

**MR GENTLEMAN:** You touched on the new audit methodology. Could you expand on the implementation of that new methodology?

**Ms Pham:** We have a system which has been in place for the last seven years. It is now out of date and is no longer supported by the commercial provider who designed the audit system. We need to replace that system with a new system, starting from the next financial year. In the last year or so we worked with the Queensland and Victorian audit offices to design a new methodology for an IT system, the software that auditors rely on to do their auditing. The system is now implemented in Queensland and Victoria and we have now started training our staff on that new methodology. I will pass it on to Mr Prentice to explain a bit more the methodology of the new system.

**Mr Prentice:** It is a methodology that has been developed, as the Auditor-General said, by the Queensland and Victorian audit offices. Our office has also assisted with the review of the policies and procedures that support that methodology. It picks up on the new audit standards that have just been passed as part of the Corporations Law. Essentially, it is designed for a public sector environment. The three offices were previously using audit software and audit methodology that were better suited to the private sector, so it is an audit methodology that really has been designed for the public sector. As we have said, we will be implementing it from our December 2006 year-end audits onwards.

**MR GENTLEMAN:** Chair, I have a couple more questions on employees, but I will let the others go first and come back to them.

**MR SMYTH:** I will follow Mr Gentleman's cue on staffing. I notice that, unlike most of the other areas in budget paper 4, you do not declare a staff number. How many staff do you have and are there to be any staff reductions?

**Ms Pham:** We were lucky this year to have additional funding allocated to our office. Currently, we have about 30 staff, but by the end of the year it may reduce to 28 because we recently had two staff departing from our office. We are currently recruiting more staff through advertising. Hopefully, that will put it back to the normal level of 30.

**MR SMYTH:** I note that your employee expenses have gone up \$558,000. How many staff do you expect to get for that money?

**Ms Pham:** Out of the \$500,000 we expect to recruit three more audit staff and the rest of the money will be used to enhance training opportunities for staff. We also established an internal audit function within the office to improve our internal efficiency and we plan to use some of that money to increase our capacity to use consultants in areas such as IT auditing, which is quite expensive to have at the moment. So three staff.

**MR SMYTH:** Three extra staff.

**MR GENTLEMAN:** How many of the total staff, the 30 or 28, are full-time employees and how many are part-time employees?

**Ms Pham:** We have two part-time staff, permanent part time, but in that number we have contractors in terms of people who work on contract for six months of the year. We consider them really as employees rather than contractors.

**MR SMYTH:** Does that include a family-friendly workplace? Is there provision for those people to work around their parenting responsibilities?

**Ms Pham:** Yes. We do have staff who work four days a week or very different hours during the day, depending on their family commitments.

**MR MULCAHY:** My question relates to expenditure and consultants. What has been the audit office's expenditure on external consultants and what is likely to be the situation in 2006-07 in relation to external consultants?

**Ms Pham:** In the last two years, we did not spend money on consultancy for performance audits, so there is no consultancy fee there. For financial audits, we entered into contracts on a three-year basis with four or five big accounting firms, and the total fee for contractors last year, in 2004-05, was \$620,000.

**MR MULCAHY:** What do they actually do? What sort of work would you assign to those firms?

**Ms Pham:** They actually do financial audits on our behalf. For example, PricewaterhouseCoopers did an audit of ActewAGL, and ACTEW subsidiaries. KPMG is auditing ACTTAB—

**Mr Prentice:** ACTTAB, Rhodium Asset Solutions and Totalcare.

**Ms Pham:** They are actually auditors.

**MR MULCAHY:** So that you are outsourcing mainstream audit functions because you do not have enough people in house to do them. I will just take you to Ernst and Young. They are doing work for you at Rhodium at the moment, are they not? Is that a routine audit or is this pursuant to the issues that arose from KPMG's work there?

**Ms Pham:** With Rhodium, in 2003-04 our auditors were KPMG. This year Ernst and Young is doing the audit on our behalf. The board of Rhodium also commissioned KPMG to do some special audit for them, not on behalf of us, but to look into some issues of concern to the board. The auditor working on our behalf for this financial year, 2005-06, is Ernst and Young. Last year it was KPMG.

**MR MULCAHY:** Is the audit now going on there a routine end-of-year one or is it as a result of the issues that have been raised?

**Ms Pham:** They are two separate issues. One is a financial audit, a normal, routine financial audit which Ernst and Young is doing on our behalf. KPMG has been separately commissioned by the board and paid by the board to do some other internal audit for the board.

**MR MULCAHY:** Have you seen those findings from the KPMG report?

**Ms Pham:** Yes, we did.

**MR MULCAHY:** Are you concerned about their observations in relation to management controls at that agency?

**Ms Pham:** Yes, we are concerned about some of the issues identified by KPMG and we have been in contact with the board to understand the actions the board plans to take to address some of these issues raised by KPMG and asked the board to keep us fully informed of what is actually happening as a result of the KPMG audits.

**MR MULCAHY:** Finally, are you satisfied that the board has moved to resolve all of those issues or will move in reasonable time to resolve all of those matters that have been

unearthed?

**Ms Pham:** We will actually audit the issues and we will have the first meeting with the board this afternoon. Through that audit, we will be able to report back to the Assembly on whether or not appropriate action has been taken by the board or any other outstanding issue that the Assembly should be aware of. We have advised the board and management of Rhodium that we will conduct a performance audit different from the financial audit that we are doing now. That performance audit won't start for another few days. After the consultation with the board this afternoon, we will then decide the scope of that performance audit and finalise the scope of that performance audit. That performance audit result will be reported back to the Assembly and then we will be able to answer your question on whether we are satisfied or not.

**MR SMYTH:** Just on that issue, how much have both of those reports cost, the KPMG and Ernst and Young reports?

**Ms Pham:** I am not aware of the cost. I am sorry, are you talking about the financial audit?

**MR SMYTH:** No, the special audits that you did into Rhodium.

**Ms Pham:** The special audit that the chair of the Rhodium board requested of KPMG was not our audit, so we don't know about the cost.

**MR SMYTH:** Do you have a copy of that audit?

**Ms Pham:** Yes, we do have a copy of the audit.

**MR SMYTH:** Is that allowed to be made available to the committee?

**Ms Pham:** I am not so sure that is the appropriate thing to do at this stage. The audit raised a number of issues on which I believe, due to procedural fairness, we need to have a proper response from the interested parties involved in that audit, and that is a process that we will go through in the next two months to make sure that we follow the due process. We will talk to the interested parties or relevant parties and give them a full opportunity to respond before we submit any information to the Assembly.

**MR MULCAHY:** The KPMG report is really the property of Rhodium. I think we had this discussion last year in another context, but you would, I assume, prefer that we ask Rhodium management when they appear to make that available.

**Mr Sheville:** The Ernst and Young report, which is another report, the interim audit report, is a report that is paid for as part of the cost of auditing Rhodium. So, when we get a fee for that particular audit, it will be for the cost of the full audit, including any interim reports. That is just part of the cost of doing a financial audit.

**MR MULCAHY:** It is like a subcontracting task from your office.

**Ms Pham:** Yes. Ernst and Young is our auditor.

**DR FOSKEY:** I want to talk about the process for sustainability reporting. Given that you produced this report last year, report No 3 on ecologically sustainable development, I want to see if you have given any thought to how these recommendations have been reflected in this year's budget. I am interested to know if you have had a chance to look at the budget from the perspective of the recommendations in this report.

**Ms Pham:** Our audit was about the reporting process for ESD. Looking at the recent annual report directions from the government, the directions have taken into account our recommendations and provide detailed guidance to agencies on reporting on those particular issues. We did not look into the budget in terms of budget allocation because the audit report that we did was actually on the reporting aspect of it in annual reports, not the delivery of services in that area.

**DR FOSKEY:** I thought you might have had a look at the sustainability indicators that were used in the budget. Under the new structural arrangements, will your office be able to assist agencies with an integrated approach to sustainability reporting across the whole of government, alongside assisting with the transition to reporting under the international accounting standards framework? I'm sorry, that was poorly expressed.

**Ms Pham:** We liaise with Treasury, we liaise with the Office of Sustainability within CMD and we have regular meetings with the Commissioner for the Environment. Through that process, we provide input and advice, as appropriate. In the process of helping agencies, we do not have any particular contact with each individual government agency, but we do work through some of the central agencies responsible for sustainability and work with them, as appropriate.

**DR FOSKEY:** Given that you made some very favourable comments about the global reporting initiative style of reporting used by ACTEW and that the Chief Minister strongly endorsed this approach in last year's annual reports hearings, can you tell us whether any other agencies or departments have contacted you to discuss how they can better implement GRI reporting measures?

**Ms Pham:** At this stage, I am not aware of any department contacting us to seek advice on that particular issue. We rely on relevant areas of government, such as the Office of Sustainability, to provide that advice to the agencies. We hope that next financial year, with additional funding, we will be able to devote some time to following up our audit recommendations and following up on the progress in government agencies in implementing our recommendations, especially where the government agrees with and supports our recommendations, but at this stage we have not been able to do that as well as we would like to. Hopefully, that will be one of the things we will do next financial year.

**DR FOSKEY:** That is very promising. I am just wondering whether, in saying that, you are saying as Auditor-General, with a focus on the economic bottom line, that you believe that there are savings to be made in implementing a triple bottom line approach to reporting, perhaps not in the immediate term but in the longer term.

**Ms Pham:** I can only make some general comments on the benefit of having triple bottom line reporting in terms of having an environment impact to be taken into account. I won't be able to say whether or not there will be savings without doing serious studies

or auditing activity.

**MR MULCAHY:** Is it possible that some of those reforms that would arise from triple bottom line reporting might cost you a lot more?

**Ms Pham:** I don't think I have enough information to give a proper answer to that.

**MR PRATT:** Going back to those audits that have been undertaken externally, or contracted out, if you like, what proportion of those were performance audits? Do you also contract those business houses to undertake performance audits?

**Ms Pham:** We do not contract consultancy for performance audits.

**MR PRATT:** So all the performance audits are done internally.

**Ms Pham:** Yes.

**MR PRATT:** In the last 12-month period, about how many performance audits have you undertaken?

**Ms Pham:** This year, 2005-06, we have tabled in the Assembly seven performance audits.

**MR PRATT:** How many would you like to undertake if you had the resources? What do you think the need is in terms of your role to ensure that government departments are accounted for in terms of their performance?

**Ms Pham:** Ideally, we would like to do perhaps 12 performance audits a year. However, we are constrained by our ability to recruit skilled people to do the job. With the additional funding, we believe we can aim for 10 performance audits a year, instead of the seven at the moment.

**MR PRATT:** Okay, so you can go to 10.

**Ms Pham:** Yes.

**MR PRATT:** Recently, the opposition brought to your attention concerns about the Emergency Services Authority and requested that you undertake a performance audit of that agency on a range of issues going to operational capability. Have you been able to start anything like that? Do you think you would be able to? What is the status of that request or that investigation?

**Ms Pham:** I understand that you raised with us an issue about the Emergency Services Authority relating to their financial performance and also the management of some equipment or systems. I understand that the office also had a meeting with your staff to respond to some of the issues you raised. Perhaps Mr Sheville would like to explain our approach to that request.

**Mr Sheville:** Yes. We had a look at a few issues. One was about, I think, managing to budget and in our response to you we indicated that we felt that for getting the numbers

as accurate as they needed to be in the first year of the Emergency Services Authority, given that it was splitting off from a larger entity in the first place, the budget may not be a reliable basis for comparing subsequent performance. The second issue related to, I think, the FireLink project and the money that had been spent on that and whether the procurement had been properly managed. The third issue related mostly to the difference between cash and accrual accounting. I think that in our response to you we indicated that the issue about the budget would be something we would be observing closely this year, because this year they should have better information about what it costs to run the authority and the assets that are on hand.

In relation to FireLink, we felt that there were some processes around the actual procurement, including having to put a procurement plan through Procurement Solutions, that gave you some assurance about the actual process itself. We also indicated that, as part of our audit of the Emergency Services Authority, we would obviously be looking to see whether any assets were impaired; that is, if an asset doesn't do what it was purchased to do, theoretically it should be written off or written down to its value in use essentially. So there were some issues that we could pick up as part of the financial audit.

In relation to the accounting issues, a lot of the issues came as a result of a misunderstanding about what gets brought to account in the cash sense and what gets brought to account in the accrual sense. I thought we had pretty much dealt with those particular questions, because a lot of the questions arose just purely because of differences in the way in which accounting for revenue and cash differs and accounting for expenses and cash payments differs. So those differences arose from accrual accounting, if you like, compared to cash accounting.

**MR PRATT:** Yes. In fact, those questions on the financial administration basically have been answered but, as to the other issues going to the heart of the tendering processes, are you still pursuing those, or do you intend to?

**Ms Pham:** No, at this stage it is not considered to have a higher priority than other performance audits already planned. So I do not anticipate that we will do a performance audit of the Emergency Services Authority in the next twelve months or so.

**MR PRATT:** How many times has government asked you to undertake extraordinary performance audits? Clearly, you try to determine your own program in terms of what your budget allows you to undertake, but how many times in the last 12 months have you been asked by government to specifically go in and carry out an extraordinary performance audit of a particular agency?

**Ms Pham:** Government members as well as members of the opposition do refer issues to us from time to time. During last year there was no performance audit requested of us from the government that we responded to. The Rhodium audit that we start next week partly is in response to the Chief Minister's request but also partly in response to the concern raised by Mr Richard Mulcahy in question time. We usually respond to an issue when there are similar levels of concern from both the government and the opposition and it would be of interest to the Assembly as a whole. But I do not recall—correct me if I am wrong—any request from the government for any audit, extraordinary or special, last financial year.



**MR PRATT:** Other than Rhodium, have you had a request by the government to undertake financial audits? Apart from those routine cyclical audits that you try to carry out, have there been any other requests by government to carry out extraordinary financial audits?

**Ms Pham:** No, I do not recall any.

**MR SMYTH:** Is it possible to get a list of all the performance audits you are currently undertaking?

**Ms Pham:** Yes.

**THE CHAIR:** Take that one on notice.

**MS MacDONALD:** Are those the audits that are being undertaken, or are those the audits that have been undertaken?

**MR SMYTH:** Those are the audits that are currently being undertaken.

**Ms Pham:** About three audits are currently in place and they will be tabled in the next few months or so. The first one is road safety, which hopefully will be tabled next week. The second one is vocational education and training, or VET, which we hope will be tabled in December this year. We will do the Rhodium audit, which we hope to be able to table in late August or September. We start an audit on credit card use and other expenses such as hospitalities and entertainment, especially in the government business area. We have just started planning for an audit on the collection of fees and charges—fees and fines. That audit is currently on our planning list.

**THE CHAIR:** If that answered your questions, Mr Smyth, they do not have to be taken on notice. Do you have any more questions?

**MR SMYTH:** Yes. It is worth exploring the new area. One of the priorities in 2006-07 is assisting agencies with the smooth transition of the recording of a national accounting standards framework. What would be involved in that? How closely would we comply with standards?

**Mr Sheville:** Currently we assist agencies under the old standards. It is something we will continue to do as part of our routine operations. As the annual reporting process occurs only once a year people within agencies often do not have time to be across every change that might occur in accounting standards. There are a number of ways in which people can be informed about these things; for example, treasury issues and model financial statements, which give them example disclosures.

Some of the private sector firms provide example sets of accounts based on the new accounting standards. Of course, we try to get across these accounting standards and work out what the implications will be for each agency. One of the ways in which we assist agencies is by sending every agency audit planning letters at the commencement of the audit. We draw to their attention where they can get material relating to international accounting standards.

However, we also draw to their attention any accounting treatments or changes to accounting standard requirements that might come to light. We conduct, if you like, a preliminary review of their financial statements as well. In that sense we get them across the changes early. I think we have briefed all the agencies about changes to the new sets of financial statements, how they will be presented and that sort of thing. We also update them on changes to the FMA. About a month or two ago we ran some information sessions in relation to that sort of thing.

**MR SMYTH:** The government is moving to the GFS in this budget. Were you consulted about the move from the old AAA standard to the GFS?

**Ms Pham:** Some consultation occurred. We were not informed of the final version of how the information is to be presented in the budget papers. We have to look at some of that information now to understand certain changes made by the government. We were not fully consulted; we were partly consulted.

**MR SMYTH:** What was the nature of the consultation?

**Ms Pham:** We have meetings with the director of accounting policy, Phil Hextell, once every three months, or more regularly if need be. I have formal and informal meetings with the under-treasurer, Paul Grimes. There were discussions about the possibility of a move towards a government finance statistical framework, but we were not consulted about the details.

**MR SMYTH:** So far as you can see from what has been presented, are there any issues with the approach taken by the government?

**Mr Sheville:** We were told, or I was certainly informed in discussions with the director, accounting branch, that there were proposals to move to give prominence to GFS accounting within the budget papers. If you have a look you will see that the budget papers still present both. What has changed is the prominence that they are giving to the GFS. That is the way they have presented it this time around.

**MR MULCAHY:** I refer to a comment on page 8 of BP3, which states:

In the short term, land sales will continue to be important, and the Government's intermediate target is therefore to achieve an operating budget surplus after land sales receipts have been included. However, the Government's ultimate objective is to achieve an operating surplus without land sales receipts.

Is it correct that the uniform presentation framework—that is, the GFS rules of the ABS—does not allow for the inclusion of land sales in arriving at the net operating balance?

**Ms Pham:** You are right, yes.

**MR MULCAHY:** Why do you think the government is including land sales as an operating result, even though the GFS rules do not provide for that?

**Ms Pham:** The budget papers are government policy papers rather than the financial statements we would normally audit. Hence the government has a different way of presenting material that it believes would provide information to users. When we audit financial statements we would audit strictly on accounting standards. The GFS accounting standard does not allow for the inclusion of land sales in the numbers. We understand that budget papers are government policy papers. The government has a different budget presentation to compare those numbers, or for whatever reason.

**MR MULCAHY:** When you are in the GFS format and you are advising agencies to report, how would you advise them when it comes to the treatment of, say, land sales or medium-term gains on financial investments? What sort of advice would you give agencies? Should they be putting those in, leaving them out, or running two sets of books?

**Mr Sheville:** Accounting by agencies is still done on an accounting standard basis. My understanding is that the GFS format is done only for the whole of government. So there would be no change in the way in which you would account for individual agencies when you do the whole-of-government audit, or not quite the whole-of-government audit.

**MR MULCAHY:** It is really Treasury that has to make this call.

**Mr Sheville:** The general government sector, yes. Those consolidation adjustments are made. They basically strip out from the AAS-GGS operating result land revenue, gains on non-financial assets, and gains on financial assets as indicated on the reconciliations in the budget papers in order to present the GFS and the operating balance figure.

**MR MULCAHY:** Mr Sheville, do you have a view that you would like to share about the inclusion of longer-term gains on investment income and the like within the presentation of accounts?

**Mr Sheville:** Essentially, in relation to the GFS net operating balance, Treasury has sought to make its GFS net operating balance directly compare with the way in which that same balance is accounted for in other jurisdictions. As I understand it, after reading the budget papers and the detail in them, other jurisdictions are allowed to reduce their superannuation expense by the amount of the long-term gain on investments that has been set aside to meet the superannuation expense in the long term. They are saying that in the Treasury book in this case a 7.5 per cent return is what you would expect to get on these investments in the long term.

In the calculation, or in the presentation of the GFS net operating balance of \$196 million, that has not been adjusted for. They have not reduced the superannuation expense for that amount. They are doing that, if you like, in the table for presentational purposes to allow you to compare more directly with another jurisdiction. I cannot foresee the way in which that has been done.

**MR MULCAHY:** I am sure you have answered my next question. You are obviously comfortable with the fact that there are two ways in which you can come up with a figure.

**MS MacDONALD:** Do you necessarily want the witness to pick up on that?

**MR MULCAHY:** No. I would just like to know whether Mr Sheville thinks it is more appropriate to be presenting it without discounting it by those possible longer-term gains, or does he think in this case the \$156 million deficit is the figure that tells us the real position of the territory, given that those gains cannot be spent on salaries, hospitals, schools and things of that nature.

**Mr Sheville:** A reading of the standard shows that you can do it. I presume that that is one part of it. The answer is that the accounting standards actually allow you to do it. In a sense, allowing the 33.7 per cent and counting it in as a gain is like saying, “This gain is as good as having it in the bank.” In the long term, over the next 40 to 60 years, and based on so many years and the stock market, you would reasonably expect to get a gain of 7.5 per cent. They exclude any of the gains that go beyond that amount or any amounts that go below that.

**MR MULCAHY:** I understand what they are doing; I was just curious.

**Mr Sheville:** I think it is providing a single headline balance, if you like, that gives an indicator of the long-term sustainability of the operating result. I think that is what the budget papers are saying. That is probably not unreasonable in particular because of the way in which results are quoted as a single headline result. As long as information is provided that shows how they arrived at that amount, I am fairly comfortable with it.

**MS MacDONALD:** I do not think you will get a political comment out of this witness, Mr Mulcahy.

**MR MULCAHY:** I would not want any such thing.

**DR FOSKEY:** I would like to follow up your investigation into efficiencies in the Magistrates Court. In your report you were critical of time delays and some financial inefficiencies. Could you comment on the chief magistrate’s public call in the case that he put to me for the reinstatement of corrective services liaison officers? Do you see that as a cost and time efficiency? Is Ms MacDonald going to tell me that that question is out of order?

**MS MacDONALD:** Mr Mulcahy raised that issue with me.

**DR FOSKEY:** Yes, I can see that.

**MS MacDONALD:** We have an inquiry into this performance audit.

**DR FOSKEY:** Yes, I know. However, it does not cut across the deliberations of the Public Accounts Committee.

**MS MacDONALD:** I am a little concerned, as the Public Accounts Committee is conducting an inquiry into the Auditor-General’s report. I appreciate that Dr Foskey does not think it would necessarily cut across that committee’s deliberations, but we are conducting that inquiry so it is probably better to avoid the issue.

**MR MULCAHY:** That was my view and that is why I inquired of Ms MacDonald whether she shared that view. We have an active inquiry and these matters are before the Public Accounts Committee.

**DR FOSKEY:** Often there is a grey area. In this case I am willing to defer to Mr Mulcahy and Ms MacDonald, fellow members of the Public Accounts Committee.

**MR MULCAHY:** It is not a Public Accounts Committee decision; it is an estimates committee decision. It is an area of some concern.

**MS MacDONALD:** Just to be on the safe side, Dr Foskey.

**THE CHAIR:** We could go back to that issue later.

**MR SMYTH:** I have a different question. I refer to the quality of financial reporting of departments—something that you have queried over a number of years. Some are major issues and some are minor issues. Minor issues relate, for example, to the inclusion of dollar and cent signs at the tops of columns. One significant difference is the approach to depreciation between agencies. Just a quick read of some of the annual reports shows that depreciation on equipment ranges from four to 10 years in the disability and housing department, and five to 20 years in the Department of Education and Training. Is there a standard amount that the department should be using for the depreciation of its assets?

**Mr Sheville:** No, there is not.

**MR SMYTH:** Why not? How do we know that departments are doing the correct thing? How can various departments depreciate things at different rates? Is it not just depreciation shopping to balance their books, or is there a logical reason that they can have discrepancies of so much?

**Ms Pham:** There is a Treasury instruction concerning depreciation and what needs to be shown for different classes of equipment and assets. However, there is no specific number but rather within the range, say, two years to five years for certain assets, or you can do it from five years to 10 years for other assets. So agencies have some flexibility to stay within Treasury's instruction and comply with accounting standards, and to choose a number that suits their own class of assets. While there might be variations between departments, nothing came to our attention to show that what they are doing does not comply with accounting standards.

**Mr Sheville:** As you might be aware, depreciation is based on an estimate of the useful life of a particular asset. So, depending on whether you are looking at relatively new computer equipment or old gear, that will affect how you do it. We look for consistency in results. We do, if you like, reviews of reasonableness just to see that the numbers are consistent.

If I saw an agency reporting significantly different depreciation from one year to the next as a result of revising estimated useful lives, that sort of information would need to be disclosed and made transparent in the financial statements. From my recollection of whole-of-government accounts, in most cases the amount of depreciation charged each year has been very consistent.

**MR MULCAHY:** Is that consistent with national accounting standards? I know that they are not taxable, but do the assets come within the same range?

**Mr Sheville:** We do not look specifically at tax rates. Did you refer to tax rates?

**MR MULCAHY:** Tax rates, yes.

**Mr Sheville:** They give you some idea, yes.

**MR MULCAHY:** Are they broadly consistent with those rates?

**Mr Sheville:** Yes, but there is no requirement that they be consistent with those rates. You are entitled to come up with your own set of rates. Often some of the agencies that are on the national tax equivalent scheme depreciate for accounting purposes at a different rate from what they do for taxation purposes. The key is making sure that the reassessment of depreciation rates occurs on a reasonably regular basis, that it is properly disclosed in the financial statements, and that any major changes in that regard are reported in the financial statements along with the financial effects.

**MR MULCAHY:** Is there a reason why you would have a different rate except for perceived replacement costs or a time frame for replacement? Is there any other reason an agency would want to accelerate its depreciation figure?

**Mr Sheville:** Offhand I cannot think of any.

**MR PRATT:** Are you saying that the range within which departments operate is suitable compared to a national standard? I presume every jurisdiction and every department has differences in operating conditions. Is that what you are saying?

**Mr Sheville:** I do not believe there is a standard as such.

**MR PRATT:** It is up to the government to determine its own benchmarks based on its environment.

**Mr Sheville:** There is no standard as such that you could compare it to. If I were auditing, say, a typical agency, land generally does not get depreciated but buildings might be depreciated. You would probably expect to see depreciation from, say, 30 to 60 years. Within that sort of range it would not be unusual. Because computer assets tend to expire fairly quickly they have a shorter expiry time frame. I would expect them to be written down over three to five years. That would be the sort of thing you would expect to see. If we are talking about furniture, equipment and that sort of thing you might expect a longer time frame than computer equipment, although it might range from 10 per cent to 15 per cent a year. That is the sort of thing you are talking about. It is an estimate.

**MR PRATT:** I presume there would be a difference in the life of an ACTION bus in Canberra versus a bus in the Sydney transport system because of wear and tear. Are you satisfied that the operating range in both jurisdictions is close enough to meet some sort of national benchmark? How would you determine that?

**Mr Sheville:** We have never compared the depreciation of things like buses, for example, to a national benchmark.

**MR SMYTH:** You are happy, having tracked it over time from year to year and department to department, that they are applying it consistently and reasonably accurately?

**Mr Sheville:** Yes. In the case of buses you might say, “How long do you normally hang on to these assets before you replace them, at which point they are no longer of any use to you?” If it were 10 years you might write that asset down to what you could sell it for, an estimated selling price, over the next 10 years.

**DR FOSKEY:** I want to follow up something Ms Pham said earlier. I am sorry that I did not pick up on it at the time. When I was talking about sustainability reporting you said you were quite satisfied that the instructions in the Chief Minister’s annual report took into account the recommendations you had made. Would you mind expanding on that?

**Mr Nicholas:** The directions in the Chief Minister’s annual reports have recognised some of the recommendations that we have made. They probably do not go to the full extent at this stage. It may be that those recommendations will take a short while to implement fully. The reporting is also something that tends to take a bit of time. Typically, it takes agencies a while to set up their infrastructure so that they can get the sorts of numbers we might be expecting out of the ESD reporting. It may be that at this stage sufficient time has not yet been allowed for that. So we may still be expecting some slightly less than perfect reporting in this current range of annual reports.

**DR FOSKEY:** Do you think the disruption to departments that is currently being experienced might delay the take-up of this sort of information? Would you expect it to?

**Mr Nicholas:** I expect that there might be some issues with that but we would not want to speculate too much on it yet.

**DR FOSKEY:** No, you would not.

**MR SMYTH:** On that matter, who is responsible for ensuring compliance with the Chief Minister’s directions? Is that a function you guys undertake?

**Mr Nicholas:** That is a responsibility for the chief executive of the reporting agency. So each chief executive, or equivalent, needs to be satisfied that the directions have been met.

**MR SMYTH:** So when you find a lack of compliance or undercompliance with, say, a financial area, do you advise departments how to rectify that?

**Mr Nicholas:** Bernie might answer the financial issues.

**Mr Sheville:** If, during the course of a financial audit, we identify that there has been non-compliance with a chief executive instruction that would be reported to the chief executive in the first instance. Depending on how serious the matter was it might also be

reported in our annual report on the financial audit of agencies.

**Ms Pham:** There is a lot of work behind the scenes. During our auditing of financial statements we may identify a number of internal control weaknesses and we may identify an area of non-compliance with government instructions, chief executive instructions or central government agency instructions. Having identified those management issues as we go along, the problems are often fixed so we can give a clear audit opinion on those financial statements. In the case of serious problems, when the problems are not rectified we report that fact in our annual report.

**THE CHAIR:** Thank you very much, Ms Pham, and all the other officials.

**Meeting adjourned from to 3.27 to 3.50 pm.**



Appearances:

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

Legislative Assembly for the Australian Capital Territory Secretariat

Duncan, Mr Tom, Clerk

Duckworth, Mr Ian, Corporate Manager

Jaffray, Ms Robina, Manager, Committees

Lutton, Mr Russell, Manager, Hansard and Communications

Szychowska, Ms Valeria, Assembly IT Manager

Jones, Ms Margaret, Acting Manager, Strategy and Parliamentary Education

**THE CHAIR:** Do you 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. I am sure that you all understand that. Thank you very much, Mr Speaker, for appearing before us today. Thank you very much to the assembled witnesses. Do you want to make an opening statement?

**Mr Berry:** Thank you, Chair. Members of the Select Committee on Estimates, it is always a joy to be here, to be put under the microscope by this committee. It is an important feature of our parliament, the scrutiny process.

I thank you, too, Chair, for the opportunity to make a brief statement. The budget for the next financial year for the Legislative Assembly is \$10.034 million. It represents about 0.36 per cent of the total proposed appropriation. This figure is down from 0.39 per cent in the previous year.

Many of you will recall Mr Quinlan's farewell statement to the Assembly in which he mentioned that we were run on a shoestring budget. It is important that we demonstrate not only that we run an efficient and effective Assembly, but also that we do it at a quality price. It is incumbent on me to ensure that the resources that are expended by the Assembly are properly scrutinised by the committee, and that is why the secretariat staff are with me today to subject themselves to that process of scrutiny. So let the process begin. Thanks very much, Chair.

**THE CHAIR:** Mr Gentleman?

**MR GENTLEMAN:** Mr Speaker, I have got a question for you. Last Friday here in the Assembly we had a couple of schools debating in the chamber and there was some work by the education committee. Would you be able to tell the estimates committee what work is currently being undertaken for the promotion of the Assembly in education?

**Mr Berry:** It is a role that we take very seriously. Many of you will have the chance to be involved in those education programs that we run. Ms Jones looks after that area, so it would be best if we can get Ms Jones to give you an outline of how it all works.

**Ms Jones:** Thank you. We have a range of programs to promote the Assembly. I guess our largest group that we present to are school groups. We have a general visits program for students from year 4 to year 12 where we run a half-day program with interactive activities. We also have a years 8, 9 and 10 debates program, which you attended on Friday, and we thank you for your support. We have actually increased those debates this year. It is a very popular activity. We can only fit 40 students into the chamber, so we have increased it to include year 10 students and we run one for years 8 and 9 students in semester 1 and in semester 2, and the same for year 10 students.

We also run a program for year 11 students, which is the ACT Schools Constitutional Convention. That is once a year. We do it in association with the Department of Education and Training, Old Parliament House, the Australian Electoral Commission, Elections ACT and the ANU Faculty of Law. That is a program where we also have members speaking on the yes case and the no case. Once again, that is quite an interactive event, with about 80 to 120 students attending that day. For our school program, just the general visits, in the last quarter I think we have had 460 students through the chamber.

We provide programs such the Speaker's citizenship evening that Mr Speaker hosts. We have people from the University of the Third Age, who are retirees over the age of 55 who still want to be educated and learn about their community. We run two of those, one each semester. It is a whole day program.

We reintroduced the ACT public service seminars in 2005 and we are continuing with them this year. There are four seminar programs, half a day long. That is the only program we charge for. We also have quite a few parliamentary and non-parliamentary delegations that visit the chamber and the Assembly. We run an adult migrant English program for participants in the adult migrant English program at Reid CIT. We also do introductory programs for the GAAS.

In terms of other promotional events and publications, we have been involved in Youth Week celebrations and celebrating democracy celebrations. We also recently attended "keys to Canberra's cultural attractions and educational resources", which was to let schools know what is offered by the key institutions in Canberra.

From a publication point of view, we do a booklet for schools. The Speaker's citizenship evening has fact sheets and activity pads for schools. We have a range of postcards and pamphlets, including a new one on the mace, and we have recently translated a generic pamphlet, *Get to know your Assembly*, into three languages, Arabic, Chinese and Vietnamese—and we have a program to produce six more—and that has recently been placed on the website. We had a very delighted Chinese man who was thrilled to be able to read about the Assembly in his own language.

**MR GENTLEMAN:** How do you gauge the success of the educational programs? Do you get feedback from the schools?

**Ms Jones:** We give all participants in every program an evaluation sheet and from the feedback we shape our programs, if there are things we need to tinker with to improve in the future. The recommendation rate is between probably 98 and 100 per cent. It is just

on the odd occasion that somebody is not too happy with it, and that tends to be a student in high school. We have quite a good success rate with the feedback from the evaluation forms. We also do feedback on the Speaker's citizenship evening, and that is always overwhelmingly positive, as is the interschool parliamentary debates program.

I thought I would show you one other thing. We are also working on some displays, and I have got a new display for members. We have little boxes with your photos on at the front, in the public entrance. We have this new format that is in line with our use of acrylics and promoting the Assembly logo. The size of the photos will be about that size and we are hoping to install that in early July, in line with what is happening with the public entrance developments.

**MR GENTLEMAN:** Thank you.

**MR SMYTH:** Just before you get off them, the cost of the brochures is how much?

**Ms Jones:** Which brochures, the translation?

**MR SMYTH:** Yes, the translations.

**Ms Jones:** It is about \$454 to translate into each language, but we are printing it in-house to keep the costs down.

**DR FOSKEY:** And are they generic to the extent that you do not have to change them every time—

**Ms Jones:** We can change them ourselves. We sent it to DUS publications and they formatted it just a little bit better, but we can change it very easily. It covers the general history of the Assembly, the Hare-Clarke electoral system, information about the three arms of governance in the ACT, some contact details, the hours of business and some of the processes that happen. So it is quite general information.

**THE CHAIR:** I would just like to ask a question about the languages. You said you have got three new languages there.

**Ms Jones:** We did major research into what languages to cover. I went to see what other languages ACT government agencies were printing their pamphlets in. I went to census information to find out what the most frequently spoken language in Canberra is. I contacted the Department of Immigration and Multicultural and Indigenous Affairs to find what communities have the largest number of migrants who are settling in Canberra. I also looked at DIMIA's arrivals for 2002-03. Then we looked at Assembly visitation over the last few years and also spoke to the CIT at Reid, which looks after the adult migrant English program, to see what sort of communities were coming through.

We were going to do Vietnamese, Chinese Cantonese and Chinese Mandarin in 2005, but we were later informed that Chinese Mandarin is actually not the most frequently used language, so we have dropped that one off and we went to Arabic. We are next hoping to translate into Korean, Filipino, Serbian, Croatian, Spanish and Japanese. So they are the next six that are scheduled.

**THE CHAIR:** Over what time frame?

**Ms Jones:** It is over 2006-07, so that we can manage within our budget.

**THE CHAIR:** Mr Smyth, do you have another question?

**MR SMYTH:** I notice also on page 1, Mr Speaker, that you talk about migrating the Assembly's IT environment business application to the Windows XP operating platform. What is involved with that and who is doing that for us? I guess it also begs the question: what platform are we operating on at the moment?

**Mr Lutton:** In answer to the first question, nothing; it is just outdated. We are working with InTACT on this. It is just an unavoidable consequence of technological change that, from time to time, to stay contemporary with computing systems we have to upgrade the operating system that we are on. Currently, as you are probably aware, XP is the most contemporary system that is being used, although it has been around for many years. So that is the project that we are going to undertake.

We have a resource from the InTACT project section working with us on this project. The principal concern we have, Mr Smyth, is that our business-critical applications that you use and that we use will migrate over to the new platform successfully.

**MR SMYTH:** Now you are filling me with enthusiasm.

**Mr Lutton:** The next logical question that you are asking us is: why cannot we stay where we are? We can for a while, but sooner or later the world will move around us. We really do not have an option.

**MR SMYTH:** There was a report to the Assembly recently suggesting, if I remember rightly, that we actually run our own IT system. Where is that at and why are we staying with InTACT?

**Mr Lutton:** Several years ago the administration and procedure committee investigated the appropriateness of InTACT to be our IT service provider, specifically in the context of what other options were available to the Assembly. Its recommendation at that time was that we should continue to use InTACT as our IT service provider, with some caveats in relation to privacy of data and security, nearly all of which, over time, we have addressed or are addressing.

**MR SMYTH:** What is outstanding on those issues, and how much longer before they are all addressed?

**Mr Lutton:** One of the major issues that is outstanding is separating Assembly systems into what in computer speak is called a separate organisational unit; that is, hiving us off more from the act.gov network so that your information, your data, is more under our control. We have done nearly all the work on that with InTACT. We now have our local user account administration procedures, our local IT policy, but there are still a few more things to clean up before we can say it is completed.

**MR SMYTH:** With respect to the provision of external services to members, normally

in the majority of business or government departments you can log on from home. We can do that, but it comes at a cost to the member. Why is that not provided as a standard part of the services we get as MLAs?

**Mr Berry:** It comes out of the DOA so it is not a cost to the member per se. It is out of the expenses of office allowance.

**MR SMYTH:** The majority of people I know who work for any arm of most other governments are able to log on from home as a matter of course. It does not come out of their DOA or their pocket. In this day and age the ability to access your computer from anywhere is something most people would accept as standard and would accept as part of the job without paying an additional fee for that service. Why are we not treated the same way?

**Mr Berry:** I guess, just to put it in a nutshell, the Assembly still pays for it. It is just that you make the choice about where the money will be spent. If you choose to have that sort of service available to you, then you do—

**MR SMYTH:** That is what I mean. Why should we have to choose to have a service that just about every other public servant in the country gets as a matter of course?

**Mr Berry:** I will get Mr Duckworth to talk about it in a moment, but it is sometimes the case that members may not wish to use that service and they might want to put the resources to some other purpose. But I will pass over to Mr Duckworth.

**Mr Duckworth:** Mr Smyth, I think the response that Mr Speaker just provided really does sum up the scenario. We have a small parliament, a small number of members, and members overwhelmingly told the administration and procedure committee five to seven years ago that they wanted to move away from everybody being given the same entitlements and wanted some flexibility in what they could have.

We do end up paying for whoever has the facility. I think perhaps some of the rationale for our current position would be that we are avoiding having to pay for a service that then was not utilised and drained the budget, the very limited budget. But having said that, I think the whole issue of how members get their entitlements and what is the best model for that is undoubtedly going to continue to be subject to further examination. It may be an issue that the costs of that have to be looked at. At the end of the day it still will come at a cost, and if people are being provided with that service at a cost and then not utilising it, it does represent bad value.

**THE CHAIR:** We have got a few questions arising from that, so first Ms MacDonald, then Mr Gentleman, Dr Foskey and Mr Pratt.

**MS MacDONALD:** Mr Speaker and Mr Duckworth, I appreciate the comments that you have just made, but this is not something new. I think this was raised in last year's estimates, and it was certainly raised in the annual report hearings at the end of last year. It is an ongoing issue.

Obviously there is a requirement for flexibility and not everybody wants exactly the same thing within their offices, but there is this feeling, I believe, that if you do want to

have remote access to your email at home, it is going to be at a cost from your DOA. Certainly it is not coming out of your own pocket, but that means that you do not then have that to spend on something else which you may feel is necessarily, such as doing a mail-out to your electorate.

I would just say that it is an ongoing issue. I believe that there is a feeling coming from many members in the Assembly that it is a continual struggle in terms of what we have to pay for out of the DOA. If we were in another parliament, we would not have to pay for that. It would be considered part of our working tools, a tool for us to actually use in order to do our jobs.

**Mr Berry:** Can I just respond to that by saying that this parliament began its days with very meagre allowances to members. The discretionary officer allowance has grown incrementally since those early days with different things added to it. At all stages along the way, on my recollection of these things, we have had a mixture of provision that has not suited every member. So the struggle for various administrations, not only my own, is to try and come up with a formula which accommodates those mixtures where members may wish to exercise a discretion.

I have got no idea, for example, how many members have PCs at home. I have one at home, but I like to get away from my office occasionally. Other members, of course, if they have one at home, may well wish to access their work materials. But for those who do not have a PC at home, they may wish to have a resource available to them to spend in a different way in serving their constituents.

It is merely a matter of trying to find a discretionary formula that makes it fair for all members. If we take this one step further to a general provision of the service that we have just talked about, the next thing that we might get is that a member might say, “Well, I don’t use that service. Can you give me an allowance to provide another service?” So we end up with a different form of discretionary office allowance. So that is the way all of the expenditure that is approved under the discretionary office allowance has developed.

**Mr Duckworth:** The DOA arrangements are much criticised, and I think the criticism from members of this place is often met in equal terms by the criticism of the people who have to administer what has become a bit of a ghastly process. We are not here to defend the beauty of the DOA arrangement. I think what we are saying is that historically, when members have been provided with an entitlement universally and it has been recognised that that entitlement is universal, the Assembly budget has usually picked up the cost of that.

I think that the only way we could equitably provide the level of access that you refer to would be to provide it to all members, and that will come at a unit cost because InTACT will bill us accordingly. That may be something that we decide to do based on the view, but I think it would be almost certain that some of those charges for the facility would be incurred and yet not utilised and we would then begin to question whether or not there is value in the global investment.

The DOA scheme was structured originally to provide a substantial sum of funds in the days when it was created, largely driven by an IT-based demand: members wanting

laptop computers. I think initially we had eight members sign up for laptop computers and I think currently one or two are using them. So I think there is a clear indication of a fluctuating demand. I certainly would not want members of this place to feel that they were not able to access that service, but I guess the adequacy of the allocation is an issue that the administration and procedure committee and the Speaker have to grapple with.

**MR GENTLEMAN:** Yes, thank you. While we are still on the subject of IT, has the Assembly or, if you are aware, InTACT looked at fax over PC? I would imagine many other departments use it. Federal departments use it as well, and private sector—

**MS MacDONALD:** Can you explain that for those of us who are technically illiterate?

**MR GENTLEMAN:** Okay. That is where—

**MS MacDONALD:** No. I meant for Mr Lutton to explain it.

**MR GENTLEMAN:** Sure. I would imagine the savings in consumables would easily pay for the software.

**Mr Lutton:** Mr Gentleman, we do not know the answer to that. Can we take it on notice and, through InTACT, perhaps provide an answer to you?

**DR FOSKEY:** My item does relate to the DOA, but it is not about IT. So I would like you to come back to me.

**MR PRATT:** I have a supplementary on the IT DOA axis of questions. At the moment there is no one standard bag of gold, is there, for what IT services can be provided to members? Is that right? We have got this flexible arrangement where some people have perhaps gone out and acquired a laptop, some have not, some may wish to have a PDA and some do not. So are you saying, Mr Duckworth, that we have got these ups and downs, and some members, if they have gone and asked for it, are getting a significant IT capability that others do not?

**Mr Duckworth:** Certainly there is a core of IT access that members' offices have: a desktop PC and the suite of software.

**MR PRATT:** There is the standard package, yes.

**Mr Duckworth:** But you are correct. There are some members who wish to utilise a laptop. Some members are using a PDA, an organiser, a Palm Pilot, or whatever the contemporary devices are, and some of those—

**MR PRATT:** They are changing weekly.

**Mr Duckworth:** Yes, indeed. Some of those devices are purchased; some are leased. There is truly a combination of elements. I make no secret of the fact that that makes administration a bit complicated and a bit resource intensive, but I think it is probably one way of highlighting the flexibility that does exist there. Members are not simply issued with a PDA each and then we have a situation where the cost of that is met somewhere, 40 to 50 per cent of them are not used and they gather dust.

What members were telling us some years ago was that they did not want to be issued with something just because their neighbour wanted it or there might be a predominance of interest. They wanted the flexibility to be able to pick and choose. That is why we have got to where we are today.

**MR PRATT:** For budgeting and resource purposes, might there be an option where the Assembly determines—certainly it would be determined by the Speaker and yourselves and then perhaps agreed to by the Assembly—a particular level of funding for IT services which might be the average cost to cover a number of contingencies, and that is it; you pick and choose the capabilities you want, but you cannot have them all. Would that meet the flexibility requirement of members in terms of—

**Mr Berry:** That is, in effect, what happens, though.

**MR PRATT:** But I understand there is no upper limit at this point if—

**MS MacDONALD:** The DOA is your upper limit.

**MR PRATT:** No, no. We are talking both DOA and also the standard stock issue of IT services. So the question I am asking is: would you perhaps instead look at marrying up the IT services you can get through DOA and what you can currently get under existing stock standard issue, for want of a better term? Maybe that is a way of maintaining a level of economic management.

**Mr Lutton:** Such is the beast that is IT that it is never a static ground. It is becoming more obvious that remote computing, which was once perhaps considered not necessary by most members, is now being considered as essential. As you well know, members are provided with a standard IT office environment and, for the very reasons that Mr Speaker and Mr Duckworth have enunciated—that is, your preferences for particular pieces of technology or other issues that can come out of your DOA—it is left to your discretion to decide.

I hear what Ms MacDonald says, that this is almost, I think you are saying, necessary to function now and once was not regarded as such. Certainly, the take-up rate on laptops and being able to use email from home and/or remote computing, has not been very large from members to date. However, the position I suppose we would take as secretariat managers is that it is more a matter for the administration and procedure committee perhaps to have some input to that sort of matter.

**MR PRATT:** I know I have asked the question, but I have wondered whether it was a matter of costs or a matter of security that there was a concern about remote access computing. Is that the case? It is also a case of information management and security, as well as cost?

**MS MacDONALD:** Well, certainly that was security.

**Mr Lutton:** Security has been a concern. Security and privacy of Assembly data, your data, is a matter that is very, very important to us. But we are pretty confident that remote computing is as secure as it can be made using the InTACT system.



**MS MacDONALD:** You just have not come on board with the Blackberries yet?

**THE CHAIR:** Ms MacDonald, do you have a question that is on this particular subject?

**MS MacDONALD:** Yes, and I will try and keep it brief. I think, Mr Duckworth, you referred to this, and I suppose I wanted to make a suggestion because I certainly do not necessarily want the same thing that my neighbour has. I think this is where part of the frustration lies. I am not always sure of what is actually available out there and, yes, the technology changes fairly fast.

Is it possible, when a member gets something new—I do not need to know who it is that has it—for us to be told about anything that might be useful? I know that Mr Pratt has used Bluetooth and all that sort of stuff long before a lot of us have. I am still looking at it that stuff and going, “Is this something that I should actually be looking at getting myself?” Often it is just too much of a bother to walk over to the Telstra shop or equivalent and find out the information. If that information that there was some new piece of technology that was out there that actually might be useful for us went around, I think that would be something that would benefit members. They could actually consider taking it on.

**Mr Lutton:** Certainly, Ms MacDonald. I think quite some time ago we wrote to members just making a generic offer: can we be of any assistance to you in terms of running your offices and your IT requirements? We did so recently in relation to *Hansard* services, too, using the database. We would be more than happy to provide any guidance or advice we can to meet requirements that you individually have for the way you want to function as a member of the Assembly.

**MS MacDONALD:** I do not know if it is something that you necessarily need to send around to every member that will get lost in my in-tray. I do not know about everybody else’s in-trays. Maybe something could go around on the email, saying “Here is an update on what is currently available. Maybe you could have a look at what your personal office requirements are and what you think will suit you.”

**Mr Berry:** There is a limit to that, though. If we have a look at what is going on out there in the IT world, we could engage an officer fully just keeping members informed, and we just do not have the resources to do that.

**MS MacDONALD:** No. I am not asking for a detailed list. As I said, I know Mr Pratt is fairly technologically literate. If he gets the newest version of the I-PAC or whatever out of his DOA, the Assembly IT people would become aware of it. They could actually provide that information. It is part of their job to actually know what is the latest thing IT-wise anyway. They do keep abreast of that information, Mr Speaker.

**DR FOSKEY:** I think I have probably got some other big areas, too, and once we start talking about them everyone will have something to ask.

**Mr Berry:** I have no difficulty with members sharing information with each other on these sorts of things, but sometimes members see it as a bit of an advantage to have some bright idea of their own and they do not really want to share it. It is not my role to

interfere in that sort of process because we know what members have got.

**MS MacDONALD:** They do not have a patent on it, Mr Speaker.

**Mr Berry:** No, I know that.

**MR PRATT:** The arms race, Mr Speaker.

**Mr Berry:** It is a bit like that, is it not?

**THE CHAIR:** Dr Foskey, you had a question?

**DR FOSKEY:** Yes. I want to move on to another controversial area, please. We all recently received a letter from the Speaker regarding use of the reception and exhibition and other rooms and new fees and charges. I am just interested in whether those fees and charges reflect cost recovery or does the Assembly expect to make some profit from them?

**Mr Duncan:** No, it does not. Fees were constructed in a number of ways. Firstly, we looked at what the comparable rates were in other venues within the city area, so they were similar. It is fair to say that it does cost a lot of money to administer and run those rooms—building maintenance, painting and wear and tear. Those chairs and tables eventually need to be replaced. We have a life-cycle costing for those sorts of pieces of equipment. You might want to comment further on that. Of course, the obvious costs for us and the largest charges are for after-hours use, and that is a cost recovery exercise. To use the Assembly facilities after hours, we have to have a security staff member here. They are entitled to meal allowances and time and a half and cab charge vouchers home if they are here after 7 o'clock. So those sorts of things were taken into account when we were constructing the fees. I do not think the Assembly is going to make a profit out of it, if you look at the overall costs of maintaining the room and paying the relevant staff.

**DR FOSKEY:** As this will have been operating for a year, next year could we have these accounted for in terms of money in and money out? I know it will only be indicative, but it will be helpful to us. It has been determined that members—I am assuming and anticipating—will receive \$500 in our discretionary office allowance to pay for the hosting of out-of-hours events, but it looks as though that might cover about two or three meetings a year. I am wondering how that amount of \$500 was arrived at?

**Mr Berry:** Can I just make a preliminary comment. This is another area of flexibility that was built into the discretionary office allowance. My experience is that members from the other electorates do not use this facility in the Assembly as much as the ones in the central electorate. But they may have to hire venues out in their own electorates, for example. It could be argued, I think, that they are at a bit of a disadvantage in the provision of Assembly services if there is not some sort of levelling effect. This effectively gives access and has a cost built into the program to demonstrate that we are serious about managing the facility and managing the facility properly, and, at the same time, provides an option for members who do not use those facilities to be exercised out in their own electorates. Mr Duncan mentioned that we looked at the costs of other facilities around the place and the amount of times that people use this.

**Mr Duncan:** I think your specific question, Dr Foskey, is: how is it \$500? We looked at the usage by members. Again it is a bit like the DOA—some members use it more than others, and it is a bit hard to allocate every member. But, on average, we thought that that would cover the cost of about three functions over 12 members—that is, 36 after-hours functions a year. Of course, there is no cost involved in functions during the day. That can continue and we would expect that to continue.

**DR FOSKEY:** There is the hire of facilities and equipment, and so on.

**Mr Duncan:** Not for members during the day, no. Again, there was nothing scientific about it, Dr Foskey. We just had to come up with some sort of figure to cover the needs of all non-executive members.

**DR FOSKEY:** Most community organisations need to have meetings out of hours. Unemployed people or public servants might be able to have them in the daytime. I wonder whether there is any other way to do this. For instance, MLAs using their secure access to host meetings at night—perhaps only by opening the secure doors to the Exhibition Room. As you pointed out, the attendance is the big cost. I wonder if there is any flexibility. It makes sense to use facilities that we have. You can compare the meeting rooms in the Griffin Centre, but they have shocking acoustics. There are all kinds of good reasons for using the rooms here.

**Mr Duncan:** Dr Foskey, two types of meetings are held in this building. There are meetings by members, and uses are made by community groups. We are funded in this budget—and in every other budget—to provide services to members of the Assembly to conduct their duties. To a certain extent, a trend was starting to appear where community groups were viewing these facilities as a legitimate meeting place for their activities, regardless of whether a member was there or not.

**Mr Berry:** A free meeting.

**Mr Duncan:** A free meeting place. That is one aspect that we needed to address in terms of the DOA. The other aspect is there is a security element here. If we open this building and leave it to the staff and there are incidents—and let us be honest, I am sure members are all aware there are sometimes after-hours incidents in this building, where rooms are broken into occasionally and other incidents—I think I would be derelict if we had no security in place and left it to members' staff. I do not see that is a role for members' staff.

**DR FOSKEY:** I do not think we are talking about members' staff, I think we are talking about members. If one is hosting a meeting, one is at the meeting.

**Mr Duncan:** That is true, if a member is at a meeting. But even then—

**DR FOSKEY:** That seems to be the issue, then, does it not?

**MR PRATT:** You still need to have security staff.

**Mr Duncan:** I still think it is the secretariat's role to provide security for this building.

**DR FOSKEY:** I think we should keep looking for creative solutions to this. This is the closest we have to a town hall, and a lot of people will have really big regrets about this. It means that people like my office have to set up a system in itself, rather like your system, to decide who are going to be the lucky three groups. We will have to means test them all, I guess.

**Mr Berry:** It goes a bit further than that, because it opens up the rest of your DOA too, to apply to these purposes, if that is what you want to do. We have a responsibility to manage this place on behalf of the people of the ACT. It gives even more flexibility because it opens up other areas of the DOA for this purpose, not just the additional fund.

**DR FOSKEY:** So does WorkChoices give more flexibility.

**MR SMYTH:** I am pleased that you acknowledge that.

**DR FOSKEY:** It is all right, I am just being facetious.

**Mr Berry:** Indeed. I will stop using the word “flexibility”. Options—it will leave you more options.

**MR SMYTH:** On page 2 of budget paper 4, under “Budget Technical Adjustments” there is an act of grace payment of \$310,000. What is an act of grace payment? Who is Grace? How much did she get? What did she spend it on?

**Mr Duckworth:** During the year the Assembly took advice from the Government Solicitor’s Office on the proposal that a payment be made to former staff to address some matters that were not otherwise going to be addressed in a cost-effective manner. The advice of the Government Solicitor’s Office was that an act of grace payment to several individuals be made in settlement of their claims. The secretariat approached the Treasurer for approval to make those payments, and that approval was given. The amount reflected on page 2 of budget paper 4 represents the first of those payments. A second payment was made more recently following the publication of the budget papers, and that will appear in our financial statements at the end of the year.

**MR SMYTH:** How much was that payment for?

**DR FOSKEY:** Was it not \$310,000?

**MR SMYTH:** No, the second payment.

**Mr Berry:** I just add a cautionary note about the privacy of the individuals affected. I endorse the right of members to open this can. The community is entitled to know what this money is paid out for, but just keep in mind the privacy of the individuals, if you would please.

**Mr Duckworth:** The second payment, to answer your question, Mr Smyth, was for \$246,000.

**MR SMYTH:** Where did the money come from?

**Mr Duckworth:** Treasury.

**MR PRATT:** Mr Berry, can you tell us a bit more about announcements made to changes in the vehicle fleet?

**MS MacDONALD:** Yes, I am curious about this too.

**MR PRATT:** I am trying to track something down, but I cannot see any statement here that quantifies that change and also announces what savings are going to be made. Could we have some information about that, please?

**Mr Duckworth:** My understanding, Mr Pratt, is that you are probably referring to the ACT budget where an announcement was made about changes to the fleet and moving from six cylinders to four cylinders. It is our understanding that members' vehicle entitlements are determined by the Remuneration Tribunal, as are the entitlements of statutory officeholders. Recent determinations of that tribunal maintain that the entitlement is for a vehicle, in the case of members, up to the value of a Holden Berlina as specified. So it is our view that until such time as the tribunal makes a new determination there has been no change to the entitlement for members or for the statutory officeholders.

**MR PRATT:** So the tribunal's determination stands aside from the government initiative for the government-wide fleet?

**MS MacDONALD:** So I am not going to move away from a hybrid vehicle to a four-cylinder standard?

**Mr Berry:** I do not have the tribunal's decision in front of me, but I think it talks about an Australian-made six-cylinder motor vehicle or anything else that is approved on efficiency grounds up to a maximum price of the Holden Berlina, which is the highest amount that you can spend. As long as it is not a sports vehicle, I think.

**Mr Duckworth:** We work on the basis that nothing would prevent the tribunal from taking account of a government decision in relation to its 200-series fleet—the term of plated vehicles. I think they are the vehicles that we envisage would be initially captured by the budget announcement. To the extent that the tribunal took a view that it should apply a similar standard to members or to public officeholders, it could make such a determination and then we would have a new set of rules. But at present it is quite clear to us that the tribunal's determination applies.

**DR FOSKEY:** I want to refer to the environment plan, but in the context of the cleaning contract. For a start I want to say that the current choice of cleaners is a very elegant solution to my concern about green waste. I will say again that I believe the Assembly should set an example to the rest of government. It is a small, symbolic thing, but it is an important thing. However, we still do not have any plans for establishing an environment plan. This is something that we are quite behind on compared to, say, commonwealth government departments. I am not aware whether any ACT government departments have an environment plan. I hope so, but I wonder whether there are any other steps apart from those that I have tried to have taken happening, and also if there are any more plans to reduce our environmental impact in the next financial year.

**Mr Duckworth:** Yes. If I could initially respond, Dr Foskey, just focusing initially on the measures we took during the year. The visual evidence of the new bin system throughout the building is that it is working very well. We have taken a conscious decision that we would very much like to measure the success of that initiative. We are somewhat constrained—and I have made a similar comment on previous occasions before committees such as this—that we do not have that dedicated resource or even part resource to be able to do that work. In two successive years we have taken advantage of a placement from a program run by the ANU, the Green Steps program. The people who have come from that program have done really good work for us; the most recent placement did most of the legwork to implement the new arrangements, so it worked very well. In light of our limited resources, we have identified, as a strategic priority, to capitalise on opportunities that do present themselves, perhaps through the use of graduates, or even other work experience students that might be available to us, to assist us with those sorts of measures.

**DR FOSKEY:** To assist with preparing an environmental plan?

**Mr Duckworth:** Or elements of it. The resourcing requirements for the overarching plan are a challenge for us. That is not to say that it is not on our radar.

**DR FOSKEY:** Except that earlier last year I did suggest that we set up an internal committee. I was able to identify at least two people who were prepared to be on it and do some of the work, but we will not go into that. It is just that if we had the will, we might not need to worry too much about resources.

**Mr Duckworth:** It is not so much that we do not have the will. We find ourselves tackling a range of responsibilities and obligations on a wide front. There is, I think, a recognised desire in the management group within the secretariat that it would be useful to do some work in this area, but we recognise at the same time that it takes some planning, and it is something that you want to devote the adequate level of resources to, so that you get the right outcome.

**DR FOSKEY:** It does not have to be your problem. I am not saying to you that you are falling short or whatever. It is a need that we could all identify, and then find some way of progressing on it. It could be referred to the planning environment committee. We would love that.

**Mr Berry:** An administration and procedure committee was set up to deal with these issues. If members have specific items that they want implemented around the place, they can bring them to the administration and procedure committee and we can look at them. There is no difficulty with that. Members have to be mindful that there has been some discussion about the need for a new parliament building one day. When we start looking at a new parliament building, we ought to be looking very closely at contemporary environment management systems.

In its day this recycled building was considered to be pretty well advanced for a recycled building. There have been some additions to the infrastructure here to make it more efficient since. We have done a lot of work on window treatment to stop heat loss and heat uptake. We have done work on our air handling systems. We have a very automated

and compartmentalised system here going down to the issue of lights and heating and cooling in offices. If this building can be improved within reasonable resources, I for one would be pleased to do something about it. I am very happy to receive any contributions from members and their staff through the administration and procedure committee to build on whatever we can.

**DR FOSKEY:** I can give you some copies of some environment plans. An environment plan would recognise all that, and it might also cover things like our use of paper and so on, so that you would not have to say that every year to me or to another Green. They acknowledge how good things are. It is a matter of having some steps along the way so that we know where we are with our objectives.

**Mr Berry:** If you want the administration and procedure committee to develop an environmental plan as one of its priorities, we could look at that. But there are other priorities that we must deal with as well.

**MR SMYTH:** The very last line of the chart on page 4 of budget paper 4 shows that we expected a deficit of \$34,000 for the year but it managed to be \$290,000. Could we have an explanation of that please?

**Mr Duckworth:** Since the figure in the first column—the budgeted figure for last year—was put in last year’s budget papers, we have looked at our budgetary situation. Our investment balance in place at the beginning of the year was about \$630,000. In early discussions in 2004-05 and in 2005-06 we were looking at the level of that investment balance and whether or not we should seek to reduce it. Effectively, apart from producing a little bit of interest, it is money tied up. So we took a conscious decision during 2005-06 to spend more than we budgeted, with the effect of reducing that investment balance. We set some very strict criteria for all sorts of decisions and spending priorities. We made sure we were not committing to things that were going to be involved with current costs, but committing to things that were going to represent an investment in our systems in the future.

So we engaged someone to do some work for about six months on some very, very important and some overdue HR work in helping to establish an OH&S committee for the building; participating and assembling a lot of data for review of Lands Act attendance and overtime that we were required to do under the certified agreement for those staff; reviewing our equity and diversity plan for the secretariat staff, and reviewing our learning and development plan for the secretariat. So they were four projects that we had somebody engaged to do pretty well for the first half of the financial year. We have engaged the former Clerk of this place to work on a review of standing orders, and Tom may want to embellish that issue further. My point is that we did take a conscious decision, having framed the budget for the year, to spend some additional funds so that we effectively had a lower investment balance. That is what led to the estimated outcome of \$290,000.

**MR SMYTH:** So all of the \$256,000 was spent on those four plans?

**Mr Duckworth:** No, no.

**MR SMYTH:** No? What else was it spent on?

**Mr Duckworth:** The key issues would have been the review of the standing orders projects. I do not have a figure at hand on what that represented. Certainly a significant amount of that money would have gone to the HR-related projects. Some money was spent on the migration to the Windows XP project that was discussed earlier today. It was another one of the projects that we thought we will devote some money to now. It deals with the expense and it means that we do not have the cost in the future year.

**MR SMYTH:** Can you provide a detailed breakdown of the \$256,000?

**THE CHAIR:** Do you want to take that on notice?

**Mr Duckworth:** I will take it on notice. Can I just clarify that. The response may focus on the end of year result rather than the estimated outcome of the budget papers because we are nearly at the end of June, so our response that we take on notice will focus on the end of year position.

**DR FOSKEY:** Can I ask about funding to the committees office? I do not know the process by which Assembly funding is allocated, but I do know that the Committee Office is quite strapped for resources. We get excellent service from it, which someone mentioned. It is a very cost-effective operation, I dare say. But one of the things that could perhaps be improved, and I am wondering whether existing resources would cover it, is the ability to put all public submissions up on the site so that if people are interested in an inquiry, as well as seeing transcripts, which are available, they could see the submissions that the committees received.

**Mr Duncan:** Dr Foskey, it is timely that you mentioned that point. The management committees and I were having discussions over the past few weeks about trying to get that point you mentioned implemented. It is a matter of resources. As you know, the resources for all areas of the secretariat are stretched pretty thin and it is fair to say that the Committee Office is no different from some of the other sections of the secretariat. The management committees and I are going to have discussions this week about whether the office of the Clerk's resources can assist the Committee Office, because we do not think there is the capacity at this stage in the Committee Office to do that. But the management committees and I need to have that discussion now. Yes, it is a priority that we need to have those submissions up on the Internet so that people can get a feel for what the committees are doing. We think it is a major gap, but it is a matter of resources and trying to spread the resources very thinly.

One of the issues that were identified in one of our recent management discussions about this very issue is that there is probably a body of committee submissions that might be produced by the author in a Word document that they will happily email to the committee secretariat that could then be facilitated and posted on the internet. Some of the more elaborate submissions may be a little bit more problematic in the format that you use. Perhaps the planning committee in particular, with quite resource-hungry resources—but I am probably stealing Robina's thunder, so I will let her continue.

**Ms Jaffray:** It is a priority for the Committee Office to have more and more of our information on the internet. We are doing some work progressing that. You will notice, as we go through the estimates process, that we will be putting questions on notice as the



answers come in, and that is how members and the public—everyone—will be able to access those questions on notice and the answers for this estimates process. We are working on putting the submissions up. Where we can, we ask people to supply submissions in electronic format so they will be easy to put up on the internet. At the moment we have one ASO3 supporting four committee secretaries and me, and that is five committees.

Committees generate an enormous amount of administrative work, keeping track of documentation, keeping track of the organisational arrangements that need to be made for committees, and we simply do not have enough administrative support for people on the ground at this stage to manage everything we have to do. Notwithstanding that, I recognise that it is a priority for members, and the public, to be able to access submissions. As new inquiries come on, we will make sure that the submissions are loaded onto the internet and try to backload the ones that we do not have up there now. They would have to take a bit of a back seat, but we will try to start that process.

**DR FOSKEY:** They would be hyperlinked, if that is what you call it, as the Senate inquiries are?

**Ms Jaffray:** I do not know. I would have to talk to the web people about that. We would like to have as many links as possible. We would like to have as much on the web as possible. One of the major ways the Assembly communicates with its stakeholders is via committees, and it is one of the ways that the public has direct input into the Assembly process. The more we can put on the web, the less we will have to rely on, say, advertising in the press. The more people we get used to accessing our documentation on the web, the less reliance we will have on expensive options like advertising.

**THE CHAIR:** One more question and then we will be finishing at 5 o'clock.

**MR SMYTH:** On page 9 of budget paper 4, under “Capital Works in Progress,” there is a beautiful mathematical progression. It goes \$200,000, \$400,000, \$600,000, \$800,000, \$1 million. Can you explain how we have been able to increase the capital works and what it is going towards?

**Mr Duckworth:** Yes, I am just studying the figures now as we speak. Perhaps I can tell you what is happening with capital works and hopefully my response will dovetail with those figures in the budget paper. We have a \$200,000 capital upgrade funding this financial year. If you go to last year's budget papers, even though it is quite specifically capital upgrade funding, it falls under the banner of capital works. Treasury officials tell us there is a very clear distinction between those two concepts, but this current year is the first year we have received capital upgrade funding. That has been, in some respects, married with \$600,000 worth of funding we got in 2004-05 to redevelop the public entrance, which I will talk to in a minute. But the \$200,000 budget as at 30 June 2006 is effectively the capital upgrade funding from last year, and a further \$200,000 has been provided in this year's budget for maintaining the building.

**MR SMYTH:** So the \$600,000, \$800,000 and \$1 million is an appreciation of a declining building, or is there something else in that?

**Mr Duckworth:** Could I take that question on notice, only because I think there may be

a view that the Assembly is going to continue to get \$200,000 worth of capital every year, and, if it is capitalised, it will be reflected in the assets of the building. I can only assume that that is what is forecast, although in a discussion that we had with Treasury it was our understanding that capital upgrade funding would not be capitalised. It would be an expense, which is where I start to get to about the limits of my accounting capability. But if we could take on notice that particular question, I would be grateful.

**MR SMYTH:** You mentioned security upgrade.

**Mr Duckworth:** Just to give members the benefit of an update on the public entrance, tenders were recently advertised for the major construction work there. Those tenders have closed and are in the process of being evaluated. The evaluations are well progressed, and we expect to sign at least one contract for the master construction work within the coming week or so, with a view that building works will commence in July. We are expecting that they will be completed by early September.

**MR PRATT:** So the \$600,000 that you talked about in 2005-06 was the rollover carried forward from 2004-05 for both the security upgrade and the public entrance upgrade? Is that \$600,000 both of those activities?

**Mr Duckworth:** Yes, but that was money we got in 2004-05. We were allowed to roll it into 2005-06 because it had not been committed. We have arrangements in place with the procurement process we have adopted whereby those funds will be effectively passed to ACT Procurement Solutions for them to supervise. As the construction work rolls out they pay the contractors. So all the work that is about to begin is effectively using the money that we were budgeted in 2004-05. Some of the money that we got last year and again in this current budget for building maintenance has contributed to, or had to be contributed to, the entrance project, but we have done things like install a new cooling tower some months ago. In the coming year we are expecting to have to replace the fire panel for the building. It is still working fine and gets tested regularly, but it is not supported any longer and there is too much of a business continuity risk if we do not replace it.

**MR PRATT:** And the lighters?

**Mr Duckworth:** Yes, that is right. It is a fairly aged device. We would envisage spending, I think, about \$25,000 to \$30,000 replacing that. So we do have some funding for the building. It is probably not as much as we think we need, but that is probably for another day.

**MR PRATT:** So all the funding for the security and front entrance has already been committed. What is your expected program now to complete both of those? I suppose they are integrated, are they not?

**Mr Duckworth:** They are, and that has been a little bit complicated. It is widely known that both projects have been delayed due to a whole range of issues. Budget funding and getting costs contained within our available funds have been probably the predominant factor, but we have had delays in procurement and so on. We do expect to commence the work of constructing the new entrance in July and, as I said, it is our hope that we will have signed a contract with a lead construction firm within the next week. The tenders

for the security elements of the entrance are still being evaluated. Until we have properly evaluated those and decided whom we can engage, we will have to do our best to schedule the works so that they do not disrupt building occupants, that we maintain a secure perimeter and have access control systems and procedures in place.

**The committee adjourned at 5.03 pm.**