



**DEBATES**

OF THE

LEGISLATIVE ASSEMBLY

FOR THE

AUSTRALIAN CAPITAL TERRITORY

**HANSARD**

19 September 1991

## Thursday, 19 September 1991

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The Assembly met at 10.30 am.

**ABSENCE OF MR SPEAKER**

**The Clerk:** I wish to inform the Assembly that the Speaker, Mr Prowse, is absent from the Assembly. In accordance with standing order 6, the Deputy Speaker, Mr Stefaniak, shall perform the duties of the Speaker.

**MR ACTING SPEAKER** (Mr Stefaniak) thereupon took the chair and read the prayer.

**PETITION**

**The Clerk:** The following petition has been lodged for presentation, and a copy will be referred to the appropriate Minister:

**Land Tax**

TO THE SPEAKER AND MEMBERS OF THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

The petition of certain residents of the Australian Capital Territory draws to the attention of the Assembly: that

1. The ACT Government has announced its intention to levy a land tax of one per cent of the unimproved value of rented residential properties with effect from 1 August 1991.
2. This land tax will have serious consequences for investment purchasing in the housing industry at a time when the ACT rental market is experiencing a chronic shortage of rental stock.
3. This new residential land tax will undoubtedly have serious repercussions on tenants in that it will increase rents in the ACT.
4. The land tax would also affect the many "involuntary" landlords in the ACT, who have to rent their homes because of interstate and overseas postings.

5. Any disincentive to investment would also deal the ACT housing and construction industry a serious blow, and hinder the ACT's economic recovery and employment generation, especially for our young people.
6. The fallout effects of the new residential land tax will put more pressure on the ACT Housing Trust to provide additional rental accommodation in the ACT, at a time when their average waiting period exceeds two years.

Your petitioners therefore request the Assembly to:

REJECT ANY LEGISLATION TO LEVY A 1% TAX ON THE UNIMPROVED VALUE OF  
RENTED RESIDENTIAL PROPERTIES.

By **Mr Stevenson** (from 130 residents).

Petition received.

### LEAVE OF ABSENCE TO MEMBER

**MRS NOLAN** (10.31): I move:

That leave of absence be given to Mr Prowse from 19 September to 7 October 1991, inclusive, on the grounds of parliamentary travel overseas.

**Mr Moore:** I raise a point of order, Mr Acting Speaker. It is customary in this house - we have set the precedent - that no reason be given when there is leave. I would ask you to amend the motion to that effect.

**MR ACTING SPEAKER:** Yes, that is true.

**MRS NOLAN:** Okay.

**MR ACTING SPEAKER:** There is no prohibition either, but it is not necessary and I do not think it gets recorded.

**Mr Moore:** The precedent is that there is a prohibition. It started that way.

**MR ACTING SPEAKER:** No, it is not. I am advised by the Clerk that there is not.

**MRS NOLAN:** Well, certainly, mine was recorded last week.

**MR ACTING SPEAKER:** You certainly do not need to give one, Mr Moore. That is quite so.

Question resolved in the affirmative.

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### **LEAVE OF ABSENCE TO MEMBER**

**MR BERRY** (Deputy Chief Minister) (10.32): Mr Acting Speaker, Mr Stevenson has sought leave for family reasons, and I move:

That leave of absence be given to Mr Stevenson on 19 September 1991.

Question resolved in the affirmative.

### **CONSERVATION, HERITAGE AND ENVIRONMENT - STANDING COMMITTEE Report on Fuelwood Heating**

**MR MOORE** (10.33): I present report No. 4 of the Standing Committee on Conservation, Heritage and Environment, on fuelwood heating in the Australian Capital Territory, together with the extracts of minutes of proceedings, and I move:

That the report be noted.

This report is about environmental balance. It takes into account the use of fossil fuels and compares the use of those fossil fuels with the use of our most common renewable resource for heating, and that is wood. The report attempts to deal with the concept of sustainability in terms of heating. It is quite clear that, even though natural gas is the kindest of our current fuels as far as the environment is concerned, it is not a sustainable resource; it is not a renewable resource. But the availability of natural gas provides for us time to get our fuelwood resources into balance, and this report emphasises the need to keep fuelwood use in balance with fuelwood plantations.

I think, Mr Acting Speaker, it is important to note the methodology used by the Standing Committee on Conservation, Heritage and Environment in this particular report. The initial part of the methodology was to provide a discussion paper on fuelwood heating in the ACT entitled "The Burning Question". After that discussion paper, we received a number of very encouraging responses, about fuelwood in use in the ACT, that dealt with the pollution questions as well as the various ranges of questions about heating supply and the use of wood as a fuel.

I think the emphasis that needs to be put on this report is that public education is the most critical factor. Public education starts with the correct use of wood heaters. That correct use, most importantly, has to put to death the myth that the sensible way to use a fuelwood heater, especially modern heaters, is to turn the air right down at

night so that they burn all night and you can just throw in a piece of wood in the morning. Unfortunately, that habit, that custom, is probably the single most important factor in increasing this style of pollution in the ACT.

The correct use of a wood heater - in a very brief way - is to have it burning hot. While it is burning hot it is burning efficiently, and while it is burning efficiently the amount of air pollution is minimised. The other part of having a fuelwood heater burn efficiently is to ensure that it uses dry seasoned wood. This report attempts to deal with the supply of fuelwood so that dry seasoned wood is going to become a reality in Canberra. The combination of those two factors - educating people to use their heaters properly and to use the correct wood - will mean a substantial reduction in the pollution in Canberra, without having any necessarily restrictive methods of legislation.

The next step will be to develop pollution alerting detectors for individual fuelwood heaters. These will not be detectors that in some ways are alerting people to the fact that the air outside is at a high polluting level. What the committee sees is the development of a pollution alerting device that will eventually be able to be attached to any chimney in the ACT to indicate to people that their fuelwood heater is not burning correctly.

This should not be the sort of device that brings police action, but a device that is a reminder to the household that there is a correct way to get the heater quickly to temperature and then to operate it with enough oxygen so that it burns efficiently. That technological step is not yet available to us, but it is a recommendation of this committee that we proceed towards the development of such devices.

If the pollution should continue in the ACT to the extent it has, it may be necessary to legislate to make such devices compulsory. However, it is important, as the committee saw it, first of all to ensure that people have the opportunity to do what they can to try to resolve this problem in terms of a public education process, and I will come back to that.

As far as general pollution goes, monitoring facilities are inadequate, as the committee sees it. In fact, this supports a report that was brought down last week by the Joint Parliamentary Committee on the ACT relating to pollution by motor vehicles in Civic. That committee felt that the monitoring of that style of pollution was also inadequate. It may well be that part of the public education program requires public announcements of pollution, as is done in other cities. I remember it being done in Adelaide for probably two decades, and I know that it is done in Sydney. We probably need a similar pollution warning to go out through our media, and with it should go a constant reminder to people that if they use their fuelwood devices efficiently we will not have anywhere near the difficulty with pollution.



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The most important thing, as far as that goes, is that custom of turning off the oxygen on a fuelwood device so that the wood smoulders, basically, all night. That may be a great convenience because you do not have to relight it in the morning, but the disadvantage of doing that is that it adds significantly to the pollution. Our own media have already been very successful, I believe, in drawing people's attention to the paper recycling program, and I believe that this could be done in the same way through winter months.

The next issue that we dealt with is the use of wood as a fuel. We know that softwoods are widely available in Canberra because of the pine plantations. Some 20,000 tonnes of wood, almost a quarter of the needs of Canberra, are going to be left on the floor of the softwood plantations. There are many who argue that you will get the same heat from pinewood per weight as you do from hardwoods.

The question, of course, is why people prefer hardwoods. The answer is actually quite simple. When you talk per weight, not per volume, you might get the same heating; but the person constantly feeding the heater requires sometimes three, four or five times the volume of softwood, and hence five times the handling, they would require with hardwood. That leads us to the recommendation that we need to develop more and more hardwood plantations in and around the ACT.

The goal should be for the 80,000 tonnes of wood that we currently require for some 20,000 homes to be provided from hardwood plantations. When we actually have hardwood plantations that can provide the amount of wood that Canberra needs, then we will be in balance; we will have a sustainable form of heating. Not only will we have a sustainable form of heating, but also the pollution caused by those wood heaters will be countered, to some extent, by the fact that we will have the trees growing. Balance and sustainability is what this report is really about and that, of course, is what most of us believe is the way we should be concerned about our environment.

The committee is very concerned about the supply of firewood and has recommended registration of suppliers of wood so that some control can be gained over the suppliers in order to ensure that delivery of green firewood does not continue in the ACT. The supply must include an amount of appropriately seasoned wood. There is an important role for the Consumer Affairs Bureau in order to keep that supply in an appropriate condition.

The other important factor as far as this report goes is an attempt to reduce the amount of fuel that is being used in the ACT. That is, of course, the most important factor of all. The easiest, most sensible and cheapest way to do that is to ensure that we improve the energy efficiency of our housing. The energy efficiency of our housing can be

improved in a series of obvious ways. The first is by insulation. Siting and how we set our windows is also significant. That applies not only to new constructions. People who are building extensions to their houses can take advantage of large windows on the northern side and a series of other carefully set out designs to make their houses energy efficient by storing energy, such as the energy from the sun that comes through the windows, and therefore reducing the need for heating to a minimum.

The report that is currently before you has come about following long preparation by this committee. I would like to thank the previous two chairs of the Standing Committee on Conservation, Heritage and Environment. The first chair, Mr Gary Humphries, was responsible for the initial discussion and work on fuel heating in the ACT. Thanks are appropriate there. Dr Hector Kinloch was chair of the committee when the draft discussion paper called "The Burning Question" went out. Thanks are due for the work that he did in getting that ready.

Thanks are extended to Mr Bill Symington, the secretary of the committee, who worked very long and hard in the preparation of the report, and to those who assisted him. Those thanks also extend back to Ms Peta Roberts, who was the secretary of the committee when this responsibility was taken on.

I think thanks are also due to those who responded to "The Burning Question" and who originally provided comments to the committee. Rather than name them, I will just keep it to one particular person, that is, Dr John Todd of Tasmania. He probably is the foremost expert in this area in Australia. He is one of the world experts on fuelwood heating. His contribution to the committee requires particular recognition.

This report is about sustainability. It looks into the future to try to determine how we can find ways and means of keeping ourselves warm without using non-renewable resources, without denuding our forests, and ensuring that the wood that we are going to use can be grown beforehand so that we have a renewable resource that we can rely on as a community.

**MR JENSEN (10.47):** Mr Acting Speaker, this is a very important report. Much of the work had been done by the previous committee, chaired by my colleague Dr Kinloch, which produced a discussion paper which resulted in a large number of responses, many of them very detailed. Those responses were drawn upon by the new committee in the preparation of its final report, as was the discussion paper, "The Burning Question", produced by the previous committee. It was a very good initiative on behalf of this Assembly for a committee to raise an issue like that out in the community and encourage discussion and debate on a very important matter.

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At this juncture I would like to express my thanks to the former members of the committee - Dr Kinloch, Mrs Nolan and Mr Stefaniak - for their work in this area, to our hardworking committee secretary, Mr Bill Symington, and, once again, of course, to Mrs Kim Blackburn, who puts all the work together. I notice that this document appears to be printed on recycled paper. It certainly looks like it. If it is not, that is something that maybe we in the ACT Assembly should look for in the future.

I would like now to refer to the issues raised by the report. Anyone who has lived in the Tuggeranong Valley in the last nine years, as I have, would be fully aware of the growing problem of air pollution as the valley expanded quite rapidly at a time when wood-burning stoves were the flavour of the month. There has been a move away from the very inefficient, old-fashioned open fires - they are all very great, but they are certainly not very efficient - to some of the more efficient slow combustion stoves.

I note the points made by Mr Moore and I will not go through those any further. That effectively is what happened. We had an expansion of the urban area into a part of Canberra that, because of its make-up and the fact that it is a valley, suffered quite considerably from the problems of temperature inversion. Anyone who has lived there for as long as I have will have seen the build-up over the years. It has been quite bad. I think that is something that we have to address, and that is what this report does, in effect.

I think it is important that there be proper monitoring of these problems. As I understand it, there is only one measuring station in Tuggeranong at the moment, and that is in Kambah. Maybe the Government needs to look very seriously at increasing the number of monitoring stations that provide not only information for future research but also information for the community as to when they are likely to experience particular problems with pollution. The first recommendation of the committee relates to the need to institute a public air quality advisory service during the months of peak emission pollution. Those of us who now see the Sydney news, as opposed to our own Canberra news, see the pollution and UV warnings that are shown on the ABC. I think that is appropriate. Perhaps we can encourage the media to pick that up.

I also am pleased to note, Mr Acting Speaker, that the second recommendation refers to the need for the Consumer Affairs Bureau to expand its role to ensure that fuelwood offered for sale to the householder is sufficiently seasoned to allow for immediate use. We know that there are problems already with some less scrupulous dealers, shall we say, who continue to deliver loads of wood that are short. That is an area that I know the Consumer Affairs Bureau worked very busily on over that period.

Mr Moore commented on the recommendation that relates to the need for a high profile publicity campaign. Over the years everyone in Canberra has seen the move towards recycling that has been developed within the ACT by successive governments in a campaign to encourage greater reuse of material. Properly conducted, those types of publicity campaigns are very important. I would also encourage the Government to make sure that in any campaigns of this nature it makes full use of local expertise, local printing firms, and our local media to prepare reports, rather than go outside the ACT.

I was also pleased to see the recommendation about the need to expand the powers of the Pollution Control Authority to embrace this particular area. We know that they are very strapped for staff and facilities to assist in their role in relation to urban pollution, but I think it important that they be allowed to continue with this aspect of pollution as well and expand their role. It is, after all, a very important organisation within the ACT.

I would like to see the Pollution Control Authority given more power in relation to the implementation of pollution and environmental control measures. Having just one person as the Pollution Control Authority per se, I think, is not enough. We need a properly established statutory organisation like the pollution control authorities established in other States to take up that role. That is something that future governments will have to look at. I believe that the current Residents Rally policy in that area will be continued and that the Rally, in government, will be seeking to establish such an organisation.

Mr Acting Speaker, there have been improvements over the years in the installation of fuelwood heaters in our area, and also the standards that are set for the specifications. I understand that the Environment Ministers have a working party looking at this specific issue and are awaiting some recommendations. I think that that is also a very important and critical matter. Once the standard is sorted out and adopted, we have to come to grips with how we then propose to replace existing fuelwood heaters that do not meet the standard. I guess that the committee will make some recommendations in relation to this, particularly on the need to develop means by which we can establish loans and grants for the replacement of heaters which do not meet emission standards.

Some people may ask why governments should be doing this. I think we also have to look at the cost associated with the health and welfare of the community through failing to take this sort of action. If we do not do something on one side we will end up with a greater bill on the other, and I think it is important for governments of all persuasions to look at that issue when they are making these decisions. It is almost a case of conducting a cost-benefit analysis.

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Mr Acting Speaker, over the years the ACT has attempted on a number of occasions to develop hardwood plantations around the ACT. There has been some work done. Maybe our local rural leaseholders could participate in a program to develop what is in fact a sustainable industry. We would be proposing to encourage the development of hardwood fuelwood plantations within the ACT, as has been done in other States, maybe using the second-class water that we find coming from the sewage treatment systems, as they have done in South Australia. That is something that I know they have operated successfully in South Australia.

I think it is really just a matter of continuing the research in relation to the types of eucalyptus that would be appropriate for hardwood plantations. I know that work has been done. Such plantations would assist, as has been indicated in the report, in providing wildlife conservation movement corridors. There are processes whereby timber is coppiced so that it very quickly regenerates and revegetates an area. I think that is the way we should be moving.

Mr Acting Speaker, one of the final areas that I want to comment on, as I have done in the past, is improvements in energy and efficiency within homes. I note that there has been considerable work done in that area. There seems to be a move towards changes in attitude to the need to upgrade energy ratings in homes.

One of the proposals gathering momentum is the need to set up a standard for assessing existing and new homes and rating them with a certain energy efficiency rating, in much the same way as we see nowadays when we buy a refrigerator. There is a big sign on the side of the refrigerator and, the greater the number of stars, the greater is the energy rating. With this greater awareness of the need for communities to reduce energy use and make more efficient use of what they have, I think it is appropriate that we should be moving towards that area within housing.

If this standard is developed as an Australia-wide standard it may be possible to have made available to the community a service, possibly at cost or at some minimum cost, by which people can have their homes rated. Provision could then be made for that to be added to the title deed. When someone goes along to buy a home they can see that this house has a particular energy rating. You would probably find, because of the increasing interest and awareness about environmental issues, that that would become a selling point. In recent times there has been a move by some sellers to talk about the issue of energy efficient homes as a selling point.

I note that after some initial reluctance by the Housing Industry Association about the need for mandatory insulation in the ACT in much the same way as Victoria, they now propose to support moves towards this at the time

of construction, particularly in relation to the insulation of walls and those parts of ceilings, such as cathedral ceilings, that cannot be insulated at a later date. The long-term energy saving, not only for the overall community but for the individual householder, is quite considerable when you think about it. On reflection, if I were building my house now, I would be installing insulation at the time of building. That would cost me in excess of \$1,100 to \$1,200 if I wanted to do it later on. They are the costs that have been provided by the industry.

I also note that the Royal Australian Institute of Architects, ACT Chapter, has prepared a discussion paper for one of its committees which comes out in support of this proposal. I think this community and this Government need to move towards that. What I am saying is that in terms of energy efficiency, be it electricity, natural gas, or wood-burning stoves, it is important for our homes and eventually our commercial buildings to be constructed in that way.

After all, Mr Acting Speaker, it is the bottom line of any budget that counts in this area - either the household budget or the business budget. I think you will find an increasing move towards this. I encourage the committee to look even further at this issue during their wider inquiry into energy use, of which, of course, this report is part.

**MRS GRASSBY (11.02):** I support the recommendations in general. After listening to Mr Jensen and some of the nonsense he talked about people buying houses because they had energy efficiency ratings, obviously he will never make a salesman. It is the women who decide on buying a house and it does not matter how energy efficient it is; if the woman does not like it she will not buy it. That is definitely it. What he should be looking at is bringing in rules or encouraging builders that houses have to be built facing the - - -

**Mr Jensen:** Oh, Ellnor, read my press releases.

**MRS GRASSBY:** I do not have to read your press releases. I have to listen to you; that is bad enough, without reading your press releases.

It is not acceptable that in a few short years Canberra has gone from being a very clean air city to one where we have to put up with an ugly and possibly unhealthy winter smoke haze. I do not believe that it causes a lot of the health problems; it has been proved in areas that this is not so. This has to do with a lot of other problems. But it is not healthy to have this sort of haze hanging over the city in wintertime and it is important that we do everything we can to clean up all this haze that we do get in areas. It does not happen all over Canberra; it happens only in parts of Canberra.

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I have received lots of complaints from people who have the misfortune to be located downwind of neighbours' chimneys. Perhaps we should be warning people at the time that they buy their blocks in undulating areas that the area is not suitable for chimneys. We could probably make it that at the time a person is purchasing a block they be told that they cannot put wood heaters and chimneys in that area.

I particularly want to mention caravan parks. That is where I have had a lot of complaints from. I have received complaints from long-stay caravan dwellers who have had to put up with smoke and pollution from their neighbours. It is not acceptable that the present legislation does nothing about stopping this. We should, instead, be encouraging people to design and site their homes to capture the natural heat of the sun, and the houses should be sited to take this into account. We could be pushing this with builders. We could be saying that this is the law; this is the rule; this is what they have to do. If this is not possible, we could be giving ratings to builders who build the houses in this way.

I believe that we should be discouraging people from installing solid fuel heaters. That is not exactly what the report says, but this is where I think we should be going. In fact, if correct siting, installation and design principles were adopted people would be able to heat their homes at much less cost. Therefore, we would not be using up so much energy.

An important aspect which the committee spent much time discussing was the responsibility of the woodcarters to sell only seasoned wood. It was very encouraging to listen to these people. I felt that they gave a very good report on this. I support the recommendations to expand the role of the Consumer Affairs Bureau to take this matter under their wing and do something about it. Although I am sure that most of the woodcarters in this city are responsible and honest people, there is a place for more regulation and control of the distributors and woodcarters to stamp out the sale of green wood, because green wood is mostly responsible for this haze that we get over the city.

People must be educated to use their solid fuel heaters efficiently. I know that the Government has offered advice to householders for many years, but this obviously is not enough. We have proved this from the fact that, although we keep putting out these pamphlets, people still do not take any notice of them. It is the old, old story; you can lead a horse to water but you cannot, unfortunately, make it drink.

I support the recommendation that a high-profile publicity campaign, including use of TV, be directed to improving the householder's knowledge in the use of these heaters. The experts who came to talk to the committee were adamant that the heaters they sell were efficient. I am sure that is

so, and it was very interesting to hear them discuss this. Only the householder's knowledge of correct burning principles contributes to the elimination of the smoke haze.

Our chairman, I must say, has one of these heaters and he does take this into account. He spends time, when he has his heater in use, in checking exactly what sort of smoke content the heater is causing and does something about it. Unfortunately, the majority in Canberra - and we have found this with recycling - do not really take this into account and do not make the effort to ensure that their heater is being used in the most efficient way. As for Mr Jensen and recycling paper, he obviously has not noted that the Government is already doing this; it is using recycled paper. I am not surprised, as Mr Jensen would not know what was going on half the time anyway, I am sure.

It is important to identify all the problems in the area of the ACT and to consult with our nearby New South Wales shires in adopting appropriate standards. We are not an island, as we may think; we are in the middle of New South Wales. Therefore, we should be adopting the principles that they have brought into play, or maybe bringing in better ones so that we can then negotiate with them to do the same. After all, not very far over the border is Queanbeyan and smoke does travel, unfortunately. Therefore, both of us are going to suffer from this. As for Mr Jensen saying that he will be back here to do it, he will be lucky if he is back here. You know what they say: When the numbers are against you, God almighty cannot save you; and thank goodness for God almighty.

I would like to thank all the committee members, and particularly the two chairmen I served under. I have been on this committee for quite some time. Dr Kinloch did a very good job chairing this committee. Michael Moore did an excellent job. Michael was very keen to talk to lots of people before we made a lot of these decisions. Michael made this available to us. I think that all on the committee learnt a lot from discussions with people from all the fields of heating. I spent a very interesting time on this committee. So, I thank Michael and Dr Kinloch.

I also thank Bill Symington, who was the secretary of the committee while I was serving on it. Bill did an extremely good job, particularly on the cover of our first report. I thought it was an excellent cover. It gave the effect of the whole of Canberra being under a smoke haze and it made people think very seriously about the problem. I thank Bill for the effort that he put into this report.

The haze has been a worry to a lot of the people in Canberra. As I say, I have had a lot of complaints, and I think we should be looking at caravan parks for long-stayers. It is a very serious situation. We could have a terrible fire at some time in these caravan parks. When I checked with the fire brigade on the situation and asked



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whether they were allowed to do this when the caravans are so close to each other, I was told that there were no laws to stop this happening. I think we should be looking at whether people can have these fires in caravan parks, because if a fire were to go through one of these caravan parks there would be a lot of lives lost and it would be quite shocking.

As I say, I would like to thank the secretary, Bill Symington. He did a very good job on this. Any request that we made, he was very quick to arrange it for us. The report is a very full report. It gives us a lot to think about and I hope that people will come back with remarks. I find that the print media, particularly the community papers in Canberra, have been very keen to do some stories on fuel heating. I was very pleased to see that. Normally, they are not terribly interested in these things that really do affect a lot of our people in Canberra. I have had quite a few of them contact me and I was very pleased to see this. I would like to see the other media take it up in a full way. Only by the media taking this up, and getting through to the people who have these stoves the message on how they should operate them, are we going to control this problem.

I do not like to say to people that they cannot have something they really want. A lot of people have one of these heaters in their house only for aesthetic reasons. It is not there for heating; it is there just for the appearance. But, if they are going to have them, we have to educate them on how to use them and make sure that they are not polluting the air in Canberra and not making it very difficult for the neighbours living on either side of them who may not have one and may not want to put up with the smoke. I think we have to look into siting, and make people think about their neighbours and the rest of Canberra.

**MR HUMPHRIES** (11.12): Mr Acting Speaker, I welcome this report. As I think previous speakers have indicated, the bulk of the work of this committee, particularly the hearing of witnesses, was conducted before the change of government in June. As a result, those of us who joined the committee after that, particularly Mr Collaery and I, did so after much of the work already had been done.

I believe that the time spent on this and related questions has been of great value to the Territory. I found the time I spent on this committee, both after the change of government in June and before the first change of government in December 1989, extremely interesting. The report, I think, reflects the great wealth of innovation and initiative which is possible in this important area. I think I received credit from Mr Moore for early work in this area. I am not sure that that is entirely warranted; but I never want to refuse credit when it is offered to me, so I will not.

This report follows the issuing of a discussion paper entitled "The Burning Question" some months ago, and it builds on additional comments that have been received since that time to make its recommendations today. There has been some modification of our views, based on the comments and views received from members of the public since that time.

Other reports currently being prepared by the Conservation, Heritage and Environment Committee include reports on housing design in the Territory, on energy planning and energy use, and on rural leases. To some extent, this report relates to those three other issues; not so much rural leases, but certainly we have connections between this report and the other two areas we have been examining. Obviously, they are integrated and need to be kept in train in order to make the maximum impact on environmental problems caused in this area.

We discussed, in the course of debate yesterday on, I think, the Publications Control (Amendment) Bill, the balance between rights and obligations, and I think we do so again, to some extent, today. The ownership of a wood heater, a stove or an open fire does obviously affect the amenity and quality of life in this Territory, but it also imposes obligations on us. Unfortunately, we have long passed the stage where the use of a wood heater or appliance in one's home was a matter purely for the user and not for those around him or her. Today the use of those appliances has an intimate effect on those around them and also on the environment of our Territory as a whole.

I believe that the use of those heaters is generally very responsible. I believe that there are only isolated cases of inefficient or lazy use of heating appliances. Most people in the Territory who have such facilities use them responsibly, understand the value of dry wood, of seasoned wood, and of cleaning the appliances, et cetera, on a regular basis. I think we are therefore addressing the problems caused by, for the most part, isolated users and the problem of the ignorance of those users and certain other people.

I think, Mr Acting Speaker, that education is the main thrust of this report - it is to educate people in the appropriate use of these appliances and to ensure that in the long term we achieve the goals that we need to achieve in improving the quality of our environment and the quality of use of these appliances through education rather than through coercion. There are other opportunities, of course, to enforce the message.

Inspection of heaters is mooted in the report. We, to some extent, have the capacity at the present time for patrols around the suburbs, for people to watch out for excessively smoky chimneys. We have the opportunity mentioned in the report to regulate suppliers of wood and to control

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standards for those who make or produce wood-burning appliances. But at the end of the day all those measures are, to varying degrees, less effective than education of people who actually have them in their homes.

Mr Acting Speaker, the recommendation at paragraph 10.9 covers the question of how we deal with suppliers of wood. Obviously, there is something of an industry here in Canberra. I believe that a monetary value was put on that industry at one point, but I do not think it is in the report.

Certainly, it is a considerable industry in the ACT and it needs to be carefully patrolled, to the extent that there is a problem in our surrounding region with the depletion of supplies, to the extent that there is something of an attraction to people building homes these days in putting in either wood-burning appliances or open fires, and to the extent that there is a need to ensure that the supplying of that market does not become a threat to the environment of the ACT and surrounding region.

The committee debated the question of whether the Government should proceed to license, or to have a system of registration of people or organisations that collect firewood and sell firewood in the Territory. The committee came to the view, after debate, that the most effective way of dealing with the problem of poor standards or low standards in that industry was through registration rather than licensing.

The committee felt that it was appropriate to ensure that people understood their obligations by being able to contact those people; by being able to say to those people, "This is what we expect of you to handle, in an environmentally responsible way, the issues connected with wood collection and wood sale, and we would rather you did this through cooperation than through coercion".

I think we achieved something of value in that. Obviously, we must encourage people to use and to sell dry wood, to sell seasoned wood, and to collect that wood in an environmentally sensitive fashion; not to cut down trees that are, in some way, threatened or rare; not to cut down trees that constitute an integral part of the environment, such as habitats for fauna; and, of course, ensure also that the wood is sold in the ACT at correct weight.

All those things need to be monitored in some way. There are abuses at present. We need to address those and we believe that we can do so through a system of registration of people who supply wood in the ACT. I think that is a recommendation which the Government would be happy to consider. Obviously, we should avoid burdening small collectors of firewood. Many people collect only a trailer load or two during a season and sell off any excess. Those people should not be in the same position as larger collectors, and we should be careful about that.

I want to briefly mention in the time available the question of housing design. That is an exciting part of this committee's work and I believe that a further report is yet to come down on that question. I draw attention to the recommendations on pages 28 and 29 of the report. It certainly contains an exciting range of possibilities for the ACT. Again, education is the main thrust here. We baulked, and rightly so, I think, at actually coercing people into adopting solar sensitive designs for new houses in the ACT, tempting as it is.

Of course, we have seen in the course of our committee's work - I did so when I was chairman of this committee in 1989 - a number of good solar designed houses in the ACT. That was a fascinating experience. I have to say that if I ever build a house in this Territory I will certainly pay attention to that requirement for solar design. There are some very attractive and successful designs available for people to look at in this Territory. We clearly need to ensure that this is done through a process of education.

Of course, the Government can do more than that, and recommendation (f) in paragraph 13.9 clearly indicates that the Government can lead the way by ensuring that Housing Trust spot purchases favour exclusively units and houses which conform to correct solar orientation. (*Extension of time granted*)

I believe that that is a good way of raising the value of those sorts of houses and encouraging people to think in those terms. Whether it is effective or not remains to be seen, but I would be very interested to see whether the Government adopts that as a policy in the near future. I sincerely hope that they at least give it consideration.

I also want to thank Bill Symington and the staff of the committee, who contributed so much hard work to making this, and the other reports we have brought down or are bringing down, successful. I am sure that on issues such as appliances, air quality and housing design there is a great deal of exciting innovation yet possible. I hope that this report makes inroads into that important question and gets discussion and debate going in the Territory on those issues.

Debate (on motion by **Mr Wood**) adjourned.

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## **LAND (PLANNING AND ENVIRONMENT) BILL 1991**

**MR WOOD** (Minister for Education and the Arts and Minister for the Environment, Land and Planning) (11.23): Mr Acting Speaker, I present the Land (Planning and Environment) Bill 1991.

Members interjected.

**MR WOOD:** You had to wait until I got here. I move:

That this Bill be agreed to in principle.

It has been a long time coming. It gives me great pleasure, therefore, to present this historic legislation for the ACT community. It is the most far-reaching package of legislation that has come before the Assembly so far. The Bill is for legislation to establish an integrated planning, heritage, environmental protection and land management system for the Territory.

Through it, we as a community will have an innovative framework in which to guide our city's future growth and development, while at the same time ensuring that our unique environment is properly protected. For many it has been a long time coming, but in the extended period of consultation we have had the benefit of constructive comment from a diverse range of groups and individuals in our community. The Bill now represents a proper balance of these views and aspirations.

The process of developing this Bill commenced with the Follett Government. It was carried on by the Alliance Government. I thank the individuals and organisations who took the trouble to contribute to four rounds of public consultation, including the public hearings conducted by the Assembly's planning and conservation committees. They are to be highly commended for their considerable efforts.

I particularly want to thank the department and the officers in that department for their hard and long work on this matter. It has been a major exercise, and they are to be commended for what they have done. The Parliamentary Counsel's Office has worked under considerable pressure to have this Bill in front of us today, and I particularly want to thank them, too. I think all members will acknowledge the very hard and highly competent work of our officers in producing this Bill.

I would emphasise that the legislation belongs to each and every one of us. It is not just a tool of the Government or bureaucrats. The Bill embodies open planning and land management processes designed to ensure the effective participation of all our residents. The provisions in the Bill have been developed for the particular circumstances of the ACT. We have not simply imitated current practice elsewhere, but have developed a model whose provisions go well beyond those found in other States and the Northern Territory.

The legal firm of Dunhill, Madden and Butler, in a report on the legislation commissioned by the Attorney-General's Department earlier this year, stated:

The provisions in the legislation for public consultation, public and individual notification, the rights of review of administrative decisions and the opportunity for Assembly scrutiny are commendable.

The consultants went further, however, and added:

The proposals in the package in relation to these matters are perhaps the most advanced in Australia.

**Mr Kaine:** We did pretty well, didn't we?

**MR WOOD:** I think a lot of people worked very effectively on this legislation. I would remind members that it was the first Follett Labor Government which set the objectives for the development of this vital legislation. In September 1989 that Government released for public consultation a paper putting forward proposals for a fully integrated planning and land management system for the ACT.

The key objectives of such a system were that it be easily understood, allowing the public to understand planning policies and the implications of proposed changes, and to be able to participate in change; provide a reasonably assured timetable on decisions and administrative matters affecting planning and lease management; allow for entrepreneurial opportunities; provide appropriate appeal rights on planning and land use decisions; not encourage the growth of bureaucracy but support initiatives to promote private sector employment opportunities; and, finally, provide for a common and accessible land information system designed to guard against corruption.

Overall, to ensure such a system, the legislation was to have the following features: Provision for early and extensive public consultation; clearly defined processes which provide certainty for all parties; openness of administrative processes, including the publishing of government directions; and the ultimate authority for planning was to rest with this Assembly.

It is against these objectives that the legislation drafted by the former Alliance Government was reviewed by this Government. The challenge for any government developing legislation of this type is the need to achieve a balance between competing attitudes and values and to adopt an approach which is in the interests of the community as a whole. I believe that we have achieved this goal, and with it the objectives mentioned a few moments ago.

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I am also confident that all those who have contributed to each round of consultation will acknowledge that their contributions have progressively been reflected in significant improvements in the overall quality of the legislation, in terms of its policy focus and operation. As I mentioned earlier, all sectors of the ACT community can rightly claim ownership of this legislation. I know that some sectors of the community will argue that the Bill is still too complex and should be streamlined. The Government recognises that there will be opportunities to further streamline and finetune the Bill, and this will happen over time. Nevertheless, we need to acknowledge the extent of streamlining that has already taken place.

There can be little doubt that the ACT's single Bill is a significant improvement on the array of comparable legislation in any other Australian State or Territory. For the first time it brings together in the one place virtually all of the legislative provisions relating to planning and land management in the ACT. The equivalent legislation in other States is scattered through between 10 and 15 separate Acts. This contrast is made even more apparent when we compare the 286 clauses and 134 pages of the ACT's single Bill with around 750 sections and 550 pages of the equivalent New South Wales legislation. Our legislation is an extraordinary achievement.

I should point out also that the various suggestions from the second round of public consultation have resulted in the further streamlining of the legislation. Specifically, provisions relating to heritage objects have been removed and reconstituted as a separate Bill, which I will also be presenting today. This addresses the issue that "heritage objects" was the only part of the legislation that did not relate to land.

All other parts of the legislation dealing with heritage, including places and Aboriginal heritage and objects intrinsic to particular places, remain as integrated components of the Land (Planning and Environment) Bill. Additionally, the Government has removed from the Bill the provisions relating to the proposed Planning Advisory Committee. We have taken the view that there is no justification in that committee having statutory functions.

I would like now to turn to a number of substantive matters which have arisen during the course of the development of this legislation. Several of these, as I mentioned earlier, have resulted in amendments to the Bill. Firstly, the issue raised most often during both rounds of public consultation was the need for greater predictability in the ACT system of planning and land management. The argument is, essentially, that the ACT will have a Territory Plan which will be developed in consultation with the community, approved by the Executive and subject to possible disallowance by this Assembly.

As such, if applications to conduct designated activities, including development, are in accord with the policies and conditions set out in the plan, there should be a reasonable expectation that those applications will be approved. It follows that, if applications are lodged in accord with the plan, they should not be open to further public consultation and possible challenge by third parties.

Automatic approval or "as of rights" development was first raised by the commercial sector during the first round of public consultation. The concept proposed was that the development rights accorded in any lease would be the rights defined by the plan. The Government considered this proposal but rejected it as being inconsistent with the essential characteristics of the ACT's system of leasehold land tenure, where the conditions relating to a lease, including its land use, are set out in a lease document. Further, a full "as of rights" scheme would in practice necessitate a detailed and highly prescriptive Territory Plan and could lead to an inflexible and unresponsive planning system.

The Government believes that greater predictability can be introduced into the planning and land management system if applications which accord with the Territory Plan are not subject to public notification and third-party appeal. The legislation enables the plan to specify the circumstances where applications would be exempt from these provisions. The extent of such exemptions will be determined in the context of consultation on the forthcoming major variation to the Territory Plan.

Recognising the importance of the relationship between the plan and the legislation, particularly the issue of third-party appeal rights, the Government will not commence the legislation until after the Territory Plan has been released for public consultation and consideration by this Assembly.

Before I leave the issue of appeals, I would like to highlight the fact that the appeal rights in relation to leasing matters have been greatly simplified. Not only is the entire leasing process open and subject to scrutiny by the community, government and the Assembly, but this Bill also does away with the costly and time consuming appeal mechanisms associated with existing legislation such as the City Area Leases Act. I am sure that all sectors of the community will welcome these initiatives and the fact that any appeals will be the province of the AAT.

The second issue, which in recent months attracted considerable comment in the community and in this chamber, relates to charges for the renewal of residential and commercial leases. It is apparent to the Government that there is a strong view in parts of the community that commercial and residential lease renewals should not be treated on the same basis. Although the Government will be



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looking at this issue more closely, this legislation will provide for the renewal of commercial leases subject to the lessee paying the determined fee. The actual level of this fee will be considered separately by the Government. The renewal of residential leases will attract only an administrative fee for the issue of new lease documents.

The third issue concerns the role of the Assembly in relation to Territory Plan variations. The Government realised that the disallowance provisions relating to plan variations which appeared in earlier drafts of the legislation did not support the objective that the Assembly should have the ultimate authority for planning principles. Accordingly, the Bill has been amended to include a deemed disallowance provision in relation to plan variations. This means that, if a member of the Assembly tables a motion of disallowance, the Government must debate it or the variation will lapse.

Further, unlike other subordinate legislation, the variation will not take effect until after its passage through the Assembly, provided that it has not been disallowed. The deemed disallowance provision now goes a long way to according to the Assembly its proper role in ACT planning. It is also significant that the Assembly's role is pre-eminent to any other Commonwealth, State or Territory jurisdiction in Australia which deals with planning matters.

The fourth and final issue is related to the inquiries and assessments part of the Bill. The Government believes that the earlier concept of a consultants register conflicts with the objective of ensuring that each environmental assessment is undertaken by a properly qualified and experienced consultant. Under the original proposal, the names of consultants could be entered in a register with the approval of the Minister. Where an assessment was required, the proponent could select any consultant from the register, irrespective of whether they had the expertise or not, to undertake that particular assessment. Additionally, the proponent could engage his or her own consultant, subject to ministerial approval.

To make the selection process for consultants simpler and more effective, we have abandoned the notion of maintaining a register of consultants. The Bill now provides that, when an assessment is required, the Minister specifies the consultant to undertake the assessment in accordance with criteria included in regulations. The Minister may make this selection after seeking nominations from proponents. In this way it is far more likely that, for each type of assessment required under the Act, the most appropriate consultant will be engaged.

I would now like to outline the policy initiatives in each of the Bill's six principal parts. Part 1 covers preliminary matters, including the definition of terms used throughout the Bill. Part 2 deals with planning. Members

will recall that interim planning legislation was enacted to cover the period between the end of the transition period provided for in the ACT (Planning and Land Management) Act 1988 and the commencement of the Bill before you today. With the commencement of the Land (Planning and Environment) Act, the Interim Planning Act 1990 will be repealed.

All of the corresponding policy provisions contained within the interim Act are reflected in Part 2 of the Bill, which provides for the continuation of the ACT Planning Authority, the appointment of a Chief Planner, and variations to the Territory Plan, including the establishment of a heritage places register. I should emphasise that the way in which a heritage places register is to be integrated in a statutory plan is unique to the ACT. It ensures that the heritage significance of places and requirements for their conservation are explicit. It also ensures that the implications of any proposed listing, including economic ones, have been taken into account before a place is afforded the full protection of the plan.

The planning part of the Bill prescribes detailed procedures for consultation with the public, the National Capital Planning Authority and relevant ACT Government agencies in developing a variation to the Territory Plan. It provides for ministerial direction in appropriate circumstances, details of which must be published; and it sets up procedures for approval of a variation to the plan by the Executive and its consideration by the Legislative Assembly. As I mentioned earlier, plan variations are subject to a deemed disallowance provision.

Part 3 of the Bill deals with heritage. The principal features of this part are the establishment of a heritage council of up to 11 members with a wide range of expertise; an interim heritage places register, to be developed in consultation with the public; procedures for a lessee to nominate a place for inclusion in an interim heritage places register; and opportunities for affected persons to appeal to the AAT against decisions of the heritage council to include or exclude a heritage place on an interim register.

I should say at this point that the Government has decided that there will be no compensation payable to individuals or organisations claiming loss as a result of a heritage listing. Nevertheless, we have undertaken to review this decision after the legislation has been in operation for three years.

Aboriginal heritage is accorded full protection under this part of the legislation. Provisions require consultation with Aboriginal organisations; the reporting and safeguarding of unregistered places and objects; financial compensation, in particular circumstances, for loss or

damage incurred by any person who reports the discovery of an unregistered Aboriginal place or object; and the restriction of information about the location and nature of an Aboriginal place or object, in appropriate circumstances.

Part 4 of the Bill deals with environmental assessments and inquiries. Under this part, the Minister may require a proponent, at his or her cost, to prepare a preliminary assessment of the environmental impact of a proposal. A preliminary assessment, again at the proponent's cost, will be mandatory for certain prescribed classes of activity defined in the Territory Plan. Copies of preliminary assessments are to be made available for public inspection. If the preliminary assessment shows a significant environmental impact, the Minister may require the preparation of a public environment report or environmental impact statement. This is prepared in consultation with the public and at the proponent's cost.

As previously outlined, the Minister will have responsibility for selecting a consultant to undertake an assessment. These selections will be made against criteria identified in regulations, and the Minister may seek nominations from the proponent. At any point in the preliminary or full environmental assessment process, the Minister may require a round table conference involving the proponent and any person with an interest which could be directly affected by the proposal. Such conferences would aim to identify ways to modify the proposal in order to reduce or eliminate any potential adverse environmental impact. Reports on these meetings, including proposed actions, will be made available to all participants.

Other provisions in this part of the Bill relate to the tabling in the Assembly of environmental reports and the Minister's assessment of those reports, and to the establishment of procedures for the conduct of public inquiries. (*Extension of time granted*) There is a fair way to go yet.

Part 5 of the Bill relates to land administration. This important part of the Bill replaces many separate pieces of legislation and introduces leasing processes which are open and subject to scrutiny by the community, the Government and the Assembly. The Bill specifies the circumstances under which a lease of Territory land may be granted, these being: Auction, calling tenders for the grant of the lease, conducting a ballot for the right to the grant of the lease, or the direct grant to an applicant for a lease. The direct grant of a lease will be made against criteria which are subject to disallowance by the Assembly, and copies of leases issued under a direct grant must be tabled in the Legislative Assembly within five sitting days of being granted.

All proposals to grant leases will be referred to the ACT Planning Authority, to ensure that the lease is consistent with the Territory Plan. There is also a provision for the Executive to initiate an inquiry into whether a proposed lease should be granted. Applications to vary a lease are generally subject to a process of registration, public inspection, public notification, objection and third-party appeal.

Other provisions in this part deal with the charging of betterment, which for the present remains unchanged from the sliding scale announced by the former Government in February 1990, and the renewal of leases. As I indicated earlier, commercial leases will be renewed, subject to the lessee paying the determined fee. Residential leases will be renewed on the basis of a determined administrative fee only.

A vital division of the land administration part of the Bill relates to the identification and management of public land. I would like to impress on members that the Government, through this Bill, will be making a most significant contribution to the preservation of public land, which will be to the long-term benefit of the ACT.

Public land, which will be identified in the Territory Plan and subject to public consultation and consideration by the Assembly, will be divided into a number of categories. Each of these has different management objectives identified in the Bill. Reserves of public land will be managed in accordance with both these objectives and plans of management prepared by the Department of the Environment, Land and Planning.

Members will note that, consistent with other parts of the Bill, there are extensive requirements for public consultation in the development of plans of management for particular reserves of public lands. This ensures that the community's values and aspirations are properly taken into account. Indeed, these processes have been described as the most enlightened in Australia.

In summary, the principal features of the Bill's public land provisions are: Procedures for the Conservator of Wildlife to recommend that the Planning Authority vary the plan to identify an area of public land and that this land be reserved and managed for public use; the management of land according to both prescribed objectives applying to a particular area and plans of management reflecting those management objectives; a requirement that plans of management be developed in consultation with the public and, following Executive approval, that they be tabled in the Assembly and subject to disallowance; and the facility to grant leases and licences in areas of public land on the recommendation of the Conservator of Wildlife.

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The final substantive part of the Bill, Part 6, relates to approvals and orders. This part of the Bill deals with controlling activities that relate to land usage. The major mechanisms are the establishment of a schedule of controlled activities and a requirement that applicants submit an application for approval to conduct any of these activities. The controlled activities which are listed in this schedule are works affecting heritage significance, public works, the execution of a variation of a lease of Territory land and the use of residential land for carrying on a profession, trade or calling. In addition, an application for design and siting approval will be a controlled activity.

The Bill establishes a register of applications to conduct controlled activities. The register will be available for public inspection. Notice of the application will be given to the adjoining lessees and notified in a daily newspaper published and circulating in the Territory. Additionally, the Minister may require an applicant to erect a sign on the site to which his or her application relates, specifying the nature of the controlled activity proposed to be conducted in or on that place.

The Bill recognises that in some cases it will not be possible to identify and notify all the lessees of all properties adjoining the site of a particular controlled activity - for example, when a major power line is installed. In these cases the Minister will be required only to give notice of the application in the newspaper. As I explained earlier, where classes of applications are excluded from third-party appeal by the Territory Plan, they will also be exempt from the Bill's notification provisions.

Schedule 2 of the Bill identifies "concurring authorities" for each controlled activity. The agreement of these concurring authorities must be obtained by the responsible administering authority before an application can be approved. Approving authorities are also required, in appropriate circumstances, to seek comments from a range of "commenting authorities" and to take these into account when considering an application. Commenting authorities include the heritage council, ACTEW and the building authority.

Unless an application is exempted, any person who may be affected by its approval may lodge an objection. These will be registered and made available for public inspection. The approving authority must take account of these objections, along with comments received from concurring and commenting authorities, in making a decision. Notice of a decision is given to the applicant, all concurring and commenting authorities and all persons who lodged objections. If the applicant is unhappy with the decision, he or she has a right of appeal to the Administrative Appeals Tribunal. Third parties who initially lodged objections may also appeal to the AAT.

One of the major complaints made of the development approval process is the delays which occur in obtaining approval. The legislation requires the approving authority to either approve or reject an application within a prescribed time. Failure to meet the deadline will allow the applicant to appeal to the AAT. This provision will clearly place the onus on the approving authority to meet the timetable set by the Assembly.

The Bill also provides for significant sanctions for offences committed against its provisions. Where persons are conducting controlled activities without approval, the Bill provides for the issuing and enforcement of orders against them. Penalties for breaches are prescribed in the schedules to the Bill. Additionally, if a person is convicted of an offence of failing to conserve a place on a heritage register, there is a ministerial power to revoke an approval to conduct a controlled activity granted to that person. This is another example of where the ACT's commitment to protect its heritage is setting the standard for the rest of Australia.

That concludes my overview of the Bill. I should add that the regulations relating to this Bill, along with the consequential provisions Bill, are being drafted by the Attorney-General's Department. To assist members in their consideration of this Bill, I table a paper identifying matters for regulations, together with draft disallowable instruments relating to leasing and heritage assessment processes in the Bill.

As I mentioned at the beginning of this speech, the final stage of public consultation on this legislation was the inquiry conducted jointly by the Legislative Assembly's Standing Committee on Planning, Development and Infrastructure and Standing Committee on Conservation, Heritage and the Environment. The committees tabled their joint report in April of this year. As it would be opportune to consider issues raised by the committees in the context of the Assembly's consideration of the legislation, I table the Government's response to the committees' joint report.

As far as they go, the Government accepts the majority of the committees' recommendations. As such, I do not propose to address them individually. I would like to comment briefly on only two of the committees' more general recommendations.

Firstly, the Government agrees with the committees that this legislative package must be widely promoted in the community, and action along these lines is well in hand. (*Extension of time granted*)

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A "plain English" information booklet will be released, along with a range of "how to" brochures covering various administrative processes prescribed by the legislation. Additionally, information leaflets will be available in a number of languages, acknowledging the multicultural nature of our community. Underpinning all of this will be a public awareness campaign and a "hot line" telephone inquiry service.

The Government also agrees with the committees' view that there are benefits for the whole community in this legislation and acknowledges that no one sector should be required to bear the full administrative cost of the processes set out in the legislation. The scale of fees and charges related to the legislation will be equitable and will properly take account of the Government's social justice objectives. I commend to the house that response that has been tabled.

In conclusion, Mr Acting Speaker, I believe that we have before us today a comprehensive and innovative package of legislation which is the outcome of an extensive program of consultation with the ACT community. I should state that I am very conscious of the fact that decisions on the package have been made by all three ACT governments since 1989 and that there is a great deal of unanimity among the major groups in the Assembly on most issues.

I look forward to a constructive debate in this chamber on this Bill. It is up to each and every member of the Assembly to recognise that we have a responsibility to deliver this legislation to the community - legislation which will protect and enhance our unique environment and provide the foundations for its continued growth and economic prosperity.

I have mentioned during this speech the fact that the draft Territory Plan is to be released by the Territory Planner shortly. I know that all members will share the responsibility of this Government in the debate that follows the release of that plan. We have acted properly in releasing that plan at this stage, and not seeking, in any way, to defer it. I believe that other members, especially those of the former Alliance Government, well know the plan and its aims, and I look forward to sharing with you the responsibility in the community as the debate on that plan continues.

Mr Acting Speaker, I commend this Bill to the Assembly. I present the explanatory memorandum for the Bill.

Debate (on motion by **Mr Kaine**) adjourned.

## **HERITAGE OBJECTS BILL 1991**

**MR WOOD** (Minister for Education and the Arts and Minister for the Environment, Land and Planning) (11.57): Mr Acting Speaker, I present the Heritage Objects Bill 1991. I move:

That this Bill be agreed to in principle.

This will not take quite so long, members. I am pleased to be able to present another important piece of legislation for our community. Together with the heritage provisions of the Land (Planning and Environment) Bill, the Heritage Objects Bill affords a level of protection to the ACT's heritage not found in any other State or Territory.

I would remind members that the provisions of this Bill were originally a component of the heritage part of the Land (Planning and Environment) Bill. The decision to constitute the provisions relating to objects in a separate Bill reflects considerable comment received during the public consultation process that "objects" do not sit comfortably in a Bill which, in every other respect, relates to the planning and management of the Territory's land.

The primary aim of the Heritage Objects Bill is to identify and conserve objects of heritage significance that are in the public domain. The Bill provides for the establishment of a register of heritage objects which can include manufactured and natural objects which have heritage significance to the ACT.

The heritage places register proposed under the Land (Planning and Environment) Bill will include objects which are intrinsic to a place. Examples are in situ Aboriginal rock art and also heritage objects associated with and located at a heritage place, for example, Calthorpes' House. All other objects of heritage significance can be nominated for inclusion in the heritage objects register. The legislation will ensure ongoing responsibility and care for objects as varied as the merry-go-round in Civic, early maps, photographs, furniture, artworks, tools, equipment, vehicles, and the like, which are Territory property.

There will be a publicly accessible register which identifies these objects and a process which ensures that decision making on the future of heritage objects in the public domain is also subject to public comment. The register will identify specific requirements for the conservation of the heritage significance of the objects recorded.

There is also provision in the Bill to withhold from public access information which might threaten the security of particularly sensitive or valuable items. In this regard there are special arrangements for objects of Aboriginal heritage significance which require consultation with relevant Aboriginal organisations prior to listing. It is



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also worthy of note that there are provisions in the Bill to assist in the protection of unregistered Aboriginal objects. There are monetary penalties associated with a failure to comply with these provisions.

You will have noted that I have been referring to objects in the public domain. During the development of the legislation there was considerable debate on issues relating to the care of moveable heritage in both the private and the public domain. It was widely accepted by experts in the field that moveable heritage items held by government departments and their instrumentalities should be identified and given special protection. This is the area where moveable heritage is at greatest risk. This Bill provides for proper conservation management processes as part of the Government's overall responsibilities for safeguarding the ACT's heritage.

The Government has taken proper account of public concerns that the same measures and sanctions should not be applied to objects held in private collections. Nevertheless, to assist the objective of building up a comprehensive picture of the ACT's moveable heritage over time we will encourage private collectors to have their collections recorded. I would stress that the heritage objects in this category would be recorded separately from items on the register and that ownership and locational details would be confidential.

It may be that private collectors would be willing to make items in their collections available for periodic public displays or for research purposes. To assist in this awareness process, conservation advice and grants would continue to be available to private individuals and incorporated community organisations.

As I mentioned earlier, the development of the heritage objects register relating to public domain objects will be done in consultation with the community. There are processes for the ministerial approval of the register and Assembly disallowance. Appeal opportunities are provided to concerned parties in appropriate circumstances. The Bill also requires any person proposing to undertake any activity that is inconsistent with an entry in the objects register to seek approval in the first instance.

This Bill is an important component of the ACT's strategy to protect its heritage for the present and future generations and provides a model for the rest of Australia. I commend it to the house and I present the explanatory memorandum.

Debate (on motion by **Mr Jensen**) adjourned.

**Mr Moore:** I raise a point of order. Mr Acting Speaker, on the previous occasion, in breach of standing order 44, you set a precedent that the second member to their feet was the one that should get the call. I was wondering why I did not get the call on this particular piece of legislation, since you had set the precedent that the second person to their feet should get the call.

**MR ACTING SPEAKER:** Firstly, Mr Moore, it was a fairly close call and, at any rate, Mr Kaine had given me notice about 30 minutes before we adjourned that Bill that he wanted the call, just as in question time you give the Speaker notice. In fact, I advised you of that when you indicated that you wanted the call. He got in first; you both got up at about the same time. Mr Jensen was on his feet and, because you were obviously peeved, I was quite happy to give you the call; but you simply did not get up quickly enough.

**Mr Moore:** What I am asking you to do is to work by the standing orders. If you are going to be Speaker, work by the standing orders.

**MR ACTING SPEAKER:** Thank you for your gratuitous advice, Mr Moore.

**Mr Jensen:** On a point of order: Mr Acting Speaker, that is a reflection on your ability as Speaker. I request that that be withdrawn.

**MR ACTING SPEAKER:** I would ask you to withdraw that, Mr Moore.

**Mr Moore:** The exact words I said were, "If you are going to be Speaker, work by the standing orders". I do not see that as a reflection on you. Surely, that is the appropriate thing for any Speaker to do. I withdraw any inference.

**MR ACTING SPEAKER:** I do. Also, it is fairly common practice in this house for members, if they do want the call, to advise the Speaker. Mr Prowse, to my knowledge, goes by that. I go by that as well, and I think everyone who has sat in this chair has gone by that.

Let us exercise a little bit of commonsense and let us not be quite so petulant.

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**ADMINISTRATIVE DECISIONS (JUDICIAL REVIEW)  
(AMENDMENT) BILL 1991**

**MR CONNOLLY** (Attorney-General, Minister for Housing and Community Services and Minister for Urban Services) (12.05): Mr Acting Speaker, I present the Administrative Decisions (Judicial Review) (Amendment) Bill 1991. I move:

That this Bill be agreed to in principle.

The Administrative Decisions (Judicial Review) Act 1989 provides for review by the Supreme Court of decisions of an administrative nature made under an enactment, or failure to make a decision, or of conduct for the purpose of making a decision. A person aggrieved by way of any of the above may apply for review on grounds set out in the Act.

The Administrative Decisions (Judicial Review) (Amendment) Bill 1991 was developed under the previous Government, but has been reviewed and endorsed for introduction by this Government. The Bill will amend the judicial review Act to provide that a person who considers a decision, failure to make a decision or conduct under the Land (Planning and Environment) Bill 1991 and the Heritage Objects Bill 1991 to be contrary to law may apply for review of that decision, failure or conduct. The Bill will, in effect, remove the requirement that a person must be aggrieved by the decision, failure or conduct before that person is entitled to seek judicial review of matters arising under the new legislation.

The Bill will also extend the Supreme Court's discretion not to entertain an application for review of a matter arising under the Bills if that matter is already under review under another law or is the subject of an application for review under another law. For example, a person who has standing before the Administrative Appeals Tribunal may be seeking review of that decision in that forum. Another person who does not have standing would have to challenge the decision under the judicial review Act. This provision gives the Supreme Court a discretion not to hear the matter until the earlier review has been completed.

This Bill gives effect to concerns that there should be wide standing to seek review of administrative matters in respect of planning and land use matters. Mr Acting Speaker, I present the explanatory memorandum for the Bill.

Debate (on motion by **Mrs Nolan**) adjourned.

## POSTPONEMENT OF NOTICE

Motion (by **Mr Connolly**) agreed to:

That notice No. 4, executive business, Legal Practitioners (Amendment) Bill (No. 2) 1991, be postponed until a later hour this day.

## GOVERNMENT SOLICITOR (AMENDMENT) BILL 1991

**MR CONNOLLY** (Attorney-General, Minister for Housing and Community Services and Minister for Urban Services) (12.08): Mr Acting Speaker, I present the Government Solicitor (Amendment) Bill 1991. I move:

That this Bill be agreed to in principle.

Mr Acting Speaker, in addition to this Government Solicitor (Amendment) Bill 1991, I will also be presenting a Legal Practitioners (Amendment) Bill 1991 today. These two Bills are minor and technical, but they comply with an important principle; that is, that the Chief Minister should be able to organise the ACT Government Service as she sees fit and without being constrained by references to specific administrative units in legislation.

Members will be aware that the self-government Act requires the Chief Minister to divide the public service into administrative units. The Chief Minister did this on 18 June 1991 and members have been provided with copies of the administrative arrangements of that date. One of the administrative units that were created in those arrangements is named "Attorney-General's Department (Government Law Office)". The inclusion of "(Government Law Office)" was necessary because of references to that name that appear in the Government Solicitor Act 1989 and the Legal Practitioners Act 1970.

The two Bills I present today will delete these references and replace them with references to the administrative unit which is administering the Government Solicitor Act. This will mean that the Chief Minister will have greater flexibility when she is next organising the ACT Government Service. Mr Acting Speaker, I present the explanatory memorandum for the Government Solicitor (Amendment) Bill 1991.

Debate (on motion by **Mr Collaery**) adjourned.

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### **LEGAL PRACTITIONERS (AMENDMENT) BILL (NO. 2) 1991**

**MR CONNOLLY** (Attorney-General, Minister for Housing and Community Services and Minister for Urban Services) (12.10): Mr Acting Speaker, I present the Legal Practitioners (Amendment) Bill (No. 2) 1991. I move:

That this Bill be agreed to in principle.

The reasons for this amendment are set out in my presentation speech for the Government Solicitor (Amendment) Bill 1991. The amendments proposed in this Bill are along the same lines as those in the previous Bill. I present an explanatory memorandum for this Bill.

Debate (on motion by **Mr Collaery**) adjourned.

### **WILLS (AMENDMENT) BILL 1991**

**MR CONNOLLY** (Attorney-General, Minister for Housing and Community Services and Minister for Urban Services) (12.11): Mr Acting Speaker, I present the Wills (Amendment) Bill 1991. I move:

That this Bill be agreed to in principle.

This Bill represents the most thorough and far-reaching reform of the law relating to wills in the ACT since the present Wills Act was made as an ordinance some 23 years ago. At the same time, it marks the arrival of the ACT at the front line of wills reform in this country.

These Bills had their genesis, for the most part, in a 1987 report on the law relating to wills in the ACT prepared by a committee of the ACT Law Society. The report was prompted by the New South Wales Law Reform Commission report recommending reforms to succession law, as well as the work of the Victorian working party on wills. The Law Society commissioned Mr Charles Rowland, senior lecturer in law at the Australian National University and a leading academic in this field, to head a review of succession law in the ACT. These amendments are a result of that review.

The four broad aims of these amendments to the Wills Act 1968 are as follows: Firstly, to eliminate unnecessary formality in the execution of wills; secondly, to provide courts with room for flexibility in individual circumstances; thirdly, to ensure, so far as practicable, that a testator's intentions are put into effect; and, lastly, to clarify and remove existing uncertainty in the ACT Wills Act. Within these four categories, the amendments cover a wide field.

However, before highlighting some of the more significant of them, I should initially make mention of the fact that the law relating to the making of, and interpretation of, wills can be an especially complex area. In an effort to ensure certainty and to secure the elimination of fraudulent activity from the testamentary process, there has been a very large number of rules and principles developed by parliaments and by the courts over many years.

The consequence of this has been that the courts have sometimes found themselves in the position of being bound to make some decision about the interpretation of a will, with that decision being recognised as contrary to the true intentions of the testator. An example is the limited ability of some courts to save wills, about which there are no suspicions, from failing when the execution procedures have not been precisely followed. The problem can be particularly acute with wills which have been drafted without the aid of professional legal advice. These amendments will give the courts a much greater discretion to examine individual circumstances and to ensure that justice is done.

I now turn to the more significant provisions of this Bill. The first substantive amendment contained in this Bill deals with the ability of persons who are under the age of 18 to make a valid will. Presently, the only minors who are permitted to validly provide for the disposition of their property after their deaths are those who are active military personnel. This amendment recognises that there are a number of minors who get married or who may have substantial assets, and gives them the opportunity of providing for the disposition of their property other than in line with the normal rules of intestacy.

For those minors who are or have been married, this reform gives them full testamentary capacity. For other minors, the Bill provides the option of court supervised will-making; that is, if the court is satisfied that the minor understands what he or she is doing and that it is reasonable, in all the circumstances, for the minor to take the proposed course of action, the court can permit the minor to make, or revoke, the will.

A further major amendment confers a general dispensing power on the court. This will enable the court to admit a document to probate, even though it has not been executed in accordance with the formal requirements of the Act, where the court is satisfied that the deceased person intended the document to constitute her or his will, or an amendment to, or a revocation of, her or his will. The utility of such a provision is particularly evident in circumstances where a will is attempted to be made in emergency situations or, as I indicated earlier, without professional legal advice.

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This particular reform, which is becoming a feature of the wills legislation of common law jurisdictions, is complemented by an additional measure enabling the court to have regard to a wide range of evidence from which to form a view about the relevant intentions of the deceased person.

The Bill also includes comprehensive provisions dealing with the ability of the courts to rectify wills in two particular circumstances. The first is where the will is so expressed that it fails to carry out the testator's intention.

The second concerns the matter of unforeseen circumstances. This second matter will enable a court to insert words into, or omit words from, a will where the court is satisfied that certain circumstances or events existed, either before or after the will was made, that were generally not known to the testator. As a consequence of the lack of knowledge, the provisions of the will then fail to accord with what the testator's intentions would have been had he or she known of those circumstances. The provision represents a significant increase in the ability of the court to examine, and give effect to, the testator's underlying intentions in cases where, through no fault of the testator, circumstances combine to shipwreck those intentions.

Other significant reforms contained in this Bill will permit a court, when interpreting the provisions of a will, to have regard to the dispositive intentions of the testator when the will is ambiguous or uncertain in some respect; provide for the continued validity of a will which has been witnessed by a person who is also a beneficiary under that will; and provide for the revocation of gifts in a will to the testator's spouse upon the termination of the marriage. The revocation by divorce provision recognises the major economic separation that accompanies the end of a marriage. However, it will operate only in the absence of a contrary intention from the testator.

The reforms contained in this Bill have been formulated around the central goal of testate succession law; that is, the implementation of the testator's true intentions. In this regard, these reforms are both sensible and timely, and I commend them to the Assembly. There are no financial considerations for government in this Bill. I now present the explanatory memorandum for the Bill.

Debate (on motion by **Mr Collaery**) adjourned.

## **FORFEITURE BILL 1991**

**MR CONNOLLY** (Attorney-General, Minister for Housing and Community Services and Minister for Urban Services) (12.17): Mr Acting Speaker, I present the Forfeiture Bill 1991. I move:

That this Bill be agreed to in principle.

Mr Acting Speaker, the purpose of the Forfeiture Bill 1991 is to confer on the Supreme Court the power to modify the effect of the common law forfeiture rule in cases where the courts consider it just in all the circumstances to take that action.

The forfeiture rule is a long-established legal principle which, broadly stated, provides that a person who unlawfully kills another is not entitled to enjoy any property which he or she would otherwise have acquired as a result of that death. It is a principle which has been applied by the courts over the years as one means of expressing the community's general abhorrence of the unlawful taking of a human life. As an example, the rule has been employed to deprive murderers of the right to benefit under their victims' wills, or upon their victims' intestacy. The rule has also been employed in cases of manslaughter.

This Bill recognises, however, that there are circumstances in which the rule can operate harshly. For example, there may be cases in family situations where a death occurs as the result of the actions of a battered spouse in instances of domestic violence. In circumstances of this kind the courts have not always produced consistent rulings, in part because of the constraints which have been imposed by the perceived wide ambit of the forfeiture rule. The Forfeiture Bill aims to remove the doubt surrounding this kind of case and to ensure that the question of moral culpability is one which can be fully taken into account by the courts when assessing a claim against the deceased's property.

Beyond the general provision empowering the court to modify the effect of the forfeiture rule in appropriate circumstances, the Bill goes on to provide for a small number of matters of detail. Principal among these is that nothing in the Bill is to affect the application of the forfeiture rule in the case of a person who stands convicted of murder, as opposed to manslaughter. In addition, to secure a measure of certainty in the distribution of estates, the Bill also provides that in cases where a person is convicted of an unlawful killing - not being murder - he or she will have three months in which to make a claim for relief from the effect of the rule.



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Mr Acting Speaker, in short, this Bill provides a mechanism for allowing for flexibility in individual circumstances. As such, it is an important and overdue reform, and I commend it to the Assembly. There are no financial considerations for government in this Bill, and I now present the explanatory memorandum for the Bill.

Debate (on motion by **Mr Humphries**) adjourned.

### **ADMINISTRATION AND PROBATE (AMENDMENT) BILL (NO. 2) 1991**

**MR CONNOLLY** (Attorney-General, Minister for Housing and Community Services and Minister for Urban Services) (12.20): Mr Acting Speaker, I present the Administration and Probate (Amendment) Bill (No. 2) 1991. I move:

That this Bill be agreed to in principle.

Mr Acting Speaker, the Administration and Probate (Amendment) Bill (No. 2) 1991 makes a minor amendment to the Administration and Probate Act 1929 to provide for ministerial determination of a rate of interest which may be payable in respect of certain legacies in a deceased's estate.

Under long-established common law principles, general legacies, including non-pecuniary legacies and certain unspent parts of demonstrative legacies, attract interest from the date on which they become payable to the date of actual payment. The payment of interest is simply a sum paid in the course of administration of a deceased's estate to prevent injustice where there is delay in payment of the legacy.

In general, the time from which the interest is payable commences one year after the death of the testator or intestate person. However, there are exceptional cases where interest is always payable from the death of the person. The timing will also depend upon the expressed intentions of the deceased person as to whether interest should accrue sooner or later. In any event, there is presently no formal guidance in the ACT as to what rate of interest is applicable in circumstances where the testator has not prescribed a rate under his or her will or where the court has not made an order on the point.

This Bill provides that in those instances the relevant rate will be that determined by the Minister administering the Administration and Probate Act. The initial rate will be 8 per cent per annum, which is consistent with the rate prescribed under a similar provision in the New South Wales legislation. Mr Acting Speaker, the Bill also provides that such a determination will be an instrument which will be capable of review by this Assembly at the appropriate time.

The Bill also makes provision for the case where property has been partly appropriated towards satisfaction of the legacy. In that case, the interest is to be calculated on that part of the legacy which has not been so appropriated. There are no financial considerations for government in the proposed amendment, and I now present the explanatory memorandum for the Bill.

Debate (on motion by **Mr Humphries**) adjourned.

**Sitting suspended from 12.22 to 2.30 pm**

**QUESTIONS WITHOUT NOTICE**

**Government Service - Staff Reductions**

**MR KAINE:** My question is to the Chief Minister and Treasurer. The Chief Minister and Treasurer has now had 24 hours to think about it and I would like her to tell me whether she still believes that the 520 jobs to be lost in the ACT over the next 12 months are nothing more than a public servant's mistranslation of government policy.

**MS FOLLETT:** I seek your guidance, Mr Acting Speaker. I believe that that question was asked and answered yesterday.

**MR KAINE:** I would like an answer to it now. I ask a supplementary question, Mr Acting Speaker. If the 520 jobs, specifically identified in paper No. 5 of the budget, is not the Government's intention and not the Government's policy, where in the budget papers is the Government's alleged policy of a 250 reduction stated? I cannot find it anywhere in these budget papers.

**MS FOLLETT:** Well, Mr Acting Speaker, I have indeed answered the question. I answered it in full yesterday. I really do not think it is appropriate for Mr Kaine to ask the same question two days running.

**MR ACTING SPEAKER:** I think you answered the question in relation to numbers, but I think his supplementary was, "Where is it in the budget papers?". Perhaps you could just address yourself to that.

**MS FOLLETT:** I would have thought it would have to be supplementary to the question in the first place; but, if Mr Kaine wants me to find the pages for him, I will do that and let him know.

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### **Obstetrics Beds**

**MR MOORE:** My question is directed at Mr Berry, as Minister for Health, and follows some questions on hospital beds that Mr Humphries asked yesterday. Can Mr Berry tell us whether it is true that there is going to be a reduction of obstetrics beds at the Woden Valley Hospital from the planned 75 to 60?

**Mr Kaine:** "O" for obstetrics, Wayne.

**MR BERRY:** Yes, that is right. I do not have on me the exact detail on the number of beds in the obstetrics ward, Mr Acting Speaker. I will look into that matter and let Mr Moore know.

**MR MOORE:** I greatly appreciate that, Mr Acting Speaker; but I will ask a supplementary question. Is it then your concept, Mr Berry, that there will be a reduction in the number of planned obstetrics beds from those that were set out by Mr Humphries, now that you are in charge?

**MR BERRY:** I am not going to get involved in guesswork, Mr Acting Speaker.

### **Tourism Commission**

**MR JENSEN:** My question is directed to the Chief Minister in her capacity as the Minister responsible for tourism. Did the Government complete a cost-benefit analysis of the decision to close both the Sydney and Melbourne offices? If not, why not - especially as the previous ALP Government, led by you, made a great splash about the opening of these centres at the time?

**MS FOLLETT:** I thank Mr Jensen for the question. To respond briefly, in the first instance, to Mr Jensen's question: No, the Government did not conduct a cost-benefit study on the closure of the Melbourne and Sydney tourism centres. Nevertheless, Mr Acting Speaker, it is true to say that the commission itself has made a very close study of the value of both of those centres and, as I advised the Assembly in question time yesterday, it was the commission's view, which they conveyed to me, that neither the Sydney tourism office nor the Melbourne tourism office was really paying its way in terms of a marketing effort for the ACT.

I think I did advise the Assembly yesterday, but I will advise them again, that the rents in both of those areas were extremely high - nearly \$160,000 in Melbourne and \$200,000 in Sydney in the last financial year. Quite clearly, they would need to be adding a great deal of business to the Tourism Commission's effort to warrant

their remaining open. So, it was the Tourism Commission's decision not to retain those two offices. They made it, I am quite certain, on the best advice available to them. But, to sum up: No, the Government itself did not conduct a cost-benefit analysis.

**MR JENSEN:** I have a supplementary question, Mr Acting Speaker. In that case, in relation to the operations in the ACT, has there been a reduction in the front office operations of the Tourism Commission's staff in the Jolimont Centre in the ACT?

**MS FOLLETT:** Again, Mr Acting Speaker, in relation to the Jolimont Centre, I have followed the course that was set by the previous Government. It has been Tourism Commission policy to reduce the costs of their overheads, including the high cost of operating in the Jolimont Centre. They are reducing their operation there; but a Tourism Commission presence will be retained in the Jolimont Centre, I am advised, and I think that is a very good thing. I think that is a good decision.

Nevertheless, it is true to say that there will be people moving out of the Jolimont Centre into less expensive accommodation. I think that that is a very worthwhile part of the Tourism Commission's streamlining process; a process which will see them exert their major effort in marketing the ACT. I think that is the appropriate way for them to proceed. Reducing their overheads in the way that they have been doing for some time now is a great help in achieving their marketing objectives.

### **School Funding**

**MR HUMPHRIES:** My question is to the Minister for Education. It concerns a statement made to the Assembly by Mr Wood in October of last year, when he said:

Let me start with an issue I raised yesterday ... This is the Federal Government's promise not to close Weetangera Primary School in the next five years. Mr Kaine's bluster yesterday cannot obscure the fact that ... this Government should fulfil the pre-self-government commitment by the Commonwealth.

I refer also to the commitment by the then Federal Education Minister to the three non-government schools which the Labor Party has now abandoned. Can the Minister explain to the Assembly why a pre-self-government commitment to a non-government school is worth less than a pre-self-government commitment to a government school? How does the Minister explain these appalling double standards to the non-government schools community?

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**MR WOOD:** No, there is no appalling double standard in this respect at all. The Government has considered the position of the non-government schools in the ACT. It looked at the cushioning arrangement that did apply under the assurance of the former Minister for Education, Senator Ryan, for whom I worked at that stage. We looked at that in the light of the funding arrangements applying now in the Territory.

We looked at it in the light of the funds that were generally available to non-government schools and also to government schools, but particularly in that non-government sector, and became aware that the circumstances behind the cushioning had changed very considerably. The level of cushioning had already dropped remarkably; but at the same time, with the relatively low level of inflation in the last year or two, it was still going to take some time to work through. In those circumstances, in view of the tight budget, it was simply not possible to sustain that level of funding to those schools.

**MR HUMPHRIES:** I ask a supplementary question, Mr Acting Speaker. I accept that the Minister believes that there is good reason for this, but my question was: Why has he acknowledged, and supported, a commitment made to a government school, namely, Weetangera school, in the campaign last year concerning school closures, when this year he is prepared to jettison, to throw to one side, a similar commitment, by the Commonwealth, to a non-government school; in fact, three non-government schools?

**Mr Kaine:** What is the difference?

**MR WOOD:** The difference is clear. Might I note that it is interesting that only now does the member raise the matter of this funding. We have sat for two days following the budget, and some bigger number of days since this matter was somewhat floated in the media, and it has never been raised, whether by MPI or by question, until this moment. Clearly, the circumstances have changed considerably, much more so than in relation to matters affecting government schools in the Territory. The circumstances are now considerably different, as I explained to you.

#### **Bruce Stadium - Lease by Canberra Raiders**

**MR COLLAERY:** My question is directed to the Chief Minister. I ask the Chief Minister where in the budget papers the \$1m owing to us by the New South Wales Rugby League in respect of the Raiders' emplacement at Bruce is listed. Is it listed as a recoverable or a non-recoverable item? If it is listed as recoverable, does that mean that the rosette which adorns her deputy's lapel is a million dollar button?

**Mr Berry:** I will take that.

**Mr Collaery:** This is to the Chief Minister; she can stand on her two feet. Mr Acting Speaker, I directed the question to the Chief Minister. I do not want to hear Mr Berry. I could not take it, not today.

**MR ACTING SPEAKER:** Well, I call the Chief Minister first. It is up to the Chief Minister whether she defers on it. She can answer it if she wants to.

**MS FOLLETT:** I find it absolutely extraordinary, Mr Acting Speaker, that members opposite are not prepared to allow me to refer a question to the Minister who clearly has responsibility for this matter. It is a very remarkable attitude on their part; but, of course, it is consistent with Mr Kaine's attitude when in government. He would not answer a question on anything. He consistently referred it to any and all of his members. Mr Acting Speaker, again, if Mr Collaery wants me to go through the budget papers and find the page for him, I will do my best. I am not certain that that will be a very simple exercise.

The fact of the matter is that the \$1m owed by the Rugby League is being pursued by the relevant Minister, Mr Berry. It is being pursued by him actively and in a way that will mean that the Territory will get it. That is in stark contrast, I believe, to the way it was pursued by Mr Collaery when he had ministerial responsibility for this matter. In typical fashion, Mr Collaery sought to throw every possible legal impediment and every possible bit of legal trickery into the debate surrounding this money, to the point where, when Labor again took government, there was absolutely no sign that Mr Collaery had really ever tried to get the money. He had sought to engage in all sorts of legalistic chicanery which had put off everybody involved - absolutely put off everybody involved, except the lawyers, probably - but the result of that was that not one dollar of the million had been paid over.

I am absolutely confident that Mr Berry will achieve the payment in time and, of course, he will do that in a way that does not totally alienate all of the other participants in that process. I refer Mr Collaery to Budget Paper No. 5, pages 91 and 92, where I think he will find the information he needs.

**MR COLLAERY:** I ask a supplementary question. If that is the Chief Minister's response and if she does believe that her Territory Government Law Office and Crown Solicitor's Office are engaged in legal trickery, so be it, and I leave it to her to apologise to those good advisers. Nevertheless, Mr Acting Speaker, I ask the Chief Minister: Why, therefore, if she sees the money as recoverable, did she issue a press release on 4 January of this year stating that the Raiders clearly should not have to pay the money because "The Alliance Government had abolished the Bruce Stadium Trust and removed members of that trust"?

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**MS FOLLETT:** Mr Collaery really does take the cake in terms of doublespeak. I do not believe that I need to apologise to anybody, least of all to the poor beleaguered public servants who had the unenviable job of working for him when he was Attorney-General. I made it quite clear that I think the legal chicanery was Mr Collaery's doing and his only.

**Mr Collaery:** I take a point of order, Mr Acting Speaker. I do ask that the Chief Minister withdraw the word "chicanery". I think it is a reflection on the legal activities of the Territory and me.

**MR ACTING SPEAKER:** I will have a look at the word "chicanery".

I am inclined to allow that.

**MS FOLLETT:** That is an excellent decision, Mr Acting Speaker. Thank you for it. It is totally and wholly appropriate in this case and in many others as well.

The last part of Mr Collaery's question was: Why did I issue a press release? I issue a lot of press releases. I rather doubt whether the one that he refers to says anything like what he claims it says; but, Mr Acting Speaker, I issue a press release because I like to keep people informed. This was a very important matter for the Territory which Mr Collaery, in typical fashion, was handling in a totally bungling and incompetent manner.

### **Tourism Industry**

**MRS NOLAN:** My question is to the Chief Minister in her capacity as Minister for tourism, and it follows on from the question I asked yesterday and to which I was not able to get an answer. Why has the Tourism Commission received a reduction of \$1m in funding? Given that it is the Tourism Commission, set up by the Alliance Government, that has been able to streamline, channel and move more money into marketing, and thus become more competitive with the rest of the Australian States and Territories, by closing those offices and doing some other initiatives the end result is that they have had a reduction of \$1m in funding. Tourism is our major employer, employing some 8,000 to 10,000 people. You have allocated \$500,000 to youth unemployment training schemes. Who is going to employ our youth, if it is not the tourism industry?

**MS FOLLETT:** Again, Mr Acting Speaker, Mrs Nolan asked this question yesterday, and I do not think it is appropriate for her to ask the same question twice. I took on notice Mrs Nolan's detailed question yesterday. She will be provided with a full answer as soon as that is possible, and it will not be very long.

**MRS NOLAN:** I have a supplementary question. Who is going to employ the youth of our city if the tourism industry is substantially reduced in funding?

**MS FOLLETT:** I believe, of course, as all members here do, that the tourism industry is an extremely important one for the ACT. I expect that it will be a major employer of the youth of the ACT and it will be amongst a range of employers in the ACT. It is a significant one because they tend to employ quite a lot of young people. You will see that we have also taken some action to help that employment situation by bolstering funding to TAFE for high demand courses. That includes some hospitality courses. I take Mrs Nolan's point that the tourism industry will employ some young people. By virtue of the budget that I brought down it will be employing better qualified young people than might otherwise have been the case.

I truly hope, as I am sure all members do, that the initiatives in this budget will make sure that those young people find work in a variety of occupations, a variety of industries in the ACT, because our youth unemployment figures do not do great credit to the ACT. The current figure is over 20 per cent and at times has, in fact, exceeded the national average for youth unemployment. So, it is a question I do take very seriously. I expect that tourism will employ some of them. I expect that other industries will as well.

### **Behaviourally Disturbed Youth**

**MS MAHER:** My question is to Mr Connolly in his capacity as Minister for Housing and Community Services. On page 16 of Ms Follett's budget statement and on page 133 of Budget Paper No. 5 there is reference to a new program to be established which will provide a daily activity program for young people with moderate behavioural difficulties. Ms Follett said that this was in response to problems identified during the inquiry into behavioural disturbance among young people. I find that statement very surprising, considering that we have just begun our deliberative stage and we have made no recommendations. My question is in regard to the money that Ms Follett has said was allocated. She said that over \$210,000 will be allocated in a full year. Is it correct that that is the amount that was asked for, but in fact in this budget only \$170,000 will be allocated to that project?

**Mr Kaine:** He does not know the answer to that one either.

**MR CONNOLLY:** There were two questions. Mr Kaine is often looking for "O" for occupation or flicking through the index. We are waiting for Mr Kaine to flick through to "S" for silly question. He has not asked me one yet; but it is there, Mr Kaine, it is waiting.



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Ms Maher's question, however, is not a silly question; it is a sensible question. It is listed under "S" for sensible question, just before the anticipated Mr Kaine question. She refers to a very important initiative which I am pleased she has noted. It is described probably most fully in Budget Paper No. 2, "Budget Overview", at page 62.

She asks two questions about that. One is about how it relates to a committee concern when the committee has not reported. As I said to you yesterday in question time, the remarkable difference between this Government and the former Government is that members of this Government actually talk to one another. As a result of that, from discussions with my colleagues Mrs Grassby, who is presently on the committee, and Mr Wood, who served on the committee, we were all aware that this is an area of real concern.

The committee has not yet given its final recommendation, but I do not think that we have to await the committee's final recommendation to acknowledge that this is an area that the community needs to act on. Rather than sitting doing nothing, as we perhaps could have, and fobbing off action by saying that it is under consideration by an Assembly committee, the Government has decided to act. It has allocated the funds indicated in the budget papers - \$170,000 in this part year.

**MS MAHER:** I have a supplementary question. Can the Minister give a guarantee that the formation of this unit - which I think was put up while we were in the Alliance Government as a new budget proposal - will be done in very close consultation with the behavioural management unit, which is going out to Dairy Flat, and the adolescent day care unit, which I believe is still trying to find accommodation?

**MR CONNOLLY:** I am looking again at Budget Paper No. 2, at page 62. It would appear that it is \$100,000 this year and \$170,000 in a full year. That is what the brackets mean. That seems to be an issue of some concern to the former Chief Minister.

**Mr Kaine:** You know what brackets mean. Bewdy!

**MR CONNOLLY:** I do, indeed, know what those brackets mean. Ms Maher seeks an assurance that there will be appropriate consultation within government. Well, I can give that. We are always concerned, when we initiate new policies or deal with existing policies, that they work more efficiently if different arms of government talk to one another. I can assure Ms Maher that I would expect the officers to do exactly that.

### **Gambling Counselling Service**

**DR KINLOCH:** This is as much a plea as a question. I am not sure to whom to address it; so I will ask the Chief Minister to direct it in the proper way. About two years ago we had a recommendation from the committee of which Mr Humphries was chair for a counselling service for people in trouble with gambling. I understood that the previous Government had a proposal that was going to come up, had they still been in office, and I took it that that would then be passed on to the present Government. I am not trying to make points here; I am just anxious to know what has happened to that proposal, if anything, and where it will go from here.

**MS FOLLETT:** I will take that question, Mr Acting Speaker. I appreciate Dr Kinloch raising it at this point. It is true to say that the casino is still under active consideration. The recommendation that Dr Kinloch refers to was, I believe, a recommendation of the Assembly's committee which looked into a casino for the ACT.

I think the best advice I can give to Dr Kinloch is that those proposals from the committee are still on the agenda. As the casino tendering process continues and draws to its conclusion towards the end of this year, it will certainly be an issue that I will be taking another look at. At this stage my Government has not taken action on that matter, as I think Mr Kaine's Government did not either; but, as we draw closer to getting a casino, we may need to take a more active stance in regard to the counselling of people who have problems with gambling.

### **Schools - Income from Tenants**

**MR MOORE:** My question is to Mr Wood as Minister for Education. Is the rent which the Cook and Lyons primary schools receive from private tenants now used to offset the costs of reopening the schools, which the Education Department seems quite keen to continue quoting?

**MR WOOD:** No, I do not think it is. It is my understanding that those rents will benefit education generally, but not specifically sustain Cook or Lyons. We do not work in that way.

### **Behaviourally Disturbed Youth**

**MR DUBY:** My question is addressed to Victor the Viking, or, should I say, the Minister for Community Services. It is a continuation of the question that was asked by Ms Maher. In Budget Paper No. 1, at page 16, under the heading "Social Justice", Ms Follett announced: "Over \$210,000 in a full year will be provided to introduce a structured daily activity program for young people with

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moderate behavioural difficulties". On page 62 of Budget Paper No. 2, that same program, "Provision of a Structured Day Program for Moderately Behaviourally Disturbed Adolescents", in this particular year, has a funding allocation of \$100,000 and, I presume, in a full year \$170,000. Can he please explain the discrepancy between these two budget papers?

**MR CONNOLLY:** I thank Mr Duby for his question. I will have to take that question on notice. The amount that has been allocated in terms of the budget is \$100,000, and \$170,000 for a full year.

**Mr Kaine:** They are rubbery like the rest of the budgetary figures. That is the explanation. You make them up as you go along.

**MR CONNOLLY:** I hear the former and failed Treasurer muttering away there. The final test of a budget, of course, is the bottom line, and the bottom line of yours was a \$6m blow-out. But, Mr Duby, I will examine - - -

**Mr Kaine:** And yours is \$6m in deficit before you start, if you read your own budget papers carefully; \$6m was withdrawn from reserves to balance it.

**MR CONNOLLY:** The former and failed Treasurer continues to mutter darkly; but, as Ms Follett demonstrated, we had to - - -

Members interjected.

**MR ACTING SPEAKER:** Order, members! Let him finish.

**MR CONNOLLY:** Yes, I would have thought that was appropriate. The former and failed Treasurer's \$6m budget blow-out is the testament to his stewardship. I will examine this with my officers and the Treasurer's officers; but, as I understand it, the figure that is to be spent in this year is \$100,000 and in a full year \$170,000. It may well have been that \$210,000 was an earlier bid for the full funding and that it was reduced as things went through.

**Mr Collaery:** No, it was not. We allocated that money.

**MR CONNOLLY:** Well, now, this is the former and failed welfare Minister. This is Mr Six Million Dollars, Mr Acting Speaker. This is the man who has that extraordinary list that was attached - - -

**MR ACTING SPEAKER:** Order, Mr Connolly! I think you are answering Mr Duby's question, not Mr Collaery's.

**MR CONNOLLY:** No, this is very relevant. I am taking the interjection. This is the man who had that extraordinary list, which he is now hawking around the community, of "What we would have done if Bernard was still in government", and it is a \$6m new policy proposal list in the Housing and Community Services Bureau - - -

**Mr Jensen:** I take a point of order, Mr Acting Speaker: Standing order 118.

**MR ACTING SPEAKER:** It is all right, Mr Jensen. Mr Connolly, I must stop you. Mr Connolly, just answer Mr Duby's questions; not Mr Collaery's interjections.

**MR CONNOLLY:** No, I am asked a question about new policy proposals in relation to the bureau, and this man here, who was interjecting, is totally discredited. But, as I say, we will, as we always do, take opposition questions sensibly and seriously. We will look into the matter and I will give a full detailed answer later on.

### **Guardianship Legislation**

**MR HUMPHRIES:** My question is to the Chief Minister. I refer to a report on ABC radio at 6 o'clock last night quoting the Chief Minister as saying that she had heeded the call of the community for further consultation on the guardianship Bills which were before the Assembly earlier this week. She was quoted as saying that she welcomed the opportunity. Can she explain how she reconciles this statement with the fact that she and her party on Tuesday night voted against a motion to adjourn those Bills for that very thing - further consultation? How would she have consulted if she had been successful in debating the Bills on Tuesday night?

**MS FOLLETT:** Very easily, Mr Acting Speaker. The people who have called for further consultation also called for the Bill to be concluded to the in-principle stage when it was introduced for discussion this week. You have only to ask them that. It is a fact that in making that view known they also made known some issues which they wished to have further explored in relation to the guardianship Bills. I did not hear myself on the ABC last night; but, if I said it I am pleased that I did, because I am very glad to have an opportunity for further consultation on such an important matter.

Nevertheless, Mr Humphries ought to acknowledge that the groups involved were happy and were, in fact, looking forward to that debate being taken through the in-principle stage. I think that answers Mr Humphries' question. He is, of course, totally unfamiliar with the process of

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consultation and is most uncomfortable with it. It does not have to be a confrontation; it can be a genuine exchange of views which leads in the end to a very much better outcome, and I am sure that will be the case with the guardianship Bills.

**MR ACTING SPEAKER:** It is now past 3 o'clock and, pursuant to the resolution of the Assembly on 17 September 1991, we now go to executive business, order of the day No. 7, the Appropriation Bill.

### **APPROPRIATION BILL 1991-92**

Debate resumed from 17 September 1991, on motion by **Ms Follett**:

That this Bill be agreed to in principle.

**MR KAINE** (Leader of the Opposition) (3.01): Mr Acting Speaker, the budget that was presented last Tuesday is truly reflective of the Treasurer herself.

**Mr Connolly:** Hear, hear! It is an excellent budget. She is an excellent Treasurer.

**MR KAINE:** Wait for it, Mr Connolly. It reflects a lack of the capability to grasp reality, a propensity for focusing on the peripheral or even ephemeral problems, and the ability to ignore completely the long-term economic reality that this community is facing in the next few years. Looking at the situation at the Federal level and in the Labor-governed States, this is, clearly, a characteristic that she shares with her Federal and State Labor colleagues.

Australia has had 8 years of Labor's economic mismanagement at the Commonwealth level, and where are we now? We are immersed in the worst recession in this country's history, the recession that we had to have. We have a Federal Government that has, without any conscience at all, created the highest level of unemployment since the Great Depression - not just statistics, but one million real people; the highest level of bankruptcies; crippling interest rates; a general destruction of our export potential; and the lowest morale in our society's history. These things, of course, impact on the people in our community, just as they do on other Australians.

The impact of the national economic problem in all its terrifying magnitude does not apply only outside the borders of the ACT. Far from it. Indeed, our community has been the hardest hit of all the States and Territories, the major blow being delivered by the Commonwealth itself. Whilst other States have faced a minor reduction in

Commonwealth funding, we have had to deal with a significant and major reduction of finance, in real terms. As the Treasurer herself has stated, leaving aside the \$53m which had previously been withheld, the reduction in the ACT's general revenue funding base is almost 20 per cent in real terms in a single year.

It is against this background that we need, I believe, to recognise the magnitude of our current economic predicament and get on with the job of dealing with it - something that this Government cannot, or perhaps will not, do. Labor failed to address the problem in its first term of office. It has failed again, miserably, this time, particularly perhaps because it has at least one eye on the forthcoming election. Fortunately, our Treasurer has, at least, partly acknowledged the reality, although she could not quite bring herself to the point of finally conceding unreservedly that there is a problem. The best she could do was to agree that our problem was "not ephemeral" but then, she is into euphemisms.

Despite this belated partial acknowledgment of the problem that confronts us, the whole thrust in this Labor budget seems to be directed towards survival, at any cost, of Labor in government, without regard for the costs inflicted on the community in the process. Of course, only certain people have been selected to bear the brunt of this budget, whilst others have been quarantined from its effects. It is quite clear that those not so quarantined are those who are not recognised by Labor as members of their constituency. These include the parents of students at private schools, small businessmen, small "capitalists" who have chosen to make minor investments in real estate, and public servants thought to be expendable by the Trades and Labour Council.

This budget should have begun with the setting of very clear-cut strategic objectives for the ACT for the next year and beyond, as mine did last year. It clearly has not done so, but focuses instead on short-term problems and solutions. There is no evidence, and the Treasurer does not pretend to produce any evidence, of any awareness of or commitment to the real problems which cry out for long-term strategies and solutions.

There has not been an ALP government yet, whether at the State or Federal level, that has been able to realistically tackle the problems in which, because of their ideological chains, they have enmeshed their communities. This budget can be likened to shifting the deckchairs on the *Titanic* in order to give it a bit of balance before it sinks.

Let me just go back to the 1989 budget that Ms Follett delivered - the budget that was, until then, the greatest consultative hoax of all time. How did Ms Follett balance the books? More importantly, what provisions did she make, knowing that the Grants Commission was about to recommend a substantial reduction in Commonwealth funding to the ACT?

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Ms Follett stated: "We must ensure that a sharp adjustment is not forced on the ACT". This translated, as far as action was concerned, into: "No expenditure cuts, just revenue increases to balance the budget".

She then proceeded to say that she had decided to contribute \$10m - a whole \$10m - towards the elimination of the overfunding which was identified by the commission. Even then, I had estimated that overfunding to be in the order of \$120m, a figure that the Treasurer ridiculed and refused to accept at the time. As it happened, my estimate was close to the mark of \$135m, as was later determined by the Grants Commission.

So, what was the Treasurer's overall budget strategy in 1989? It was a typically Socialist Left approach - overly simplistic, failing to address the fundamental problem, and failing to provide a long-term program. It entailed only two basic points - a balanced recurrent budget and \$10m towards reducing the overfunding. There was nothing further about stimulating the economy, or creating employment, or rationalising the public service. There was no plan for effective expenditure reduction, but there was a conflicting commitment to increase by 10 per cent overall public sector construction. That, incidentally, is quite a contrast to today, when massive reduction of public sector construction is the go.

In short, it was a strategy of buying our way out of trouble in the short term. So, let me return to my earlier question: How did Ms Follett balance the books? She did it by increasing revenues and using up every dollar of the Territory's reserves that she could identify; in short, by new taxes and soaking up our savings. After last Tuesday, this sounds rather familiar, does it not, because we have a repeat in 1991 of that appalling approach of 1989.

In March last year, when I outlined my Government's economic strategy, I stated that the ACT's financial difficulties would compound if we did not embark on an effective strategy for the next five years - something that was essential if we were to weather the transition period and give the ACT a good financial base for the future. We embarked on such a strategy. Labor has failed to do so.

It was my Government's commitment to responsible management of the community's resources, demonstrated through fiscal restraint and commitment to micro-economic reform, that enabled me to secure the release this year of the entire \$53m of the Territory funds which had previously been withheld by the Commonwealth. In hindsight, I am confident that this money was withheld previously by the Federal Treasurer because he could see neither an obvious commitment by the Follett Labor Government to any reforms, nor any attempt to implement responsible financial management policies. Having obtained it, Labor now fritters it all away on short-term objectives.

My Government bit the hard economic bullet and sought answers to the difficult problems. We understood that there were very serious problems and we embarked on a long-term strategy. We set up a Priorities Review Board with specific references to look at government expenditure and we set about determining what assets and related liabilities we had inherited.

We embarked on a four-point strategy which encompassed development of the private sector in the ACT and the regional economy; balancing the recurrent budget; minimising the Territory's borrowings; and making full use of the capital assets that were transferred to us. They were good, solid, long-term objectives, unlike the simplistic remedies suggested by Ms Follett in both her previous budget in 1989 and her July 1991 statement. Incidentally, this latter document was presented as a budget strategy statement but, in fact, contains no strategy.

Our best advice - and it was good advice - was, specifically, that there was a real need to curb government expenditure, not across the board but selectively after close analysis of government functions and programs. It was obvious that decisive action was required to consolidate the resources of government to ensure the delivery of services at the highest possible standard and at considerably reduced cost to the community. Given the findings of consecutive Grants Commission inquiries, there was no real scope or necessity to raise significantly greater revenues. Expenditure reduction was the principal imperative.

That is what good long-term financial planning is all about. But, of course, Ms Follett and her colleagues clearly are unaware of, or do not understand, these basic principles. She and her colleagues have continued to perpetrate the consultation hoax that she commenced in 1989. She has clearly gone through the motions of consultation in putting together this year's budget, some of it, perhaps, in abject panic, just as she did in 1989. But where are the results of this consultation reflected in her budget? I do not see any sign of it.

The budget has failed before it has begun. It addresses only short-term issues - perhaps, as I said before, with an eye to the election - and totally ignores the real and fundamental issues that it should address. It contains no strategy but reflects merely ad hoc solutions to emerging problems. It sets objectives which, even though short-term in nature, will prove to be unachievable. It exhibits a distorted, ideologically-based set of priorities. It does nothing to substantiate the Treasurer's oft asserted concern for the private sector as the generator of jobs and as the growing potential revenue base. It fails the test of social justice.



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It has deservedly received a completely negative response from everyone who has analysed it.

**Mr Connolly:** That is not exactly what we see.

**MR Kaine:** I do not know who you are listening to. We need to go no further than the *Canberra Times* editorial of 18 September 1991 to get the flavour of the response.

**Mr Connolly:** They reckon it was so good that they said it was an election budget.

**MR Kaine:** I will come back to that later, Mr Connolly. Let me review some specific issues raised by this Clayton's budget. So far as fundamental issues and long-term strategies are concerned, it is patently obvious that this Government has no interest in them. I have already dealt at length with that matter. I notice, incidentally, that the Chief Minister and Treasurer does not want to hear my response to this budget. She cannot stay in the chamber to hear what is going on.

Mr Acting Speaker, I have said that the Government has focused on short-term issues and that even their short-term objectives cannot be achieved. I will deal with a couple of specifics. To begin, let us together flesh out the Government's approach to the health budget. The managers of the health delivery system have been given the task of maintaining health services at existing levels and standards with a reduction in funding of about 8 per cent.

It is well known to everybody here that financial management of health budgets has been a major problem for government over several years. Performance in controlling programs has been appalling. Mr Berry found this out, to his embarrassment, in 1989, with a budget blow-out becoming obvious in the first quarter of the fiscal year. Mr Humphries inherited the problem.

But once the magnitude of the problem became clear, through the Enfield inquiry, instituted, incidentally, by the Alliance Government, corrective action was initiated to put adequate management systems in place and to enhance financial management generally. Now, these measures are, no doubt, taking effect and Mr Berry could be - could be - a beneficiary; but miracles are not worked overnight. It is my belief that it will take some months for the Alliance Government's measures to become 100 per cent effective.

To expect the new management to deliver the goods with a massive 8 per cent reduction in funding is, in my view - this is a professional, not a political, view - asking too much. I would estimate that around February 1992, which is election time incidentally, Mr Berry will again be explaining excess expenditure - I will not call it a budget blow-out - because this Government has asked for too much.

In all of this, of course, Mr Berry has failed abysmally to quantify his expectations. Despite his constant harassment, over many months, of Mr Humphries with his "When are you going to stop beating your wife" questions about fictitious reductions in public beds in our hospitals, we now find that he avoids the question himself - and it is no longer fictitious. The Treasurer herself has said that productivity improvements "will allow the board to reduce the number of beds required to be opened and staffed, and to pull back from last year's spending levels". It is interesting how the tables turn.

Mr Berry is unable to say how many beds will go. "It is a bit of a balancing act", he says; "A bit of tricky planning will be required to make sure ... the overall costs of the system drop while quality is maintained". Tricky indeed, with the Minister now hoist with his own petard, but unable to answer the most basic question about his objectives, which surely must have been quantified in arriving at a figure for the health budget.

How else did you get at the bottom line for your health budget, other than by determining what the end service was to be and then putting dollar tags to it? But Mr Berry does not know. I will not elaborate on the change in standards - bed reductions which were anathema last year have become legitimate objectives this year - but I will ask: How does management satisfy an objective that the Minister himself cannot quantify? I think somebody ought to be answering the question.

What about reductions in staffing levels in the ACT Government Service? Ms Follett just loves to attack me over my long-term strategy objective of reducing staff numbers over a five-year period. So, let us examine her objective for this year alone, if we can determine what it is. Over recent weeks she has asserted, stridently, that she will reduce numbers by 250. That is, in itself, an interesting turnaround, given her stance on my long-term aim.

But how good is her 250 figure? Reference to her own budget papers shows that the 250 figure is nowhere mentioned. In two places in Budget Paper No. 2 the figure of 500 is stated to be the aim for this year. In particular, page 49 of that paper records that "expected average staffing numbers shown in Budget Paper No. 5 show an expected reduction in staffing in 1991-92 relative to 1990-91 of approximately 500 full-time equivalent staff" - not 250; 500.

Nowhere in the budget papers is the figure of 250 recorded and it is not possible to validate Ms Follett's assertion - and she will not answer it in question time - that it is the Government's policy to reduce numbers by only 250. On the contrary, if we go to Budget Paper No. 5, to which we have referred, we find that, in respect of each of the 27 programs of the Government, there is stated the expected

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change in numbers implicit in each of the budgeted program sums. The salary provisions for each program set the expenditure level, which is derived from the staffing numbers quoted, presumably. If they are not based on that, I do not know what they are based on. Simple addition of all the expected average staffing level, full-time equivalent, figures shows that the Government expects a total reduction of 520.

Now, these are not public servants' translations of government policies, although Ms Follett would have us believe that they are. They are figures promulgated by Rosemary Follett, MLA, Chief Minister and Treasurer of the Australian Capital Territory; not by the Under Treasurer, not by any other public official, but by the Treasurer herself. They are figures promulgated by her, and where else are the Government's policy objectives set down, if not in this document? Ms Follett cannot or will not answer the question at question time. Clearly, this is the policy, and it is not the figment of some public servant's imagination. Of course, it is interesting that it could be a transposition of numbers, from 250 to 520. I suppose some public servant could have made a typographical error, but I doubt it.

I have to say, Mr Acting Speaker, that I always found our public servants to be thoroughly professional. I believe that they have accurately translated the Government's policy. In this whole equation it is only Ms Follett who is demonstrating a lack of professionalism. She cannot avoid responsibility for her own figures by blaming her officials. So, presumably the net reduction is either 250, as asserted by the Treasurer, or 520, as explicitly stated in her budget papers. Who knows? Least of all, the Treasurer. As an aside, I could ask whether all the figures in the budget are as rubbery as these are, and I suspect that they are.

I am quite certain, however, that an employee working, for example, in an organisation embedded in program 19, public works and services, must, of necessity, begin to feel insecure when he or she reads that, of 789 people employed last year, 124 will go this year. That is one in five, or thereabouts. So, if there are five of them in an office, they know that one of them is going to go.

For other major reductions, just have a look at programs 22, 26 and 27. I am sure that the public servants in those areas are asking themselves the same question. So much for Ms Follett's assurance that redundancies will not be across the board, but will be "selectively targeted". This is the panic factor. When she found that she could not balance the budget, the selective targeting went right out the window and she took a different approach in the last two weeks leading up to the projection of the budget.

The PSU has already expressed concern based on Ms Follett's 250 figure. Whether the real targeted reduction of 520 is achievable will depend, of course, on the reaction of the unions to the revelation of this real figure. The likelihood of achieving the expected outcome, even if it weathers the unions' reactions, is very low because of the difficulties of identifying those to go, seeking their acceptance of redundancy packages, and physically processing the resulting applicants - or are they to be pressed volunteers?

I said earlier that this budget exhibits a distorted, ideologically-based set of priorities. By way of example, I need go no further than the decision to set aside earlier assurances to three private schools and to reduce their funding by \$520,000. This is a massive reduction in funding for those three educational institutions and will impose an inequitable burden on the parents and managers, since they have had no prior warning, no consultation, about which this Government talks so loudly. There being no justification for the reduction from the Government, it is open to the interpretation, regrettably, that this is a response to the pro-public school, anti-private school lobby.

It should cause the alarm bells to ring for other so-called wealthy private schools, including the Catholic schools system. It is ironic, even if coincidental, that the \$520,000 a year saved by this measure is very nearly equal to the \$532,000 a year required to keep the Cook and Lyons primary schools open for a total student body of only 165 children. Now, there is some social justice for you! Mr Acting Speaker, here we have a Minister pushing the anti-private school lobby. He ought to be ashamed of himself.

The proposed land tax is another example. It is clearly unacceptable to the Labor Party ideologues that the hundreds of "wealthy" small capitalists who own a house or two by way of a hedge against inflation, or even as a form of superannuation, should get off scot-free with their profits. It is even acknowledged that much, if not all, of the tax will be passed on to tenants in the end. On the other hand, the Government's proposal would establish a special class of protected tenants, and a protected landlord; that is, some Housing Trust tenants and the Housing Trust.

**Mr Connolly:** Rubbish!

**MR KAINE:** It is not rubbish; it is fact. Inevitably, Housing Trust rentals will adjust to market rates for those tenants to whom full market rates apply; but the proceeds would, under the Government's proposal, become a windfall profit for the Trust. Subsidised Housing Trust tenants would be protected from the increases, but less fortunate low-income tenants in private rental situations would not. Is this more social justice, or has this one, too, simply not been thought through, like the rest of the budget?

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Mr Acting Speaker, I now turn briefly to the private sector. Ms Follett asserts at Budget Paper No. 1, page 24 - she can look it up; she has trouble finding things in her own budget papers - that her budget measures should have minimal impact on economic activity within the Territory. Nothing could be further from the truth. The adverse effects will be considerable and will influence the private sector well beyond this immediate fiscal year.

The direct effect of increases in such taxes as the gas levy, the duty on general insurance transactions, increases in stamp duties and in vehicle registration and transfer costs will be of immediate concern to small business, already struggling to keep afloat. Increases in other imposts such as general rates and water and sewerage rates also impact on business, just as they do on private individuals.

A major impact on business will result from the considerable reduction in the capital works program, and this will be compounded by the lack of Commonwealth works and the slowdown in private sector development and construction. Employer organisations, professional bodies and trade unions generally agree that the reduction in the general level of construction to a new low figure of \$750m annually will lead to the loss of about 900 jobs in the industry. The union view is that multiplier effects will see up to four jobs lost in the broader economy for each job lost in the industry itself. We are talking here, potentially, of about 3,500 jobs to go.

The gross effect of this is, of course, beyond the control of the ACT Government, but in such circumstances it would surely be incumbent on the ACT Government to provide a reasonable level of ongoing essential works from within its budget, to provide some continuity at least for the small operator in the industry.

To make no borrowings at all, on the pretext of prudence, is to totally ignore the needs of the community and to use the spurious ground of prudence as justification. Moderate borrowings - and I repeat, moderate borrowings - would have been consistent with the imperatives of responsible financial management and, at the same time, would have provided well-justified support to our struggling private sector. Ms Follett's assurances of the value that she places on the private sector ring hollow indeed.

Mr Acting Speaker, I have spoken of the consultation hoax. Another hoax, and a reprehensible hoax, is the government misrepresentation that this budget does something about jobs for our jobless youth. It does nothing but pay lip-service to jobs for youth. It creates a minor diversion relating to jobs for youth - a few more places in TAFE. But where is the project to create one single job for a youth in this community? Name one project that creates one job for one youth. The results of this budget will be

fewer job opportunities in both the public sector and the private sector. This is possibly the cruelest hoax of them all, because it falsely raises the hopes of our young people.

When all of my comments during this review of the budget are considered, it can only be concluded that the budget does not satisfy the criterion of social justice - the basis that Ms Follett claims for it. There is no social justice in the arbitrary transfer of funding from the private schools sector to the public schools sector. There is no social justice in withholding minimal support and encouragement from our sorely-pressed small business in the private sector. There is no social justice in penalising the ageing, the widowed, the prudent who have tried to protect themselves from the deprivations of inflation by investing in a small way in real estate.

There is no social justice in treating the community as an electioneering tool, by addressing only the short-term problems as a matter of expediency and ignoring the potentially disastrous consequences of this self-seeking activity which will inevitably fall on the community in the future - indeed, in the immediate future. There is no social justice in creating false hopes among our youth in their search for jobs. The *Canberra Times* got it right when it said:

... no-one could seriously expect that the Budget will succeed, or is even intended to succeed, in carrying the ACT through to June next year. It is simply designed to carry the Government through to an election without things going ... awry in the meantime. Then it will be up to the party in power to pick up the mess ... the mess is likely to be a very serious one - probably indicating an up-end Budget shortfall of at least \$20 million.

My sincere hope is that a blow-out as low as \$20m just might eventuate. As I said, the *Canberra Times* got it right, and so did the senior ACT public servant, quoted by Ian Davis, get it right - that the budget was "all about keeping all the balls in the air - and hoping they don't fall before February".

Mr Acting Speaker, the Labor Party avoided their responsibility to the community in their 1989 budget. They have done it again in their 1991 budget. I am sure that the community in general has seen that, just as clearly as have the *Canberra Times* reporters and editorial staff.

The incompetence, or the naked self-interest, of this Labor Government will not go unremarked by the electorate. The more responsible members of the community and of this Assembly can only live in hope that February will see a return to sanity and responsibility in government, and that the damage done by this Government in so short a time in office will be susceptible to correction without too much pain.

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Ms Follett has demonstrated yet again that she simply does not understand anything about economic and financial management. She made her lack of understanding patently obvious right at the beginning when, during the debate at the Press Club in 1989, she asserted that there was a surplus on the ACT Budget and that I was wrong. That surplus, of course, turned into the \$135m shortfall identified, for that year, by the Grants Commission. She was short on understanding and competence then; she remains so today.

The ACT Government Service staffing numbers fiasco is indicative of this entire budget - the numbers are rubbery. But you cannot blame professional public servants for doing their jobs; you must blame the perpetrator - the Treasurer. Just as the *Canberra Times* and other critics have got it right, the Treasurer has got it wrong - again.

**MR COLLAERY** (3.31): Mr Acting Speaker, the Follett budget is a mutation of the Alliance budget minus social justice. It is sterile and it is patronising. It is a budget framed for an election slogan, namely, "Labor Balances", rather than a budget framed for the people. It is a shallow document devoid of the innovations introduced by the Alliance budget. Whilst it is true that the budget affirms just a few of our social justice initiatives, they have been either put on drip feed or put off. Shame on a Labor Party for that.

The Rally said on 6 June this year in this house that Ms Follett would be largely constrained by the budget preparations made by the Alliance. We warned her against ideological tinkering with the budget. The Rally also informed her of some of the lessons we had learned over 19 months in government. Those warnings have been ignored. We see the ideological Left hand all through this budget.

The claim by Ms Follett that social justice is "the key to the budget" is a hollow promise; it is a cruel hoax. When she took government she took over a long list of potential initiatives. Some of them, like the proposed capital projects - - -

**Mr Connolly:** The \$6m wish list.

**MR COLLAERY:** Just listen to this. Some of them, like the proposed capital projects for the deinstitutionalisation of Bruce Hostel, the structured day care program for a select group of young people, the outfitting of a disability services group home, and major capital assistance grants in a program totalling \$1.6m, have gone. They have gone, Mr Acting Speaker, because Ms Follett has transferred the \$3.5m surplus from the Community Development Fund to the municipal budget. She has done this rather than borrow an appropriate sum, as is the accepted, orthodox and prudent practice in all municipal budgets.

In other words, Ms Follett has used, among other moneys, the CDF surplus and other capital funds to assist with the recurrent municipal budget. I am sure my colleague Mr Duby will have more to say about that. Mr Acting Speaker, current ratepayers and our Territory piggy bank should not be ransomed to pay for the future road systems in Gungahlin. There should be sufficient municipal borrowings for these infrastructure works and future ratepayers in Gungahlin should pay their share of this through interest servicing, while the lame, the disabled, and those in need are properly attended to.

The broken promises extend to the planned reduction in public hospital beds. The maintenance of public hospital beds was an article of faith, we thought, under Labor. We observe, more in sorrow than in anger, that no faith can be placed any longer in the Labor Party in this Territory.

With youth employment exceeding 20 per cent in the Territory, the paltry half a million dollars allocated to employment support schemes is a sick joke. Some of it is only cosmetic, because the Government has shifted around moneys within the existing TAFE budget. Also, Mr Acting Speaker, the low number of young persons being taken into the public service is itself an indictment of our lack of conscience. The \$200,000 for a venture and development scheme does not in any way come near the \$500,000 which I was told would be needed to get a youth enterprise collective going. With a budget of about \$10m a year in the Chief Minister's Economic Development Division alone, the allocation of only a few hundred thousand dollars is a warped priority.

The Rally has said consistently that the Chief Minister's Economic Development Division has not delivered and should be replaced by an economic policy advisory council made up of eminent financial people, business people, bureaucrats, public sector administrators and others. This has not been done, despite the clear lessons learned interstate and with the Federal Government's EPAC. I exclude the excellent research activity of that division from my remarks.

Mr Acting Speaker, non-consultative divisive cuts to private school funding over a paltry \$520,000 are a vote-catching attempt at a sectarian vote. Money could be found quite easily within the budget, and must be found, and we call upon Ms Follett to reverse that decision. The cuts to the three schools singled out in the budget - that is, the two grammar schools and the AME - breach a legitimate expectation those schools had arising from a 1985 Federal Labor promise to continue their funding. We heard all the claims on the other side of the house when we were in government about the legitimate expectation of some government schools to remain open.



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Mr Acting Speaker, the situation is different from that of a new school seeking funding from this Government. These three existing schools have operated and budgeted on an expectation, as I have said, which, were they Canadian schools, they would be able to enforce under the more developed doctrines of legitimate expectation in administrative law. We cannot expect to see those reforms brought in here under the tag-along young Attorney we have in this Territory now.

An examination of the variation to the State recurrent grants shows that the ACT in this area will stand alone, shamefully alone, in its ideological stance on this issue. The comparable figures for schools in New South Wales are \$243, Victoria \$300, Queensland \$600, or close thereto, Western Australia \$500, Tasmania \$582, and the Northern Territory \$835. In the ACT, Mr Acting Speaker, it plummets to \$189. That is all you get from the Left here, if you are in one of those schools. When you get to secondary level, the figure plummets even further.

Members of the house should be ashamed of the manner in which the Follett Government, for clear political gain, has raised a sectarian issue in our community. It may be good for votes on the Left, but it is not good for the community. It will be divisive. It may rekindle old debates. It is unfair and is wrongly presented.

The Rally has long supported the belief that parents have the right to choose the kind of education that they wish to give their children. This, of course, reflects the Universal Declaration of Human Rights. When the funding cuts are so out of kilter with the rest of this nation you can only come to the conclusion that these schools have been singled out for an ideological reason rather than any common stand in the budget.

Let me give you an example as to why this is an inequitable cut. The Follett-Whalan Labor Government got us into a huge expenditure at the Bruce Stadium - \$6.9m. In return, the New South Wales Rugby League was to contribute a million dollars. Mr Berry's latest statement is that alternative ways may be found to pay the debt. His Government has gone easy on a million dollar debt and at the same time has cut half that from the schools where our children - our future resource in society - are educated.

Mr Acting Speaker, let me identify my views. As a founding parent of the AME school but one whose children went ultimately through government schools here, I want to tell you how that school was started. We dismantled the old Reid Hostel building and I personally rode shotgun on a semitrailer out to Pialligo to help bolt that school together. The Labor Government is now unbolting that school and destroying it.

I want to stress particularly the situation of the AME school. They do not have the strong alma mater network that the grammar schools have. They have sought to develop modern education at an egalitarian level. They are hard hit by this cut. I can think of several illustrious graduates from that school. One is a son of a prominent Canberra clergyman. He is a marvellous graduate of that school and a great credit abroad in his postgraduate studies. I trust that, wherever he is, he will deplore this action.

Mr Acting Speaker, on policing we again strongly criticise this budget. The Government has overlooked the fact that the Federal Government remains primarily responsible for policing in the Territory. The Australian Federal Police Act has not been amended to take that responsibility from the Federal Government. The agreement between the then ACT Government and the Federal Government for the provision of police services to the Territory from 1 July 1990 was predicated on the view that both parties would set up a lengthy transitional review process to examine policing functions. The Territory was apprehensive that it would take over an overfunded organisation and likewise the Commonwealth was keen to ensure that it retained a community police force component of a national policing function.

The Commonwealth saw this arrangement as providing career depth and general policing skills as a basis for its more specialist national policing functions. For its part, the Territory made clear that its prime interest was in developing a semiautonomous community policing component. The alternative for the Territory, namely, a stand-alone police force, was impractical and financially imprudent pending the transition and the outcome of a series of functional reviews.

The Follett budget decision to unilaterally, on a non-consultative basis with the community, proceed to cuts outside the transitional review arrangements spelt out between the governments was premature and unnecessary.

**Mr Connolly:** Your Chief Minister promised to do it last year. He said it. It is in *Hansard* and in the press: "We will cut the police".

**Mr Jensen:** He did not say that it was going to happen.

**MR ACTING SPEAKER:** Order, Mr Connolly and Mr Jensen!

**MR COLLAERY:** He protesteth much. Any identified overexpenditure at this stage should have been the subject of further transitional negotiations with the Commonwealth and not at the expense of community policing. We saw again a tag-along government tag along and not have a go at the Commonwealth to renegotiate the transitional basis for the funding. The ACT community policing strategy, which we believed had the support of the Government, is based on a

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qualitative analysis being undertaken by a private consultant, Frank Small and Associates, as part of a two-year study. To have cuts come at this stage, in the middle of a transitional review of both the costing and the functions of the police, is extraordinary.

The community policing strategy aimed to increase the feeling of safety and security in the community by giving priority to crime prevention and detection programs as well as maintaining a rapid operational response capability. A crucial element in this strategy is improved interaction between the police, the ACT community and the Government. Sadly, those links have been broken.

The results of the consultant's survey to the end of May this year highlighted various weaknesses which were being progressively addressed by the police. These included directive patrolling, where police would walk the streets, introduce themselves to residents or shopkeepers and invite comment on likely crime concerns. Also, police were encouraged to attend meetings and discuss matters with specific groups of people. I want to place on record our admiration for the respect that the police officers give to those many community groups whose meetings they attend. The police increasingly are attending business places and are gaining increasingly the respect and the cooperation of small business, in particular, in this town.

Other matters the police were looking at included the specific concerns of people, including the aged and women. The police, in that process, were enhancing their customer service approaches, such as shopfront policing sites at Civic, Belconnen and Tuggeranong. The police trialled in my time as Minister two mobile shopfronts so that they could target particular trouble spots. The police did not seek to reinvent the wheel, but chose to build on successful programs operating elsewhere in Australia and overseas.

We believe that modern policing requires an alternative to arrest in dealing with indecent language or similar charges relating to small-scale public disorder. The move-on power was a limited way of giving support to this notion. It has not received the support of the Labor Party and I believe that that is one aspect of their poor relations with our police force - their failure to put ideology aside in protecting the public of this city.

Mr Acting Speaker, I believe that the Government is to be condemned for the manner in which it has gone like a bull at a gate in cutting the police budget. Surely, the correct way to go was to press the Commonwealth for more contributions for its national policing functions. I wish to say to the Labor Party that the community will continue to support the Australian Federal Police. The Rally, in particular, will bring forward reforms to law and policing

which will bring about economies of effort and a diversion of resources, particularly from the courthouse, where police spend so much time in the forenoon. Regrettably, the initiatives will have to be taken on this side of the house because they are not being taken by the Government.

Mr Acting Speaker, on 10 July 1991 the Chief Minister announced that her Government was looking at including work-based child-care provisions in new initiatives. The Follett budget makes provision for \$500,000 to be made available in 1991 to provide work-based child-care for staff in the ACT Government Service. We applaud this move. Although it is a drop in the ocean, it is clearly a beginning and builds on the arrangements we made in government at Woden and Calvary.

The new capital works proposals involve approximately \$15m for the construction of infrastructure services, including access roads, and sewer and reticulation mains at Gungahlin. As I said earlier, the Follett Government cannot justify its impost on current ratepayers by not borrowing more than the approximately \$5m scheduled to fund this portion of the municipal capital works budget.

On the subject of land development, the Government again is being inconsistent. Despite the rhetoric earlier in the year, the Government has, in effect, through this budget, affirmed the continuation of the balance between private and public development initiatives, particularly with joint venture activities. The capital works budget clearly indicates a continuation of the present arrangement; but we have received no clear endorsement directly from this Government, obviously so that they can keep their powder dry and their options open for the election. It is time the Follett Government gave a clear and emphatic endorsement of the joint venture building arrangements for our city.

On that point I indicate to the house that the arrangement itself should be reviewed. In the Rally's view, it is timely for the Government to open up scope for joint venture arrangements to a wider business community than the restricted arrangements with the institutional developers. On data available to the Rally, there is clearly scope to reduce turnout prices for blocks by allowing capable builder groups to contract directly with the Government. It has been put to the Rally that at least one developer group could turn out blocks \$10,000 cheaper than the current arrangement. That may or may not be the case, but the Rally will push for a review of this closed shop joint venture policy. The prime consideration of the Government should be revenue which does not deny home seekers affordability and accessibility.

Mr Acting Speaker, the budget paper wisely sounds a warning in relation to the difficulty the Government is having in determining the Territory's massive accruing superannuation liabilities. This is as much a problem of research as it is of methodology. On the research side, the Government is

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yet to know about a whole range of elections to be made under the public sector superannuation scheme and expected levels of redundancy and retirement. We note that there is no significant allocation for redundancy payments in the current budget. This suggests that natural attrition and a slow move towards more acceptable staffing levels is the Government's preference.

On the methodology side, members may have seen an article in the *Financial Review* on 16 September last, by Prudence Anderson, in which she reviews a new book *Managing State Finance* by the New South Wales Treasury's recently retired deputy secretary, Mr Don Nicholls. The book reveals the myth of allegedly balanced budgets and/or deficit budgets. The learned author believes that governments should extend their accrual accounting methods in line with the private sector practice of recording assets and liabilities.

The ACT budget has significant areas where user charges are retained by agencies and not paid into the Consolidated Fund, and significant areas where group support services are not booked up to the cash-flow area they relate to. In other words, what is the profit and loss situation, for example, of having an Economic Development Division, and what carry forward is there in the work they do in relation to specific identified economic enterprises of the Government which cost money or incur debts? On Tuesday we asked the Chief Minister the size of the Territory's public service. It is Thursday now, and we still do not know. We could not have highly accurate predictive budgeting on that basis.

On the subject of Territory investments, the Rally wishes to congratulate the ACT Treasury for its move to more commercially based investment activity on the market. We believe that the returns are appropriate and we believe that they reflect the high level of competence of those public officials involved.

Mr Acting Speaker, the Housing Trust has borrowed \$6m to expand housing this year. Much was made of that when Mr Kaine made the point that really there were no incentives for the private sector in the budget. The borrowings are not within the housing fund as such, but have been brought across from the Territory account. One should question the wisdom of expanding new construction within the Housing Trust vote at a time when the spot market presents a swifter and cheaper form of meeting the stock acquisition strategy. Up to the time I left government, there was a firm view in the trust that the spot market was the more appropriate place to find cottage dwellings, except for urban consolidation situations, aged persons units and other specialist requirements needed to balance stock in newer suburbs.

This tactic to expand construction will ultimately work to the detriment of the 3,000-odd on the waiting list. This issue needs to be watched carefully and the Government will need to reconsider the wisdom of pushing out into some of the newer suburbs before the social infrastructure is ready. In our view, the trust should have largely quarantined new construction to areas with an existing social infrastructure. The trust could ensure that there were sufficient reserves of land set aside, or a forward purchasing block strategy developed, so that social homogeneity in newer suburbs in Gungahlin and South Tuggeranong could be maintained at a later date.

Mr Acting Speaker, on employment, we are, like my colleague Mr Kaine, unable to find an employment strategy in this budget. In a country which daily is assailed with graphic accounts of unemployment, why is there no employment strategy in this budget? We in the Rally looked for it; we cannot find it. There are some throwaways; for example, in answer to a question on Tuesday Ms Follett said that there were 12 trainees in the public service, yet her budget press release says that the number of trainees in the public service will double to 40.

This number and this inaccuracy, somewhere, typifies the glib presentation of this budget - the patronising attempt to sell a transparently misleading budget. This budget, frankly, is a disappointment to us in the Rally. More importantly and most of all, it is a disappointment to self-government. It is a betrayal of self-government. It is a failure to tackle the big issues.

**MR DUBY** (3.50): Mr Acting Speaker - - -

**Mr Kaine:** You have 43 minutes.

**MR DUBY:** I do not think I will need 43 minutes.

**Mr Wood:** Tell us about the Hare-Clark Independence Party.

**MR DUBY:** That is far more interesting than this budget. Mr Acting Speaker, I guess we should have known better than to expect from Ms Follett a budget that demonstrated some economic and financial management skills. Then again, I guess we also should have known, when we looked at the 1989 budget that she brought down, what to expect. I think, as Mr Kaine aptly pointed out in his address, we have more of the same. We have a budget that simply does not address the issues that are important here in the ACT at this time.

**Mr Connolly:** I raise a point of order, Mr Acting Speaker. I presume that Mr Duby is addressing the house in his role as a party leader. I wonder whether he would advise the house which party it is that he is currently leading.

**MR DUBY:** I think Mr Connolly is trying to be a party pooper.

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**Mr Moore:** Did you register the Birthday Party?

**MR DUBY:** No, but I will leave you to register the Disappointed Party. How does that sound? Where was I? As I was saying, this budget does nothing to address the issues that are facing the Territory at this time. I thought it would be appropriate, in making this address on the budget, to go back and look at some of the things that have been said in the past, particularly by Ms Follett. Frankly, the statements that have already been made by Mr Kaine and Mr Collaery, I think, go to the absolute nub of the problem.

There are some particular points which I would like to ask the Government to explain because I think they stand out like a sore thumb. One issue which particularly concerns me is that of tourism funding. I notice that last year, out of the Consolidated Fund, there was an estimated expenditure - I imagine that that was the amount actually spent - of some \$4.65m.

I notice that the Minister for tourism, who is also the Treasurer, of course, is not here at the moment. A very interesting figure comes out in the 1991-92 budget estimates in that the grant to the Tourism Commission this year has been reduced from \$4.65m to \$4.04m, and on top of that the Tourism Commission is being asked, or being instructed, to pay, for the first time, its rent of \$1.1m. So, we have its funding cut from \$4.6m down to, in effect, about \$2.9m.

That is a remarkable cut in this budget. Everyone mouths off and says that everyone here in this Assembly is supposed to support tourism because it is a method of providing employment, et cetera, and economic activity in the Territory; but it is clear that there is not much incentive placed by the current Government on tourism in the Territory when it can have such a dramatic cut in its funding. I note today that a tourism commissioner has announced his resignation, and I think I know why. The reason is, of course, that he, in all conscience, cannot stay as a commissioner on a commission which does not have the support of the Government.

As I said, there were some interesting points made by Ms Follett in her speech of 13 December 1990 when she addressed the Appropriation Bill, or last year's budget. It is funny how words come to haunt you. She there bemoaned the fact that Canberrans will be paying through higher taxes and poorer services. Well, nothing could better describe this current budget. She went on to say that that was a budget from a lazy government, a government that was too lazy to make the hard decisions. What we are seeing today is also an example.

Ms Follett last year bemoaned the fact that at least 400 public sector jobs would go as a result of the budget; yet when she brought down her budget we saw that there were going to be some 520 jobs lost this year. She says, and I agree, that this is a disaster for Canberra at a time when the employment outlook is very, very gloomy. Interestingly enough, I also noticed in this speech of 13 September 1990 that she said that unemployment in Canberra was approximately 5 per cent at the end of June last year. She then went on to quote her Federal Government colleagues and said that the Federal budget - brought down, of course, by what was then the world's greatest Treasurer - predicted that the national figure would be 7 per cent by June 1991. He was only 3 per cent out.

She also asked, and I ask, too, as a result of this budget, what are Canberra's children going to do about a job? The issue of youth unemployment has been raised by both Mr Kaine and Mr Collaery, and it is one of great concern to all of us. There is certainly no help for them from this budget and from this Government. What we need now, I think, more than ever, is a government which is willing to act decisively on economic policy, not one that has shown itself to be incapable of making decisions.

I notice in this budget also that ACTEW has been milked quite efficiently to the tune of some \$19m. This is an outrageous imposition on ACTEW. The log was pretty well hollowed out last year, if I remember correctly. To impose a \$19m slug on ACTEW this year and at the same time leave them, in effect, with their hands tied behind their back by not going ahead with their corporatisation and thus enabling them to operate on an efficient basis to meet those additional slugs - - -

**Mr Connolly:** They can operate efficiently without being a corporation.

**MR DUBY:** They are very efficient; I will not dispute that. But I think there is certainly room for improvement. To impose a \$19m slug on ACTEW at this stage means, in effect, that ACTEW almost certainly will become a net borrower as of next year. That is a very dangerous situation for our largest employer to get into. The only way that ACTEW will be able to fund itself, if that rate of attrition is maintained, will be by borrowing. I personally do not look forward to that; I think that is something which should be prevented at all costs.

Mr Moore, you would like to hear this. This is a quote from the speech in which Ms Follett was berating the Government last year. She said, "Is it efficient to corporatise ACTEW?". Well, I think the answer is yes. She also mentioned taking away ministerial control over pricing - a matter which was debated at some length on Tuesday and here today.



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There have been substantial cuts to the public sector. There will be something like 520 jobs lost and I think that is simply not acceptable.

**Mr Moore:** Is that because it is not enough or it is too many?

**MR DUBY:** No, I think it is not acceptable, particularly when it is not spelt out how these cuts are going to be achieved. As Mr Collaery said, there seems to be no allocation of funding that I can find for redundancy packages, et cetera; so clearly it is intended that this will be on a natural attrition basis. Frankly, I think that is unachievable.

That brings me to the other point that I was going to make, namely, that the bottom line is that this supposedly balanced budget is based on a number of predictions. Those predictions are, of course, things like a large reduction in the public sector; a large reduction in supposed areas, as Mr Kaine pointed out; a substantial cut of almost some \$20m in the health field, which I do not think will be able to be achieved; and a 20 per cent across-the-board cut in travel expenditure. Well, I have learnt from experience; you will find that that will not be achieved.

**Mr Connolly:** We will achieve it. We will set a ministerial example, you see.

**MR DUBY:** I wish they would set ministerial examples and refrain from going to party conferences in Hobart. As I said, those things are going to be very difficult to achieve. Whilst it looks good today when you say, "Oh, well, we have a balanced budget", I do not think that at the end of the day that is going to be achievable. There is a massive cut in the health spending. There are cuts, really, across the board in a whole range of areas.

What I regard as the worst example of trying to balance the books is the transfer of funding from the capital works program onto the recurrent side. I think that is a big mistake. I think it is a foolish way to go about it. You would have been better off to borrow the money and put it into your capital works program because, as sure as night follows day, a reduction of almost \$20m in the capital works program is going to lead to a loss of at least 600 to 700 jobs in the construction industry. That is something which we simply cannot afford at this stage. I think it is very irresponsible of the Government to adopt that line. I know that it would never have been allowed to get through whilst I was in the ministry.

Mr Acting Speaker, I think this, frankly, is not a good budget. It is a budget which, in my view, is indicative of a government that does not really know what it is doing. It is an uncaring budget. I think this budget will burden the Canberra community with higher taxes, with fewer jobs and services and definitely with a reduced standard of living.

**MR MOORE** (4.01): Mr Acting Speaker, I will not take the full 1 hours that I would be entitled to as leader of two parties. I will, instead, take just a few minutes to work through some areas that have not been discussed very much by other members in the reply to the budget.

I think that the setting of priorities has once again been left to public servants. Three years in a row we have seen bureaucratic budgets. The advantage of that is that on each of those occasions we have basically seen a balanced budget. I think that both the Treasurers - Ms Follett as Treasurer in the first Follett Government, and now; and Trevor Kaine last year - were actually coming up with the concept and making sure that they worked towards a balanced budget. That, indeed, was the appropriate way to go. In this case credit goes to Ms Follett for also attempting to cut down on the borrowings of the Territory as a whole. There is, though, a case for borrowing in certain circumstances, and I will come to that case in a short while.

I think the first thing to do is to look at the proposed cuts in public servants. This is something that Trevor Kaine has announced previously; he was going to cut, on my recollection, something like 3,000 public servants. But, of course, the result of the Alliance Government's attempt to cut public servants was in fact an increase in the number of public servants during the Alliance Government of some 400.

What we have here is a proposal to cut somewhere between 200 and 550 public servants - we are not quite sure how many. I would say to Ms Follett and the Labor Government that I think that is an appropriate way to go. I think most people in Canberra recognise that in straitened times we are going to have to cut back on the number of public servants we need to service our Territory and at the same time maintain services. There is a methodology that could be employed to ensure that you do not fall into the same trap that Trevor Kaine did; the trap of saying, "I am going to cut the number of public servants", but then ruling over a situation where they are increased.

I suggest that the Government set about this task using the following methodology: As of today, do the advertising and filling of all public service positions only with ministerial approval. If you do that, if you decide that positions can be advertised and filled only with ministerial approval, you will be able to ascertain where you can cut the public servants back by attrition. I do not believe that anybody here will advocate straight firing of public servants; we would prefer to see a redundancy package offered, where it is appropriate, or the numbers gained by attrition.

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The next area that I think is worth making comment on is the area of police. We have heard a great deal from Mr Collaery as far as police go. It is very ironic that Mr Collaery, of all people, should start to berate the Labor Government over their handling of the police situation. It was Mr Collaery who negotiated with the Federal Government over the police. It was Mr Collaery who wound up providing this Territory with a \$54.5m bill, give or take a little, for the police. The Grants Commission have clearly pointed out that we are incredibly overfunded as far as police go.

In fact, on 19 October last year, in an article in the *Canberra Times*, I am reported to have predicted a \$10m police funding cut. I am sure that the Labor Government looked very carefully at just how much they could fund. In a pre-election year it is very difficult to slash \$10m from the police budget. None of us particularly want to see the police cut. But when somebody like Mr Collaery negotiates and leaves the Territory with an incredibly overexpensive police force - that is what he left us with, through his negotiations - we clearly are going to have problems.

The Labor Government have negotiated a \$3m package which, in effect, delivers some of those cuts without it being a cut to the ACT budget. I think they deserve congratulations on that. Of course, there is also the \$1.2m, which brings us to an effective cut of \$4.2m from the negotiation on policing that Mr Collaery managed.

Future governments over the next few years are going to have to look very carefully at this area because the Grants Commission is going to point to us again and again. They are going to keep telling us that we are overfunded as far as police go. It is an awful situation to be in. Governments are going to have to keep looking as though they are put in a position where they have to cut back on policing.

It is interesting that Mr Collaery said that there is going to have to be action taken from the crossbenches in order to resolve the problem about community policing. It was Mr Collaery, and Mr Collaery alone, who managed to put to death the idea that this Legislative Assembly examine the issue of funding police services; that this Legislative Assembly appoint a committee. It was in October last year that I suggested that committee. Mr Collaery whipped around to his colleagues in the Alliance Government and said, "No, no; we will kill this and there will be no committee". I had spoken to a number of people beforehand, and they thought that it was a sensible idea.

**Mr Collaery:** Don't be so egocentric, Michael.

**MR MOORE:** Mr Collaery interjects, "Don't be so egocentric, Michael". That is a strange interjection from the psychological projectionist.

I put up a suggestion to have a committee of this Assembly look into this very issue, so that we could resolve the problems, so that we could look at how policing should be undertaken and so that we could improve our crime prevention expenditure. As far as I am concerned, that crime prevention could largely have been carried on by the police themselves. They have already moved some of the way to doing that. However, that committee was not to be. I still argue that that was largely through the influence of the man who managed to negotiate a police force at double the cost it should have been. What a great negotiator!

It is just a shame that Mr Kaine was not able to act a little earlier than he did to fire the Residents Rally and to fire Mr Collaery from the ministry, unlike the rewritten history of the Residents Rally, as Matthew Abraham put it to Bernard Collaery this morning on radio, who like to argue that they resigned over schools, or something. This is just a little reminder; they were fired. I think, Mr Kaine, you would agree that "fire" is the appropriate word to use.

**Mr Kaine:** I do not have any comment.

**MR MOORE:** Mr Kaine interjects that he does not wish to comment. Fine; I can understand that. But I do know that when I get things wrong Mr Kaine is very quick to interject.

I would like to come back now to the concept of borrowing. I know that this was raised by Mr Kaine to a certain extent. As a rule, I do not believe that it is appropriate for us to borrow; but there is a way in which we can do it and a time when we should consider it, and that is when we come to development issues where the Territory can actually see that in the long term a profit will be made out of borrowing. That does not apply, for example, to the building of roads, or something, where we cannot expect to regain the revenue.

However, we could, for example, negotiate with Federal Government departments - I have raised this issue before - to take their office blocks and office positions to places like Gungahlin and Tuggeranong. In those cases it would be quite appropriate for the Territory Government to borrow, to in effect become the developer, in the first place; or, better still, to work a joint development with some of the commercial developers in order to secure the office blocks in Tuggeranong and in Gungahlin, where we need them. That would not only retain the Canberra plan but also be a very positive move for the construction industry.

It is appropriate that we now strive to make positive moves not only in terms of the construction industry and the jobs that it will bring but also in terms of putting into effect the very positive aspects of the Canberra plan as far as the decentralisation of our work force goes. That is just one positive aspect. It is one way in which we should

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borrow, because we can see that that money will be returned as the office blocks are leased or sold. There are times when borrowing is appropriate, and I believe that with a little more thought this can still be achieved.

There are a series of other smaller issues which I have noted, in terms of the revenue. In most cases they have been taken up already in the rather extensive speech by Mr Kaine - some of which I agreed with - and also by Mr Collaery and Mr DUBY.

I would like to conclude by saying that there are very positive aspects to this budget and some problems. The budget itself is still a bureaucratic budget; it still looks after the priorities of the bureaucrats rather than the priorities of the Government. I would hope that after the next election the Government, whoever forms it, will begin early in March to set the priorities of the community as they see them and to write a budget accordingly, so that the budget will be very different from those of this year, the year before, and the year before that.

What we have here is a budget that is very similar to the one that was delivered prior to self-government, the budget we had under our first government, and the budget we had under the Alliance Government. We do not want to fiddle. What we need is, not a budget that just fiddles with the edges, but a budget that sets priorities and distributes the money accordingly.

Whilst I say that, I acknowledge that this Government has been in power for only some two or three months. As far as that goes, it was destined, largely, to have a budget that had already been framed and the conditions set before they came in. Nevertheless, I think it important to make the point that what we have is a bureaucratic budget that largely ignores the social priorities that should be set by the government in power.

My final point is that some specific matters that I disagree with in this budget will be raised in the Estimates Committee and at other times. We have a minority government and it is appropriate for me to support their right to have their budget, even when I disagree with some of it. That is part of a formula for a stable minority government. For that reason, I will not vote against any of the issues and measures raised by this Government as part of this budget, even though I actually do speak against some of them.

**MS FOLLETT** (Chief Minister and Treasurer) (4.16), in reply: I rise, knowing that I will be closing the debate at this stage of the consideration of the Appropriation Bill. I take it that that is an agreed position with other members.

**Mr Jensen:** You have to get it to the Estimates Committee; otherwise we will be here all day.

**MS FOLLETT:** That is right. As Mr Jensen points out, the Bill has to get to the Estimates Committee today. It is also a fact that other members will have an opportunity to speak at the detail stage of the consideration of this Bill. So, any member who is not here - and there are many of them - and who wishes to take up particular issues will have an opportunity later on to do so.

Mr Acting Speaker, I will respond very briefly because, in fact, there is not a great deal to respond to. Mr Kaine confined his remarks pretty much to a personal attack upon me, which I thought frankly was beneath his dignity and was certainly not an appropriate course of action to take on a matter as important as the budget. Nevertheless, there were a couple of points that Mr Kaine made that ought to be responded to.

The first was Mr Kaine's pretension to some knowledge and some activity in the field of social justice. I find that an absolutely appallingly cynical attempt by him to paint himself and his own Government as a social justice government. The fact is that the Government which Mr Kaine presided over, and in which he was accommodated throughout by the Residents Rally and the No Self Government, Independent, Hare-Clark Independence, DUBY and Maher team, sought initially to close 25 government schools, to close a hospital and to undertake many other activities that quite clearly reduced social justice in our community, to the benefit of private interests in the community. I just express my own extreme cynicism about Mr Kaine's approach to social justice.

Mr Kaine also recommended that the budget should include what he referred to as a modest program of borrowing. Mr Acting Speaker, I reiterate what I said initially, and that is that a balanced budget without resorting to new borrowings, I believe, is the most responsible course of action at the moment. This is not a good time to be borrowing. The ACT, I think, has never had less money available to it than it has in this budget. To borrow in order to make ends meet would be a very poor outcome for the community in future years.

Mr Kaine also accused me of having cleaned out all of the reserves. Nothing could be further from the truth.

**Mr Kaine:** Is there some more left? Would you tell me where it is? I will need it next year.

**MS FOLLETT:** Mr Kaine has asked whether I could tell him where they are and, indeed, I can tell him where some of them are. Mr Acting Speaker, it is a fact that there are still considerable reserves held. Part of those reserves relates to money made available upon self-government. I believe that there is still some \$31m in reserves which has not been touched and, I do not believe, ought to be touched.

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There is also, of course, a large amount of reserves held by way of superannuation in the trust fund and, Mr Acting Speaker, that is a considerable amount of money. The last figure that I saw on the total amount of reserves held was over \$60m. I believe that Mr Kaine is quite in error in saying that I have cleaned out all of the reserves. I have not; I never will; and I think it would be very poor practice to do so.

Mr Collaery, in his remarks, Mr Acting Speaker, was typically muddle-headed. It was extremely difficult to discern a logical line of argument in anything that he said. He did, however, refer to the removal of the cushioning effect which some non-government schools have enjoyed. It was very interesting to note that, in doing that, Mr Collaery singled out the AME school and appeared, in fact, to abandon the grammar schools in their quest to have that cushioning effect maintained. The fact is that we simply cannot afford the cushioning effect.

The reason we cannot is that the Alliance Government, under Mr Humphries' ministership, cut \$1.6m from the non-government school sector. They did that and it is reflected in papers such as the forward estimates; but, of course, it was not announced by Mr Humphries as Minister and, of course, not acknowledged by anybody else in that Government, even if they realised that it had happened. But it had. One of the challenges that we had in framing this budget was to put back the \$1.6m cut without any justification from the non-government school budget by the Alliance Government.

I find it hypocritical of the previous Government to utter criticism on that score. They clearly had intended pretty savage treatment of the non-government school sector. To turn around now and make accusations against the Labor Government on that score is, I think, a bit much. It really is a very cynical exercise on their part to try to grab a headline on an issue that I believe Mr Humphries feels is really only commonsense.

Mr Collaery again has made some muddle-headed remarks about police funding. I consider, Mr Acting Speaker, that Mr Moore has answered Mr Collaery more than adequately on that score. The fact is that Mr Collaery really did not do as good a job in negotiating on the police funding as he ought to have, and he completely denied the rest of this Assembly any opportunity to take part in that negotiating process. He has a disgraceful record on that front.

Mr Acting Speaker, the final interesting point that Mr Collaery made was that this budget represented a failure to tackle big issues. But Mr Collaery never, at any point, said what they were. I can only deduce what Mr Collaery might feel are the big issues, but I very much doubt whether I would agree with him that what he regards as the big issues are, in fact, the ones that are crucial for the ACT community.

Mr Duby concentrated at least part of his remarks on the tourism industry. I can understand why he is somewhat sensitive on that matter, because it was he who flagged the question of a bed tax on the tourism industry and he has been caught out there. Mr Duby went public, saying that I would impose a bed tax on the tourism industry, and I did not do that.

Mr Duby, we realise, from having seen his public pronouncements, obviously was considering such a tax himself. The Government of which he was a part was obviously considering such a tax. I can understand why he is extremely disappointed that I, in fact, did not do that. The reason I did not do it is that I do recognise the importance of tourism in our economy and I do recognise that such a tax would not be encouraging to that industry at this time.

In looking at the budget for tourism, members have to be aware that, in fact, there has been a trust fund established for the commission. That does mean that some of the figures are not as obvious as I would perhaps like to have seen them in the budget papers that have been provided. Certainly, the sorts of cuts that Mr Duby alluded to simply have not happened, and I do not know how he has worked that out.

In conclusion, the fact is that people are generally aware of the constraints that were placed upon this Government in framing this budget but one major constraint that has not been touched upon by the speakers so far, of course, was the deficit that Mr Kaine left me. One of the early jobs we had to do in framing the budget was to overcome the \$6m or so deficit that Mr Kaine delivered, largely because of his inability to control spending in the health area.

The deficit was dealt with by applying part of the surplus that we had made in the 1989 budget. I am quite proud of that fact. I think that Mr Kaine might have acknowledged that, in fact, it was he who left a deficit, and that the only other budget which I have produced in fact produced a surplus which enabled me to overcome Mr Kaine's deficit without recourse to borrowing and, of course, at the same time repaying significant debt of the Territory.

Question resolved in the affirmative.

Bill agreed to in principle.

**MS FOLLETT** (Chief Minister and Treasurer) (4.25): Pursuant to standing order 174, I move:

That the Appropriation Bill 1991-92 be referred to the Select Committee on Estimates.

Question resolved in the affirmative.



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**AUDITOR-GENERAL - REPORT NO. 9 OF 1991**  
**Financial Administration and Audit Independence**

**MR ACTING SPEAKER:** I present, for the information of members, the following paper:

Auditor-General's Report No. 9 of 1991 - Financial Administration and Audit Independence, dated 19 September 1991.

**MR BERRY** (Deputy Chief Minister) (4.26), by leave: I move:

That the Assembly authorises the publication of the Auditor-General's Report No. 9 of 1991.

I do not need to speak at length in relation to this motion. It is merely a motion to approve publication of the report in order that the community and anybody else who might wish to make a comment on the matter can do so.

Question resolved in the affirmative.

Motion (by **Mr Berry**) proposed:

That the Assembly takes note of the paper.

Debate (on motion by **Mr Kaine**) adjourned.

**BUSINESS WEEK**  
**Papers and Ministerial Statement**

**MS FOLLETT** (Chief Minister and Treasurer): For the information of members, I present the program of events for Canberra Business Week, my speech for the launch of Canberra Business Week and the first annual report on small business in Australia. I seek leave to make a very short statement.

Leave granted.

**MS FOLLETT:** I thank members for their courtesy in allowing me to make a very short statement on an important subject.

Mr Acting Speaker, at lunchtime today I had the pleasure of opening Canberra Business Week '91. Canberra Business Week is an important event in the calendar. It is the occasion on which the Government and the business community join together to acknowledge the ACT business community's achievements. It is the time when we recognise the central role that business plays in the economic well-being of the ACT and region. Canberra Business Week incorporates a wide

range of activities. These are set out in the program of events, which I have tabled for members' information. I commend the Business Week activities to members and would like to take this opportunity to encourage members to participate in Canberra Business Week '91.

In my opening speech, which I have also presented, I announced nine important initiatives which will be of direct and practical benefit to businesses in the ACT over the next 12 months. Finally, I have presented for members' information the first annual report on small business in Australia. In this report the Commonwealth Government sets out the state of small business in Australia and the policies needed to enable small business to prosper.

### **PAPERS**

**MR WOOD** (Minister for Education and the Arts and Minister for the Environment, Land and Planning): Mr Acting Speaker, for the information of members, I present the following papers:

Interim Planning Act - Approvals of variations to the Territory Plan, dated 18 September 1991 -

Lyneham, section 50, block 23.

Monash, sections 35 to 49.

Narrabundah, section 100, blocks 1, 2, 4, 5, 11, 12, 13 (part), 16, 19, 20 and 21.

All this is done pursuant to section 22 of the Interim Planning Act 1990. In accordance with the provisions of the Act, these draft variations are tabled with background papers, a copy of the summary of each written comment, and a report on the consultation with the National Capital Planning Authority.

### **ADJOURNMENT**

**MR ACTING SPEAKER:** Order! It being 4.30 pm, I propose the question:

That the Assembly do now adjourn.

**Mr Berry:** I require the question to be put forthwith without debate.

Question resolved in the negative.

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**DRAFT FAIR TRADING BILL**  
**Ministerial Statement and Paper**

**MR CONNOLLY** (Attorney-General, Minister for Housing and Community Services and Minister for Urban Services), by leave: I would like to table an exposure draft of the ACT Fair Trading Bill. In so doing, I invite members of the Assembly and the ACT community to consider the Bill and provide their written comments to the Director of Consumer Affairs by 18 October 1991.

The Fair Trading Bill is the first step in the Government's strategy for developing comprehensive and up-to-date fair trading laws for the ACT. The Fair Trading Bill is modelled on and complements the consumer protection provisions of the Commonwealth Trade Practices Act. This approach has been adopted for the fair trading Acts elsewhere in Australia.

The primary purpose of such legislation is to prohibit unfair trading practices, especially those relating to misleading and deceptive conduct. Until the enactment of fair trading legislation by the States and the Northern Territory, ACT consumers enjoyed a wider range of protection, under the Commonwealth consumer protection provisions of the Trade Practices Act, than their counterparts in the States. This was because of the Commonwealth's constitutional power to regulate both companies and individuals in business in the ACT.

This new fair trading legislation has also fulfilled a secondary, but no less important, role. It has allowed each jurisdiction to look at the needs of its own marketplace and tailor its rights and remedies accordingly. This is something that the Trade Practices Act can never do, not even here in the ACT. The Trade Practices Commission concentrates on national and multi-State matters. Consumer protection is but one aspect of the national strategy for maintaining a competitive economy. In fact, States and Territories are expected to look after their own interests. For this reason the Trade Practices Act expressly provides for the concurrent operation of State and Territory laws.

Perhaps the best example of tailoring fair trading legislation to suit the needs of each jurisdiction can be seen in the different definitions of "consumer" in the various fair trading Acts. Some States, including New South Wales and the Northern Territory, have extended the definition of "consumer" to include people buying goods and services for use in their businesses. Contrast this with the limited definition in the Trade Practices Act, the prevailing law here in the ACT. Here a "consumer" is someone who has acquired goods or services which fall into one of two categories: Either goods or services of any kind which cost less than \$40,000; or goods or services costing more than \$40,000 of a kind ordinarily acquired for personal, domestic or household use.

This monetary threshold has often wrought inequities. Why should a small business person who buys a backhoe for, say, \$41,000 from an ACT trader have fewer rights against the supplier and manufacturer, if the machine breaks down or fails to live up to the salesperson's claims, than if he or she had travelled over the border and made the same purchase in Queanbeyan? The Government does not believe that this disparity should continue, and this is one of the reasons for including the wider definition of "consumer" in this Bill.

Fair trading legislation also benefits the community in other ways. For example, this Bill provides more efficient and less costly avenues of consumer redress. Actions by consumers against traders for breach of the fair trading provisions may be brought in the Magistrates Court or, where the amount is less than \$5,000, the Small Claims Court.

In addition, the ACT Consumer Affairs Bureau will be charged with administering the proposed Act. The director will have access to a wide range of enforcement options, including injunctions, prosecutions and orders to disclose information or to publish advertisements. Under the Trade Practices Act, such actions are available only with the permission and oversight of the Federal Minister for Justice and Consumer Affairs.

Traders will also benefit from the introduction of these more comprehensive and effective compliance mechanisms. Unscrupulous traders often gain unmerited advantage from unfair, deceptive and anti-competitive trading practices which distort the marketplace. This Bill, like its New South Wales counterpart, contains provisions for developing industry codes of practice.

The Government also believes that fair traders will welcome the opportunity to participate in the development of these codes. Indeed, the Bill provides that such codes must be developed in consultation with the relevant industry and consumer groups. The draft codes are then presented to the Minister, who may approve them as regulations. As with all regulations made in the Territory, codes are disallowable by the Assembly under the Subordinate Laws Act.

One of the most valuable aspects of the introduction of codes is that they provide cost-effective ways of resolving consumers' disputes with traders. Each code will contain its own dispute resolution mechanism to be used before disputes go to court. As well as being enforceable by individuals, the codes may also be enforced by the Director of Consumer Affairs. The director will have the power to require traders to make a deed of undertaking to abide by a code of practice or make rectification for a breach of a code. It will be an offence for a trader to fail to make or honour an undertaking without good reason.

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Another benefit of introducing a Territory fair trading Act lies in the ease of keeping such legislation relevant to the ACT business community. As new unfair trading practices come to light, the Act can be amended without delay. By way of example, I note that the New South Wales Fair Trading Act contains provisions concerning misleading conduct in the form of dual pricing of goods. The New South Wales Act makes it an offence for a trader to sell goods at a price greater than the lowest price marked on them. This also includes situations where the shelf price or advertised price is lower than the tag or sticker on the goods. This Bill picks up these provisions so that ACT consumers will have the most up-to-date protection available.

The Territory has an opportunity to be a leader in the field of consumer protection. Like its Commonwealth and State counterparts, this Bill prohibits the use of physical force or undue harassment or coercion in connection with supplying or paying for goods and services. As yet, no jurisdiction has provided guidance to consumers and traders as to what behaviour constitutes harassment or coercion. This Bill has adopted the recommendations of the report of the Australian Law Reform Commission and the Victorian Law Reform Commission concerning debt harassment. Nine different types of behaviour are provided as examples of such unacceptable behaviour, ranging from impersonating bailiffs or police to unreasonable communication with a debtor.

This brief overview highlights the main features of the draft Bill. The Government believes that this legislation holds great importance for every ACT citizen and should act as a springboard for the development of a truly competitive and fair trading marketplace in the ACT. I commend the draft Bill to the Assembly and the public alike. I present the following papers:

Fair Trading Bill -  
Draft Bill.  
Ministerial statement, 19 September 1991.

I move:

That the Assembly takes note of the papers.

Debate (on motion by **Mr Humphries**) adjourned.

**RATES AND LAND TAX (AMENDMENT) BILL (NO. 3) 1991**

Debate resumed from 12 September 1991, on motion by **Ms Follett**:

That this Bill be agreed to in principle.

**MR KAINE** (Leader of the Opposition) (4.37): This Bill is a matter of some concern to the Liberals in opposition, and there is much about it that I believe is of concern not only to us but also to the general community. That in no way is a criticism of the Government or the fact that it seeks to bring this Bill forward. It is its right to do so. But there are things about it that I believe need to be resolved. We have attempted, in the last week since the Bill was tabled, to resolve some of those issues, and we have been unsuccessful.

I would have to say that officers of the ACT Government Service have been most helpful in providing information for us, within their capability to do so. But that has not resolved some of our concerns, because the information that we believe we need to address a couple of issues - which I will come to in a minute - simply is not available; it simply is not recorded, apparently, in the form in which we need it to be able to evaluate some of the proposals in this Bill.

We note that the Government has taken up one of the initial public concerns that had to do with principal residences. They have now excluded the principal residence from the impost proposed in this Bill. That, of course, is fair and reasonable.

We believe, however, that there are other people who should be considered; and I foreshadow that a Liberal government, after February, will address a couple of issues that this Bill raises. We foreshadow that, because I do not believe that it is possible for us to resolve them in the meantime.

One of the issues, however, is one that the Government itself may wish to take up in the intervening period; and that is the fact that there are people who own rented accommodation who will be significantly and unfairly affected by the imposition of this tax. I refer specifically to people on fixed incomes, perhaps long retired, who have an investment in a couple of properties to supplement their income in retirement. They have no way of recovering the impost of this tax, except simply to pass it on to the tenant.

The Government has expressed the view that not all landlords will be able to do that; nor should they. But I think that there are people in that category, and I just mention it as a particular element of the community where further consideration needs to be given to their position, and to whether or not there ought to be some provision in this Bill for application for waiver of the tax in certain compassionate circumstances.

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We would have put forward an amendment to that effect; but, when we sought information as to the number of people who might be affected by such an amendment, and in particular the consequences of that kind of amendment in terms of the revenue earning capability that is being put into place by this Bill, we could not get an explanation that we felt was sufficiently solid to base a decision upon. We were, and we remain, hesitant to propose an amendment to this Bill that will significantly affect the Government's ability to raise the tax, even though we believe that there are people who will be disadvantaged by it who perhaps ought not to be.

So, the Government may wish to take up that particular point once the Bill goes through, as I am sure it will; and have a look at it again from their stance of social justice - or from a position of what I call social equity, which is perhaps the same thing; it may be a little different.

Another thing concerns us about this Bill - and again we sought information and the information, such as was available, was freely given, I acknowledge. It has to do with the proposition that the Housing Trust and its tenants should be excluded from the provisions of this Bill. The thing that concerns us about that is that, when the effects of this Bill flow through into rentals, the Housing Trust will get a windfall profit as a result of it, because it will adjust its rentals up to the new market norm.

It will not, of course, apply to all tenants, because some are subsidised. But I understand that about 30 per cent of Housing Trust tenants do pay full market rental for their homes. The rental on those properties will go up to the new market norm, whatever it is, the Housing Trust will receive the benefit of that, and it will result in a windfall profit to the Housing Trust.

One could argue, I suppose, that that is not necessarily a bad thing. But the other ramification of that is that, in our view, a special class of tenant is created. This is because there are people in Housing Trust properties on low income, who are subsidised and protected from the flow-on of this rental increase which will extend across the community; but similar people in a private rental situation, who have no such protection, will have to carry the increased rental. So, we are creating an inequity at the low end of the income spectrum. People in Housing Trust houses will be protected from the increase by the Housing Trust itself; people in private rental will not. So, we are creating a social inequity.

We could not determine, in the time available to us and on the information available to us, how that inequity could be addressed. I simply foreshadow that those are two things about the Bill that trouble us. In the time available, we

could not see what sort of amendment could be put forward that would remove the inequity without significantly impacting on the Government's ability to raise the revenues that it is projecting; in other words, so that only those who needed to be protected would be protected.

So, we were unable, in the short time given to us, to put forward those amendments; but I think they are things that need to be examined in the longer term. The Government itself may wish to take those matters on notice and look at them; but I foreshadow that the Liberal government, after February 1992, will certainly look at those two aspects if the Government does not do so in the meantime.

**MR JENSEN (4.44):** At the time of the comments in this house on the budget strategy brought down by the Chief Minister and Treasurer, the Rally, I seem to recall, identified some of the problems that involuntary landlords would, in fact, suffer under the proposed legislation, certainly in terms of the concepts and ideas that were put forward at the time by the Government. I note that the Government has seen fit to take up those concerns and has responded to them in a positive way.

There are a number of other landlords in the ACT who I think will also find that they are affected by this legislation. This is not necessarily because they are on the maximum tax rate, because in a lot of cases they are not. They are widows who are superannuants on fixed incomes, and their only asset is, effectively, a small home which they are using for rental because they have been able to move in with one of their sons or daughters, or sons-in-law or daughters-in-law.

Effectively, that is their only source of income, other than a very small pension - or five-eighths of nothing, as is said of pensions that were established a long time before superannuation as we know it today. Before superannuation became the sexy topic that it now is, all they got on his death was five-eighths of their husband's pension. On that basis, I think we will find that it is these superannuants who will suffer by the imposition of this tax. As I understand it, no provision is being made for this.

Like Mr Kaine, the Rally had extensive consultations, not only with the officials, who were most helpful, but also with representatives from the Australian Council on the Ageing, ACT Branch, who also expressed this sort of concern. The Government has to look very carefully at this issue. In the time allowed, we were unable to come up with a way around this problem. I think it is something that the Government has to look at because, you will recall, this Bill was brought into the Assembly only last week and we have not really had the time to undertake the necessary work that would assist in the preparation of an amendment that would pick up this sort of problem.



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There is also no provision for payment of this tax in instalments, particularly for the sorts of landlords that I have just been referring to. Members may recall that I have spoken in the past in this place about the need to provide opportunities for normal ratepayers to receive the discount on their quarterly rate payments. There are not too many people out there at the bottom end of the market who are in a position to make use of the discount that is offered, because, quite frankly, they can afford to pay their rates only in instalments and they have enough problems as it is in doing that. Once again, I reiterate my call for the Government to consider - and I made the same call to the Alliance Government at the time - allowing the 5 per cent discount to apply to the quarterly payments.

Where is the social justice in the current system, when only those who have the ways and means to pay the figure in one instalment can in fact obtain that benefit? It is a benefit that is being made available only to a limited part of our community. It may well be that the extension of this albeit small discount leads to a reduced cost of enforcement, and savings would come to the Government in that way. I would encourage the Government to take up that initiative. Failing that, a Rally led administration in the ACT Assembly would be seeking to move along that path.

The system that we have here in relation to the Rates and Land Tax (Amendment) Bill, particularly in relation to the amount of discretion that will be allowed to the commissioner, will, I believe - and my colleague Mr Collaery believes - provide a boon for lawyers under the system of appeal to the AAT. As is freely acknowledged, it is not the landlord who will pay the costs, because they will be tax deductible.

So, of course, they are going to appeal, and that is going to have a considerable effect, I believe, on the cost structure of the Revenue Office in terms of having to meet and comment on all the various appeals that I believe will come through. I think that is, unfortunately, one of the problems that the Government may have to look at, and it may be that it will have to look very carefully at the budget for the Revenue Office because of that.

It seems to me, and my colleagues within the Rally, that what the Government has failed to do, in its bandaid approach to this budget, is consider and examine the overall structure of land taxing and rating in the ACT. What we have here is a quick-fix, ideological attempt to raise money, without actually going into and looking at the overall money raising factor for the municipal budget. It is another example of what I believe is this Alice in Wonderland Treasurer that we have in the ACT. I think that, by the time we get around to the next election, people will see that the budget that we have just passed on to the Estimates Committee has a degree of Alice in Wonderland thinking about it as well.

Statements that tenants are not affected fail to understand the realities. Ms Follett has said that the tenants will not be affected; that the landlord will get it on his tax, anyway. It seems to me that the landlords will, in fact, just reduce the length of the lease term to allow them to have more regular increases in their rents; that is what landlords will do. These sorts of things encourage those activities to take place. We have seen airy-fairy statements made on the effects of this measure on government rent assistance. No indication has been given in this house, in answer to a number of questions, as to what proper assessment was made of the cost to Mr Connolly's budget.

In an answer to a question, Ms Follett said in this house, "I am sure that my colleague Mr Connolly's department had a look at it. They had an opportunity to make those comments and they do not appear to have done so". Did she ever ask whether her colleague, the Minister who is responsible for directing that department, actually asked the question? Did Mr Connolly ask for an assessment of the likely effects of this Rates and Land Tax (Amendment) Bill on his budget? I suspect that the answer would probably be a resounding no. If it is not, I would appreciate it if the Minister would be prepared to share that assessment with the rest of the community in the open consultative manner that we often hear government members speak about in this place.

In conclusion, the Government has once again taken a narrow, ideological view rather than undertaking a reasoned long-term review of the whole process. It is another example of the quick-fix mentality of a minority government continuing to mark time until the next election.

**MR COLLAERY (4.54):** I would like to add a few words to the excellent address given by my colleague Mr Jensen. When you look at the social impact of this Bill, you realise that the damage is done. Ms Follett, in her classic bungling and naive manner, announced this measure well in advance of the legislation and well in advance of any decision of this Assembly - well before she could determine, as a minority leader, whether she had the numbers to pass the Bill. The fact is that the horse has bolted. Every landlord in town knows that this tax is a possibility. It ranges between a mere possibility and a probability. Either way, anyone in a commercial situation will move, within the constraints of the landlord and tenant legislation, to increase the charge.

What I am hearing in the places that I go to is that this was a bungled affair. The relevant parties, including the advisory groups that advise the Minister, Mr Connolly, should have been consulted; there should have been some sounding out as to what the likely effect of it would be. And it would not have hurt to have spoken to the REI. No doubt, they would have opposed it; but they may well have

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also pointed out some of the anomalies. We all remember, embarrassingly, how the Chief Minister was caught completely off guard, completely unattuned to the implications of the ideological Left knee jerk of this proposal.

The fact is that if you go out there and talk to agents and individual landlords they will tell you that they are moving, within the confines of current leases, to cover this eventuality. It is too late. The charge is already put upon tenants, and it was hardly an appropriate thing to do when we are in fact providing a scheme of rental relief in the private rental sector. So, there is an unassessed drain - an effect of robbing Peter to pay Paul - in this piece of legislation.

My colleague Mr Jensen referred to the extra discretionary work that the commissioner will have to do, particularly under the provision that requires him to be satisfied that "by reason of the death or illness of any person or on some other compassionate ground; or ... because of the owner's employment or occupation" the owner, in effect, can be exempted from the imposition of this tax.

We all know that there is a large transient population in this city. They are mostly public servants, but there are some in the private sector as well. What this does is to give an ill-defined general discretion to the commissioner and it is left to the commissioner to sort it out. As my colleague Mr Jensen observed, no doubt it will be left to the Administrative Appeals Tribunal to finally resolve it. The fact is that whole departments of state may well write to the commissioner and state that they have given compulsory transfers to staff and those staff may use those documents to seek exemption from the impact of this tax.

The Rally quite properly brought to the attention of the Government the fact that there are a number of people in that category who spend a good part of their career abroad. They are usually people in the higher paid levels of government service who are on permanent diplomatic, consular and defence rounds. Questions are raised about the Labor Government's capacity to be attuned to social equity and justice issues when we see it providing an exemption for some people who may not occupy their homes for more than one year in 10. And this is done at a time when their children are in boarding schools at public expense.

Not for a moment do I decry the privations and risks that those people go through in their careers. It has been pointed out to the Government that that is going to create a problem for the commissioner, but the Government has not moved an amendment of its own. The Rally was minded to move an amendment. We fail to see why we should have to tidy up the legislation on behalf of a government that cannot get its act together. I believe that this Bill should sit around the neck of this Government all the way to the next election.

**MR BERRY** (Minister for Health and Minister for Sport) (4.59): I rise to speak in support of this Bill. The first thing I want to address is one of the misapprehensions that have been created about the approach that landlords take to renting properties. We all know - and the Residents Rally members know as well - that it is the market forces that dictate rent in the ACT. It is a free market. We also know that over the last 12 months interest rates have dropped from around 18 per cent to about 15 per cent, depending on where you go. And we know that the average loan for these sorts of premises is around about \$70,000. So, on the basis of those interest rate falls, you have a better return to landlords of about \$30 a week.

If we follow the logic that landlords would pass on costs to tenants, you would think that they would be fair and pass on the savings. But, of course, that has not happened. In fact, what has occurred is that rents have gone up \$10 a week. So, landlords are about 40 bucks a week better off, anyway.

**Mr Jensen:** Rates went up too, remember.

**MR BERRY:** They are about 40 bucks a week better off in rents alone. The market, of course, is tight, as Mr Jensen says; it is stretched right out to the limit. There is no way of avoiding that issue. I have yet to see that the rents will increase as a result of this land tax or for some other reason. My view is that, land tax or not, the rents will rise to take advantage of opportunities within the market.

**Mr Jensen:** They will rise, all right.

**MR BERRY:** And if there was a further four or five dollars there, Mr Jensen, they would have got it already. Those are the real issues. We have to be serious about the approach on this land tax stuff. Landlords are entitled to take what they can out of the market, and they do. I do not think that this increase in tax will affect the situation that much.

The expansion of the land tax base is an important revenue measure, not just from the point of view of helping to achieve a balanced 1991-92 budget but also because of other factors. Firstly, it goes some way to addressing the Grants Commission's assessment that the ACT's revenue from land tax is below standard - 54 per cent below standard under its 1990-91 assessment. This is attributed to the ACT's relatively low rate and the fact that the tax is currently restricted to commercial properties, whereas a majority of States also tax residential properties. Secondly, it addresses an inequity in the current tax system by bringing income earning residential properties within the tax net, along with commercial properties.

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So, it is a sound tax. I also support the Bill without the inclusion of a threshold. This issue has been floated by the Real Estate Institute and the Opposition, at one time. It is suggested that it would bring the ACT into line with New South Wales and provide - - -

**Mr Jensen:** The Liberals did.

**MR BERRY:** Well, they are the Opposition. There is one group that is the Opposition; there is one group that provides no opposition. It is suggested that it would provide relief for small investors and involuntary landlords. This is not so. Thresholds, by their nature, provide mechanisms for inequity and avoidance, often without specifically targeting the group that they were designed to assist.

The introduction of a threshold by itself would not bring the ACT into line with New South Wales, which has recognised the inequities in such an approach by also introducing aggregation. Under aggregation, each landlord's total interest in land, other than his principal residence, including ownership through companies and trusts, is taken into consideration when deciding how much land tax is payable; that is, tax is calculated at 1.5 per cent of the total value of all taxable land owned above the threshold of \$160,000.

I should also point out that the principal places of residence are exempt in New South Wales only if they are less than 2,100 square metres; that is, approximately half an acre under the old measurement. And, of course, the application of a threshold without aggregation in the ACT would result in multi-property owners paying significantly less - - -

**Mr Humphries:** You would not do that then, would you?

**MR BERRY:** That is right. It would result in their paying less land tax than an owner of a single large property. For example, an owner of a number of single units or flats would be able to take advantage of the threshold, but an owner of a block of flats would not. The existence of a threshold without aggregation also leads to the application of tax minimisation schemes to take advantage of such thresholds.

So, the threshold and aggregation issues have quite rightly been put aside by members of this Assembly. Aggregation is a complex and manpower intensive process. It would lead to extensive legislative amendment and greatly increase the manual administrative process and compliance effort required.

The Revenue Office has advised that it would require at least five extra staff - an incredible amount of staff - to administer threshold aggregation arrangements, and, of course, the revenue from the tax would be considerably

reduced. The introduction of a threshold solely for residential properties would be unfair to small commercial property owners. However, extending such a threshold to cover all land taxable properties would result in refunds being paid to commercial property owners under the threshold and would significantly reduce the land tax revenue.

A threshold would also not target involuntary landlords, who are covered specifically in the Bill. The absence of a threshold will not, as has been suggested by the Real Estate Institute, lead to an exodus of investors to Queanbeyan. Queanbeyan property prices have always been lower than those in the ACT; but this, to date, has not diminished investment in ACT housing. While ACT properties are generally dearer, they have advantages for both investors and prospective tenants which Queanbeyan does not offer - such as a firmer market for ACT houses, closer proximity to major work centres, recreation facilities, universities and schools, and a better public transport system.

The introduction of a tax which, on average, should cost around \$10 a week and which is tax deductible should have little impact on investment decisions. Studies of private rental housing have shown that the most important factors affecting investment in rental housing are capital gains and taxation benefits, including negative gearing.

The continued high demand for rental accommodation in the ACT and the ability of the ACT's population, on the whole, to afford to pay the economic rent are also important factors which investors would take into account when making their investment decisions. So, it is really a market driven rent and, of course, the market will be stretched to the limit at all times.

This is a socially just decision, contrary to what Mr Jensen has said. It is clearly about collecting a tax to service the socially just revenue needs of the Labor Government. It is one that should be supported by all of the members of the house, as it is by the Australian Labor Party.

**MR HUMPHRIES (5.08):** Madam Temporary Deputy Speaker, I cannot agree that this is a socially just tax. I would have thought that the debate so far, both inside and outside the chamber, has indicated quite clearly that this tax will be passed on to tenants and will affect poor tenants, tenants from low socioeconomic groups, at least as badly, and probably much worse, than it affects those on higher incomes.

It is worth reflecting that originally this Government denied that there would be any flow-on of the tax to tenants. Originally, the view was that there would be no flow-on; that it would be absorbed by landlords who had reaped the benefit of lower interest rates in recent

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months. That was a view which did not last very long, and today we have a more frank admission from the Government that, in fact, the tax will be passed on in some cases, although the level has been variously disputed.

I think it is worth bearing in mind that there are different views about what people might do in these circumstances. I think Mr Berry is saying pretty clearly that, in his view, landlords are pretty pernicious people and that - - -

**Mr Berry:** I did not say that.

**MR HUMPHRIES:** I think you were implying that. I think you were saying, by making snide references to market forces, that some landlords certainly will not pass on windfalls that occur through decreases in interest rates but will pass on increases in land tax. That seems to be the implication of what Mr Berry was saying.

I think he ought to bear in mind, though, that high interest rates have not been a permanent feature of Australian life. Indeed, high interest rates can be traced very directly to the Hawke Federal Labor Government. And many people bought their properties before interest rates were so high. So, when those rates come down, I think it is quite excusable for landlords to say to themselves, "I have had to bear a much higher burden for this investment of property", or whatever it might be, "over the last few years because of high interest rates".

Rents, as such, need not necessarily reflect those high rates, because they are a question of the market, as Mr Berry has well indicated. But the interest rates would have to, in some cases, have been borne by the landlord because they have no choice.

**Mr Connolly:** So, decreased interest rate costs will not be passed on, but increased tax will be passed on.

**MR HUMPHRIES:** I remind Mr Connolly that it is only a year or so ago that, in fact, there was quite a glut of rental property in the ACT market. At that time, high interest rates or not, you would have got for your property rather less than you would get today because there is considerably more demand for those rental properties. I say this because I am both a landlord and a tenant myself, and I assure you that that is the way in which the market is working at the moment.

**Mr Kaine:** You are one of those terrible profit takers, are you?

**MR HUMPHRIES:** I am one of those terrible profit takers. As it happens, I bought my investment property when interest rates were quite high. I might be blamed, therefore, for not passing on the reduction in interest rates.

Certainly, some landlords will have bought their properties before that phase and will now be entitled to say, "I have sustained a period of bad weather. The rates have now come down and I am entitled to expect the same kind of revenue from my property that I originally anticipated when I bought it". However, when another burden comes along, human nature being what it is, it is quite logical that people will pass that burden on, and in this case that burden is land tax.

Make no mistake, this Government will see increases in residential rent rates above what might ordinarily be expected, simply and solely because of its land tax. It will happen. Let us watch the market and see what happens. I can assure you that it will happen.

I emphasise, though, what Mr Kaine said about this tax. Despite the many misgivings that the Opposition has about this tax and the many problems we see with its operation, we do not believe that it is responsible or appropriate for us, sitting on opposition benches, without access to all the levers and knobs that one has in government to regulate and control and to test particular theories of activity and behaviour, to go modifying this tax and, at the same time, make a major impact on this Government's budget.

We believe that it is more appropriate for this Government to live or fall by its budget. This Government will have to face the people and explain why it has imposed this tax and why there is no threshold, as there is in other States where this tax applies. I suspect - in fact, I know - that many people will not accept that explanation. They will say that this is an inequitable provision and that the Government that has provided this inequitable provision should go. The size of the hole that might be knocked in the Government's budget would be very large indeed were it to be rejected in whole or even in part by the establishment of a threshold. We have considered the matter and decided that it is much better for the Government to live or fall by its own decisions.

I think that much debate about this legislation will have to ensue in the wider community. Its impact will be felt by people in coming months when the legislation is passed. I understand that 1 October, or thereabouts, is the operational beginning of this tax. That is not sufficiently far ahead of the election on 15 February for it to save the Government some direct concern, and direct impact from that tax.

I am not convinced by anything that has been said about why the threshold will not work in the ACT. It works in other places with aggregation; it should work here on the same basis. But how you do that, of course, is a matter for a government to work out. I hope that we, in government next



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year after the election, will be able to address the problems that we will have inherited from the Labor Government and deal with the problems that this tax will have imposed, because clearly they will be many.

**MR DUBY (5.14):** Madam Temporary Deputy Speaker, I share the view put most eloquently by Mr Humphries in relation to the fact that this measure is part of the Government's budget process. I certainly would not consider rejecting or varying this particular extension of the existing land tax to residential investment properties. We have heard discussions from the Deputy Chief Minister and from other speakers. We have heard Mr Humphries say that this tax will be passed on, et cetera. It does not matter whether there are high interest rates or low interest rates, or whether this tax is imposed or whether it is not; the bottom line is that landlords will obtain from their tenants as much as they possibly can. That is a simple truism.

It is immaterial to suggest that as interest rates decline, for example, rents will reduce; or that as interest rates go up rents will increase. Landlords, like others operating in the market - it is a jungle out there - will extract as much rent as they possibly can for their property. If they choose to pass this tax on, as people are saying they almost certainly will - if I were a landlord I would certainly choose to pass on - - -

**Mr Moore:** You would try.

**MR DUBY:** I would try to pass it on. Indeed, if I were a landlord, just between you and me, I would try to make a profit out of this tax, because we know that the average value is in the order of \$51,000, so the average tax is going to be - - -

**Mr Berry:** We know that he is trying to make a profit out of the Hare-Clark system; so why not?

**MR DUBY:** I certainly shall. The average tax is going to be \$510, or about \$10 a week. Most landlords will, of course, have that subsidised as an income tax deduction, and their actual costs, if we work on a basis of 50 per cent taxation or thereabouts, will actually be in the order of \$250 per annum. But I guarantee that most landlords will say to their tenants, "I have to pay an extra \$10 a week tax; the rent will go up".

**Mr Berry:** If Hare-Clark is good for Duby, is it good for you?

**Ms Follett:** That is right.

**MR DUBY:** The Chief Minister agrees with me entirely. Of course, that is no excuse for it. The fact remains that the tenant is going to be the person who suffers as a result of the introduction of this tax. It is the tenant that I feel sorry for. However, I respect the right of the Government to impose a tax on whatever sector of the community it chooses.

As I said, if we work on that assumption that people are going to have income tax deductions for the tax that they pay to the ACT Government, in effect, hopefully, the Commonwealth Government will at least be paying a portion of this tax - and that is a good tax, as taxes go. No-one likes taxes; but, if you can get a tax which the Commonwealth winds up paying some of, rather than the community at large, that is a reasonably clever tax, in my view.

The question of a threshold has been raised. I believe that the threshold in New South Wales is \$160,000. What has not been brought out in the debate, generally, is that a threshold has never existed in the ACT for land tax. Land tax applies not only to owners of investment residential properties in New South Wales but also to people who own warehouses, commercial premises, et cetera. They have always had an exemption in New South Wales, up to that figure of \$160,000, whereas people in the ACT who own commercial premises, warehouses, shops, or whatever it might be, have never had an exemption in the ACT.

Up until this point in time, in the whole time I have been a member of this Assembly, the issue of a threshold has never been raised with me by anyone in the commercial world. No-one has said, "This is patently unjust. Why is it that I get a \$160,000 exemption for a warehouse I own in Queanbeyan, whereas if I own a warehouse at Fyshwick I do not?".

No-one has ever brought the matter to me and said that it is a matter of unjustness and - - -

**Mr Kaine:** Wait until next week.

**MR DUBY:** Exactly. I know. The discrepancy between New South Wales and the ACT is something which is inequitable and should be removed. Indeed, I put it to you, Mr Kaine, that I doubt whether the matter has ever been raised with you, either. But, strangely enough, now, it becomes a matter of great importance. What we are seeing, of course, is simply the extension of an existing tax to take into account properties which in the past have not been taxed in the ACT but have been taxed elsewhere.

I almost sound as if I am being an apologist for the Government, but I think the debate needs these points to be made. A question has also been raised about the application of a threshold in New South Wales and other States, whereas there is no threshold in the ACT, even on

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commercial properties. The fact is, of course, that in the ACT the rate of land tax is significantly lower than that which is charged in New South Wales and indeed other States. New South Wales has a tax rate of 1.5 cents in the dollar, or 1.5 per cent, whereas the land tax rate in the ACT has, under the previous Government's administration, risen to only one per cent, or one cent in the dollar.

That is a factor which must be taken into account when discussing the whole issue of thresholds and whether a particular value needs to be taken into account when providing discounts to persons who may have to pay this tax. So, from a number of points of view, I think both sides in this debate have not actually been all that honest. Quite rightly, the people who own investment properties have lobbied quite strenuously to not have the tax burden imposed upon them.

**Mr Moore:** That is their prerogative.

**MR DUBY:** That is their prerogative, as Mr Moore says. They have said that investments have been made here on this basis or that basis and that we are now changing the rules. But, on the other hand, as I said, these facts about thresholds, about comparative rates between the ACT and New South Wales, et cetera, have not also been pointed out. It also has not been pointed out generally by those folk that, of course, this tax is an income tax deduction in almost all cases. I cannot think of a case where this tax would not entail a Federal income tax benefit for the person.

On the other side of it, we also have the Government saying, "We are simply extending the tax; it already exists", et cetera - and denying that this tax will have any effect on the market. It is clear bunkum to deny it. It will have an effect on the market, and that is really all there is to it. Luckily for the Government, there are already in place provisions which will provide assistance to those tenants who are in private rental accommodation and who are on a low income. Luckily for the Government, those provisions are in place, so they can then still beat their breast and say - - -

**Mr Berry:** We did think of that. It did cross our minds.

**MR DUBY:** I maintain that it would not have mattered whether those provisions were there or not, because you would have introduced this extension of the tax, anyway. The fact is that, because of your bad budgeting you need the money. That is the fact, and no-one disputes that.

But, as I said, it is wrong for the Government to suggest that this measure is not going to have an effect on the market. Actually, the person who is going to wind up suffering out of this is the long-suffering middle-income earner; that person who is earning just a little bit over \$20,000, who is not eligible for rent relief or anything like that and who will undoubtedly have to find additional

income, because the landlords, as I said, will impose, if they can - and I am sure they will be able to - the full burden of this tax upon the tenants.

All in all, whilst nobody enjoys raising taxes - I am sure that even our Treasurer does not enjoy raising taxes - the fact is that governments require and demand that revenue be received to pay for the various services that we all enjoy. And, whilst I do not particularly like the idea of passing this tax on to the community, I am afraid that it is one of those painful experiences, like going to the dentist, and we are just going to have to sit back and say, "Unfortunately, it is a fact of life and we have to live with it".

**MR MOORE** (5.24): It seems to me that I keep hearing doublespeak. On the one hand, I hear from a large number of members - various members of the Opposition - that the market dictates, and it is a question of supply and demand, as far as rental goes. Mr DUBY reiterated that landlords basically get out of rental whatever they can get out of it. There are exceptions. We all know exceptional landlords who do not do that; who are very happy with the quality of their tenants and who retain them in that way. But, by and large, landlords will put up the rent as they advertise for a new tenant, and they will look at the market to see what they can get. So, that is the first part.

They said that that applied to interest rates. So, it did not matter whether interest rates were going up or down; basically, the landlords will try to get what they can, or whatever the tenants will pay. And that relies, as Mr HUMPHRIES put it, on supply and demand. When we have a broader supply the rents will go down. Then they do a sudden jump. Their sudden jump was: However, if we put on a land tax, that is going to put rents up.

Now, for the first time for a long time, as far as I have heard, we suddenly have landlords all over Canberra with a social conscience who are very, very worried about their poor tenants who will have to be landed with paying some extra money to carry this tax. It is really terrible, we hear, and this is reiterated, of course, by the Real Estate Institute, which has suddenly taken on the role of looking after tenants, and is very concerned about their welfare.

Certainly, they came to me and asked me what I felt about the land tax. I said, "I am sorry to have to put it to you this way, Bruno, but I think it is a great tax, as taxes go. This is the one". I do not accept that this tax is going to be a major influence on rentals at all. It may, in the short term, provide landlords with an excuse to say to their tenants, "Tough; I am going to put up your rents". In the short term it will have that impact. I think that is what Mr DUBY was talking about when he commented. He gave a rather careful explanation of the whole situation, which I am inclined to agree with - especially his comments on threshold levels and those issues.

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The reality is that, given six or eight months, things will settle down again to the supply and demand situation. That is what dictates rental costs. It is what people are prepared to pay because of where they can get into and what they can get into. In the long term - although perhaps I should call it the medium term, because I would give it about six months - the effect will not be the passing on of this taxation down to the tenants; it simply does not work that way, except perhaps in the short term. Therefore, I have made it quite clear, from the time that this announcement was made, that I am prepared to support this tax.

I am prepared to support it for another reason, and that is that it is really an extension of a tax on speculation rather than a tax on productivity. When I use the word "speculation", I use it in a very broad sense, because I know that there are lots of people - and Mr Humphries has identified himself as one - who have saved up carefully and bought a property which they are using, in effect, as a superannuation system. I certainly have been in that boat on a previous occasion myself, and decided, for a range of reasons, to sell out. So, I have been in the landlord role as well, although I am not now.

I understand that there are lots of people around in Canberra, in particular, who actually have their rental property as a nest egg to look after themselves, and to be additional to their superannuation. Good on them. That is a very positive way to do things. But, at the same time, I think that, if, in the long term, we can extend this sort of taxation towards land and look at ways of reducing our taxes on productivity, we will, in fact, be able to make a major contribution to our community.

That is what the goal should be in initially setting up this taxation and in going through the anguish of bringing in what is perceived as a new tax, and what I believe is a new tax, even though I hear Ms Follett's argument that it is an extension of an existing tax to a different sector of the community. I certainly understand why she puts it that way, but I think it is not perceived that way. It is definitely perceived as taxing a new section of the community in a different way. I think that is why there has been an outcry about this. Whenever we find a new way to tax different people, they, of course, will feel that that is an unfair burden on them.

However, a number of people have described this tax to me as a wealth tax. I think that in some cases that might be true, but largely it is not true. Largely, the tax falls on people who are trying their best to look after their own situation for when they retire. We are aware of that; but, at the same time, it is a minimal tax and it has come at a time when interest rates have just fallen and, in fact, when landlords, even with this tax, are going to be far better off than they were some eight or nine months ago. I

am not going to say "far better off than they were under the Alliance Government". That would be entirely irrelevant, because, although the timing happens to be correct, it has to do with the fact that interest rates are falling, which is a Federal Government matter.

Coming at this time, people, by and large, are not going to feel it in their pocket at all. What a wonderful situation to have; that we can actually tax people at a time when they will not feel it as a loss from their income.

**Mr Humphries:** You tell them that.

**MR MOORE:** I know that they are going to kick up. Of course they are going to kick up. Mr Humphries interjects, "Tell them that". I have told them that, and I have sat down with the representatives of the Real Estate Institute and the Master Builders Association, as all of you have, I imagine. I have told them that that is exactly the way I perceive it. Therefore, I congratulate the Government on bringing down this tax, because I think it is an important thing.

**Mr Humphries:** You usually do.

**MR MOORE:** Gary Humphries interjects that I usually do congratulate the Government. I congratulated you in the Alliance Government on many occasions, and I have congratulated this Government on many occasions. I also do not hesitate to give them stick if I believe that it is appropriate. If you look at the Royal Canberra Hospital Bill you will see that, on the same thing that I was battling with you on, I will continue to battle with them. It is the issues that I work on. I work on the issues, not on where you happen to be standing and whether it is your turn in government. It is the issues that I will continue working on. And on this particular issue I happen to be in agreement with the Government that it is a good idea.

**Mr Jensen:** Mr Acting Speaker, I raise a point of order. Before we go much further, I would seek your ruling in relation to the position of those members of the Assembly who may, in fact, be advantaged one way or the other by a decision taken in this place in relation to this matter before us. I feel that I have to declare that I am, in fact, a landlord, and I just wonder whether, in fact, I have a conflict of interest and whether you would like to make a ruling on that matter.

**MR ACTING SPEAKER:** I do not think that there would be any real conflicts of interest, Mr Jensen. I think you can rest easy there. I am sure you will exercise all your best judgment in the interests of the people of Canberra.

**Mr Humphries:** If he votes for it, it does not matter.

**MR ACTING SPEAKER:** Yes, it does not matter, Mr Jensen. You vote as you think fit.

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**Mrs Grassby:** Bernard, you will have to leave, then. With all the houses you own, you will have to leave.

**MR ACTING SPEAKER:** Order, members! I think Mr Jensen is just being utterly proper.

**Mr Collaery:** Mr Acting Speaker, I rise on a point of order. Mrs Grassby referred to my owning all these houses. I own only one, and I own it with my partner. I own no other home, and I trust that she will withdraw that immediately.

**Mrs Grassby:** I withdraw it, Mr Acting Speaker.

**MS FOLLETT** (Chief Minister and Treasurer) (5.33), in reply: I would like to thank members for their comments. Most of the substantive issues which have been the subject of debate have been dealt with no less than masterfully by Mr Duby, I must say. All I can say is that, if he does the same sort of job on Hare-Clark, I will have to revise my opinion as to whether or not he will get elected - but I certainly will not have to revise my opinion as to whether or not Hare-Clark gets selected.

**Mr Moore:** I wonder how he will manage the next time around when it is single member electorates, though - thanks to him.

**MS FOLLETT:** That is quite right. Mr Duby has, in fact, addressed all of the substantive issues raised by other members, with the one exception of Mr Kaine's comment about the Housing Trust and its exclusion from this extension of land tax. I do have a lengthy explanation of why the Housing Trust ought to continue to be exempt from this land tax, but I will put it briefly.

The first issue is that no other public housing agency in this country pays land tax, although land tax is charged in every other State. So, it would be a one-off for our Housing Trust to have to bear this impost.

**Mr Kaine:** Perhaps we should be an innovator.

**MS FOLLETT:** Well, a further question arises in regard to the Commonwealth-State Housing Agreement. The advice that I have is that for us to charge land tax on the Housing Trust would put us in breach of at least the spirit of the Commonwealth-State Housing Agreement and may, in fact, involve us in serious financial implications in respect of that agreement. So, I think it is at least a cautious move at the moment, in regard to that agreement, to continue to exempt the Housing Trust.

A further matter that Mr Kaine alluded to is the fact that it is administratively very complex to include the Trust and even more complex to include only that part of the Housing Trust tenancies which are at market value. So, it would be a complex matter, it would be expensive to

administer, and it would therefore diminish the value of the tax. That is the brief explanation of why I continue to exempt the Housing Trust.

As I say, I thank members for their comments. They are extremely thoughtful. They have been made in the face of an exceptionally effective campaign by real estate interests - a campaign that, unfortunately, has been largely misdirected. I think that members who have been able to make their own decisions upon that matter are to be congratulated.

Question put:

That this Bill be agreed to in principle.

The Assembly voted -

*AYES, 9*

*NOES, 5*

Mr Berry  
Mr Connolly  
Mr Duby  
Ms Follett  
Mrs Grassby  
Mr Humphries  
Ms Maher  
Mr Moore  
Mr Wood

Mr Collaery  
Mr Jensen  
Mr Kaine  
Dr Kinloch  
Mr Stefaniak

Question so resolved in the affirmative.

Bill agreed to in principle.

### **Detail Stage**

Bill, by leave, taken as a whole.

**MS FOLLETT** (Chief Minister and Treasurer) (5.39): I want to move an amendment to this Bill, and I present a supplementary explanatory memorandum to the Bill. I move:

Paragraph 5(a), page 2, line 30, omit proposed sub-subparagraph 22B(1)(b)(ii)(B), substitute the following sub-subparagraph:

"(B) for sale before the prescribed date immediately following the next prescribed date;"

The reason that I am moving this amendment is to further relax a provision in the Bill which involves a rather stringent requirement. The inclusion in the Bill of this amendment will provide a further relief. I want it to be as reasonable as possible and I want to avoid the tax being applied to people who do not actually invest in residential property to earn rental income.



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The reason for the amendment is that the sub-subparagraph I propose to replace would have allowed a lessee to obtain an exemption from land tax on a new lease only if it was to be sold within 12 months. This provision, of course, is not in accordance with recent changes to covenants in lease agreements which allow a lessee to build a residence within 24 months. Land tax exemption should therefore be available, in my view, during this longer period. So, I would urge members to support this amendment.

**MR HUMPHRIES** (5.41): I want to briefly touch on some things that were said in the course of the earlier debate at the in-principle stage. Mr Moore seems to think that there is some inconsistency in my exposition on market forces and human behaviour, which I was extolling, and I hope that I might be able to clear it up for him.

There are two forces at work here. One is the desire by landlords, as businessmen or businesswomen, to recover the amounts that they invest in property, and the other is the capacity of those people to do so, based on the market. It may well be that two or three years ago, when interest rates were starting to climb quite seriously, in the ACT it may not have been possible for landlords to recover the extra amounts that they were paying in interest rates, because there was a glut of houses on the housing market and there were rather high vacancy rates at that stage. Understandably, the landlords could not charge whatever they wanted, because the market would not sustain it.

Conversely, I think it is true to say that today the rental market is very tight and it is possible, therefore, that if landlords incur - I should say "landlords and landladies", not to be sexist - -

**Mrs Grassby**: "Landpersons" will do.

**MR HUMPHRIES**: No, that does not do it; there is an element of sovereignty there which is not connoted by "landpersons". So, landlords and landladies would not necessarily have been able to pass on extra costs before, but they certainly could do so in the present market.

Ms Follett said that she believed that the Commonwealth-State Housing Agreement would be affected by any change which exempted the Housing Trust from the operation of this Bill. We believe, having discussed the matter with some people involved in the area, that the word "may" is better than the word "would". Given that there are obviously many factors to bear in mind, no-one can be quite certain of what the Commonwealth might do in those circumstances.

In my third point I respond to Mr Moore's assertion that he congratulates both sides of this chamber equally when they are in government. I have to say that I appreciate the occasions on which he has congratulated me, but I think

that if he examines his own voting record he will see that he tends to congratulate the Labor Party considerably more often and considerably more fulsomely than he does anybody on this side of the chamber.

Amendment agreed to.

**MR COLLAERY (5.44):** I seek leave to move an amendment which is out of sequence because it comes in a line ahead of the Chief Minister's recent amendment.

Leave granted.

**MR COLLAERY:** I move:

Paragraph 5(a), page 3, line 6, omit proposed subsection (1A), substitute the following subsection:

- “(1A) For the purposes of paragraph (1)(a), a parcel of land does not cease to be the principal place of residence of its owner by reason only that the owner does not occupy the parcel for a period not exceeding -
- (a) if the reason for the owner's absence is related to his or her employment or occupation - 3 years if he or she occupies the parcel for a continuous period of 2 years in any period of 5 years commencing on a prescribed date;
  - (b) if the Commissioner is satisfied that by reason of the death or illness of any person or on some other compassionate ground the owner has a compelling reason for not occupying the parcel for a longer period than 12 months - that longer period; or
  - (c) in any other case - 12 months.’; and”.

This Bill, as it presently stands, stipulates that the commissioner may allow an exemption for the house owner - or landlord, if you want to put it that way - who, because of employment or occupation, "has a compelling reason for not occupying the parcel for a period longer than 12 months".

If we are to have this legislation - and I have said earlier that it was telegraphed three months in advance and that the horse has bolted and the charges are already there - it should be equitable. There are people in this community who have residences that they rarely occupy.

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Nevertheless, they come within the categories set out in the Bill as it presently stands; that is, they can say that they were compulsorily transferred by their department - be it Civil Aviation, Foreign Affairs or Defence - 15 or 20 years ago, and that they have maintained a residence in the Territory and have maintained their position of being on transfer or on very long-term posting. Occasionally, as we all know, they come back for six months, settle the children into boarding school and go again.

As I said earlier, I am in no way criticising that lifestyle. It is a very difficult lifestyle for many of them. But, if this tax is to be applied equitably, it is the Rally's view that, after they have been absent for a period of five years and have not been present in the residence for two continuous years in that period, they should pay this impost. It is not a great sum of money, but they have the advantage over that five-year period of rent throughout that time.

In other words, transferred though they be, the Rally takes the view that the word "compelling" will create great difficulty for the commissioner if, one might say, a compliant department arms its long-term, overseas-serving or interstate-living staff with a letter saying that there are very good and compelling reasons why they go abroad. What can the commissioner then do in exercising his discretion? In my view, the provision needs to be tightened up. The provision needs to give the Commissioner more discretion. And I accept the fact that that may result in, to some extent, more revenue falling due under this Act.

I do not accept the arguments that this would necessarily create a hardship for those people who are on long-term, almost permanent postings. Nevertheless, even with the amendment drawn the way that the Rally has drawn it, the commissioner is still left an out discretion on the basis of compassionate grounds or, as the amendment says, if the owner "has a compelling reason for not occupying the parcel". So, there is still discretion, but the discretion is being narrowed for the commissioner. We support the notion that if the tax is to be applied it should be applied equitably, and it should not exempt the very long-term absentee landlords.

**MS FOLLETT** (Chief Minister and Treasurer) (5.49): The Government is not opposed to Mr Collaery's amendment, but I think we have to point out a couple of fascinating facts about it. The first is that Mr Collaery, having opposed the Bill, is now, in fact, tightening it up by virtue of moving this amendment.

**Mr Collaery:** What is wrong with that?

**MS FOLLETT:** I find that an extraordinary way to behave, but the amendment gives me no difficulties. What is of absolute fascination to me is that Mr Collaery, having voted against the Bill, is at a later stage going to be forced to vote on the Bill, as amended. I really cannot wait to see whether he is going to vote against or for it, as amended.

I would not attempt to speculate what might be in his mind, but I simply remind him that if he votes against the Bill as amended he, in effect, votes against the very amendment which he himself has moved and which, as I say, the Government does not oppose. But I guess stranger things have happened, and in stranger places, and there is absolutely no accounting for Mr Collaery's course of action or for the logic which underlies that course of action.

Amendment agreed to.

Bill as a whole, as amended, agreed to.

Bill, as amended, agreed to.

### **TRADE MEASUREMENT BILL 1991**

[COGNATE BILLS:

TRADE MEASUREMENT (ADMINISTRATION) BILL 1991  
WEIGHTS AND MEASURES (AMENDMENT) BILL 1991]

Debate resumed from 12 September 1991, on motion by **Mr Connolly**:

That this Bill be agreed to in principle.

**MR ACTING SPEAKER:** Is it the wish of the Assembly to debate this order of the day concurrently with the Trade Measurement (Administration) Bill 1991 and the Weights and Measures (Amendment) Bill 1991? There being no objection, that course will be followed, and I remind members in debating order of the day No. 2 they may also address their remarks to orders of the day No. 3 and No. 4.

**MR JENSEN (5.52):** Mr Acting Speaker, I will not be very long, but I wish to make just a few anecdotal comments about this particular legislation. Quite obviously, the legislation being revised has been sitting around for some considerable time and it is well overdue for review, like a lot of the legislation governing the ACT, because of the inability of administrators to get any more than three or four Bills through a Federal Cabinet. But I think that that is one of the important factors about having self-government.

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We have come a long way since the 1950s and 1960s. As I read through this Bill last night in preparing these comments, I thought back to the days when I used to earn my pocket money in my father's shop weighing up commodities like sugar, flour, biscuits, et cetera, in the bulk form in which they were handled in those days. I stood on the end of the long counter in the shop, busily earning my two bob a week pocket money weighing up these various commodities. It was very interesting to see, as I read through that, how society has changed since those times.

I also remember the annual visit by the gentleman from Brisbane who used to come along, with his little leather bag full of all his measuring tools, to go through and check my father's scales which were part of his stock-in-trade. Of course, it was a requirement in those days to have the inspector go through and adjust and stamp the scales. Of course, in those days it was a case of a one pound weight with a brown paper bag underneath it and you then weighed accordingly - not as exact as some of the measuring equipment that we have today.

As I said, things have changed as we have moved from what I call a rather less complicated world to the more modern world, and we have added to the overall cost of various commodities because of marketing via prepackaging in packets. These days anyone who has tried to buy a couple of items of hardware, like nuts or bolts, will know that you have to buy a dozen when you really want only one or two - unless you go to a couple of the major stores in town.

It is unfortunate that in the modern world governments have had to legislate and regulate because there are a few traders out there who have in the past not been strictly honest - unlike my father, of course, in his business up in a country town in Queensland. He made sure that the weights were right, so to speak.

I guess one plus is the increasing trend towards uniform legislation, and I suppose we should support that. However, we need to be sure that we do not end up having to adopt the lowest common denominator, as is often the case when you are seeking to bring in this sort of legislation. It seems to me that the move to spot checking and the use of licensed people to certify instruments is probably a move in the right direction; a little bit of, dare I say, privatisation in this area, which, I think, is probably a very efficient way to go.

However, I give a word of warning to the Government to ensure that sufficient spot checkers and officers are available to grant these licences. Certainly, this legislation has dragged things kicking and screaming into the twentieth century, with the large increase in fines. I note that the fines have gone up to \$5,000 for an

individual and \$20,000 for a body corporate. That is certainly something that, if we get a couple of cases there, should help pay, for the increase in staff that I believe is probably going to be necessary to make sure that all this spot checking takes place.

I would like now to turn to the Trade Measurement (Administration) Bill. I note the move to on-the-spot fines which in this case, I believe, should reduce the administration of enforcement. Under previous legislation the cost of taking someone to court far outweighed the minuscule fine that actually would have been levied. That is probably a step in the right direction.

I also note that the procedures for search warrants and the appointment of inspectors have, I presume, been accepted by the Scrutiny of Bills Committee, in keeping with current practice. I certainly did not see any complaints about that.

Moving right along to the Weights and Measures (Amendment) Bill, this Bill, like the first, also takes me back to my childhood when I used to walk up the street on a Sunday morning to collect fresh bread from the baker's shop. Any of us who have lived in a country town will know that particular activity, as opposed to getting it in plastic bags in the shop, as we find today.

**Mr Duby:** What town was that, Norm?

**MR JENSEN:** It was in the days before sliced bread and plastic wrappers. I thought we would like to finish this very long and tortuous debate today with a little bit of light relief.

**Mr Wood:** And you were barefoot, too, weren't you?

**MR JENSEN:** I actually was, Mr Wood, yes. It seems unfortunate that we have to go this way, but I guess that is progress. I am not sure that the sort of progress we are talking about is in the long term interests of sustainability, but I guess we have to put up with that fact.

I notice that clause 18 says that bakers are required to have scales on the premises. This seems to me to be a bit of an expensive provision for the baker, and one which could well be avoided. Maybe I will put a question on notice to the responsible Minister, asking how many times people have actually asked the baker to weigh the bread. I just wondered why that is required. It seems to me that, with all the spot checking that is going on and the hefty fines, there would probably be no need for that. But I do not propose to move any amendments on that matter.

With those few short comments, I propose to close my remarks - to the joy, I see, of my colleagues. I commend the three Bills to the house.

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**MR STEFANIAK** (6.00): That is a hard act to follow. I will not even try.

**Mr Wood:** You were never barefoot, were you?

**MR STEFANIAK:** I probably was. But I do not think I would try to measure things; I would probably get it all wrong, anyway. At any rate, this is, as Mr Jensen said in his entertaining speech, uniform legislation agreed to by the various Ministers, both State and Federal, in January 1990.

Mr Jensen may not have said this in his dissertation on bread; but, basically, the Weights and Measures Act will be with us probably for a few months yet, until Queensland works out what it is going to do in terms of weighing bread - whether to use dry weight or wet weight - at which time the Weights and Measures Act will be repealed and its provisions will then become part of the Trade Measurement Act. That is why we have that particular Bill. At any rate, these three Bills arise as a result of the January 1990 Ministers conference.

It is important that the ACT Assembly pass these three Bills. It is probably sensible that we sit and actually pass them now, because the New South Wales Parliament has already enacted its identical legislation and we are very much an island in New South Wales when it comes to things such as this. It was important, for example, that we had uniform taxes for the tobacco franchise. That was very sensible. In terms of trade measurement, it is also essential that we go along the same path as New South Wales.

New South Wales, Queensland and the Northern Territory have already enacted this legislation. We will be the fourth place to do so. The Liberal Party was a little bit concerned, initially, about the fines going up to \$20,000 and \$5,000, but that is the case Australia-wide.

**Mr Berry:** But you like having fines and gaol and all that sort of stuff.

**MR STEFANIAK:** I will come to that, actually. That is the case Australia-wide, and basically we have no problem with that.

**Mr Berry:** And a bit of corporal punishment.

**MR STEFANIAK:** I do not think you would have corporal punishment here, and quite appropriately. In fact, the terms of imprisonment which used to be in the old Act have been taken out, because it is pretty hard to imprison a corporation, for starters. Such penalties are rather unrealistic when one considers Acts such as these. Of course, \$40 is simply no deterrent to anyone who might want to abuse these provisions. However, it is interesting. I

do not have problems with \$5,000 fines for individuals or \$20,000 fines for corporations. That is pretty standard practice these days.

But I would point out to the Attorney-General, when we are talking about fines, that the criminal law certainly lags far behind Acts such as these. My colleague Mr Humphries mentioned something to me when we were just talking about fines and considering this Act. I recall an Act passed in about November 1989 by the first Follett Government whereby one could be imprisoned for five years or fined \$10,000 for picking a wildflower.

That is quite incredible; yet it is rather amazing that people can break into 30 or 40 houses and still get a bond - no fine or anything like that - and not go anywhere near a gaol. So, I think it is high time that we revised some of the penalties in relation to the criminal law offences. I was rather impressed with the fact that Mr Connolly, in part of his part of the budget, said that the fines for, I think, speeding matters would be brought into line with those of the rest of Australia - and, again, I would commend the New South Wales legislation to him in that regard.

This should not be done only for speeding, though, Mr Connolly. Try that for all traffic matters. In fact, it might be sensible to look at some mandatory fines for minor criminal activities, too, because I think it is important that we make advances in those areas as well, as we are in this area with this uniform legislation, which is supported by the Liberal Party.

**MR CONNOLLY** (Attorney-General, Minister for Housing and Community Services and Minister for Urban Services) (6.04), in reply: The Government is pleased that these Bills will be supported, and I do not want to take up any further time of the house, apart from to reflect on a comment of Mr Jensen's when he reflected, in his weighty speech, that it is a sad thing that in the modern world we have had to regulate weights and measures. It is unfortunate that Mr Stevenson is not present, because I am about to quote from a law that he often harks back to. The Magna Carta of King John of June 1215 said:

Let there be one measure for wine throughout our kingdom, and one measure for ale, and one measure for corn, namely "the London quarter"; and one width for cloths whether dyed, russet or halberget, namely two ells within the selvedges. Let it be the same with weights as with measures.

So, regulation of weights and measures is hardly an aspect of the modern world; it has been a central focus of government concern for generation upon generation, and, indeed, one of the foundations of the law of this country contains that interesting quote. This measure takes the long heritage of weights and measures regulation into the twenty-first century, and I commend the Bills to the house.



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Question resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

### **TRADE MEASUREMENT (ADMINISTRATION) BILL 1991**

Debate resumed from 12 September 1991, on motion by **Mr Connolly**:

That this Bill be agreed to in principle.

**MR COLLAERY** (6.06): Mr Acting Speaker, I just wanted to say that I did not think that the historical allusions to weight started with the Magna Carta. I thought they started in the Book of Leviticus where it was said, "Thou shalt sell bread by weight alone", and that it was a woman's task. I just wanted to correct the Attorney.

**Mr Moore**: What verse is that, Bernard?

**MR COLLAERY**: Mr Moore asked what verse it is. I have it on an envelope upstairs; it arrived just this morning.

Question resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

### **WEIGHTS AND MEASURES (AMENDMENT) BILL 1991**

Consideration resumed from 12 September 1991, on motion by **Mr Connolly**:

That this Bill be agreed to in principle.

Question resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

## ADJOURNMENT

Motion (by **Mr Berry**) proposed:

That the Assembly do now adjourn.

### **Bruce Stadium - Lease by Canberra Raiders**

**MR COLLAERY** (6.08): I refer to a conversation earlier today in the chamber where there was a reference to legal chicanery. I still feel obliged to correct the record. I do that only because the unfortunate exchange between the Chief Minister and me could, on reflection, be used in any litigation in future to weaken the Government's position, were there to be any litigation. I think it is important that it not be able to be argued that the Territory, at any time, as an entity, has sought to trick the other side.

I seek leave simply to table a letter, which is an instruction from me to John McIntyre that all negotiations should take place between his company's solicitors and the Government Solicitor. It says very little more than that, and I do not believe that it breaches any of the commercial ethical obligations that should exist. I feel that it should be put on the record as an arm's length arrangement that I set up as Deputy Chief Minister.

In retrospect, I wish that the Chief Minister had not used that language. In retrospect, I believe that it would be better all round, rather than my trying to force an apology or withdrawal, for me simply to seek leave to put this letter on the table so that it can be seen that I said to the Raiders:

I consider that the prospect of negotiations being successfully concluded would be enhanced by permitting our respective legal representatives to continue unimpeded.

Leave granted.

**MR COLLAERY**: I thank members. I wish to have the letter incorporated in *Hansard*.

Leave granted.

*Document incorporated at Appendix 1.*

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### **Bruce Stadium - Lease by Canberra Raiders**

**MR STEFANIAK (6.10):** In relation to the point Mr Collaery made regarding that particular question and the answer from the Chief Minister which related to the \$1m still owing to the Territory in relation to the Bruce Stadium, I listened with interest to both his question and Ms Follett's reply. I think her reply probably did not do justice to what I regarded, when I worked with Mr Collaery as his Executive Deputy, as some very good work that he did in that area. I believe in giving credit where credit is due. That is why I congratulated Mr Connolly on increasing those speeding fines. I would certainly congratulate Mr Collaery on the very fine work he did in relation to what was an absolutely atrocious contract entered into by the ACT Government on 24 June 1989.

That contract was drawn up, I believe, not even by legal people but, I think, by a firm of accountants. It gave a very favourable deal - in my opinion, probably too favourable - to the Raiders in relation to the Bruce Stadium. It was not a crash-hot document, to say the least. Mr Collaery and the Government legal advisers, and I think perhaps all parties for about the last 10 months or so - I hope that the Labor Government is continuing in this regard - have tried to arrive at a proper and sensible legal agreement.

The premier team using the Bruce Stadium, no-one would doubt, is indeed the Canberra Raiders. They have done an incredible amount for Canberra in the short time they have carried this city's flag in the New South Wales rugby league competition. I do not think anyone would dispute their claim to be the No. 1 team who uses the Bruce Stadium.

However, the way the first contract was drawn up made it very difficult and not terribly attractive financially for other teams to use that facility. That facility is a dual facility, a multipurpose sporting facility, the best one in Canberra, and I think all people in this Assembly would like to see as many groups as possible use it. It has been used by Australian rules for some AFL Foster's Cup games. It was used for about five matches last year by the ACT Rugby Union in its matches against interstate and visiting international teams. It was used for the second test between Ireland and Australia in Gaelic football. It has been used for demonstration gridiron games. I had the pleasure of going and getting some of those games for the Territory.

I would like to see it used in future for test matches between Australia and other countries in both rugby union and rugby league. I have put a fair bit of effort into that, and I hope to see that come to fruition. But, for those other groups to use the oval, especially some of the smaller groups - I think it has also been used for soccer - an attractive deal has to be available to them. At present

the June 1989 contract is so written that it is simply not terribly attractive for other groups. There are problems in terms of things like signage - not being able to take signage down - and various other restrictions.

I am not sure of what is happening in terms of the money. I hope that the money is forthcoming soon, Mr Berry. I hope that, whatever sort of formal contract is entered into, it is a good practical contract which will enable the Raiders to continue using the Bruce Stadium but also be attractive for other sporting groups, including some of the smaller sporting groups which can still draw a good crowd to that stadium. I was impressed with the way Mr Collaery, when he had responsibility for that as Deputy Chief Minister, went in to bat on behalf of the Territory, and I would like to formally note that now.

On a final note, Madam Temporary Deputy Speaker, whilst talking about sport, I would like to congratulate my old club, Royals, on again winning the ACT premiership and I am looking forward to this Sunday when we have the Canberra Raiders going for their third grand final in a row. I am sure that everyone in this Assembly wishes them all the best to make it a hat trick.

### **Canberra Raiders**

**MR JENSEN** (6.14): I would like to make a couple of brief comments in relation to the matter just addressed by my colleague Mr Stefaniak. I think it is important to remember that my colleague Mr Collaery, like me, played rugby league. We enjoyed the game very much at the time. But what I really want to say, and I am sure it will be supported by the rest of the members of the Assembly, is all the best for the Raiders on Sunday in what I reckon is going to be a great game. It will be a back to back treble, with a quadruple coming up next year.

### **Education**

**MR HUMPHRIES** (6.15): I wanted to talk about education, briefly, and to correct some misinterpretations of things that have been said or done by me or my party in the last few months. First of all, there have been some comments in the media concerning the Liberal Party's policy on education. It was considered by our policy convention a couple of weekends ago. The assertion is being made by both the Australian Democrats and the ACT Teachers Union that the ACT Liberal Party now has in place a voucher system for funding of education.

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I can understand those groups' desire to find some reason to pick holes in the Liberal Party's education policy and they may, from their point of view, find many such holes; but I must say that describing the system as a voucher system, advocating voucher-based funding such as that advocated by Milton Friedman, is a criticism which it cannot reasonably be accused of.

**Mr Wood:** We know that you have more sense than to go down that path.

**MR HUMPHRIES:** Indeed. Mr Wood has had the good grace to acknowledge that. Certainly, we are talking about base funding for all schools in the Territory. But the Liberal Party goes beyond that to talk about, on top of that, funding especially for government schools, to acknowledge the Government's particular responsibility for government education. Therefore, to suggest that any non-government school would get anything like as much money as any government school would be a gross distortion. You cannot describe that system as a voucher system.

The suggestion also made by some of those opposite is that the Alliance Government, had it remained in office, would have been cutting non-government education funding by \$1.6m in this financial year, and \$1.9m in the following financial year. Madam Temporary Deputy Speaker, there are many factors that one has to take into account before deciding on levels of funding in any given year. As far as the Alliance Government is concerned, there was a very clear policy laid out for funding of education and that was that if cuts were to be made in education they were to be sustained proportionately in both the government and non-government sectors.

The Alliance Government made a very deliberate and very well-articulated decision that it would cut both sectors, if it was going to cut at all, proportionately across both sectors. So, every dollar cut per child out of the government sector would be matched by a cut of similar measure in the non-government sector. That was our repeated assertion. It was a policy we proposed to achieve in that area and, in fact, it was the policy I think we ended up achieving for last financial year.

I sincerely hope that that would have been the product of any changes in the area of non-government education in this financial year. But you must bear in mind, of course, that the proposed reductions in government spending proposed by the Alliance Government were greatly reduced as the result of a number of developments, particularly the Hudson report. As a result, the \$3m-odd that was talked about originally for cuts in government education before the Hudson report was whittled back to, from memory, something like half a million dollars. I could be wrong about that; certainly, it was much less than was originally proposed. Of course, since that time, those cuts virtually amount to nothing.

I sincerely hope, Madam Temporary Deputy Speaker, that in the circumstances that the ACT presently finds itself in no-one would imagine that there would still be cuts of that order in the non-government sector - that is, \$1.6m in this financial year - and yet no equivalent pain to the government sector. That clearly would be inequitable and would not have been tolerated by me as a Minister for Education. I hope I can say the same about this Government and this Minister, but I am not yet sure.

### **Bruce Stadium - Lease by Canberra Raiders**

**MR BERRY** (Minister for Health and Minister for Sport) (6.20), in reply: I rise merely to comment on the issue of the contract for the Bruce Stadium. The real issue about that, of course, is that the former Government was unable to clinch the deal in the lead-up to the collapse of that Government. It is merely another difficult circumstance that this Government has inherited and has to deal with. Over the 18 months that the former Government was in office a quite slack approach was taken to the negotiations on the money which should have been in the coffers at a very early stage. It is significant that that money would have earned a great deal of interest and, of course, that is a matter of concern to any Treasurer who wants to balance a budget, as Rosemary Follett has set out to do in this case.

The real issue is that the then Attorney-General and Minister for sport, Mr Collaery, failed to give the proper attention that was required to settle that arrangement in relation to the Bruce Stadium with the Canberra Raiders. It was an unfortunate turn of events that, at about the time the Labor Government inherited the problem, management difficulties showed up in the Canberra Raiders. That has made it more difficult to proceed.

Those are the facts, and I think they are the facts that need to be placed on the record to ensure that there is no difficulty in determining the true position. I will close by saying that I was quite proud this morning to raise a new flag in Canberra, and I am sure that it will not be hanging at half-mast on Monday.

Question resolved in the affirmative.

**Assembly adjourned at 6.22 pm until Tuesday, 15 October 1991, at 2.30 pm**

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## **ANSWERS TO QUESTIONS**

**Minister for Health**

**Legislative Assembly Question**

**Question No. 429**

### **HOSPITAL REDEVELOPMENT PROJECT**

Mr Humphries - asked the Minister for Health on Notice on 6 August 1991:

- 1 Has the Minister made any decision which affect the master development control plan for the hospital redevelopment project.
- 2 If so, what are these decisions.
- 3 What advice was sought from what groups before these decisions were made.
- 4 If no decisions have been made which affect the master development control plan, does the Minister intend to vary the plan in the near future. If so, why and in what way.

Mr Berry - the answer to Mr Humphries question is as follows

- 1 Yes.
- 2 A range of non-acute health services will be located at Acton - rehabilitation and aged care, convalescence and hospice facilities, and the Queen Elizabeth II home for mothers and babies. The hospice has been included in the 1991/92 forward design program. Nursing home facilities are also being considered.
- 3 A Project Team of consultants and officers from the Board of Health, Calvary and Royal Canberra Hospitals, ACT Treasury carried out a review of the Alliance Governments Hospitals Redevelopment Project under the direction of an independent Steering Committee.
- 4 The Board of Health is currently developing proposals to locate a range of non-acute public health facilities at Acton for the Governments consideration: These include rehabilitation and- aged care services, a convalescent facility, a hospice, the Queen Elizabeth II home for mothers and babies, and nursing home facilities.

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**CHIEF MINISTER FOR THE AUSTRALIAN CAPITAL TERRITORY  
LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION NO . 434**

**Government Bodies - Corporatisation**

MR HUMPHRIES - Asked the Chief Minister upon notice on 6 August 1991:

- (1) Has a decision been made to delay or stop the Alliance Governments corporatisation process.
- (2) If the corporatisation process has been delayed, what is the estimated cost to the Territory of this delay.
- (3) If a decision has been taken not to proceed with corporatisation, what are the reasons for this decision.
- (4) What advice had been sought from the administration before a decision was made to delay or halt the corporatisation process.
- (5) What views had been sought from unions about the corporatisation process. What were these views.
- (6) What advice had been sought from management of the bodies to be corporatised. What was this advice.

MS FOLLETT - The answer to the members question is as follows:

- (1) Corporatisation is one element of micro-economic reform and is only one approach to reforming government owned enterprises. Rather than accept at face value the previous Governments policy on corporatisation, the present Government is reviewing the full range of micro-economic reform options and will make decisions following full consideration of all the issues and available information.
- (2) The corporatisation of ACTEW and Totalcare Industries, proposed by the previous Government for 1 July 1991, did not proceed at that time. There were minor administrative costs only as a result of this. However, the Government has moved in budget decisions to be announced shortly to ensure that the dividends and savings required of ACTEW and Totalcare during 1991-92 at least match the financial performance that these bodies would have achieved had they been corporatised on 1 July.
- (3) See answer to Question 1.
- (4), (5) & (6) The usual briefings were provided by senior officers of the ACT Government Service immediately after the change of government, and discussions have been held with the unions and organisations affected. Consistent with its consultative approach to decision-making, this Government will have regard to the views of all relevant parties as part of the approach outlined in response to Question 1.



19 September 1991

**MINISTER FOR HEALTH**  
**LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION NO. 435**

**Ambulance Service**

Mr Humphries - Asked the Minister for Health on Notice on 7 August 1991:

(1) Mr Berry said in May this year that "the management of the ambulance service get their figures wrong. They are not able to provide sufficient officers to staff the ambulances".

In light of this statement, does the Minister have confidence in the ambulance service management.

(2) If yes, does the Minister now retract his earlier statement.

(3) If not, what action does he intend to take to get alternative advice.

Mr Berry - The answer to Mr Humphries question is as follows:

(1) In May 1991 I was concerned that the Ambulance Service was unable to keep the minimum of four ambulances on-duty at all times. My concerns were based on the observation of the performance of the Service at the time.

I have had confidence in the management of the Service throughout. The problem appeared to be one of resource insufficiency.

(2) I have taken the necessary steps to ensure that the Ambulance Service is able to maintain a minimum of four ambulances on-duty at all times. This has been the case since the Labor Government came into power. There is no case for me needing to retract the concerns I expressed in May.

(3) The performance of the Ambulance Service is being closely monitored and I am being comprehensively briefed on ambulance service matters. I have no need to seek alternative advice.

3607

**CHIEF MINISTER FOR THE AUSTRALIAN CAPITAL TERRITORY  
LEGISLATIVE ASSEMBLY QUESTION**

**Question No 439**

**Very Fast Train Project**

MR HUMPHRIES - Asked the Chief Minister upon notice on 6 August 1991:

- (1) What action is the Chief Minister taking to help ensure that the Very Fast Train Project becomes a reality.
- (2) What are the potential social and economic benefits to Canberra of the Very Fast Train.

MS FOLLETT - The answer to the members question is as follows:

- (1) The ongoing economic prosperity of the ACT will depend in part on our ability to diversify the Territorys economic base and thereby generate new jobs. Critical in this task is the enhancement of our external transport linkages, including those in the Sydney-Canberra-Melbourne corridor. Innovative transport solutions are also part of the larger planning task of addressing the urban problems of Sydney and Melbourne which are currently facing significant infrastructure cost pressures. I believe that the Very Fast Train Project, as a privately funded venture, offers a visionary approach to these issues.

I am disappointed that it appears that the VFT Project will not proceed and that the VFT Joint Ventures Canberra office has closed. I will be having further discussions with them regarding their future intentions.

On a more positive note, it is my belief that the formation of an Intergovernmental Working Group on Tax Implications for Infrastructure Development at the recent Special Premiers Conference is an important initiative.

The ACT Government is not giving up on the VFT Project. In the coming months I will endeavour to achieve a positive outcome from this working group and the Special Premiers Conference in November which will enable private investment in large-scale infrastructure projects that enhance the Regions and Australias competitiveness.

- (2) The first ACr Labor Government initiated two studies to evaluate the potential social and economic benefits to Canberra of the Very Fast Train Project. The results of these studies strengthened the Governments inprinciple support for the Project.

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An economic cost/benefit study showed that the Project had the potential to deliver significant net benefits to the ACr and region. The benefits identified include 430 new jobs annually, travel savings to the ACT of \$30 million annually, household income growth of \$10 million annually and a broad stimulus to industry development and tourism.

The Labor Government also established the ACT VFr Advisory Committee that ensured information on the Project was made available to the public while seeing their views. The recommendations of the Committee reinforced the Governments strong in-principle support for the project subject to environmental considerations and the Governments commitment to broad community participation in the assessment and development of the project.

3609

**MINISTER FOR HEALTH**

**LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION NO. 442**

**Ambulance Service**

Mr Humphries - Asked the Minister for Health on Notice on 6 August 1991:

- (1) How much will it cost to provide an extra ambulance and eleven additional ambulance officers.
- (2) Does Mr Berry intend to keep his promise made in May this year to provide this extra service.
- (3) When will this extra service be provided.
- (4) What advice has the minister received which makes the case for providing eleven extra crews.

Mr Berry - The answer to Mr Humphries question is as follows:

- (1) The cost to provide an extra ambulance with equipment is  
= \$ JO 000

Eleven additional ambulance officers would cost  
11 officers @ \$45 000 pa each = \$195 000

However, if funding is obtained for an additional ambulance crew, 24 hours per day (ie 11 officers), no additional ambulances will be required. This can be operated from the existing fleet.

- (2) I indicated in May this year that when in Government I would review the capacity of the Ambulance Service to meet the demands being placed upon it by the Community. I also indicated that if I found that additional resources were needed I would provide these resources to the Service. This is still my position and the Government is committed to the delivery of effective Ambulance Services to all areas of the Territory.
- (3) Since assuming Government, I have sought and received significant briefings on the resource needs and performance profile of the Ambulance Service.
- (4) I will advise the Assembly further when Government has taken a final decision on this matter, which will be following further consultation with the ACT Board of Health and the Transport Workers Union.

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**CHIEF MINISTER FOR THE AUSTRALIAN CAPITAL TERRITORY  
LEGISLATIVE ASSEMBLY QUESTION**

**Question No 445**

**Ministerial Vehicles**

Mr Humphries - Asked the Chief Minister upon notice on 6 August 1991.

- (1) What is the Executives policy on the use of ministerial cars.
- (2) What is the Executive policy on the use and engine capacity of ministerial cars.
- (3) Has the Chief Minister asked her ministers to use small cars with small engine capacities. If not, why not.
- (4) What guidelines have been established for the use of ministerial cars.
- (5) What insurance guidelines currently apply to the use of ministerial cars.

Ms Follett - The answer to the Members question is as follows:

- (1) Ministers are able to use their Government vehicles on the same basis and conditions as Senior Executives within the ACT Government Service. Private use is permitted and a contribution for use of the vehicle, based on engine size, is paid by Ministers.
- (2) As Members are aware, I drive a 4 cylinder car and have and informally expressed a preference for Ministers to
- (3) drive small engine capacity cars.

At the change of Government, serious consideration was given to procuring less expensive Ministerial cars than those procured by the Alliance Government. However, it was not economically viable to change over the larger vehicles acquired for Ministers of the former Government. To replace those vehicles would have "cost" the new Government, through loss of Sales Tax benefits available within the first two years of purchase.

- (4) The guidelines applying to use of ministerial cars are aligned to those of the Senior Executive Service within the ACT Government Service. Broad guidelines are also contained in the draft Allowance and Entitlements Handbook for Members and Office Holders of the Assembly.
- (5) Insurance coverage for ministerial cars is based on self insurance arrangements. This is consistent with the approach adopted in respect of other government vehicles within the ACT Government Service.

3611

**MINISTER FOR THE ENVIRONMENT, LAND AND PLANNING**

**LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION NO 452**

**Residential Land Development and Sale**

Mr Kaine - asked the Minister for the Environment, Land and Planning

In the calendar period 1975-1987, what were the time-lags, if any, between the development of residential land tracts by the public sector and the sale of those tracts.

Mr Wood - the answer to the Members question is as follows:

Land development in this era was handled by the former National Capital Development Commission (NCDC) and land sales by a different Commonwealth body, the Department of Territories.

In the mid 1970s Canberra was growing at an unprecedented rate and land servicing was stepped up to meet the projected demand made at the time.

With the change of Federal Government in 1975 there was a sudden. policy change which,put a freeze on the expansion of the Commonwealth public service and which effectively froze the growth of Canberra.

This unexpected drop in demand combined with the difficulty of terminating contracts which were partially completed led to a large oversupply of serviced land, particularly in Tuggeranong,

This created a situation in the period when there were considerable delays between the development and sale of serviced land. These delays were up to four years in some suburbs including Fadden, Gowrie and Macarthur.

Since Self Government, forecasts of population increases and consequential demand for residential land are provided to the government based on the Australian Bureau of Statistics advises. These forecasts do not differentiate between land being serviced by either the public or the private sector or a combination of both.

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My Department provides a rolling Land Development Program based on these forecasts. This program which projects a five year time horizon for residential land and a three year time horizon for commercial and industrial land is approved by government on an annual basis.

The take-up of residential land in the ACT has been consistent with these forecasts in recent years.

3613

**CHIEF MINISTER FOR THE AUSTRALIAN CAPITAL TERRITORY  
LEGISLATIVE ASSEMBLY QUESTION**

**Question No 453**

**Land Tax**

MR KAINÉ - Asked the Treasurer upon notice on 6 August 1991:

What increase in the level of land tax on commercial enterprises is proposed to pay for the Government's increased funding demands.

MS FOLLETT - The answer to the Member's question is as follows:

Land tax was increased by the Alliance Government by 33 1/3% to 1%. This Government has already announced its decision to hold the land tax rate constant in 1991/92.

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19 September 1991

**CHIEF MINISTER FOR THE AUSTRALIAN CAPITAL TERRITORY  
LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION 459**

**Government Service - Consultants**

MR KAINE - Asked the Chief Minister upon notice on 6 August 1991:

What control mechanisms are proposed to limit the use of consultants by the ALP Government?

MS FOLLETT - The answer to the members question is as follows:

This Government has introduced a range of measures to significantly strengthen the management and use of consultants in the ACT Government Service which will result in a minimum saving of \$1.7 million in 1991/92:

1. A threshold of \$25,000 has been established beyond which consultancies would need to be endorsed by an inter-Agency Consultancy Review Committee chaired by the Office of Public Sector Management (OPSM) and including Treasury plus a representative from each portfolio. The Auditor-General is being invited to be represented on the Committee.
2. Revised consultancy management guidelines were issued in July 1991 to tighten the process and to ensure a much greater focus on in-house resources.
3. The Committee will ensure that the need for consultancies has been clearly established, that in-house options are considered, that duplication of consultancy services does not occur and that value for money is obtained.

The Committee- will also undertake a selective audit of other consultancies to ensure the guidelines are being followed.

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4. All consultancies are now subject to a post-consultancy evaluation process.
5. The Office of Public Sector Management now maintains a data base on consulting firms and individuals to ensure only those consultants with a demonstrated record of strong performance are re-engaged by the ACTGS.

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**CHIEF MINISTER FOR THE AUSTRALIAN CAPITAL TERRITORY  
LEGISLATIVE ASSEMBLY QUESTION**

**Question No 460**

**Government Service - Travel Expenditure**

Mr Kaine - Asked the Chief Minister upon notice on 6 August 1991.

What control mechanisms are proposed to limit the use of the travel budget by the ALP Government.

Ms Follett - The answer to the Members question is as follows:

Expenditure on travel undertaken across the ACT Government is provided within the recurrent funding base appropriated to individual programs. Separate travel allocations, as such, are not made within the ACT Budget.

In the Budget brought down on 17 September 1991, the Government announced a 20\$ reduction in travel funding within all Budget funded programs.

Within the global allocation of funds and consistent with program budgeting principles, it is left to individual program managers, however, to efficiently manage, and be accountable for, funds provided to them through the annual budgetary process.

3617

**CHIEF MINISTER FOR THE AUSTRALIAN CAPITAL TERRITORY  
LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION 461**

**Government Service - Consultancy Expenditure**

MR KAINE - Asked the Chief Minister upon notice on 6 August 1991:

Has the ALP Government set a limit upon the amount money available to hire consultants and, if so what is this amount?

MS FOLLETT - The answer to the members question is as follows:

Consultancy expenditure undertaken across the ACT Government Service is provided within the recurrent funding base appropriated to individual programs. Separate consultancy allocations, as such, are not made within the the ACT Budget.

As part of developing the 1991/92 Budget, the Government announced a range of measures to reduce consultancy expenditure that will result in a saving of \$1.7 million in 1991/92

Within the global allocation of funds and consistent with program budgeting principles, it is left to individual program managers, however, to efficiently manage, and be accountable for, funds provided to them through , the annual budgetary process.

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**CHIEF MINISTER FOR THE AUSTRALIAN CAPITAL TERRITORY  
LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION 518**

**Government Service - Furniture Purchases and Storage**

MR KAINE - Asked the Chief Minister upon notice on 7 August 1991:

- (1) How many ACT government departments have furniture stores?
- (2) How many personnel are employed in each ACT government department to administer furniture stores?
- (3j) How many ACT government departments, by name, purchased their own furniture needs in 1990-91?
- (4) What was the cost, by department, for these purchases in 1990/91?
- (5) Has consideration been given to amalgamating all furniture purchase and storage under one single authority and; if so, what is the decision and why?
- (6) If no consideration has been given to (5) above; why not?

MS FOLLETT - The answer to the members question is as follows:

- (1) How many. ACT government departments have furniture stores?

There are currently three ACT government departments which have furniture stores:

1. The ACT Institute of TAFE. 2. Department of Urban Service. 3. The Department of Education and the Arts.

ACT Health does not operate a furniture store. However, all furniture that is declared excess, to requirement or becomes obsolete is transferred to a warehouses facility in Mitchell . ...

3619

( 2 ) How many personnel are employed in each ACT government department to administer furniture stores?

1. ACT Institute of TAFE has no staff employed to actually administer the furniture store.
2. The Department of Urban Services has six people to administer the furniture store.
3. The Department of Education and the Arts has two people responsible for the receipt, custody and dispersal of school furniture. Persons working the the equivalent of .6 of a full-time position are responsible for the acquisition, control and re-issue of office furniture.

( 3 ) How many ACT government departments, by name, purchased their own furniture needs in 1990-91?

The following departments purchased their own furniture in 1990-91:

ACT Institute of TAFE. Chief Ministers Department. Department of the Environment, Land and Planning. Department of Education and the Arts. Department of Health.

( 4 ) What was the cost, by department, for these purchases in 1990-91 ?

Costs, by departments for the purchase of furniture in 1990-91 are:

ACT Institute of TAFE \$300,000,  
Chief Ministers Department \$196,936.93  
Department of the Environment, \$56,818  
Land and Planning  
Department of Education \$720,137  
and the Arts  
Department of Health \$240,850.83

The figure for purchasing office equipment for the Department of Education and the Arts includes costs associated with the Departments relocation to Civic and Tuggeranong.

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(5) Has consideration been given to amalgamating all furniture purchase and storage under one single authority and; if so, what is the decision and why?

This is being considered in the budget context.

(6) If no consideration has been given to (5) above; why not?

This question is not applicable.

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**CHIEF MINISTER FOR THE AUSTRALIAN CAPITAL TERRITORY  
LEGISLATIVE ASSEMBLY QUESTION**

**Question Numbers 519 & 520**

**Chief Minister Portfolio - Consultants**

MR KAINÉ - asked the Chief Minister and the Treasurer upon notice on 7 August 1991:

- (1) In the period from 6 June 1991 to 6 August 1991, what consultants were employed by (a) the Minister; and (b) each agency in the Ministers portfolio.
- (2) For each consultant employed, what was (a) the purpose; (b) the duration; and (c) the cost of the consultancy.

MS FOLLETT - the answer to the members question is as follows:

- (1a) Over the period 6 June 1991 to 6 August 1991 no consultants were engaged by the Chief Minister.
- (1 b & 2) Details of the consultants, the purpose, duration and cost of each consultancy service engaged by each agency within my portfolio over the period 6 June 1991 to 6 August 1991 is provided in the table below.

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CONSULTANTS PURPOSE DURATION COST

ACT TREASURY

Harris Van Meegan Staff selection services 7 Juneau - \$787.50

9 August 1991

Barclays Bank

Australia Limited Act as chairman of the 17 June 1991 Estimate

Financial Assessment Panel possibly Dec 1991 \$10,000

which will assess merits of  
proposals for the establishment  
of a Canberra Casino

CHIEF MINISTERS DEPARTMENT

ACOSTA Consulting Pty Ltd Contract negotiations for 5 days \$3200

human resource management  
systems for ACTGS

CSA Consulting Pty Ltd Evaluation of systems networking 10 days \$6400

requirements for a human resource  
management systems for ACTGS

CSA Consulting Pty Ltd Provide advice on strategic

telecommunication management 10 days \$7200  
issues for ACTG.

CONSULTANTS PURPOSE DURATION COST

NSW Australia Pty Ltd Assist with design of coding, data entry  
and first round tables for the ACTGS 2 July 1991 -  
EEO survey September 1991 up to \$22525

A Sheen Production of Tables of Suburban 11 June 1991 - \$3648

Pbputatlon Forecasts - Special Age 30 July 1991

B Davis Consultants Biannual Surveys of Commercial 8 June 1991 - \$13100

Industry Building Activity December 1991

B Davis Consultants Consultancy for the ACT Retail Floorspace 21 August 1991 \$13800  
Inventory

19 September 1991

**MINISTER FOR HOUSING AND COMMUNITY SERVICES**

**LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION NO. 524**

**Housing and Community Services  
Portfolio - Consultants**

MR KAINÉ - asked the Minister for Housing and Community Services -

(1) In the period from 6 June 1991 to 6 August 1991, what consultants were

employed by (a) the Minister; and (b) each agency in the Ministers portfolio.

(2) For each consultant employed, what was (a) the purpose; (b) the duration; and (c) the cost of the consultancy.

MR CONNOLLY -the answer to the Members question is as follows:

(1)(a) Nil

(1)(b) CONSULTANT (2)(a) PURPOSE (2)(b) DURATION (2)(c) COST

Ms Anne Stumpf Legal Consultant Ongoing \$4,812  
adviser on Family since Sept 1987 (6/6/91  
Services legal matters 6/8/91)  
and legislation.

Robyn Kennedy & Co Ainslie Village June - July 91 \$5,000  
Pty Ltd management review.

Mr Bruce Callaghan Undertake community June - Sept 91 \$15,180  
consultations on the  
Community Services  
Grants Program.

ANU Graphic Design Provided artwork for July 1991 \$500

the Office of Rental Bonds.

Keith Baker Repairs & maintenance July - Sept 91 \$766  
advice.

Coopers and Lybrand Development of . July - Sept 91 \$28,726  
Corporate Plan.  
3625

Commonwealth Bank Financial modelling July - Oct 91 \$6,600  
and advisory service  
for review of rent  
relief programs.

Ernst & Young Rental client July - Dec 91 \$21,000  
management and financial  
accounting controls audit.

Ernst & Young Property management July - Dec 91 \$39,000  
project and contract  
management  
implementation.

Purdon & Associates Pty Ltd Report on interviews July 91 - Mar 92 \$3,300  
to update study of  
social housing in Canada.

Harris Van Meegen Staff selection August 91 \$1,775  
assistance.

3626

19 September 1991

**CHIEF MINISTER FOR THE AUSTRALIAN CAPITAL TERRITORY  
LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION NO 526**

**Chief Minister Portfolio - Public Relations Staff**

MR KAINE - Asked the Chief Minister upon notice on 7 August 1991.

What are the numbers and classification levels of staff engaged in public relations, media, advertising, promotional tasks in (a) the Ministers office (b) the Ministers department; and (c) each agency for which the Minister has responsibility.

MS FOLLETT - The answer to the Members question is as follows:

Percentage of duties involved in this capacity

(a) Chief Ministers Office

1 x Senior Officer Grade B 100\$

(b) Chief Ministers Department

Public Affairs Branch,  
Chief Ministers Division

Media and Public Relations

1 x Senior Executive Band 1 50\$

1 x Journalist A1 80\$

1 x Journalist A 80\$

1 x ASO 6 80\$

1 x ASO 3 25\$

Classified Advertising

1 x Senior Officer Grade C 20\$

1 x ASO 4 20\$

2 x ASO 2 20\$

Economic Development Division

Marketing and Major Projects

1 x Senior Executive Band 1 50\$

1 x Senior Officer Grade B 80\$

1 x ASO 6 90\$

1 x ASO 5 90\$

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Percentage of duties involved in this capacity

ACT Tourism Commission

1 x Senior Executive Band 1 50\$  
1 x Senior Officer Grade C 100\$  
2 x ASO 6 100\$  
3 x ASO 6 50%  
2 x ASO 5 100\$  
1 x ASO 5 50\$  
4 x ASO 4 100\$  
1 x ASO 4 50\$  
5 x ASO 3 75%  
2 x ASO 2 75\$  
4 x ASO 2 50\$

(c) Agencies for which the Chief Minister has responsibility

Nil.

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19 September 1991

**CHIEF MINISTER FOR THE AUSTRALIAN CAPITAL TERRITORY  
LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION NO 534**

**Chief Minister - Personal Staff**

MR KAINE - Asked the Chief Minister upon notice on 7 August 1991.

What are the numbers and classification levels of the Ministers personal staff, including consultants employed in the Ministers office.

MS FOLLETT - The answer to the Members question is as follows:

Number Title Classification

1 Senior Private Secretary SES 1

1 Private Secretary SOG 8

1 Media Secretary SOG B

1 Executive Assistant ASO 3

\* 1 Executive Secretary ASO 4

\*\* 1 Departmental Liaison Officer SOG B

\* Staff of the Chief Ministers Department

\*\* Staff of the ACT Treasury

One consultant, Morris Guest Pty Ltd, was employed over the period 2-20 September 1991 to assist with ACT Budget public information activities.

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**CHIEF MINISTER OF THE AUSTRALIAN CAPITAL TERRITORY  
LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION NO 542**

**Chief Minister Portfolio -  
Public Relations Consultants**

MR KAINE - Asked the Chief Minister upon notice on 7 August 1991.

What consultants have been or are engaged in public relations, media, advertising, promotional and related tasks in (a) the Ministers office; (b) the Ministers department; and (c) each agency for which the Minister has responsibility.

MS FOLLETT - The answer to the Members question is as follows:

(a) Chief Ministers Office

Morris Guest Pty Ltd - ACT budget public  
information

(b) The Ministers Department

Economic Development Division

Capital Public Affairs - Promotional Information  
for ACT Investment

Barry Simon Consultants - Canberra Region  
Campaign

Molonglo Cottage Film - Promotional Video  
Productions

(c) Each agency for which the  
Minister has responsibility - Nil

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19 September 1991

**ATTORNEY-GENERAL FOR THE AUSTRALIAN CAPITAL  
TERRITORY**

**LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION NO. 547**

**Attorney-General Portfolio -  
Public Relations consultants**

MR KAINÉ - asked the Attorney-General - What consultants have been or are engaged in public relations, media, advertising, promotional and related tasks in (a) the Ministers Office; (b) the Ministers Department; and (c) each agency for which the Minister has responsibility.

MR CONNOLLY - the answer to the Members question is as follows:

- (a) NIL.
- (b) NIL.
- (c) NIL. .

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**CHIEF MINISTER FOR THE AUSTRALIAN CAPITAL TERRITORY  
LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION NO 550**

**Chief Minister - Interstate Visits**

MR KAINÉ - Asked the Chief Minister upon notice on  
7 August 1991:

In the period 6 June 1991 to 6 August 1991 -

- (1) How many interstate visits were made by you in your official capacity.
- (2) What was the destination, duration and purpose of each visit.
- (3) What staff members, by name and position, accompanied you on each occasion.
- (4) What was the cost of each visit by (a) yourself; and (b) each staff member.

MS FOLLETT - the answer to Mr Kainé's question is as follows:

1-4 There have been three interstate visits in my official capacity as Chief Minister, for the period 6 June to 6 August 1991, details are as follows:

(i) CITY VISITED: Hobart

DATE/S: 22 - 29 June 1991

REASON FOR TRAVEL: National ALP Conference

ACCOMPANIED BY: Michael Deegan - Private Secretary

COST OF VISIT: Chief Minister \$ 2798-00

Michael Deegan \$ 1042-00

(ii) CITY VISITED: Darwin

DATE/S: 2 - 4 July 1991

REASON FOR TRAVEL: Small Business Ministers  
Conference

ACCOMPANIED BY: Richard Webb - Private Secretary

COST OF VISIT: Chief Minister \$ 2073-00

Richard Webb \$ 1903-00

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19 September 1991

(CAPACITY VISITED: Sydney

DATE/S: 29 - 31 July 1991

REASON FOR TRAVEL: Special Premiers Conference

ACCOMPANIED BY: Roy Forward - Senior Private  
Secretary

Richard Webb - Private Secretary

COST OF VISIT: Chief Minister \$ 952-00

Roy Forward \$ 447-00 (Private  
Car)

Richard Webb \$ 748-00

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**CHIEF MINISTER FOR THE AUSTRALIAN CAPITAL TERRITORY  
LEGISLATIVE ASSEMBLY QUESTION**

**Question. No. 562**

**Ministers and Staff - Office Rent**

MR JENSEN - Asked the Chief Minister upon notice on 8 August 1991.

What was the amount of rent paid each month for that part of level 5 of the ACTAC Building used by the Executive (a) prior to 6 June 1991 and (b) after 6 June 1991.

MS FOLLETT - The answer to the Members question is as follows:

In 1990-91 an amount of \$205,000 was included in the ACT Corporate Management Program to cover rent and utility . services (such as cleaning and electricity) for the Executive located on level 5 of the ACTAC Building.

This funding was paid to the ACT Accommodation Services Section within the ACT Public Works and Services Group, Department of Urban Services. They are the central area within the ACT Government Service responsible for accommodation services. They administer all contractual payments in respect of rent and utility services associated with the ACTAC Building.

During the year, two payments were made to ACT Accommodation Services, as follows:

Date of Payment	Amount
-----------------	--------

s

23 October 1990	102,330
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15 February 1991	102,330
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Based on the above expenditure, average monthly accommodation costs in 1990-91 were \$17,055.

Being so close to the end of the 1990-91 financial year, no Budget adjustments were made to the Program to reflect new accommodation arrangements following the change in Government on 6 June 1991. Appropriate financial adjustments will be reflected in 1991-92.

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**MINISTER FOR URBAN SERVICES  
LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION NO 566**

**Recycled Motor Oil**

Mr Jensen - asked the Minister for Urban Services on 10 September 1991

1. Is it correct that the trial of recycled oil in nine litter vans and one cleaning van conducted by Waste Management has been successful.
2. Has his Department or the government sought comments on the use of recycled oil in ACT Government vehicles from companies other than Mitsubishi Motors Australia Pty Ltd.
3. Has the Department or the Government sought information from oil companies other than Trifolium Pty Ltd about their ability to provide recycled oils to meet internationally recognised standards for lubricants.
4. Will the Minister undertake to raise the issue of the use of recycled oil in Government vehicles with his colleagues through the Meeting of Common Service Ministers and/or encourage his colleague Mr Wood to raise the matter at the Australian and New Zealand Environment Council.
5. Is the Minister aware of a series of tests conducted by Oilcheck Pty Ltd of Smithfield, Sydney of four automotive lubricants currently on the market (Castors GTX2, Mobile SHP, Valvoline OLD and Pearsons Premium Quality) which showed they were consistent with advised grades.
6. Will the Minister establish if these test meet the criteria for international certification of oils required by Mitsubishi Motors Australia Ltd or any other motor vehicle company from which the ACT Government purchases motor vehicles.

Mr Connolly - the answer to the Members question is as follows:

1. Yes, the recycled oil used in the nine litter vans and toilet cleaning van showed no adverse affect during its use. The oil samples which were carried out showed normal amounts of metals in the oil.

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Some further testing was done extending the kilometres between oil changes and this did show a deterioration in the performance of the oil. When tested the oil showed high metal contents indicating engine wear.

2. Yes, as part of the evaluation, the Manager of ACT Plant Workshops contacted Ford Australia, Issue Australia, Caterpillar Australia, Detroit Engines and sought their comments of the use of recycled oil. These comments are summarised as follows:

. Ford Australia indicated that they could not recommend the use of recycled oils as they had experienced problems due to slugging which in several cases resulted in early engine failure.

Issue Australia could not recommend the use of recycled oil as none of the recycling companies had their oils tested and met current American Petroleum Institute (API) or American Military specifications. They indicated that recycled oils had created slugging and that there were problems in removing the existing additives from the oil in remanufacturing or recycling. They did not recommend it on the basis that there was no consistency in the oil bases.

Caterpillar Australia indicated the oil had not been tested but did not meet current API classifications and until these were met, the oil would not be recommended.

Detroit Engines indicated that their requirements were very strict and that only oil which met API and military specifications would be acceptable to their engines.

All the companies that the Plant and Workshop Manager spoke to indicated that until remanufactured or recycled oil met current API and military specifications they would not be recommending its use. He also spoke a representative of a major oil company who indicated that from their experience there were grudging problems with recycled oil particularly in the smaller diesel and petrol engines.

3. No, as our efforts have been directed to Trillium Pty Ltd which is the major remanufacturer of oil within Australia. There are other companies which recycle oil by purely filtering it, but only produce oil in very small quantities. Trillium, through a range of distribution companies, are the major supplier to the Australian market.

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4. This matter has been raised at the meeting of Senior Officials of Common Service Departments and New South Wales is expected to bring a comprehensive report to the next Ministers meeting- I expect the issue, and in particular vehicle manufacturers warranties will be discussed at the October meeting of the Common Services Ministers.
5. The Plant Manager spoke with the owner of Oilcheck Pty Ltd at Smithfield, and he is forwarding a copy of the report which they prepared. It should be noted that Oilcheck Pty Ltd carried their tests out on three new oils and one recycled oil. It was not an endurance test, it tested the product.
6. I will have the Plant Workshop Manager examine the report but the criteria for international certification of oils required by all manufacturers of engines, relate to standard tests conducted over a period of time and a number of kilometres. The tests relate to wear material, carbon build-up, and overall performance of the engines. These tests require total strip-down of engines and usually cost up to \$500,000 per test and it is unlikely that the tests carried out will have met these requirements.

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**MINISTER FOR URBAN SERVICES**

**LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION NO. 573**

**Motorcycles - Fatalities and Registration Fees**

Mr Jensen - asked the Minister for Urban Services:

- (1) On what information has the Minister based recent statements that motorcyclists have about 19 times as many fatalities per kilometre travelled as car drivers.
- (2) What is the equivalent figure for fatalities within the ACT for motorcycles with capacities (a) over 600 cc; and (b) up to 600 cc.
- (3) What information is available on the size (capacity in ccs) and type of the six motorcycles involved in fatal accidents in the ACT since the beginning of the year, including whether the driver was licensed or not.
- (4) What are the details of the various component parts (if any) of the calculation of the motor vehicle registration fee for motor cars and motorcycles in the ACT and how does this compare with equivalent fees in other States.

Mr Connolly - the answer to the Members question is as follows:

- (1) This information was taken from the Federal Office of Road Safety publication of March 1991 on Motorcycle Crash Statistics. It reflects the national situation.
- (2) Statistics showing the relationship between engine capacities and crashes involving motorcyclists are not collected in the ACT at this time.

(3). ENGINE MAKE/ MOTORCYCLIST NUMBER OF

CAPACITY(ccs) TYPE? LICENSED? VEHICLES  
INVOLVED?

600 KAWASAKI YES TWO (AFP agree to

UNKNOWN )NOT INCH YAMAHA NO ONE (include  
(engine

UNKNOWN )ON AFP SUZUKI NO ONE (capacity on

UNKNOWN )ACCIDENT SUZUKI NO ONE (Fatalities

UNKNOWN )REPORT YAMAHA YES TWO (Register for  
550 SUZUKI YES TWO (motorcycles.

- (4) Information relating to the calculation of the registration fees for motor cars and motorcycles, and the comparison with equivalent fees in other States have resulted in a detailed document.

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Tables included in the printed Hansard.

Tables included in the printed Hansard.

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Tables included in the printed Hansard.

**Legislative Assembly Question No. 577**

**Police Traffic Patrols - Calwell**

Mr Jensen - asked the Attorney General:

Can the Minister advise what if any police activity has been conducted in the vicinity of the Calwell Primary School, Calwell High School and St. Francis of Assisi School and the details of the number of traffic infringement notices or summons have been issued during the last six months and the details of those issued for exceeding the posted speed limits.

Mr Connolly - the answer to the Members question is as follows:

I am advised that the roads around the three schools are covered by police patrols as resources and other priorities allow. Further, any specific complaints received by police concerning driving or traffic problems are followed up as soon as practicable.

During the period 18 March to 18 September 1991, 26 Traffic Infringement Notices/Summonses were issued to drivers in the vicinity of the schools. Of these, 3 persons were prosecuted for exceeding the 60knVh limit by more than 15 but less than 30km/h, and one person was prosecuted for exceeding the 60knVb limit by more than 30knVb.

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19 September 1991

**MINISTER FOR URBAN SERVICES**  
**LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION NO. 579**

**House Building Approvals - Calwell**

Mr Jensen - asked the Minister for Urban Services:

In relation to the granting of building approvals for the building on Block 37, Section 729, Calwell: \_

- (1) On what date/s were plans approved to allow work to commence.
- (2) What retrospective approvals, if any, have been granted after work was commenced or partially completed.
- (3) What dispensations, if any, have been granted from design and siting guidelines as set out in Design and Siting Guideline 1973 [as amended to 4 June 19841 for building and planning approvals.
- (4) If such dispensations have been granted (a) on what basis was each one granted; (b) are any letters or instructions from the occupants of 11 Gurr Street, Calwell, to permit any of these dispensations to be granted; and (c) will you provide copies of any such letters or instructions held by the Building Section or the Territory Planning Authority.
- (5) What action, if any, has been taken to investigate, and where necessary prosecute, if the licensed builder has been involved in the activity commonly known as "ghosting".
- (6) Is it correct that the holder of a builders licence in the ACT has to provide evidence of public liability insurance, workers compensation and insurance on works before a building permit can be granted; if so, was such evidence provided to the Building Section before a building. permit was issued for work to commence on Block 37, Section 729, Calwell.

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Mr Connolly - the answer to the Member ,s question is as follows:

(1) Plans were approved on 15 June 1989, 2 November 1989, 17 June 1991 and 24 June 1991.

(2) Plans for a garage were approved on 17 June 1991. It appears that work on the garage was in process on 21 May 1991 prior to approval of plans.

(3) Dispensation was granted by the ACT Planning Authority for the location of the garage near the side boundary.

(4a) The basis for the dispensation was "to achieve greater opportunities for the use of the land without adversely affecting the neighbouring land".

(b) Letters or instructions from neighbours permitting the dispensation are not required.

(c) No such letters or instructions were obtained.

(5) No action has been taken, pending further investigation.

(6) No, however, the builder must obtain a housing indemnity insurance policy. The housing indemnity insurance was obtained.

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19 September 1991

**MINISTER FOR HOUSING AND COMMUNITY SERVICES  
LEGISLATIVE ASSEMBLY QUESTION**

**QUESTION WITHOUT NOTICE**

**7 AUGUST 1991**

**Housing Trust Loan Repayments**

On 7 Augustly, Mr Stevenson asked me:

Would the Minister investigate the possibility of having the software in the computer which controls the accounts of the ACT Housing Trust modified to allow borrowers to make loan repayments more frequently, thus reducing the total repayment time and the amount of interest paid by the borrower? At present the Housing Trust accounts are programmed for monthly repayments. If they are reprogrammed to allow fortnightly repayments as well, this can save hundreds of thousands of dollars in interest payments for borrowers. I would point out that with few exceptions, trading banks have already responded to consumer demand in this area and have modified their accounting and computing systems. Could the Minister respond as soon as possible in this matter so that borrowers will be able to take advantage of the very substantial financial savings?

My answer is as follows:

If mortgagors make payments equal to 12/26 of their regular monthly payments there are no advantages by making fortnightly payments on their loans.

This is because banking institutions and the Housing Trust use different mortgage documents when issuing loans and calculate interest on the loan in the following different ways:

banks charge interest on a daily basis on the balance outstanding - therefore more than one repayment in a month (eg fortnightly) will result in a lower total interest charge for that month; whereas

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the Housing Trust calculates interest on the balance at the end of the month - the mortgage documents require mortgagors to make monthly loan repayments by the end of each month.

If mortgagors make fortnightly payments equal to half their monthly payments, they would make an extra months payment each year - 26 instead of 24 half month payments. These extra payments reduce the loan balance and therefore the interest charged over the life of the loan. Commissioner for Housing mortgagors can make arrangements to pay 26 half monthly payments.

Therefore the benefits mortgagors achieve through making fortnightly loan repayments results from the additional payments they make rather than the frequency of their payments. In addressing this question, I should also advise the Assembly that:

loans issued by the Commissioner for Housing have been designed to assist the low to moderate income earners achieve home ownership earlier - the loans therefore have advantages that are not available through traditional mortgage lenders (eg subsidies on deferred payments); as mortgagor incomes improve, they can increase their monthly payments and make ad hoc lump sum payments against their loans - this will reduce the terms of their loans and therefore their total interest bill; and the ACT Housing Trust is presently examining proposals for a new loan accounting system which will improve the services delivered to its mortgage clients.

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19 September 1991

**Question Without Notice - Tourism Commission**

A.C.T. GOVERNMENT

ROSEMARY FOLLETT MLA  
CHIEF MINISTER

1 Constitution Ave  
Canberra ACT 2601

Mrs Robyn Nolan MLA  
ACT Legislative Assembly  
1 Constitution Avenue  
CANBERRA ACT 2601

Dear Mrs..Nolan,

On 18 September 1991 you asked me a question concerning the Budget for the A.C.T. Tourism Commission. You were concerned that the Budget Papers did not make clear the position regarding the Commissions finances. I undertook to review the information available and provide you with a comparison of the expenditures of the Commission between the financial years 1990-91 and .1991-92.

As I indicated in my .Budget Statement the single most important management issue for the A.C.T. Tourism Commission will be to move to implement whatever changes are necessary to the structure and operation of the Commission to ensure that its resources are applied to the area of greatest priority ie the marketing programme. This applies particularly in the areas of streamlining its staffing structures and in rationalising its office location and accommodation arrangements.

The once-off funding of .\$.1.0 million which has been a feature of recent years has not been provided. Rather my Government has taken a decision to consolidate all of the expenditure associated with the A.C.T. Tourism Commission within the Trust Account. The principal issue involved in this decision was to incorporate rental payments within the Trust Account. Under these arrangements the savings from staffing re-arrangments,, from closing Sydney and Melbourne offices, and from re-locating from Jolimont, will now be available to the A.C.T. Tourism Commission for reallocation.

The A.C.T. Tourism Commission Budget has, for the first time, been placed on a secure footing. It is no longer dependant on annual consideration of once-off funding for a major part of its discretionary expenditure.

In 1990-91 the Commissions total expenditure on salaries, operating expenses and marketing activities was \$4.209 million. Salaries and administration accounted for \$2.524 million. The difference of \$1.685 million was spent on activities which were categorised as marketing. There was no expenditure on accommodation as the Commission was not required to meet any of its accommodation expenses in 1990-91.

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In 1991-92 the Commissions expenditures on salaries, operating expenses, accommodation and marketing are estimated to total \$4.4 million. On a comparable basis to the above, if Commission objectives are met, salaries and administration will account for \$2.1 million and accommodation expenses will require \$0.7 million. On this basis the marketing activities of the Commission will have up to \$1.6 million available. When the full-year effect of the savings and adjustments are realised in 1992-93 I expect that more than \$1.9 million will be available for the Commissions marketing activities.

I hope you would agree that, in the Budgetary circumstances in which the A.C.T. finds itself, the decisions by Government which have led to the outcome described above is both equitable and reasonable.

Yours sincerely

Rosemary Follett

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19 September 1991

APPENDIX I : (Incorporated in Hansard on 19 September 1991 at page 3600 )

Australian Capital Territory  
DEPUTY CHIEF MINISTER

1 Constitution Ave  
Canberra ACT 2601

Mr McIntyre  
- Chief Executive -  
Canberra District Rugby  
League Football Club Limited  
PO BOX 735  
QUEANBEYAN NSW 2620

Dear Mr McIntyre

BRUCE OUTDOOR STADIUM

Thank you for your letter dated 15 March 1991.

As you are aware the various matters to which you make reference in your letter have been for some time, and have continued to be since the date of your letter, the subject of negotiations between your companys solicitors and the Government Solicitor. I consider that the prospect of negotiations being successfully concluded would be enhanced by permitting our respective legal representatives to continue unimpeded.

I should mention that the Territory has outlawed a substantial sum to accommodate the Raiders use of the Bruce Stadium. The fact that the Raiders have had the use of the stadium for more than a complete season of football without making their contribution to the capital cost of the upgrading ;although not required until 31 December 1990 and without having entered into a written agreement containing all of the terms and conditions of use is not acceptable to the Territory.

I am sure you will appreciate the need for outstanding issues to be resolved quickly.

Yours sincerely

Bernard Collaery