



**DEBATES**

OF THE

LEGISLATIVE ASSEMBLY

FOR THE

AUSTRALIAN CAPITAL TERRITORY

**HANSARD**

20 June 1995

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**MR SPEAKER** (Mr Cornwell) took the chair at 10.30 am and asked members to stand in silence and pray or reflect on their responsibilities to the people of the Australian Capital Territory.

**NUCLEAR TESTS IN THE SOUTH PACIFIC : TWINNING ARRANGEMENT WITH  
VERSAILLES**

**MS FOLLETT** (Leader of the Opposition) (10.31): Mr Speaker, I seek leave to move a motion, which has been circulated in my name, relating to the decision of the French Government to conduct nuclear tests in the South Pacific.

Leave granted.

**MS FOLLETT:** I thank members for granting me leave. Mr Speaker, I move:

That this Assembly deplores the actions of the French Government in moving to conduct more nuclear tests in the South Pacific.

The Assembly believes that we must send the strongest message possible to the French Government and for this reason we believe that continuing the twinning arrangement with Versailles is inappropriate.

The Assembly urges the ACT Government to withdraw support for this arrangement as a direct consequence of the irresponsible attitude of the French Government to the environment and to nuclear arms; further, the Assembly encourages the boycott of French goods by the ACT community.

Mr Speaker, the history of the ACT's twinning arrangement with the district of Les Yvelines and Versailles is long and somewhat tortuous. The idea was first mooted well before self-government - in about 1985 or 1986 - and obviously attracted quite a degree of community support. In fact, it has been that community support which has kept the idea alive through all those years. The twinning was opposed by the Labor members of the pre-self-government Legislative Assembly because of the then current situation, in which the French had bombed the *Rainbow Warrior*, the Greenpeace ship, in New Zealand and had, in fact, murdered a photographer who was on that ship. The Labor Party opposed the twinning at the time; but we did not have a majority in the pre-self-government Assembly, and the then Federal Minister responsible, who I think was Mr Scholes, left it to the Assembly itself to decide whether or not the twinning should proceed. In the event, the twinning did proceed, but not in perhaps the most formal of fashions. It was a people-to-people or community-to-community arrangement.

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Since the time of self-government, there have been intermittent calls for formal government recognition of the twinning between Canberra and Les Yvelines. At the same time, when we were in government, there were requests from a number of cities around the world for twinning agreements with Canberra. For that reason, as a government, we drew up a series of guidelines which we felt ought to be applied to any request for twinning by Canberra with another city. In all honesty, Mr Speaker, I have to say that I did have it in mind to recommend to my then Government colleagues that we proceed to formalise the twinning arrangement between Les Yvelines and Canberra. That was shortly before the last election. I did not condemn Mrs Carnell's Government's actions in doing this not so very long ago. It was, after all, about a decade since the bombing of the *Rainbow Warrior*, and I felt that we ought to proceed, given the community involvement that had been evident over all of those years.

However, Mr Speaker, the situation changed radically on 13 June, with the announcement by the President of France, Mr Chirac, of his decision to resume nuclear testing in the Pacific from September this year until May 1996. My Labor colleagues and I believe that this decision is irresponsible on environmental and humanitarian grounds. The decision shows an utter disregard for the wishes and the wellbeing of the peoples of the Pacific region. Perhaps the most alarming implication of the French Government's decision to resume testing is the threat to world peace and harmony, particularly for the Pacific region. Members will recall that only last month the international community decided, in the interests of global harmony, to extend indefinitely the Treaty on the Non-Proliferation of Nuclear Weapons. The ultimate objective of this treaty was the conclusion of a comprehensive test ban treaty by no later than 1996. The decision of the French Government to resume testing flies in the face of this agreed progress towards a safer world. We can only hope that other nuclear states will not follow the lamentable French example and also resume development and testing of nuclear weapons. It was with a great deal of alarm that I heard this morning media reports of the possibility of the United States of America also resuming testing. The small island states which comprise the South Pacific region have repeatedly made known their opposition to nuclear testing, most recently by the creation of the South Pacific nuclear-free zone.

Mr Speaker, one of the arguments that are being run on this matter is that you cannot hold the French people responsible for the actions of their Government. This argument, to me, is a denial of the notion of representative and democratic government. The Government of France was elected by the people of France, just as the Government of the ACT was elected by our own community. Unless you are suggesting that the French people were somehow duped or that their electoral system was somehow rorted, then you must indeed hold the French people responsible for their Government. It is essential, in my view, that the actions of the ACT Government reflect our own community's outrage at the French Government's decision. Our action must go beyond the mere writing of a letter, which I understand has been Mrs Carnell's only response so far. I believe that the Government must provide some leadership to the community on this issue. So far, that leadership has been sadly lacking. Mr Speaker, formal relations between the ACT and France are extremely limited. It is my view that the twinning agreement is the best vehicle for this Territory to express its utter condemnation of the French Government's decision. It is appropriate because it not only involves the Government and the Assembly but also provides a peaceful and legitimate means of protest for the Canberra community to express their abhorrence of this decision.

Another argument that you often hear is: If the French Government believes that the nuclear tests are safe, why then is it not conducting them in or near mainland France? I believe that this argument, unlike the previous one, does hold water. The Government of France, it seems to me, knows full well that the French people would not tolerate these tests in their own backyard. Indeed, many French people do not condone the tests in the Pacific either, and that is especially the case for French people living in Australia. Also, the consequences of a mishap or an accident with the tests could be devastating. As we know from the experience of Chernobyl, amongst other experiences, accidents do indeed happen. I suspect that no amount of persuasion by the French Government about the safety of these tests would convince the people of mainland France that it would be all right for them to proceed there. Similarly, I do not believe that the people of the South Pacific will ever be convinced that there is no danger to them or to their environment from these tests.

In conclusion, Mr Speaker, I believe that it is up to this Assembly and this Government to provide some leadership to the community to provide a formal, legal and peaceful means of protest which does reflect the nature of our relationship with the French people, and that is that we have a twin city arrangement with the region of Les Yvelines and Versailles. I believe that the motion which I have moved accurately reflects the very strong sentiment being expressed in our community, the very strong abhorrence of this decision by the French Government, and the very strong support for the smaller nations of the South Pacific, who, of course, will be making their own protest. I consider that this motion is the best possible outcome in a woeful situation which has been brought upon us by the French Government. Far from saying that the French people themselves cannot be held responsible, I would say that there is no other means of conveying to the French people the sentiment that is being expressed so eloquently in our own community. This is a people-to-people twinning arrangement, and our protest over this French decision should also be a people-to-people protest in a peaceful and legitimate way. Mr Speaker, I commend the motion to the Assembly.

**MRS CARNELL** (Chief Minister) (10.41): Certainly, the Government agrees with part of the motion moved by Ms Follett this morning; that is, that this Government totally abhors the decision made by the French Government to recommence tests on Mururoa Atoll. I do not believe that there is one person in Canberra who thinks that that is an appropriate decision, Mr Speaker. As the Leader of the Opposition said, if a government decides to test - as much as I would totally oppose that - they should do it closer to home, on their own territory. There is no doubt about that. But the issue of the twinning of Canberra with Versailles-Les Yvelines has a long history, on a people-to-people basis. It was initiated in 1985, in the precursor to this Assembly - the old House of Assembly. Despite the withdrawal of Federal Government support after the *Rainbow Warrior* incident, the Assembly resolved in 1985 to proceed with twinning on a people-to-people basis. That people-to-people basis has continued over that whole 10-year period.

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The leader of the house at that time passed carriage of the proposal to the Canberra-Versailles Twin Communities Association, led by the president, Mr John Kirby, who has worked over a 10-year period to keep that association up and running. Twinning documents were exchanged in 1987 and 1988, in both Canberra and Versailles-Les Yvelines. In 1988, a group of Versailles citizens presented a three-night son et lumiere production on Aspen Island to mark Australia's bicentenary. The gift, valued at \$1m, was watched by more than 100,000 Canberrans. In return, a group of Canberrans visited Versailles in 1989 as part of the bicentennial celebrations in France, presenting an exhibition of art by Sir Sidney Nolan. Since 1987, visits and exchanges have taken place in the performing arts, business, government, tourism, journalism, community services and education under the auspices of the Canberra-Versailles Twin Communities Association.

Previous Chief Ministers have supported the relationship. Mr Kaine wholeheartedly supported the work of the association, recognising the potential of cultural and business gains to both cities. Ms Follett herself recognised the relationship in 1989 by asking John Kirby, as president of the Twin Communities Association, to represent the people of the ACT at a ceremony to present the exhibition of Sir Sidney Nolan's work. In a letter to the President du Conseil General des Yvelines, written in relationship to the art exhibition, Ms Follett wrote of her hope that "the relationship between our twin communities will prosper through future exchanges". The twinning ceremony in Versailles was attended by the Australian Ambassador to France and a former Australian Prime Minister, both of whom wholeheartedly supported the sister city relationship.

While successive Chief Ministers have supported the relationship, there had been no explicit recognition or endorsement of the relationship at government level until the reaffirmation ceremony last Tuesday, 13 June 1995. On that day, a number of Assembly members were present to acknowledge the people-to-people links and exchanges which began to develop prior to self-government. The Government recognises that sister city relationships promote awareness and understanding of each other's cultures and can offer opportunities for education, cultural, sporting and economic exchanges. The Government recognises that the people who benefit most from these sister city relationships are our children. They have the opportunity to learn about other cultures first-hand, and in the long term that understanding may help to create a far better future for us all - a future without dumb government decisions to test atomic bombs in the Pacific.

Sister city relationships also provide ongoing opportunities for people to discuss issues of mutual concern and to express their opinions on controversial and difficult issues. Closing the door on our relationship with Versailles-Les Yvelines will deprive us of this really important avenue to actually tell the people of France - certainly the people of Versailles - what we believe. It is often the people's opinions that eventually sway government decisions. In fact, it is a pity that it is not always the people's opinions that eventually sway governments. If I hop up here today and ceremoniously tear up a sister city agreement, there might be some coverage on ACT television tonight; but I can promise you that there will not be any in France.

**Mr Connolly:** There will be great coverage if you decide to reaffirm it. The French Government will say, "Look".

**MR SPEAKER:** Order, Mr Connolly! You will have your opportunity to speak.

**MRS CARNELL:** The decision by the French Government to resume testing at Mururoa Atoll is precisely that - a decision by the French Government. It is not a decision by the people of Versailles-Les Yvelines. Repudiating our sister city relationship is tantamount to saying that Canberrans themselves should be held responsible for every decision made by Paul Keating or the Australian Government. Heaven forbid! Actually, I have heard Ms Follett say on many occasions that she gets extremely cross when the media of Australia talk about "Canberra" making decisions on behalf of the people of Australia. It is certainly not Canberra; it is the Federal Parliament, as we all know. And it is certainly not the people of Versailles who have made this decision.

So, taking that into account and taking into account the basis of sister city agreements, which is to set up communications between communities - not governments - here in the ACT, here in Canberra, and in Versailles, I have written to the Mayor of Versailles and also to the President du Conseil General des Yvelines, telling them exactly what we believe and asking them to make representations on our behalf to their Government. We believe that this is an important step. It is saying very definitely to our sister city that we want them to act on our behalf and to express our heartfelt opinion to the French Government. That is the only way in which, I believe, the people of Canberra are going to make any dent at all on the French Government. I believe that they will not be watching Canberra television tonight if I ceremoniously rip up the agreement. Possibly I am wrong. Possibly Chirac will be watching ACT television tonight. But, basically, I do not think so.

I am very happy to table the letters, both in English and in French, to both of those people. In those letters I have made it clear that the ACT Government totally condemns the French decision. We also say that we support a consumer boycott of French products. We believe that it is essential to make our mark in such a way that the French Government will hear us - not by ripping up a document on ACT television, but in a way that can actually make a difference. We believe that a consumer boycott can make a difference. We believe strongly that it is only by this sort of approach that we have any chance whatsoever of making a difference.

Rather than this Assembly emotionally getting rid of a twinning agreement with Versailles that has been going on for 10 years, that has benefited our school children, our university students, our artists, our business people and our community generally, that is a relationship on a people-to-people basis, not on a government-to-government basis; rather than throwing that out for the pleasure of ACT television tonight, why do we not, as an Assembly, all sign a letter telling the French Government what we believe is the case, which is - I think we all agree - that this is not an acceptable position? Why do we not, as an Assembly, urge every Canberran to stop buying French products? Why do we not, as an Assembly, determine today to put out a list - - -

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**Mr Berry:** You are absolutely weak.

**MR SPEAKER:** Order! The Leader of the Opposition was heard in silence. I ask that the same courtesy be extended to the Chief Minister.

**MRS CARNELL:** Why do we not, as an Assembly, make sure that there is a list of French products in the *Canberra Times* tomorrow so that people in Canberra know what to boycott? Why do we not take a proactive stance that really can make a difference? So, let us proactively support the boycott. Let us make sure that every Canberran has access to a hard copy of the list of products that potentially can make a difference. Let every single one of us - the whole 17 - sign a letter to the Mayor of Versailles, to the President du Conseil General des Yvelines and to Chirac himself, telling them what we believe about this situation. If we do those things, we have the potential, not just to have five minutes on ACT television tonight, but to have an ongoing effect. The fact is that Chirac has said quite definitely that he is not interested in stopping this testing. The only way we can make a difference is to have his own people, his own voters - the people of Versailles and the people of Les Yvelines - lobbying him. Those are the people that we need to have lobbying Chirac, as well as having a whole Assembly, a whole Government, lobbying him and the people of Canberra not buying their products. We may then have some show of making a difference.

What is interesting about sister city agreements generally is that they are people-to-people agreements. The situation we have with Nara has been very successful for the people of Canberra. Certainly, I do not support the Japanese Government's view on whaling. So, will we get rid of that as well? Every time we have some capacity to understand the people of the world better on a people-to-people basis or every time there is some capacity to let our younger people understand the world we live in, are we going to throw it out for five minutes on television? Certainly, this Government will not be supporting that. We believe in a proactive stance. Let us make sure that this Assembly takes such a stance, and does not do something that finishes at 10 past 6 tonight.

**MR BERRY (10.53):** Mr Speaker, the corporate image is alive and well amongst the Liberals. The same insensitivity to the issue of nuclear testing exists now as existed when the Liberals first endorsed a move to this twinning arrangement, at a time when the photographer aboard the *Rainbow Warrior* was murdered by the French. We just heard Mrs Carnell use the same arguments as Mrs Thatcher used in the case to drop the sanctions against South Africa. Look at how effective that would have been. The world sanctions on South Africa worked; and here we have Mrs Carnell mouthing the same language as Mrs Thatcher used in the argument against those sanctions, which were rightly taken out by the world community and which resulted in freedom for the African people.

When we look at this issue, we see that it really comes down to a question of leadership. This is about the leader of the people's Government in the ACT having the courage to come out and tell other leaders in other governments that this community will not tolerate nuclear testing in our region. It is about a leader who will take a strong stand, not one who merely stands back and scolds and says, "Tut-tut, but we are going to do nothing".

Mrs Carnell tries to paint this issue as a move by members in this Assembly against individuals in France. That is absolutely outrageous. She also tries to paint it as a move by individuals in this Assembly against individuals in Australia who might have business interests with the French. This is about providing leadership to the people of the Australian Capital Territory on an issue of world importance. It is about demonstrating to the ACT community and to the rest of Australia, as the Lord Mayor of Brisbane did, that we are prepared to get up and do something, and not merely scold.

What we have seen from the Liberals is a gutless response to an issue of such magnitude that it enrages all the people who live in this region. But the Liberals are not enraged. They have entirely misread the community response. If any of them had taken the trouble to turn up to a very hastily organised rally at the French Embassy last Sunday, they may have got a measure of the heat in the community feeling about this issue. I think they have misread it. What it all boils down to is that Mrs Carnell has locked herself in. With the most appalling timing, Mrs Carnell announced that the Versailles twinning arrangement would be re-endorsed by the Liberals. It does not surprise anybody to see this sort of attitude coming from the Liberal Party, but what does surprise me is the appalling timing. Did Mrs Carnell not even think to ask, "Are there any events which might embarrass us if we go down this path"? It appears not. But, if she had asked that question and if the debate on the nuclear testing arrangements which occurred in the recent French election had been reported to her, would she have prevented this Versailles agreement from going ahead? I think not; because this is about the enduring corporate memory of the Liberals - this commitment to an agreement which was more important than the murder of a photographer on board the *Rainbow Warrior* in New Zealand when the French invaded that country.

**Mr Humphries:** That was 10 years ago, Wayne.

**MR BERRY:** Mr Humphries bleats, "That was 10 years ago". It was an issue that raised anger in the community when Labor argued about it 10 years ago, and the fact that it was 10 years ago does not make it right, Mr Humphries. You sound like the former leader of the Liberals, when he was questioned in the Federal house recently, saying that something that he had done 10 years ago was now all right. But, of course, Mr Humphries thinks that you can make a wrong right with the passage of time. This is a wrong that has been brought on by the leader of the Liberals. Fancy going down the path of telling the French people that this is okay, when the rest of the world is angry about the situation.

Mrs Carnell argues that it will not appear in the media in France if we tear up this agreement. I can tell you, Mrs Carnell, that it will appear if you endorse it - or if you appear to endorse it, because if you do not support this motion you will give the appearance of endorsing what the French are doing, and their propagandists will be quick to pick up that issue. So, let us stop kidding ourselves. We have here the opportunity to demonstrate to the people of the ACT that this is a people's chamber, a chamber that recognises its responsibilities as part of the world community even though it is a territorial government. It is also an opportunity for us to demonstrate to the people of Versailles that other small communities in the world are prepared to stand up on this issue and urge the people of Versailles and of other parts of France to reflect on what has occurred in relation to the performance of their Government.

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Somebody said, "You cannot take it out on the poor French person. It was the Government". Who do you think put it there? If the people who elected the Government have elected a government which upsets the rest of the world, they have to be told that they have done the wrong thing. Do not blame me. I voted Labor. But, when it comes to the crunch, it is no good blaming the ordinary Canberra person for what the Liberals do. Regrettably, voters voted the Liberal Party in, and some people will be embarrassed by that. There is no reason at all why the French should not be embarrassed about their Government. Indeed, on this occasion, many will hang their heads in shame. There will be millions of people in France who will be extremely embarrassed by the performance of their Government; there is no question about that. I think we are in a position where we can add to the rage and, hopefully, influence the French Government's decision-making process. Somebody said a little while ago, "Chirac said that he will not take any notice of this lot". He certainly will not take any notice if you all lie down, as the Liberals want to do. All the French will ever take notice of is the big headline, "ACT Liberals Lie Down".

**Mr Stefaniak:** Is that in the *Wayne Berry Daily* or something?

**MR BERRY:** Look at them all laugh. They laugh about an issue of such international importance as poisoning the world's atmosphere for future generations. Three hundred years hence we will pay the price for all of this. You will not be here, of course, but other people will be.

**Mrs Carnell:** We are not arguing about nuclear tests; we are arguing about how best to stop them.

**MR BERRY:** Mrs Carnell said, "We are not arguing about nuclear testing. What we would like to do is just scold and tut-tut and do nothing". You have the opportunity to do something; you have the opportunity to make a stand, and you want to throw it away. Labor will not throw it away; neither will sensible people around the ACT. I think the rage will go on and there will be long argument about the issue. But what we have to demonstrate in this place is that we are prepared to show leadership and not just to grandstand.

**Mrs Carnell:** Are you going to tear up Nara because of the whaling?

**MR BERRY:** Mrs Carnell says, "Will you tear up Nara?"

**Mrs Carnell:** That is a world issue.

**MR BERRY:** We are not talking about the world's population being affected by nuclear testing in relation to Nara. That is what we are talking about when it comes to France.

**Mrs Carnell:** We are talking about whales, which are really important.

**MR BERRY:** Stop this nonsense. This is about the world's community, generations after you, Mrs Carnell, who are going to be affected by the nuclear testing which is being conducted in the Pacific. That is a weak and gutless argument, like most of the arguments that you have put up in relation to this issue. How dare you even offer that as a defence! The facts of the matter are that the world is angered about this particular issue, but the Liberals cannot bring themselves to anger because the old corporate memory is still there. They were prepared to support this arrangement when the French were murdering people and invading other countries to do it, and they are prepared to support it now, even though the future of the world is at risk.

**MR KAINE (11.04):** Mr Speaker, let me say from the outset that I support the broad intent of the motion moved by the Leader of the Opposition. Regrettably, I cannot support all of it in its detail. I think that Mr Berry did a huge disservice to this debate when he turned it into a local political fight. He did not talk about the issues; he merely attacked the Liberal Party.

**Mr Berry:** It is about the Liberals, not the French.

**MR KAINE:** That is not the issue. The issue is how we, as a locally elected government, respond to an action, by a foreign government, that we disapprove of? Let me say that I do disapprove of it. Unlike most people in this room, with the possible exception of you, Mr Speaker, I have lived through the entire 50 years of the nuclear age. I was 18 when the first two atom bombs were dropped on Japan. I was well aware of the consequences of that event at the time. Frankly, I have lived in fear of a nuclear war for nearly 50 years of my life. I was relieved when the Cold War came to an end and the Soviet Union disintegrated and no longer presented the threat that it had done for decades.

So, it does not please me to see countries continuing to play around with nuclear weapons. First of all, I do not see the need for it and, secondly, we all know that it is harmful. France, regrettably, is not the only one that is doing it. The Chinese are still playing with them, and I even heard in the last 48 hours that the United States would like to test a few more as well. I do not support that either. So, the question is: What are we going to do about this potential threat to our environment and to the world environment? We could be quite draconian about this; but I have to ask the question: What good does it do to this community to cut ourselves off from the French people? We can take this short-term action - we can cut ourselves off from the French people - and then we can spend the next 20 or 30 years trying to re-establish a relationship that has been created with some difficulty and over a long period of time.

It is not a relationship with the French Government, but a relationship between Canberra's people and the people of Versailles in France. It was not developed on a government-to-government basis. In fact, even today, it has only government endorsement. What is the point in destroying that relationship? We can express, through the Federal Government and in other ways, our extreme displeasure with the French. The Federal Government can withdraw its ambassador. It is a pretty

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strong message. We can pick up one of the themes in this motion and we can publicly advocate that French products not be purchased in this country - put an embargo on them. That would send a message to the French Government. There are appropriate ways of dealing with this; but let us deal with it in a sane way.

Mr Berry talked about future generations. I am interested in future generations, too. I would remind members of this Assembly that, for a century, the French people and the Australian people have had a very good relationship. When it comes down to combat, we fought together on the same side in two world wars.

**Mr Berry:** We kept pulling them out of the poo.

**MR KAINE:** We have a relationship based on shared hardship. Mr Berry can turn his back and snigger. I happen to have been alive in World War II. I saw what happened in Europe. I saw the way the French responded. The French were our allies in World War II. It may not mean anything to you, Mr Berry, but it means a great deal to me and to a lot of people like me. We can cut them off and say, "We do not want to talk to you". Are we going to do that to every government that takes an international action that displeases us? If we are, we should chop off the Japanese, we should chop off the Chinese, we should chop off the United States, we should chop off the Brits. Who would be left in the world that we could talk to?

**Mr De Domenico:** The left wing.

**MR KAINE:** I suppose that there would be one or two like Cuba that would still want to talk to us. That would suit the people over the road, no doubt.

But I do not want to make this a political argument. I want to inject some sanity into it. It comes down to the fact that we have had a good relationship - an international relationship, a people relationship - with the French for a century, and these people want us to throw it away because a particular French government today makes a decision that we do not like. There are sanctions that can be taken at the national level to send quite strongly to the French Government the message that we do not like that. But let us have some sanity in here. Let us still talk to the people at the people-to-people level, because we are going to want to talk to them in 10 years' time, 20 years' time and 30 years' time. The best way to resolve any differences, if there are any, is by talking to each other, not by putting up a barrier. We saw the Berlin Wall. We built a barrier, we did not even talk to people, and then we ended up with people confronting each other across the Berlin Wall with nuclear weapons. What did that do for the world? I will tell you what it did for me. It terrified me. I do not want to see that happen again.

If we have a problem with the French, by all means let us tell them about it. But we do not have to do it with a sledge-hammer. I think the action that the Chief Minister is proposing is a legitimate response from a government at this level. Tell the people with whom we have a relationship what we think. Leave the rest to the Feds. That is their business. The defence of this country is the business of the Federal Parliament. We can express our displeasure. Let us do that. Let us write to everybody. Let us write to the French Ambassador, to the French President,

to anybody at all in any position of authority in France, and tell them what we think about them. But we do not need to shoot ourselves in the foot by cutting ourselves off from the French people for the next century and throwing aside the relationships that we - - -

**Mr Berry:** That is what you said when they sank the *Rainbow Warrior*.

**MR KAINE:** Mr Berry does not know. Mr Berry is like Mr Keating: He reinvents history to suit himself. He throws out the window what he does not want to know about. He does not want to have a rational debate about this. All he wants to do is kick Kate Carnell in the head. This is a good opportunity to kick Kate Carnell. "Poor leadership", he says. I ask him: Where is the leadership from your party? For four years of government you maintained the relationship with the French through the Versailles twinning arrangement and you never once protested about it, no matter what they did. Now it is politically expedient to kick Kate Carnell in the head; so you are up on your feet, bitching and whingeing and complaining. Mr Speaker, I am not bitching and whingeing and complaining. I am speaking my mind, and I do not want to cut myself off from the French people in Versailles. I want to be able to go and talk to them on a person-to-person basis. I want to be able to go to Versailles and say to the French man and the French woman in the street in Versailles, "We do not like what your Government is doing, and we think you should be doing something about it internally, within France". If we are going to cut ourselves off, how can any of us do that?

Mr Berry wants to go back to the international confrontation that we have seen in the world for the last 50 years. Mr Speaker, I do not want to. I much prefer the approach that is proposed by the Chief Minister: Tell them, in ways that are available to us, that we do not like it. By all means, boycott their goods. It is a good way of sending a message. But, in an insane world, there is a limit to the kind of action that you can take. I want some sanity in this international debate, not the kind of sledge-hammer approach that Mr Berry is proposing, because that is what leads to international conflict. We do not happen to have any nuclear weapons. The French do. Would it not be sensible for us to talk to them about that? Or are we going to take Mr Berry's approach, the confrontationist approach, to the point where the French feel inclined to come and drop one on us? Is that a sane approach? That is the kind of thinking that we have put up with for the last 50 years in this world. I am not in favour of it. I would rather do it in a sane way, thank you very much, Mr Berry.

**MR CONNOLLY (11.14):** Mr Speaker, twinning arrangements are all about symbolism, and rightly so. The movement for sister cities really emerged as part of the United Nations structure after World War II, as a way of establishing people-to-people links. The theory behind it, and properly so, was that, by fostering international goodwill and understanding at the people-to-people level, you would be less likely to allow zealots and demagogues to create the sort of international turmoil that Mr Kaine told us today he had lived through and the tragedies that flow from that. Because twinning arrangements are about symbolism, this Assembly really has little choice but to support the motion that has been put before it by the Leader of the Opposition.

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Mrs Carnell says, "If we pass this motion today, it will be ignored. It will get five minutes on Canberra television, and that will be the end of it". But I put to members: If we fail to pass this motion today, what message do we send to the French? The message we send is that, in the very week when we have seen such an unprecedented ground swell of Australian opinion - from all political parties, from all levels of government, from church leaders, from community leaders, from business leaders, all uniting to express condemnation - this Assembly has decided to reaffirm a sister city arrangement with Versailles. And what symbolism of Versailles, given the historical place Versailles has in the French psyche about their military past! What this is about is the French obsession with military grandeur and their determination to be a powerful military player - their assumption that possession of nuclear weapons somehow creates them as a greater nation.

Mr Speaker, Alderman Jim Soorley immediately announced that the Brisbane sister city arrangement was terminated. I looked in vain for media comment from Liberal aldermen in the Brisbane City Council, from the National Party in the Queensland Parliament - I do not know whether the Nationals have any council members, but they certainly have parliamentary representation - or from the Liberal leader in the Queensland Parliament, Joan Sheldon. I looked in vain for their criticism of Jim Soorley - and, knowing a little about Queensland politics, I know that there is plenty of it. But all we seemed to see was acknowledgment that that was the correct symbol.

**Mr Humphries:** No, that is not right.

**MR CONNOLLY:** There may have been something, but I certainly did not see any reportage of it in our media here. You may have better sources there than I have. The symbolism of saying, "If you test nuclear weapons in our part of the world, we will not proceed with twinning arrangements and we will not maintain our sister city arrangement", seems to have been well received in - - -

**Mr De Domenico:** What did he do with the sister city relationship with the Chinese city?

**MR CONNOLLY:** Again there is this quibbling. I can recall debating South Africa with you in the last Assembly, and you always maintained the old position, "No boycotts, no sanctions" - all of this conservative nonsense. We now focus on the issue of French nuclear weapons in the South Pacific, and all we hear from the Liberals is, "What about China? What about Japan?".

**Mr Humphries:** Mr Speaker, on a point of order: I think that to suggest, as Mr Connolly has just done, or effectively to imply, that Mr De Domenico has sanctioned the view that there should be no sanctions against South Africa, when his position on the record is quite otherwise, is a rather tawdry weapon in this debate, and I would ask Mr Connolly to withdraw that suggestion.

**MR CONNOLLY:** I have no intention of withdrawing a debating point, Mr Speaker. If he wants to object, he can object in the proper parliamentary forums. If I had used unparliamentary language, I would withdraw; but I am making a statement that this Liberal, in particular, tends to have always been at the conservative end of the spectrum - - -

**MR SPEAKER:** Order! Mr De Domenico will have an opportunity to explain himself.

**MR CONNOLLY:** So, he has his forum. Mr Speaker, we are making a simple point in this motion. The Australian community is, in an almost unprecedented way, united about this issue. That has not been the case before, as has been pointed out in the Federal Parliament. It is regrettable that it has slipped into standard partisan slanging matches up there; but, as has been pointed out in the Federal Parliament, when there was a debate about French nuclear testing in the 1980s, there was not unanimity. In the early 1980s, when the South Pacific nuclear-free zone treaty was being developed and when there was a lot of community opposition to French testing - which, admittedly, had moved underground by that stage; it was no longer the atmospheric testing of the 1970s - Liberal spokespersons were getting up in the Federal Parliament and saying, "No, you cannot attack the French for nuclear testing because it is part of the Western deterrent; it is part of the Western alliance". Those quotes of Alexander Downer's, I think, were bandied about up on the hill yesterday. So, the last time there was major Australian community concern about French nuclear testing - French underground nuclear testing - there was not bipartisan support.

There was bipartisan opposition to the act of terrorism in blowing up the *Rainbow Warrior*. Certainly, the Liberals joined with Labor at all levels of government to condemn that, but there was not condemnation across the board of the principle of nuclear testing in the South Pacific. Now there is, and that is a very positive thing. But what an extraordinary message we send to the people of Australia if it is reported that the ACT Assembly has decided that it is appropriate to sign and reaffirm a sister city arrangement with the French!

**Mrs Carnell:** We have done that.

**MR CONNOLLY:** Mrs Carnell did that on Tuesday, the day before the announcement was made. She may well have had grounds to expect that an announcement would be made. We have only to look at the French election campaign and see Chirac's return to bombast. There was broad speculation for a week that the French were moving in this direction; but Mrs Carnell signed that agreement in good faith. As the Leader of the Opposition pointed out, it was a decision in good faith. It was something that we supported when it was clear that it was to happen. Representatives of the Labor Party attended that function. It was, at that stage, something that was capable of bipartisan support, and properly so. But the decision of the French Government to resume nuclear testing in our part of the world must put that sister city arrangement on ice. It must require us to say, "No. Much as we like it, cancel it and resume it when the French Government comes to its senses".

We are not talking about a neutral, status quo situation here. We are talking about a situation where a sister city arrangement has just been formalised and where you are urging that this Assembly send a clear message to the rest of the Australian community and to the French community that we think, at a time when the French Government is resuming nuclear testing in the South Pacific, that it is an appropriate time to resume

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a sister city arrangement with Versailles. The Australian community is at one in its condemnation of French nuclear testing and should be at one in saying that it is utterly inappropriate to cement a sister city arrangement with Versailles when the French are resuming their nuclear testing. The signal that would be sent, if this motion were defeated, would be a signal in France, to French propagandists who are looking for propaganda weapons to use in this debate, that the Australian Capital Territory parliament thinks that this is all right and that it is a minor, little glitch, and resumes the sister city arrangement. What an appalling signal to send!

**MR STEFANIAK** (Minister for Education and Training) (11.22): Mr Speaker, before I make a couple of comments in relation to points made by some of the Opposition speakers, let me say that I, like everyone else in the house, abhor the French Government's decision to resume testing at Mururoa Atoll. I do not think it has been pointed out today, but the French have been particularly arrogant in the way they have used their colony in the South Pacific. Back in 1970, when they had atmospheric testing there, I can recall, as a first-year university student, writing a letter to the *Canberra Times*, suggesting somewhat stronger action than anyone has suggested here today.

As Mr Connolly said, the tests have gone underground; but the French have continued to test in the South Pacific, far away from the French homeland. As I think several people have said here today, the United States does test, although it has not for a while; but at least it has always tested in continental United States. The United Kingdom, which also has not tested for a while but which is another of the five main nuclear powers, also does its testing in the United States.

**Mr Connolly:** They used to test in Australia.

**MR STEFANIAK:** Apart from the 1950s - and we have all seen the problems with that. But since then, at least, they have tested in a secure environment, not in someone else's backyard, and with the agreement of the host country. Even the Soviet Union, in more recent times, before it disintegrated, tested in its own territory. It is only the French who have continued to test in the South Pacific. So, the argument is: Why on earth, if they insist on testing, should they not do it in their own territory like everyone else? We have yet to see the environmental damage that will come from the underground tests at Mururoa Atoll.

However, simply getting rid of the sister city arrangement with Versailles is not going to be particularly effective. If members opposite think that it would send a very strong message to the French Government and that the French Government would be even remotely interested, I think they are having themselves on. There are some far more effective ways of handling the problem, as the Chief Minister has quite correctly said. Indeed, it seems that even the Labor Party realises that there are some effective ways, such as boycotts. I will come to them shortly. There are some very good historical analogies in terms of how effective boycotts are, as opposed to symbolic gestures.

There is a lot to be said for contact between peoples. This point was raised by the Chief Minister and, I think, by Mr Kaine, in relation to keeping the sister city arrangement. Firstly, I do not think the people of Versailles - which, I assume, has a local government - can be lumped in with the French national Government, just as the people of Canberra cannot be lumped in with things that the Keating Government might do. There are two distinct and separate entities there. We have a people-to-people arrangement with them. Mr Speaker, as you yourself have said, and as the Chief Minister has said, if we get rid of this sister city relationship with Versailles simply because we strongly disagree with what the national Government of France is doing in the South Pacific, why do we keep the sister city relationship with Nara, when the national Japanese Government continues to whale and when the national Japanese Government has not apologised for the atrocities committed against many people in Asia and against Australian troops in World War II? Mr Speaker, I think it would be a rather hollow and fairly futile gesture just to get rid of the sister city relationship with Versailles. Boycotts have been fairly effective, and it is far more sensible, as the Chief Minister suggests, to perhaps have everyone in the ACT, and maybe Australia-wide, boycott French goods until the French national Government comes to its senses.

Mr Connolly talked about South Africa. Boycotts were terribly effective there. I think Britain was one of the few countries that, towards the end, did not apply virtually blanket boycotts. Such things as boycotts of goods had a significant effect on the South African Government and certainly led that Government to rethink its position. We see considerable progress in South Africa today as a result of that Government rethinking its position. Boycotts also have been fairly effective in other areas in the twentieth century. Hollow protests did not particularly worry the Italians when they invaded Abyssinia in 1935. They were somewhat worried, though, by a fair dinkum boycott, which unfortunately did not materialise because the British and French at the time were fairly gutless. It was a half-hearted boycott, and Mussolini breathed a sigh of relief.

The Japanese did not worry, having invaded Manchuria between 1931 and 1933, when they were condemned roundly by the League of Nations as a result of Lord Lytton's report. In fact, they walked out of the league. They did not think much of that at all. They considered that it was a hollow, meaningless gesture just to condemn them. But the Japanese were terribly worried in 1941, when the British and the Americans, after continued Japanese aggression, threatened to cut off oil and essential supplies to Japan. In fact, that was, apparently, one of the main catalysts for the Japanese attacks on Pearl Harbour, the Philippines and Malaya.

Boycotts certainly can send a very powerful message. I think, if the ACT and the rest of Australia boycott French goods as a result of the national Government's decision, that is a far more positive step than cutting off an arrangement with one of our sister cities - a city like Canberra, which is not necessarily responsible for the actions of its national Government. To draw that conclusion, I think, is to take a great quantum leap. It is not an appropriate analogy. Therefore, I think that most of the claimed substance of the Leader of the Opposition's motion in relation to getting rid of the twinning arrangement with Versailles is very much flawed.

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**MS HORODNY** (11.28): Mr Speaker, 20 years ago, as a student at the ANU, I was involved in protests against nuclear weapons, nuclear testing and wars. I can remember thinking that other issues, including those about ecological disasters, would be dwarfed by nuclear wars and, indeed, even the threat of nuclear wars. I can remember how children right around the planet were growing up with the fear of a nuclear holocaust hanging over their young heads. We had bred a whole new class of depressed and disempowered youth. People began again to build bomb shelters for their families. When the Cold War ended, the next great fear was that smaller nations would initiate nuclear wars and that the Middle East could be the site of those wars. Over time, we have all learnt to live with these threats, as one learns to live with cancer, as we know that the proliferation of weapons, including nuclear weapons, continues all over the world.

Mr Speaker, the debate so far has been very academic. I want to say something about this issue, as a Ukrainian. As a Ukrainian, I have always been very proud of my heritage. As a child, I listened to wonderful stories told to me by my mother about the beautiful country and the rich soils of the Ukrainian Steppes and the reason for the Ukraine being called “the breadbasket of Europe”. I always planned to visit my homeland and my relatives, even though I knew that decades of communism had worn out that country. In 1986, the accident at the Chernobyl nuclear power plant inflicted a devastating blow on this land and has directly affected members of my family in the Ukraine.

Mr Speaker, all wars and all testing are deplorable. By cutting ties with Versailles we are not condemning the citizens of that city. Indeed, knowing that the majority of French citizens do not approve of nuclear testing, we ask the people of Versailles to join people all over the world in condemning the French Government and all governments which support nuclear testing, nuclear wars and all wars. The message is political and not directed at the citizens. We would welcome the Mayor of Versailles coming out against this nuclear testing. This action would surely send a strong message to the French national Government. But it is for us to take the primary step of telling the French national Government that, as well as boycotting French goods in the ACT, we must, sadly, also cut our sister city arrangements.

**MR HUMPHRIES** (Attorney-General) (11.32): Mr Speaker, let me reiterate for the record that the Liberal Party does not, by any stretch of the imagination, support the decision made by the French Government to resume testing of nuclear weapons in the South Pacific. The points made about the decision to do so in this region rather than in metropolitan France are points well made. The French obviously view the maintenance of what I think they call the force de frappe as some kind of important symbolic gesture within the framework of their foreign policy. It is a decision that may have had some context five or six years ago, during the Cold War, but certainly loses that context now that we have an end to that environment and a progressive decision by countries around the world to prevent the proliferation of nuclear weapons and even, in the case particularly of the former Soviet Union and the United States, to start to phase out those weapons. We have seen significant progress on reducing those sorts of weapons in this world, and that is a quite laudable process that we should of course support.

The decision to provide for this resumption of testing in the southern Pacific is a retrograde step - there is no question about that - and this Government and the Liberal Party strongly condemn the French Government for making that decision.

**Mr Wood:** No, not strongly.

**MR HUMPHRIES:** Yes, very strongly, and we will take whatever steps are appropriate to assist in the process of other Australians and, indeed, other citizens of the world bringing to the attention of the French Government the error of that decision and assisting that Government to understand that it goes against the spirit of national and international cooperation and against the spirit of the decisions that ought to be made by rational governments in this day and age to phase out the use of such weapons.

However, I do not think the motion in the form suggested by Ms Follett is a rational response to the problem we find ourselves with today. There are many ways in which we can make a point to the French Government, but I would have thought that scuttling a people-to-people relationship between the citizens of one city and the citizens of another was not one of those ways. Let me remind members that the decision to twin between the ACT and Les Yvelines was not a decision taken by any government. It was essentially a decision taken by people in those two jurisdictions to provide for stronger personal and business links and community links between the two communities. That is what we put at risk by taking this step today. It has taken 10 years to build up to a point where it could recently be reaffirmed by the ACT Government and an envoy sent, so to speak, in the form of Mr Kirby, to France to cement that relationship. That might have been unfortunate timing, given the decision announced the next day by the French Government; but certainly it was the culmination of 10 years of hard work to reaffirm that relationship.

If we had a direct relationship with the French Government through this twinning, I might reconsider that point of view. If I had any expectation that the cancelling of this relationship would impact in any way, even slightly, on the decision of the French Government, I might reconsider my view. But I do not believe that I could seriously suggest to anyone in this place, or anyone outside this place, that our cancelling of our sister city relationship will do anything beyond possibly tomorrow morning's newspaper to bring any kind of force to bear on the French Government, and that is extremely unfortunate. We are sending to the bottom of the sea a relationship that has been worked on for 10 years, which is not between governments but is, essentially, a community-to-community relationship.

**Mr Wood:** Who signed it?

**MR HUMPHRIES:** Governments have bought into that arrangement since then.

**Mr Wood:** I thought she signed it.

**MR HUMPHRIES:** Yes, the Chief Minister did sign that relationship, as Ms Follett would have done, I understand from what she said before, had circumstances been different - had she been in government and had this decision not been made by the French Government. That is true; but the relationship is not a government-to-government relationship; essentially, it is a community-to-community relationship. It was initiated years ago by some people of Canberra with some people of Versailles-Les Yvelines, and that is the relationship we are talking about destroying in today's motion.

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The problem with this motion is that it is not logical. It is selective. It says that we will make a certain decision in respect of the French but not in respect of others. Let me point out to members that Canberra has a sister city relationship - a somewhat more government-to-government relationship - with the people of Nara. It is perfectly open to us, on the logic of the motion put forward by Ms Follett, to introduce an element of international politics into that relationship as well. I know that the Japanese Government has made a number of decisions that I personally have great cause to regret. As Minister for the Environment, for example, I am very concerned about the fact that the Japanese Government continues to sanction, indeed to sponsor, wide-scale whaling in this same South Pacific region. That has an enormously detrimental effect on the environment, and I think the members of this place ought to exhibit some of the strength of purpose, some of the resolve and vision which they claim is missing in this Government, by taking a stand on whaling as well.

The Japanese Government, as you, Mr Speaker, have pointed out, has not apologised for its atrocities during the Second World War. The Japanese Government continues to exercise the death penalty against its citizens. These are all decisions that I would have cause to regret. Are we going to be logical and exercise some international sanction against Japan by cancelling our sister city relationship with Nara? The logic, it seems to me, in both cases is quite irresistible, and I would particularly urge the Greens to consider their position in this respect. If we are serious about sending a message through these devices, let us do that as well. A failure to do so indicates that we are talking more about a selective use of such power than a consistent use of such power.

Mr Connolly has suggested that the previous Government was happy to proceed with a relationship with the French because there was no question of there having been testing in the South Pacific during the period of their stewardship of the ACT. I have to tell Mr Connolly and others that that is simply not true. The French Government, the Government of the former President, Mr Mitterand, ended French nuclear testing in 1992 - very late in his presidency, which began in 1981. Throughout the period from 1989 - with the exception of 1989 to 1991, of course - to 1992, when Ms Follett had substantial periods in government, the French were conducting nuclear tests, and the Government of Rosemary Follett continued to support the sister city relationship. Let me quote to members of the Assembly and table a letter sent by Ms Follett to the President of the Conseil General des Yvelines. It is not dated; but I understand that it is from about 1991 or 1992, when there was a relationship with Les Yvelines and a decision made to support and strengthen that relationship. The Chief Minister of the day said:

I wish the District of Yvelines well in its ongoing celebrations of the Bicentennial of the French Revolution -

it must have been 1989, obviously -

and the Declaration of the Rights of Man, and trust that the relationship between our twin communities will prosper through future exchanges.

What was happening at that time? The French Government was testing nuclear weapons in the South Pacific.

**Mr De Domenico:** Atmospherically too, I think.

**MR HUMPHRIES:** As my colleague Mr De Domenico says, atmospherically as well as underground. On what basis is it right to say that it is okay for a Labor government to have a sister city relationship while the French Government is nuclear testing but not all right for its successor to do the same thing? I look forward to Ms Follett's explanation of that little bit of tortured logic. The question of the relationship with France is one that goes not just to political relationship or relationship between particular communities; it is a question of relationship between businesses as well, and that was an important component of the original decision to twin Canberra and Versailles. I indicate, Mr Speaker, that I would like to table that letter from the then Chief Minister to the President of the Conseil General.

As members will know, there was last year a decision by the ACT government of the day, the Labor Government, to provide a package of assistance valued at \$200,000 to Auspace to retain that company in the ACT. Auspace is a leading space technology company in Australia and it has a number of contracts with NASA. The parent company of Auspace is a company called Matra Marconi, which you can guess from my pronunciation is a French corporation. Members may also be aware that earlier this year there was a question of Thomson-CSF Pacific Holdings retaining its headquarters in Canberra, following a decision by the company to relocate its radar operations from Fyshwick to Melbourne. There was an article on that subject in the *Canberra Times* in April. (*Extension of time granted*) Thomson-CSF is a French electronics giant and has successfully tendered for the Civil Aviation Authority's Australian advanced air traffic system. Its presence in this country is worth at least \$175m, and we were very keen to retain our role in its continuing operations in this country. Indeed, I think we have done so. What would Ms Follett and her colleagues have to say about that? Should we sever that relationship? Should we expel them, or ask them not to stay in Canberra? We probably could do that quite easily. What does she say about that?

I also want to correct a statement by Mr Connolly, which was quite inaccurate, when he suggested that people in Brisbane were very happy to see the sister city relationship between a French city and Brisbane ended. That is not the case. The leader of the Brisbane City Council Opposition, Mr Bob Mills, as reported in the *Australian* only a few days ago, called Mr Soorley a hypocrite, saying that Brisbane had a sister city relationship with Shenzhen in China. As members know, China is a country that also conducts nuclear tests. If we are concerned about the proliferation of nuclear weapons and the continued testing of those weapons in our region - and in case you are not aware, China is about the same distance away as is this region in the South Pacific - - -

**Ms McRae:** Yes, and how many sister city agreements have you signed last week with them? For heaven's sake, be relevant.

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**MR HUMPHRIES:** Mr Connolly suggested that this was entirely consistent on the part of the Brisbane city government. Can I suggest that there are all sorts of fingers we can point at other people in this world over issues of this kind. I ask those opposite: What do you think about whaling? Hands up those who support the wide-scale whaling policy of the Japanese Government. Nobody. Hands up those who want to do something about it. Nobody, apparently. Mr Speaker, there we see it. It appears that this sort of issue brings out the hypocrite in all of us.

I am concerned about the direction in which this motion goes. Mr Berry put forward the idea that we are somehow entitled to punish the people of Versailles for the decision of the French Government.

**Mr Berry:** I did not put that idea forward at all.

**MR HUMPHRIES:** Mr Berry did put that view forward and, indeed, went so far as to say in his remarks that it is okay to punish the voters of Canberra for voting Liberal at the last election.

**Ms McRae:** Yes.

**MR HUMPHRIES:** That is a quite obnoxious concept. What sort of punishment do you think is appropriate, Ms McRae? Boycotting of goods produced in the ACT? Criticism of the people of Canberra? We are criticised again and again in this place. People around the country say, "Canberra did this" or "Canberra is responsible for that" or "Canberra makes decisions we do not like", equating the people of Canberra with the Commonwealth Government. We have attacked that mentality time and again in this place, but is not this motion doing precisely the same thing? We are somehow linking the people of Versailles-Les Yvelines with the French Government. They happen to live a few kilometres away from where the French Government has its base, but that is the only connection. It would be as wrong to punish those people for the French Government's decision as it would be to punish us for a decision made by the Australian Government. That is quite obnoxious.

I would urge members to reconsider their position on this matter. It is a question of our maintaining a relationship that is worth more to the people of the ACT in the long term than this particular issue might be worth in bringing the matter to the limited attention of the French Government. If I believed that we could press some button and make Jacques Chirac sit up and pay attention to the ACT Legislative Assembly, I assure you that I would do it. He might get copies of WIN news flown over to him in Paris and sit down in the Elysee Palace and watch it, but I very much doubt it. If we could achieve anything with a motion of this kind, then yes, let us do it. But if all we achieve is an end to a relationship that has been worked at hard for the last 10 years by people in this Territory and in Versailles-Les Yvelines, then we have certainly cut off our noses to spite our faces, and that is, I think, a greatly regrettable decision.

**MR MOORE** (11.48): Mr Speaker, in rising to address this motion, I think it is very important to distinguish between our emotional response and our logical response or our rational response. There is no doubt that we as a community are determined to send a clear message to the French President and to the people of France that we do not believe that they should proceed with nuclear tests in the Pacific. It is not just about a specific set of nuclear tests and the impact of those specific nuclear tests, although that is part of it. It is also about the proliferation of nuclear weapons. It is also about the fact that this move by the French undermines an international movement towards the limitation of nuclear weapons. That is the critical factor, and that is why it is that each of us in our own way seeks to find ways to send a message to the French people and to the French President that this ought not to proceed.

Mr Connolly began his speech by talking about the United Nations setting up a system of twin cities in the middle of this century. I thought that was an apt way to develop our own understanding of twinning and why it is that this motion before us today is important as part of dealing with the relationship between peoples of the world. The motion states:

... this Assembly deplores the actions of the French Government in moving to conduct more nuclear tests in the South Pacific.

No doubt that has the support of all members in this Assembly. There are two more paragraphs we are debating, and at times today I have heard emotional conflict, almost bidding on who can be more outstanding in dealing with this problem, in which we should be, as far as possible, trying to present a coordinated approach that will have some impact.

I have circulated two proposed amendments to the motion, which I hope will be considered by members. They take what I believe to be a much more logical stance because, at the same time as they provide a logical way of uniting this Assembly, the emotional impact of cutting our ties with Versailles would be watered down to a certain extent. For me, making a decision across those two issues is difficult. Even if these amendments are defeated, I understand that that is where members are coming from. The second paragraph of Ms Follett's motion reads:

The Assembly believes that we must send the strongest message possible to the French Government and for this reason we believe that continuing the twinning arrangement with Versailles is inappropriate.

I would like to add to that paragraph - and I shall move the amendments in a short while - the words "if the Mayor and the head of the administrative district of Les Yvelines support the nuclear testing in the South Pacific". That would set the parameters, because nobody here has asked, "Do we have an ally in Versailles?". It is not an unusual thing in France for local governments to be more socialist in their orientation than the national government of the country. In that case, it may well be that what we are doing is, for an emotional advantage, cutting off an ally whom we can encourage to get our message through to the French Government.

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For that reason, my second amendment seeks to delete from the second paragraph the words “withdraw support for this arrangement as a direct consequence of” and insert words that would give the last paragraph this effect. That paragraph would then read:

The Assembly urges the ACT Government to write to the Mayor of Versailles to determine their position on the irresponsible attitude of the French Government to the environment and to nuclear arms; further the Assembly encourages the boycott of French goods by the ACT community.

The effect of that amendment, as I see it, would be that the Chief Minister would then write to the Mayor of Versailles and the district administrator of Les Yvelines and ask what is their attitude to nuclear testing. If they come back and say, “No, we support the French Government in their approach”, clearly the motion from the Assembly would be to say that the Chief Minister must at that stage sever the twin city link with Versailles. To me, that is a much more logical way to go about sending this message, so that we do not take that risk of cutting off a possible ally, whom we may continue to lobby to get them to express our opinion not only to the French Government but also to the people of their district. Instead of a single one-off impact of cutting that twin city arrangement, it may well be that we have a longer-term impact.

At the same time, I recognise that the single cutting of the twin city arrangement would allow a mayor of Versailles who was on side to say to the French Government, “Look what you have done to us. By your actions you have effectively cut some of our international relations”. I do not think my amendments water down the long-term impact of the motion put up by Rosemary Follett; rather, they extend the long-term impact, although I recognise that in the short term they may, to a certain extent, water down the emotional impact.

I would also like to comment on the proposed amendment circulated by Mr Humphries, which I think adds further weight to this motion because it puts responsibility where it lies, on the Federal Government of Australia, to take real action in dealing with the French Government. I will be supporting that amendment. Mr Speaker, I seek leave to move the amendments circulated in my name.

Leave granted.

**MR MOORE:** I move:

Paragraph 2, add the words “if the Mayor and the head of the administrative district of Les Yvelines support the nuclear testing in the South Pacific”.

Paragraph 3, omit the words “withdraw support for this arrangement as a direct consequence of”, substitute the words “write to the Mayor of Versailles to determine their position on”.

I urge members to think of not just the short-term emotional response but also the long-term logical and rational response, whereby we may have some more impact to ensure that we reduce the proliferation of nuclear weapons.

**MR WOOD (11.56):** Mr Speaker, it is entirely necessary that every Australian, I think every human, object to the actions of the French. We have heard in this chamber of the experiences of two members, who have spoken about their personal abhorrence of atomic bombing. Mr Kaine was perhaps being kind to me when he mentioned only you, Mr Speaker, as a person who may have remembered those first two explosions. I have very vivid memories of those two explosions, albeit I was somewhat younger than Mr Kaine. That memory was more deeply etched upon my brain when a year or two ago I went to Japan, to Hiroshima, and saw there the memorial, if that is the word, of that horrible attack.

Like Ms Horodny's relatives, I have been affected by atomic explosions. I suppose that every citizen in the world has been; but I physically have been affected, although nowhere near as seriously as some, I would expect. I was resident in North Queensland in the 1970s when the French were doing their atmospheric testing. It emerged that the milk I was drinking and feeding to my children, the butter and the cheese coming from the Malanda dairy factory, contained strontium 90 to such an extent that the Japanese who found it out when they did some testing would not take it. I was affected. I do not see any of those ill effects; perhaps you do. I suppose that there is not a person on this earth who has not had some minor effect from nuclear fallout, given the extensive nature of testing over 50 years now.

We must react with the greatest vigour against the French and against China, although we do not have a sister city relationship with China and it is in the Northern Hemisphere, so its effect is not as immediate. But we should object to it. We should object to any other nation that seeks to engage in such a program. In the 1970s I was in the Queensland Parliament and I raised that issue then, but nothing much was done. The French some time later ceased their atmospheric testing; but there was not a sufficient response, I believe, from any authority in those times. As time goes by, we realise anew just how disgraceful it is to have anything to do with atomic weapons.

I think Mr Humphries's response, in particular, was entirely inadequate. He was altogether too defensive of the Government's position. Let me speculate just a little. The Chief Minister obviously has a very busy timetable and people who want to arrange functions and the like have to fit it in. What would have happened if the circumstances had been that she had set the signing for two days later? I have little doubt that the Chief Minister, the day after Chirac's announcement, would not have dared to sign that document. Why is there the hesitancy to pull back from something that has been signed? It is a view of the Government that I simply cannot understand. I do not believe that she would have proceeded with the signing in the face of that action. It is now appropriate that she pull back, and she would have support; we would not be contesting that point of view. Very few citizens of Canberra would argue if that was what she did. She does not have to be as dramatic about it, perhaps, as the mayor of Brisbane; but she would have the support of this community because this community, like all others, cannot abide this form of testing.

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Mr Humphries, in his entirely inadequate defence of the arrangement, seemed to suggest that the Versailles twinning agreement was doing wonderful things for Canberra, that it had been worked out rigorously over the years and was of great importance. As I understand it, it has drifted along with little support, with people pushing now and then. It has taken 10 years for anything to happen, because there has not been a great amount of interest. There is not widespread support for it. I still wait for Mr Humphries or others to point out just what the benefits are. What has happened over these 10 years that we should not sink? I cannot see it.

Mr Moore has moved amendments. I think he has got the message that they will not be supported; nor should they be. Mr Moore has made it clear that he will make a lot of noise in Canberra on this issue, but he is not concerned about the amount of noise that might be felt in France on the issue. That is not acceptable to me. Noise is made here, but it does not make an impact across the world. I think that on that ground the amendments should fail. Ms Follett's proposal is the one that should be carried.

**MS TUCKER (12.02):** I should like to start by saying that, as an environmentalist, I am a little concerned when I hear the word "emotional" being directed at what are actually strong arguments and strong feelings. It is a word that has been used against environmentalists for a long time. On the issue of wildlife, for instance, we have often been accused of being emotional. It has to be clearly understood that if you have strong feelings you require strong actions, and that is in no way necessarily something irrational.

The point is that the French have been carrying out nuclear tests since 1960, initially in Algeria and, after that country became independent and the French were thrown out, they went to French Polynesia. The first French nuclear test in Polynesia was in July 1966, and from the beginning these tests were surrounded by controversy. According to the French at that time, not a single particle of radioactive fallout would ever reach an inhabited island. Nobel Laureate Dr Albert Schweitzer remained unconvinced. A letter written in April 1964 to the deputy of the Tahitian territorial assembly read:

Long before I received your letter I was worried about the fate of the Polynesian people. I have been fighting against all atomic weapons and nuclear tests since 1955. It is sad to learn that they have been forced upon the inhabitants of your islands. Yet I knew the French parliament would not come to your assistance ... Those who claim these tests are harmless are liars. Who could have imagined that France would be willing to deliver its own citizens to the military in this manner.

Indeed, who could have imagined that France would continue testing even though there was clear evidence of the dangers of such tests. France has conducted 172 nuclear tests since 1960. By joining China in ignoring the moratorium on nuclear testing, France has endangered the negotiation of the comprehensive test ban treaty. Just when it appeared that there was real hope for disarmament, and 50 years after Hiroshima, the Government of France has chosen, in a totally misguided and anachronistic notion of nationhood, to assert itself. How absurd it is!

On Sunday at the protest at the French Embassy there were many people from so-called middle Australia voicing their protest. It was a great shame that the media focused on the few who were there who chose to move against the police. There were many groups and individuals present who were much more newsworthy, in my opinion, who have been working consistently for peace for many years, and whose stories are inspiring and moving. One such organisation is the Women's International League for Peace and Freedom. This group has recently celebrated its eightieth birthday. Women from all over the world belong to WILPF, and they work together across borders - not just one border, not just a twin city border, but across all borders - to bring the message of peace and non-violence into prominence. They are planning to celebrate their eightieth anniversary with a peace train, which will travel from Helsinki to Beijing in August of this year. On the way, they will meet with women's groups in conflict areas and with women who have been working for the implementation of the UN forward-looking strategies for their countries. It is through this kind of work that people become strengthened in their ability to stand and say no to governments who wish to play war games.

I support this motion because I believe that all nuclear testing and weapons development is deplorable. It is, as the Japanese said - and they do know - an insult to humanity; and, I would add, an insult to all life. It is appropriate for people to protest in a non-violent manner, whether it be boycotting French goods or peaceful demonstration. I will table an article from the *Sunday Herald Sun* from June of this year headed, "How you can stop buying French", for the information of other members. It is also appropriate, as a voice of protest, to reconsider such arrangements as the sister city relationship with Versailles. To those who argue that this is pointless and in some way will hurt our relationship with ordinary people, I say that the majority of ordinary people in the world, including the French, do not want a nuclear war or any war and, if anything, such strong diplomatic action can do more to enhance our relationship and connection with the so-called ordinary people of Versailles.

The sorts of cultural exchanges Mrs Carnell mentioned are to be encouraged, of course, and there is no reason why these exchanges cannot continue to occur. Mrs Carnell said that a sister city relationship will benefit children, so that we can understand each other. Of course it is good to encourage relationships between different parts of the globe; but I repeat that it is patently obvious that most people, particularly women and children, already understand that war and weapons are idiotic. The argument that no-one in France will watch ACT TV shows that Mrs Carnell and other Liberals fail to understand the very basis for community action. It is that every person, every individual or, in this case, every local region, if they take a strong stand will, in combination, have a strong effect.

A sister city relationship is much more about diplomatic posturing than about real communication with ordinary people. The work of groups such as WILPF is on the ground and real. It reminds me of the Earth Summit in Rio, where, while the politicians were posturing and dealing, with disappointing results, a whole other summit occurred when non-government organisations met. I believe that history will show that the alternative summit, the NGO Forum, was the one that really mattered. It is groups such as WILPF, who are working on the ground, not the posturing of politicians, that will see real and meaningful exchanges taking place and a movement towards greater understanding and peaceful relations between all people.

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I seek leave to table the article from the *Sunday Herald Sun* to which I referred.

Leave granted.

**MR BERRY** (12.09): I would like to speak briefly to the amendments that have been moved by Mr Moore. The Opposition's position is that we will oppose the amendments because, as I think Mr Moore has acknowledged, they water down the initial proposal, and that is not something we would support. In any event, anticipating that our motion will succeed, we wait with eager anticipation for an outcry from the Mayor of Versailles against the French Government. I am sure that, if that were to be the case, we might join forces. We would at this point oppose those amendments because I think they water down the effect of the motion that has been moved by Ms Follett. If there were a cry of outrage from the Mayor of Versailles, we would be very happy to reconsider our position; but at this point the amendments will be opposed.

**MR HUMPHRIES** (Attorney-General) (12.11): Mr Speaker, the Government will support the amendments put by Mr Moore. I think Mr Moore raises a very good point. I do not know what the political flavour of the present government of Les Yvelines is. I do not know whether it is the same as, for example, the French Government at the present time or has some different connotation. I just do not know. Even if it were of the same political persuasion as the present French Government, it is entirely possible that they take a different view on the testing of nuclear weapons in the South Pacific. It would be a great tragedy, I think, to have us sever the relationship with a government which actually supported the view we were proposing to take. That would be senseless and quite stupid. Mr Berry says that he is happy to join forces with the President of the Conseil General - - -

**Mr Berry:** I am not holding my breath, though. I do not think it is going to happen. He is probably like all the community groups. He is not game to yell at the Government, for fear that they get defunded.

**MR HUMPHRIES:** Mr Berry says that he is probably like all the community groups, who do not want to be defunded. I just do not think we know. I have no idea what the view of the Government of Les Yvelines is. It really seems to be quite senseless to say, "We are going to judge you; we are going to lump you in with the French Government, we are going to cut off our sister city relationship, and, if it turns out subsequently that you happen to agree with what we are saying about the French testing in the South Pacific, sorry, we might try to resume it", or something stupid like that. That really does not make much sense. I hope that Mr Berry's colleagues can talk some sense into him about that, because this does not make any sense.

If the result of this motion, as amended, were to be that we discovered that the Government of Les Yvelines was not inclined to support the view we take in this place but proposed to support the French Government's decision, the logic in turn to remove our relationship with them becomes stronger, I suppose. Certainly, in the present environment it does not make a lot of sense - Mr Berry has not thought this through very well - not to give them that opportunity to express support for our point of view. I would therefore support the amendments.

I foreshadow an amendment that will beef up the level of people response, which I believe is entirely appropriate in these circumstances. These are the sorts of things the Australian community needs to be doing to send the message to the people of France, particularly to the French Government. These are the sorts of things that need to be happening. Military cooperation with France is surely much more important to the French than the outrage and tub-thumping of the ACT Legislative Assembly.

**Ms McRae:** Nonsense!

**MR HUMPHRIES:** “Nonsense!”, says Ms McRae. What a brave person. I am sure that they would be very happy to see their flights cancelled and will be shaking in their boots when the ACT Assembly sends its condemnation! Further, Mr Speaker, I am suggesting that we should urge the Australian Government to cease the refuelling of all French military transit flights. That will make a difference to the French Government. I am also suggesting the ultimate step of recalling Australia's Ambassador to France. Communication at that symbolic highest level between the governments of France and Australia ought to be suspended, because that is a government-to-government communication. The communication we are talking about in this substantive motion is people-to-people communication, and that is very different.

**MRS CARNELL** (Chief Minister) (12.15): Very briefly, Mr Speaker, the debate here is about how best to express our displeasure at what the French Government is doing. It is not an argument about whether or not we support the French Government's absolutely unacceptable approach on Mururoa Atoll. The issue is: What approach will best influence the French Government? Certainly, our view on that is somewhat different from the Opposition's. The issue is not whether this Assembly supports nuclear testing. It would be very tragic if, in whatever comes out of the debate later on this morning, we do not make it very clear to everybody that this Assembly totally supports the first part of Ms Follett's motion that we abhor the French Government's actions. The arguments that have been put are about how best to express our displeasure.

We are willing to support Mr Moore's amendments because that really puts the Mayor of Versailles on the spot. It says categorically, “Do you or do you not support the policy of the government of the day in France?”. That does toughen it up from our position, and we are willing to support that toughening up, simply because we believe strongly that we must continue this, not just today but for the foreseeable future. Do you remember for how long the French tested nuclear weapons last time they started? It was not a week; it was not a flash in the pan. This is going to be something we have to continue - our comments, our statements, our displeasure, our abhorrence of the French Government's actions - potentially for a quite long period of time, unfortunately. The approach Mr Moore takes does give us an opportunity to put the Mayor of Versailles on the spot by asking, “Do you or do you not support nuclear testing?”. If he says that he does, I will be more than happy to rip up the agreement. If he says that he does not, then we will have an ally to lobby the French Government. As I have said before, I believe that keeping communications open is important on this. If we can possibly get an ally in the Mayor of Versailles from Les Yvelines, then we have a person of enormous importance - the mayor himself, potentially - doing our job, putting what the Assembly wants said to the French Government.

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We will support Mr Moore's amendments. They toughen up the position we have taken on this, and we are happy for that to happen. We believe that it is the appropriate way to go to express our displeasure. To take a step back, this Assembly is debating how best to express our displeasure with the French Government's approach. That is what this is about. We believe in keeping communications open as far as possible, and getting the Mayor of Versailles to do our bidding with the French Government, which is exactly what we asked him to do in the letter I have already sent him. We asked him to lobby on our behalf, to tell the Government exactly what we think, to say that we do not accept this and that this is not on. We have told the Mayor of Versailles to tell the French Government about the boycott of products in the ACT and just how strongly people here feel. That is what this debate is about, and I hope that when everybody votes we make that very clear.

Question put:

That the amendments (**Mr Moore's**) be agreed to.

The Assembly voted -

*AYES, 8*

*NOES, 9*

Mrs Carnell  
Mr Cornwell  
Mr De Domenico  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mr Moore  
Mr Stefaniak

Mr Berry  
Mr Connolly  
Ms Follett  
Ms Horodny  
Ms McRae  
Mr Osborne  
Ms Tucker  
Mr Whitecross  
Mr Wood

Question so resolved in the negative.

**MR HUMPHRIES** (Attorney-General) (12.22), by leave: I move:

Add at the end of the motion:

“Further, the Assembly urges the Chief Minister to write to the Prime Minister urging that his Government demonstrate a stronger response to the French Government’s decision by:

- (1) suspending military co-operation with France, except for surveillance, United Nations and humanitarian activities;
- (2) ceasing refuelling all French military transit flights; and
- (3) recalling Australia’s Ambassador to France.”.

I have already indicated the reasons for this addition to the motion. It does, under any view of the matter, strengthen the motion considerably with respect to the question of the Australian Government's view of what we should be doing and our role in helping the Australian Government to reach that conclusion. One may have interpreted some reluctance on the part of the Australian Government to take some of these measures. It is important that we indicate that we believe that it should take these measures, and this amendment provides that the Chief Minister should write to the Prime Minister urging him to do just that. I have seen the amendment to be moved by Mr Berry to my amendment. I am not particularly fazed about it; if he wants to move it, that is fine. I think it makes some of these items optional rather than compulsory, but so be it.

**MR BERRY** (12.23): Before speaking to Mr Humphries's amendment, Mr Speaker, may I first try a procedural course? Rather than go through the process of moving the amendment, I seek leave to include the words "for example" after the first paragraph of the amendment moved by Mr Humphries. If I do not get leave, I will go on to move it formally in due course; but I seek leave first of all.

Leave granted.

Amendment (**Mr Berry's**) agreed to:

Insert the words ", for example" after "Government's decision by".

**MR BERRY:** I thank members; it just saves a little time. The amendment moved by Mr Humphries is curious; but, in principle, none of the things that are proposed are issues that many people would have a problem with. I can see that it is an attempt to pull some Federal Liberal politics into the ACT Assembly and beat the old drum. They have forgotten to take the frigate out of Alexander's bathtub and put it in here, because that one is missing. One thing is a bit curious. A little while ago Mrs Carnell said that it was a good idea to let the Mayor of Versailles have a word or two to say on Australia's behalf and to keep the communication lines open, but this amendment suggests the recalling of Australia's Ambassador to France. That is curious.

In essence, Mr Speaker, this amendment strengthens the position. What it does set out to do is get somebody else to do the work rather than do it ourselves. From Labor's point of view, we want to be seen to be leading rather than following, and I think those of us who support the motion want to take that position as well. We are happy about the support we have been shown for the original motion. I think the amendment will get up on the basis of the numbers in the chamber.

**MR SPEAKER:** Mr Humphries having accepted Mr Berry's amendment to his amendment, the question now is: That the amendment, as amended, be agreed to.

**MR CONNOLLY** (12.26): Mr Speaker, if I can briefly enter this debate, there was much chuckling from the Government benches saying, "Will you support this?", knowing that this is a political stunt based on an amendment moved yesterday in the Federal Parliament. Let us put the challenge back across the table. Yes, the Labor Party in the ACT will say that we are prepared to support this strong action here, if you are

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prepared to support the basic motion. How can you possibly say, "Recall the Ambassador to France, but reinforce the twin city agreement."? So, yes, we are prepared not to play partisan politics and not to say, "Our Federal colleagues have said X, so we must rigidly bind to X". We are prepared to say, "Yes, let us all take strong action". But how can you possibly demand this, and say that we should recall ambassadors, cut off the military ties - last week they would have called for the frigate because that was the current Liberal line, but they came to their senses over this - but at the same time say, "You, Federal Government, must take this really strong action. We, the ACT Liberal Party, are the toughest against the French. We do not like the French any more than you do like the French. We want you to be really hairy chested. But we ourselves think it is a really good idea to sign a sister city agreement with the French."?

So, on your cheap little political game here of putting before this Assembly the same text as was put by your colleagues up on the hill, we will see you and we will raise you. We will see you by saying, "Yes, we are prepared to support that, even though it is calling on the Federal Labor Government to be a little bit tougher"; but we will raise you by saying, "How can you possibly call for tough action from the Federal Government and roll over and expose your tummies on the sister city agreement?". Mr Humphries earlier in the debate said, "This brings out the hypocrisy in all of us". He was speaking for his Liberal colleagues and not for the Australian Labor Party.

**MRS CARNELL** (Chief Minister) (12.28): Mr Connolly, I am sure, would realise that recalling Australia's Ambassador to France does not actually close the embassy. It is a symbolic gesture to say that the Australian people are not happy. The embassy stays open because communication between Australia and France is absolutely essential to ensure that the French understand what Australia is thinking.

**MR KAINE** (12.29): Mr Speaker, I would like to comment on Mr Connolly's last comments. I noticed that earlier in the debate Mr Wood asked the question: What would have happened had this twinning arrangement not been signed until the day after? We are getting a bit hypothetical. The fact is that it was signed the day before. If Mr Connolly's and Mr Wood's line of argument is a valid one, they should be urging the Commonwealth to cancel all other treaties and agreements they have with the French - agreements such as, for example, on what happens in the Antarctic territories. Does Mr Connolly really mean that any agreement previously entered into by any government with the French Government should be set aside as part of our protest? I suggest not, Mr Speaker.

Mr Connolly wants to have his cake and he wants to eat it too. He wants to support Mr Keating, who will not do very much; but he wants to kick Kate Carnell in the head, as I said before. This debate that has been taking place this morning is not about our relationships with France; it is about the Opposition taking a cheap shot and seizing what it sees as an opportunity to kick the Chief Minister of the Territory in the head. Now we know exactly what their argument is, and I submit that the non-Government members and the non-Opposition members in this Assembly should note that carefully when they vote.

**MS FOLLETT** (Leader of the Opposition) (12.31): Mr Speaker, there were a couple of points in the body of the debate that I would like to address in closing the debate.

**MR SPEAKER:** It is an amendment. We have to vote on the amendment.

**MS FOLLETT:** I might speak on it anyway, Mr Speaker, and I will speak on the amendment as well. The point Mr Berry has made about this amendment is a valid one. Whilst the Opposition has no great objection to it, we do object to the fact that it is the Government's view on this very serious matter that somebody else should take all the action. As a government, they have no interest whatsoever in doing anything other than writing a couple of letters. The situation is more serious than that, and I think action should occur at all levels of government.

It is absolute nonsense that Mrs Carnell has spouted there. It is mere empty rhetoric to talk about keeping communications open and at the same time to have her colleague moving a motion to recall the Australian ambassador. That is an absolute nonsense, and I think it indicates just how much confusion there is in the Liberal ranks on this issue. They cannot decide how best to get out of a difficult situation. And it is a difficult situation, Mr Speaker. I make no bones about the fact that it is a difficult situation. The fact of the matter is that the timing of the twinning arrangement between Canberra and Versailles was not checked with President Chirac. Even if it had been, I doubt if he would have said, "Hang on a minute. I am about to announce nuclear testing in your area; you had better hold back". The timing of those two events is extremely unfortunate, and we cannot allow that timing issue to prevent our taking proper and appropriate action on the matter on behalf of the Territory, and not, as Mr Humphries's amendment suggests, merely leave it all to the Federal Government.

Mr Humphries, in his comments on the body of the motion before us today, has sought to ignore a couple of very important facts. One of those is the end of the Cold War; the other is the consistent action that has been taken towards nuclear non-proliferation and the goal of world harmony. That has occurred only in recent times, and I would urge Mr Humphries, if he has not done so already, to examine what has occurred. It is most instructive and it certainly points much more clearly to the danger that is posed by this present action of the French Government. In fact, the action of the French Government in resuming nuclear testing in the South Pacific undermines all of the work that has gone on internationally. Mr Humphries, in talking about previous activities, has sought to underplay, or in fact deny, all of that work towards nuclear non-proliferation.

We also heard a great deal from the Liberals about other sister city relationships, and in particular Canberra's relationship with Nara. There is a big difference here between my approach on that matter and the Liberals' approach on the Versailles matter. It is my memory that I brought the question of the sister city relationship with Nara to the Assembly before it was promulgated. If the Liberal members now have a problem with that sister city relationship, they should bring it back to the Assembly for proper debate.

**Mrs Carnell:** You are setting a standard here, not us.

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**MS FOLLETT:** The fact of the matter is that the sister city relationship with Nara is a complete red herring in this argument. There is only one government that has decided to resume nuclear testing in the Pacific, and that is the French Government. The question of the sister city relationship with Nara and the question of whaling or not whaling are simply not relevant to the debate we are having today. If members opposite want to raise that issue at some other time, they are quite welcome to do so.

**Mrs Carnell:** No; you are the one who is raising it.

**MS FOLLETT:** Mr Speaker, if Mrs Carnell persistently interrupts, I will have to ask you to protect me from her.

I do also want to make the point - I think, contrary to the gist of what Ms Tucker was saying - that I am a strong supporter of sister city relationships, and the reason I support them is that I believe that they are a very substantial force for greater understanding and, therefore, for world harmony. The fact that they are conducted at a people-to-people level, I believe, is useful and productive in achieving both of those objectives. I therefore support the notion of sister city relationships, and I would, in other circumstances, have supported a relationship with Versailles. But we cannot ignore the decision the French Government has taken; nor can we ask some other level of government to make our protest for us; nor can we, as Mr Moore unsuccessfully sought to do, protest only against people who do not agree with us. That is a nonsense.

I ask members to imagine, if they will, what would happen if the shoe were on the other foot. If it were the Australian Government who had recommenced nuclear testing, say, in the countryside of Provence, or in the Mediterranean off Nice, what would be the attitude of the people of Les Yvelines in the Versailles region? They would be outraged. They would seek to sever relations with the people of Canberra. I have no doubt whatsoever of that.

For that reason, I again commend the motion to the Assembly. I believe that it is the appropriate form of protest for the people of Canberra to make in a civilised, lawful and peaceful manner, and I urge the Government to show some leadership by offering the people of the Territory this peaceful and lawful avenue of protest. It is a question of leadership. Of course, the boycott is also important, but there are many people who have probably never bought a French product in their lives. There are even more people who have spent the last several years conscientiously buying Australian, and I am one of them. Whether it is clothing or drink or whatever, I make every effort to buy Australian. We need the two actions to be taken simultaneously.

Mr Speaker, to conclude, we have no objection to Mr Humphries's amendment to the motion, but that amendment cannot stand alone. It is essential that the people of this Territory also have a suitable avenue to express their outrage at this matter, and that is the substantial motion.

**MR HUMPHRIES** (Attorney-General): Mr Speaker, I need to respond to some of the things Ms Follett has said.

**Mr Berry:** The debate is closed.

**MR HUMPHRIES:** I understand that I can speak twice to my own amendment, Mr Speaker, and that is what I am proposing to do.

**MR SPEAKER:** You will need leave, Mr Humphries. The Clerk has advised me that you will need leave.

**MR HUMPHRIES:** I seek leave, Mr Speaker.

**Mr Berry:** I thought the debate was closed.

**MR SPEAKER:** With leave, we can do anything, Mr Berry. I think Mr Moore has said that on a number of occasions.

**MR HUMPHRIES:** I thought, Mr Speaker, that I could speak twice to my own amendment. Obviously I cannot, so I will seek leave.

Leave granted.

**MR HUMPHRIES:** I think it is most unfortunate to suggest that this amendment of mine in some way suggests that the Liberal Party is not concerned about the question of nuclear testing. That really is a quite discrediting argument by Ms Follett. Each one of us who has risen on this side of the chamber to speak in this debate has said that we are concerned about that testing. We do oppose it, and we are urging that something be done. That is the gist of this amendment. Ms Follett said, "You have not taken into account the end of the Cold War". She was not listening when I began my speech, because I referred to that very fact when I began to speak. The fact that the Cold War has ended makes this action even more reprehensible. I repeat, for her interest, that we do oppose the testing of nuclear weapons in the South Pacific.

I think it is quite discrediting to the thrust of this motion to somehow argue that this is a debate between people on that side who do support a strong reaction to the testing and those on this side who do not. That is quite wrong. Particularly, the context of the first paragraph of this motion is strongly supported, emphatically supported, by the Liberal Government, and we will be supporting that part of the motion if we have the opportunity. However, it is quite wrong to suggest that therefore we ought to follow that view with a view that says that we attack every form of contact we have with the people of France. That goes too far. The difference between ending our sister city relationship with Versailles and ending diplomatic contact between the Australian and French governments only at the ambassador or government-to-government level is, I think, a distinction that has been lost on the Opposition. We do not cease to communicate with the French Government because we do not have an ambassador in Paris. We still have an embassy in Paris and we still talk to the French Government through that embassy, but we symbolically send a message to them that is very important.

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Mr Speaker, we can ask the Federal Government to take this step on behalf of the people of the ACT. We are the representatives of the people of the ACT. We are entitled to put a point of view on behalf of those people of the ACT, and we ask the Federal Government to do that as well. It is not a separate matter, as Ms Follett suggested. It does not stand by itself. It is an amendment to this motion. It does not take out any words in this motion at all; it adds those words to this motion. Therefore, it should be supported by anybody who takes the first paragraph of this motion seriously.

**MR SPEAKER:** The question is: That Mr Humphries's amendment, as amended, be agreed to.

Amendment, as amended, agreed to.

**MR SPEAKER:** The question now is: That Ms Follett's motion, as amended, be agreed to.

**MR MOORE (12.42):** Mr Speaker, standing order 133 of the Assembly reads:

The Assembly may order a complicated question to be divided and may order reports of committees and other matters be considered by parts.

I seek to divide the motion, with the first paragraph, the in-principle matter - that the Assembly deplores the actions of the French Government in moving to conduct more nuclear tests in the South Pacific - being considered first, and the action following that being considered separately. I therefore move:

That the question be divided by taking the first paragraph separately and then considering the remainder of the motion.

**MR BERRY (12.42):** I find this unbelievable. Mr Moore is becoming an apologist for the weak position of the Government in relation to this matter and is seeking to get them off the hook.

**Mrs Carnell:** He is trying to get some agreement from this house.

**MR BERRY:** Mrs Carnell interjects that he is just trying to get some agreement on it. You have your opportunity to agree on the action. The action is what is important. We said, when discussing Mr Humphries's amendment, that if the Government were prepared to support our motion we would be quite happy to support the amendment, and we did. It seems that we come to the issue of whether this is a complicated matter or not. It is not a complex matter at all; it is quite straightforward. There is a motion and an amendment, but the standing orders permit the matter to be divided up. I think this ought to be regarded as a bit of a stunt to protect a particular weakness in the Government. I saw Mr Moore the other day taking the strongest action possible, hurling himself at the police.

**Ms Follett:** Did they agree with him?

**MR BERRY:** They did not want him; they kept throwing him back. He took the strongest action possible, to a point where he might have been arrested if he had continued it. If I can continue for a moment longer, I wondered what length Mr Moore would go to to get arrested. It seemed that the police did not want to arrest him, and rightly so, because it was a protest about this issue. But, when I saw a young man scarper across the lawn and do the light fantastic over the top of a car, and he did get arrested, I wondered whether there was somebody in the crowd who might try to upstage him as there was a building nearby, but there was no telephone box. Mr Speaker, this is merely an attempt to get the Liberals off the hook. The Liberals have an opportunity either to make a strong stand or not to make a stand at all. They can support the motion put forward by us and supported by the Greens and Mr Osborne, largely, or they can walk away from it. I think they would be strongly embarrassed if they were to do so. Labor will be opposing the move to divide this question.

**MR MOORE** (12.46), in reply: Mr Berry is quite wrong when he suggests that the reason I move this is to get the Liberals off the hook. In fact, the amendment is specifically directed at Mr Berry, and the reason it is directed at Mr Berry is that I suspect from past experience that Mr Berry will try to use this opportunity purely for partisan games. I had hoped that separating the question would give this Assembly the opportunity, in a totally united way, to send a clear message to the community that we all deplore the actions of the French Government in moving to conduct more nuclear tests in the South Pacific. There are many people in Australia who do not take that attitude, and this is an opportunity for the Assembly, rather than playing political games, to send a united message to ordinary Australians about that, and then to vote on the tactics. Further division is not necessary because we already know that the amendment put by Mr Humphries has been unanimously adopted by the Assembly. There was not a single voice opposing that amendment. We will then have an opportunity to send a united message to the people of Canberra and the people of Australia and, with a bit of luck, the people of France.

Question put:

That the motion (**Mr Moore's**) be agreed to.

The Assembly voted -

*AYES, 9*

Mrs Carnell  
Mr Cornwell  
Mr De Domenico  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mr Moore  
Mr Osborne  
Mr Stefaniak

*NOES, 8*

Mr Berry  
Mr Connolly  
Ms Follett  
Ms Horodny  
Ms McRae  
Ms Tucker  
Mr Whitecross  
Mr Wood

Question so resolved in the affirmative.

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Paragraph 1 agreed to.

Remainder of motion, as amended, agreed to.

**Sitting suspended from 12.50 to 2.30 pm**

## **QUESTIONS WITHOUT NOTICE**

### **Twinning Arrangement with Versailles**

**MS FOLLETT:** I direct a question to Mrs Carnell in her capacity as Chief Minister. I refer Mrs Carnell to the two letters that she mentioned in this morning's debate. They are to the Mayor of Versailles and to the President du Conseil General des Yvelines. I ask Mrs Carnell: As these letters are dated today, will you attempt to withdraw the letters before they are dispatched? If that is not possible, will you immediately advise both the mayor and the president of this morning's decision of the Assembly stating that the ACT Government is now withdrawing its support for the sister city relationship?

**MRS CARNELL:** I have already put that in process. Yes, absolutely.

**MS FOLLETT:** I ask a supplementary question, Mr Speaker. I take it, then, that Mrs Carnell has in effect withdrawn the letters. If not, if she intends writing again, I ask: Would she make copies of the second letters available to members of the Assembly?

**MRS CARNELL:** The answer is yes, I will attempt to stop the letters that have already been sent; but, most importantly, I will be writing to the Mayor of Versailles and the administrator of Les Yvelines to make sure that they realise exactly what the Assembly decided this morning. I am very happy - and I assume that it will be the case - for every member of this Assembly to have a copy of that letter.

### **Australian Federal Police - Major Crime Squad**

**MR KAINE:** I address a question to Mr Humphries as the Minister responsible for policing. Minister, can you tell the Assembly what effect the decision to disband the Major Crime Squad of the Australian Federal Police will have on police numbers and disposition in Canberra?

**MR HUMPHRIES:** I thank Mr Kaine for the question. I can indicate that this is an issue of some importance. This Government came to office with the clear promise that it would do its best to ensure that resources were placed, to the maximum extent possible, at the sharp end of policing, rather than having police driving desks. Obviously, there are some support and administrative functions which every police man and woman needs to perform, but there are also roles for which the police are trained and which we believe they should be given the maximum opportunity to perform wherever possible.

The restructuring of the Major Crime Squad and the Legal Services Branch will see some 24 employees redirected evenly to the four police districts of Canberra. Of the six in each district, four have already been deployed in beat policing. One more will be deployed in another month's time, and the remaining one in each district will be devoted to legal services. Members will be aware that the Legal Services Branch of the AFP has already been restructured. I am advised that the average number of jobs being done by each member of the Major Crime Squad in the period before it was abolished, since 1 July last year, was four. That is four in a period of approximately nine months. I am advised that very few of those jobs that the Major Crime Squad was performing related to really major crimes such as murders, bank robberies or things of that kind. There were some significant crimes, and some matters which certainly took some time; but the average number of crimes investigated by each member of that squad in that period was four. Some five officers actually did one job each in that nine-month period.

A better approach than that which was in existence before we came to office is one similar to that in New South Wales, where they have four regional crime squads. In the case of a major crime those squads pool their resources with other squads to form task forces. An example, of course, is the Task Force Air, which has been looking into the backpacker murders in the Belanglo State Forest. Canberra's case load will be substantially handled, as it is now, by the district crime branches - the CIB - which already investigate most ACT crime anyway. For example, of the two murders committed in the last nine months in the ACT, one has been investigated and, I think, substantially resolved by the Woden detectives, not by the Major Crime Squad. The other matter is very likely to be handled by the New South Wales authorities rather than the ACT ones.

This restructuring means putting 24 police officers into the role which they are best trained to play, and that is providing on-the-ground policing services. That is not in any way to downgrade their capacities or suggest that they are not capable of doing the job that they were doing before. Of course they are and they were. But it is important that their resources and the talents and skills they have built up be available not just in a particular isolated pool but to all police in the Territory. I believe, Mr Speaker, that this is a move which is going to see an improvement in the quality of policing in the ACT. We will certainly consider how other such developments in the way in which policing in the ACT is conducted might be appropriately investigated; but those sorts of moves will not be examined until such time as the Legal Affairs Committee, which is conducting an inquiry into the appropriate arrangements for an ACT police commissioner, concludes its report and presents it to the Assembly.

**MR KAINE:** I ask a supplementary question, Mr Speaker. Minister, this proposal has elicited quite a deal of ill-informed comment and criticism, particularly from the Opposition. Can you tell us whether there are any other similar proposals of beneficial restructuring coming down the pipe for the ACT police?

**MR HUMPHRIES:** I can indicate to Mr Kaine that there have been suggestions - and I put it no more strongly than that at this stage - that squads such as the Drug Squad and the Fraud Squad ought to be similarly re-examined. I have formed no view about that at this stage. As I have indicated, I intend to await the results of the Legal Affairs Committee inquiry into this general area. I will consult with the police about the appropriate decision to be made after that report is received.

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I indicate very clearly that we do not share the view of the previous Government about the way in which the policing was handled in the Territory. We see the need to restructure our services to provide the maximum benefit to the people of Canberra. We have had several concerns about the way in which policing was left to us by the former Government, and we intend to face up to the question of delivering better quality services with the same amount of money, or perhaps even less in the long term. We have to address those issues and we - - -

**Mr Connolly:** Humphries foreshadows police budget cutbacks.

**MR HUMPHRIES:** Mr Connolly can make his cheap shots. I can tell Mr Connolly what we will not be doing in this Government. We will not be providing police kiosks with no windows for police to look out.

**Mr Hird:** Or with no tables and chairs.

**MR HUMPHRIES:** And we will not be building police stations without any furniture for the police to sit on. That will not be part of this Government's policy. We are looking at smarter ways of tackling crime, and we will be ensuring that when we put resources in place they are effective and do the job.

### **Victims of Crime Coordinator**

**MR CONNOLLY:** My question is addressed to Mr Humphries in his capacity as Attorney-General. Much as I would like to ask him about foreshadowed police budget cutbacks, with 11 days to go before the end of the financial year I ask the Attorney-General: What has happened to the \$80,000 set aside in the Labor budget to fund the position of Victims of Crime Coordinator?

**MR HUMPHRIES:** Mr Speaker, this is a very important issue. I can see a press release coming on, stating, "Government blamed for not filling position" - a position which was not filled in the preceding 3½ years of Labor government. We certainly cannot promise to do within a space of three months everything we want to do. We will certainly try to do it within 3½ years, however.

Mr Speaker, we have had continuing discussions about the filling of the position of Victims of Crime Coordinator. That is a matter of considerable importance to this Government, as it was to us in opposition and as I believe that it still is to the Opposition today. I indicate to the Assembly that there have been negotiations with the Victims of Crime Assistance League for the filling of a position which was effectively a position under the auspices of that organisation. It would seem to me that that would have been the logical way of providing that kind of service. Unfortunately, due to the illness of one of the senior office-holders of VOCAL in the last two or three weeks, I am advised, it is not possible for them at this point to take up the option of effectively managing that position. We have been left with having to fall back to other arrangements to find a suitable person to be Victims of Crime Coordinator.

I have asked the department to ensure that a position of that kind is filled, if only on a temporary basis, at the first opportunity. We may find an officer of some other description who can fill that role - possibly someone who has already worked in the courts with such people - as a way of providing this service fairly quickly. I regret the illness in VOCAL that has prevented us from making a quick decision on this; but there will be a Victims of Crime Coordinator, as indicated in the legislation passed last year. Someone will be appointed at the first opportunity.

**MR CONNOLLY:** My supplementary question takes up this "first opportunity". Given, as Mr Humphries noted, that the legislation passed by this Assembly required such a coordinator and given that Mr Humphries is apparently unaware that that legislation, by virtue of the six-month commencement clause, entered into force last week, how does Mr Humphries as Attorney-General justify to this Assembly his being, as Attorney, in breach of his law which requires a Victims of Crime Coordinator, which law came into effect last week absent any appointment?

**MR HUMPHRIES:** Mr Speaker, I think it is extremely regrettable that Mr Connolly should take issue with the fact that arrangements have been made - - -

**Mr Connolly:** You have done nothing.

**MR HUMPHRIES:** Mr Speaker, it is quite inaccurate to say that the Government has done nothing. I have been extensively involved in negotiations about that appointment. There would have been an appointment some weeks ago had there not been a difficulty with the illness of an officer within the Victims of Crime Assistance League who, I believe, would have facilitated the arrangement whereby someone in VOCAL would have taken on that position, which Mr Connolly in an interjection indicated would have been the best way of handling that particular appointment. That would have been the best way of handling it. That was not possible, because of those regrettable circumstances. There is a whole gallery of public servants here. I will pluck someone out. You in the third row, I will pluck you out. You can be the Victims of Crime Coordinator. That is not a very sensible way of proceeding, Mr Connolly. We need to find the right person. We will find the right person, and that person will be appointed at the right time.

### **Canberra Clinical School**

**MR HIRD:** As someone said, it is feeding time at the zoo.

**Ms McRae:** Are you hungry?

**MR HIRD:** On that side you obviously are. You are in opposition. My question is addressed to the Minister for Health and Community Care. Can the Minister advise the parliament what the position is with respect to the Canberra Clinical School? What assurance does the Minister have about the continued operation of that school?

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**MRS CARNELL:** In the May Federal budget, a cut in the number of medical students from 1,200 to 1,000 per annum was mooted. Universities with medical schools were to be asked to effect these reductions, and this appeared to have the potential to severely impact upon the viability of the Canberra Clinical School. That was certainly the view of Sydney University, as they believed that it was the larger medical schools that were likely to bear the brunt. At the AHMC meeting in Alice Springs last week, a decision was made to refer the question of medical manpower requirements to the work force committee, AMWAC, which reports to the AHMC. A subcommittee will look into all aspects of medical student intake. The chair of this subcommittee is now Professor J.A. Young, dean of the faculty of medicine at the University of Sydney - and a very good appointment too.

Within 12 months a subcommittee will prepare a rational and considered case for AMWAC, to be presented to the AHMC meeting in 1996. The University of Sydney, as signatory to the memorandum of understanding with the ACT Government which ratified the establishment of the Canberra Clinical School, has reaffirmed its ongoing support for the Clinical School. It has stated that, if reductions in medical student numbers are agreed to at some stage, termination of the school as a strategy is not an option. I think that is all good news for the ACT. I was very pleased that Mr Connolly supported this position last week when it looked for a little while that the Canberra Clinical School really was in jeopardy.

**MR HIRD:** I ask a supplementary question, Mr Speaker. I am delighted to hear those words from the Minister, but in the former Labor Government's forward estimates was any money set aside or proposed for the establishment and the running of this Clinical School?

**MRS CARNELL:** Unfortunately, the forward estimates do not have any costings or any money set aside for the Clinical School, which of course puts just another pressure on the coming ACT budget. In fact, the real problem for Health in the next budget is that we need to make some substantial reductions in Health, as we do in a number of other areas of the ACT budget, to attempt to bring our budget in on track, particularly taking into account that the Federal Government will reduce funding to the ACT by \$30m in the next financial year. Unfortunately, Health is in a position of having to find at least \$1.5m for the Clinical School that was not budgeted for, as well as \$8.6m for unbudgeted increases in nurses salaries, as well as \$3m in unbudgeted Comcare payments - and the list goes on. It puts another stress on the coming budget, but it in no way detracts from our commitment to the Clinical School. We will have to find the money. It just means that Health is going to have to become so much more efficient.

### **Fitness Industry - Code of Practice**

**MS McRAE:** My question is directed to Mr Humphries in his capacity as Minister for Consumer Affairs. Mr Humphries, what action have you taken to ensure that the fitness industry code of practice has been appropriately promulgated and implemented?

**MR HUMPHRIES:** Mr Speaker, I thank Ms McRae for her question. The question of regulating the fitness industry is an issue which this Government has taken up from the previous Government. As members would know, a decision was made for there to be some controls of the fitness industry following some concerns about the way in which a number of clubs in the ACT had closed down. I am aware of the need for that proposed regulation to continue.

I am advised that on 3 January of this year the former Attorney-General approved the code which will provide for regulation of this industry and that it took effect on 6 January, the date it was gazetted. The code's introduction was formally publicised by way of a public notice in the *Canberra Times* on 7 January of this year. The fitness industry code was developed using a two-stage process, with submissions being sought from members of the public and the fitness industry at the first stage, and the draft code being released for public comment during the second stage, ensuring maximum public exposure at all stages. The code was developed using a working party involving industry. That, of course, is the way I think any responsible government should proceed when it proposes to embark on regulating an industry which has not previously been regulated. That working party consisted of representatives of the industry, representatives of government and representatives of consumers.

I am advised that letters advising of the code's introduction have been sent recently to no fewer than 25 of Canberra's major gym operators. They are the people who are most directly involved in this particular code. I am not aware of the response to those 25 letters. They will be followed through to ensure that the members of the industry understand how the code affects them and what their obligations are under that code. We will ensure that these things are followed through appropriately for those, for example, who do not understand their obligations or who over a period of time might have indicated some unwillingness either directly or through their non-compliance with the terms of that code. As I have indicated, we as a government would prefer to see implementation follow understanding of the code and community acceptance of it. If there were significant problems with that, we would have to review the enforcement procedures, for example; but at this stage I am satisfied that progress with implementation of the code is satisfactory.

**MS McRAE:** I ask a supplementary question, Mr Speaker. Thank you, Mr Humphries, for that quite helpful response; but I still have not really heard how you can justify your failure to meet the implementation of that code by 1 July. It must be implemented by 1 July.

**MR HUMPHRIES:** Mr Speaker, I am not sure what Ms McRae would suggest that I do. As I have said, the code was advised in a public way in January. Letters have been sent to - - -

**Ms McRae:** There are specific requirements.

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**MR HUMPHRIES:** Ms McRae shakes her finger, but that has happened. It happened under her colleague Mr Connolly. If she does not like the way it happened, she should have taken it up with him, presumably, back in January. The department has further written to 25 of Canberra's gym operators suggesting that they now face a new regime and giving them the details of what it might be. I would suggest that Ms McRae is being slightly unreasonable if she expects anything beyond that, short of me going to each gym and saying, "Do you understand what the code is all about? Are you going to implement it? Let us see the compliance measures you have taken".

It is appropriate to allow the process to take its course. That is what is proposed. It was put in place by officers of my department. I am satisfied that they are capable of doing that. I have to say that, of all the areas of government one might have to deal with, the Consumer Affairs Bureau is particularly diligent about the way in which it takes on exercises of this kind. I have not personally gone out and checked each letter that they have sent out or looked into what particular action they have taken to implement the code, because I believe that the Consumer Affairs Bureau is pretty good about following those things through. Talk to Mr Connolly. I am sure he will agree with me that it is a very good area of our Attorney-General's Department. It is very capable of following these issues through fully. If Ms McRae has a specific case where she feels that it has not been done properly, she should come and tell me about it, and I will follow it through; but I would be very surprised if there were such cases.

### **Acquired Brain Injury Report**

**MR MOORE:** Mr Speaker, my question is directed to Mrs Carnell as Minister for Health and Community Care. She may remember that, just prior to her being elected as Chief Minister, she attended the release of a report by the Aged, Disability and Carer Advocacy Service on acquired brain injury. Can the Minister indicate to the Assembly her intentions now with regard to the implementation of that report?

**MRS CARNELL:** Acquired brain injury and services for people with disabilities, as I have said before in this house, is an issue that really does need to be addressed and one that this Government puts as a priority. There are a number of issues which come about as a result of this report, not the least being appropriate accommodation being made available for people with disabilities - in this case people with disabilities as a result of acquired brain damage as a result of an accident or whatever.

There are a number of proposals currently being looked at in the ACT Government in Health and Community Care. A number of models are being looked at to determine how best to address the issues that were raised in this report. If Mr Moore would like a full briefing on where we are up to with the report, I would be very happy to provide it, as I would to anyone else in this house. They are issues that are being addressed in budget Cabinet at this stage. We see them as real priorities. They are issues that are going to have to be addressed. There are a number of other issues that make addressing

accommodation for people with disabilities more of an issue. One is the closure of John Knight Hostel. There are also a number of other requirements in this area. We are very happy to give a full briefing. It is a budget Cabinet issue. Unfortunately, as we all know, these issues are extremely expensive but ones that must be addressed.

### **Disabled Students - Integration Program**

**MR WOOD:** My question is addressed to Mr Stefaniak as Minister for Education. It relates to the integration program in our schools whereby intellectually and physically disabled students are enrolled in mainstream schools. My question simply is: Does the Government have a commitment to continue this program? Is there any merit in the suggestion that the Government is looking to curtail this program?

**MR STEFANIAK:** The answer to the last part of the question is no. The Government is committed to maintaining the program and, indeed, to seeing whether the program can be improved. Mr Wood may be aware - he may not be aware - that currently Dr Loretta Giorcelli, a senior lecturer in special education and disability studies from the University of New South Wales, who I understand is well regarded by parents who have children with disabilities - and I was talking to some earlier today - is assisting the Government in an evaluation. She is currently doing a detailed study of the situation and will be reporting to the Government, I believe, in late August in relation to it. As you are aware, Mr Wood, the program is now in its fourth year. As I indicated, it is currently being evaluated. I understand that Dr Giorcelli has consulted with all the key groups, including principals, teachers, special teachers assistants, parents and administrators. The evaluation is continuing with the compilation of data and follow-up visits now being arranged. The evaluation document will be available, as I said, in August.

We will be able to use the findings of that evaluation in the budget context, when considering how it will provide integration options for students with disabilities in mainstream schools. I am interested in the progress of the program. I am interested in looking at ways in which the program can be improved. I am also mindful of other children with disabilities in other areas of schooling. I am very interested in looking at the whole concept. I am also happy to indicate to you, Mr Wood, that after talking with a number of parents today I would like to see regular meetings with them. They proposed one about every four months. I am happy to do that because I find that, when you meet with the key players in these types of situations, including members from the department and other people, a lot of potential problems can be prevented and a lot of progress can be made towards making things better. That is basically the position we are in at present, Mr Wood.

**MR WOOD:** I ask a supplementary question, Mr Speaker. I am pleased that Mr Stefaniak has used the word "improved" in relation to the program, which I suppose is what any review is all about. The key issue here, as it was for the former Government, is: Will this new Government be giving additional funds in the next budget to allow that program to expand? I recall Mr Speaker himself making a deal of this issue from this very spot not so long ago. Will there be additional funds to allow the existing program not only to improve but to expand?

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**MR STEFANIAK:** Mr Wood, as I think everyone appreciates, we have a very tight financial situation left by your Government. Certainly, in terms of improving things, there may well be a need for some additional funds. I cannot say that they would be hugely significant, but there may well be - and you may be happy to find that - some additional funds. There is the integration program, and there is also the program with the special schools. When one considers those budgets as a whole and when one considers Dr Giorcelli's report, I would not say that I am quietly confident, but I am certainly hopeful that, in conjunction with the parents and other key stakeholders, we will be able to make significant improvements for 1996. There may well be some additional funds. Unfortunately, because of the mess the Territory is in, they certainly will not be absolutely huge; but at this time I cannot tell you exactly what will be spent, because we are still considering all of that in the budget context.

### **Wind and Solar Energy**

**MS HORODNY:** My question is directed to the Minister for Business, Employment and Tourism, Mr De Domenico. When will the Government initiate a feasibility study into the economic viability of wind generation and solar thermal generation as promised in their election policies, and which government department will be responsible for this initiative?

**MR DE DOMENICO:** I thank Ms Horodny for her question. The Government at this stage has not considered implementing that election promise. I can assure Ms Horodny that within the next month or so we will try to make sure that we implement as many as possible of the promises we gave to the community prior to the election. In direct answer to your question, no consideration has been given at this stage to which department will be looking at it. I know that ACTEW, for example, is always looking at ways of improving its technology. I dare say that ACTEW would be very interested in doing it if it were feasible. No feasibility study has been done as yet. If, once the Government considers the issue, it intends to undertake a feasibility study, I will keep the Assembly informed and in particular the member who asked the question.

### **Community Groups - Government Funding**

**MR WHITECROSS:** Mr Speaker, my question is addressed to Mrs Carnell in her capacity as Chief Minister. My question is in regard to what the Government is doing about the funding of community groups in the ACT. You have repeatedly said that only groups engaged in service delivery will be funded. My question is: What is your definition of "service delivery", and with whom have you consulted in regard to this new policy direction?

**MRS CARNELL:** I assume that when Mr Whitecross says “policy direction” he is talking about our approach to community groups. Community groups, we believe, are a very important part of our consultation approach with the community generally. They do not fall into the bracket of community groups as such, in our view. What they do provide, though, and what we believe they can provide for government, is a conduit between government and the communities that they represent. We believe that that is an incredibly important part of community consultation.

One of the things that we will not be doing is consulting, as the previous Government did, with the people who are going to provide the “right” answers on any particular topic. We believe strongly that community groups can provide that sort of input. We are in the process of having discussions with community groups, just as we are in the process - as you would be aware - of starting to put together meetings with Ministers out there in the community. That will be happening in the foreseeable future. In fact, the plans are already in place. We will have Ministers out there available to the community, to talk to people on a face-to-face basis - something that the previous Government never did. We are also looking at making sure that community councils are in a position to be able to provide that input to government. Unlike the previous Government, we think that that is absolutely essential.

**MR WHITECROSS:** I ask a supplementary question, Mr Speaker. Mrs Carnell has obviously pushed the wrong button, because she has answered the wrong question. Mr Speaker, my question was about the funding of community groups. Mrs Carnell has claimed that she intends to fund only community groups which are involved in service delivery. My question was: What is her definition of “service delivery”? How did she arrive at this definition? Whom did she consult about this definition? I also ask: What rights of appeal will be open to groups that Mrs Carnell defunds because she does not regard them as being engaged in service delivery?

**Mr Humphries:** What rights did they have with Ms Follett?

**MRS CARNELL:** “Absolutely none” is the answer to what rights they had under the previous Government. Our view is that certainly in the ACT we have a limited amount of money. It is our job here to manage the money that the Commonwealth Government gives us and the people of Canberra give us by way of taxation, rates and so on. We have to make sure that that money is properly directed to the service areas or to the people who most need it in our community. That is exactly what we will be doing.

### **Roadworks - Drakeford Drive**

**MR OSBORNE:** Mr Speaker, my question is addressed to the Deputy Chief Minister in his capacity as Minister for Urban Services. Mr De Domenico, I am not sure when you last travelled along Drakeford Drive in Tuggeranong, but if it was recently you may have noticed the dreadful state of a section of the road in the suburb of Kambah. There are numerous places where the road is breaking apart and loose stones are causing windscreen and paint damage.

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**Mr Kaine:** Yes, it has disintegrated.

**MR OSBORNE:** Thank you, Trevor. My question is: What is your department doing about the state of this major thoroughfare in and out of the valley, and to whom do I refer all the people who have been contacting my office who need compensation for broken windscreens and paint jobs?

**MR DE DOMENICO:** I thank Mr Osborne for his question. In answer to the first question, this morning was the last time I drove up and down Drakeford Drive. I say to Mr Osborne that road resealing is undertaken as part of our road maintenance program and that resealing rejuvenates the waterproofing quality of the top surface of the road. In the case of Drakeford Drive, a two-coat seal was applied for a reduction in traffic noise. Firstly, a layer of bitumen is sprayed on the road and then aggregate is spread. This is repeated with smaller stones to fill in the gaps and produce a smooth surface, although not as smooth as with the hot mix. I am advised that between the application of the first and second coats rain fell and affected the resealing process. The problems were further complicated by the opening of the lanes to traffic between the two coats. As you are aware, signs have been placed at the side of the road to warn motorists. Public Works and Services are monitoring the road daily, with the contractor sweeping the loose stones, as appropriate, until more permanent repair work can be carried out. I understand that weather conditions can affect the resealing adhesion process and that it is better to undertake this work in warm or hot weather.

The last part of your question was about to whom people who did windscreens can put in for compensation. Not the Government, I can assure you. When I did a couple of windscreens last year, I asked the same question and was told to go away. One thing I need to say is that any repair work that is going to be done will be done ASAP, in July. You will probably find that the problem will not exist after about a month.

**MR OSBORNE:** I ask a supplementary question. Minister, the road will be fixed up in a month; is that what you are saying? When will the road be fixed?

**MR DE DOMENICO:** My department has planned to undertake the temporary repair work during July, and permanent repair work during the spring. It is apparently better to do this sort of work when it is sunnier and the weather is fine. However, given the impact that this is having on Tuggeranong motorists and the representations I have received from you, Mr Osborne, and from Mr Kaine as well, I have asked the department for the permanent repair work to be expedited. This will commence in July. So, they will start the week after next, with a view to having it finished as soon as possible. I also say to members by way of background that the Government will have spent \$4.7m on resealing alone in 1994-95. I am advised that hot mix costs approximately three times as much as a two-coat resealing process. The repair work, Mr Osborne, will be undertaken at the contractors' expense, not at the expense of the people of the ACT.

## Corporatisation and Privatisation

**MR SPEAKER:** I call Mr Berry.

**MR BERRY:** Thank you, Mr Speaker, for your eagle eye.

**Mr Humphries:** Eagle or evil?

**MR BERRY:** Eagle eye. You pick movement up as soon as it occurs. My question is directed to Mrs Carnell in her capacity as Chief Minister. Besides ACTEW and Namadgi National Park, what other Canberra enterprises/services are you planning to privatise, corporatise or generally give away?

**MRS CARNELL:** Unfortunately, I do not know that there is a standing order dealing with stupid questions; but the reality is: Privatised, none; give away, none. With Namadgi National Park, as Mr Berry knows perfectly well, there was no view that we were going to give it away, privatise it or corporatise it. We are looking at ways to manage everything in the ACT better. We have been quite up front about the fact that we believe that ACTTAB should be corporatised in line with the TAB facilities in New South Wales. Many people here may not realise that last week in the New South Wales Parliament their Treasurer, Michael Egan, made an in-depth economic statement.

**Mr De Domenico:** He is a Labor bloke, is he not?

**MRS CARNELL:** He is a Labor Treasurer. It is very interesting to note that he announced that they were going to corporatise 15 government entities. As well as that, they are moving to make government services more competitive. They are looking at the cost of running government. You would be surprised. In fact, they are doing exactly what every other government all over Australia is doing and the sorts of things that we need to do here to stay competitive. Privatisation, none; giving away, none; corporatisation we will look at. If the Assembly supports it, we will certainly go ahead with the corporatisation of ACTTAB. We are looking at ways to better run ACTION buses, as everybody here is very well aware; and we will look to whatever services are provided in the ACT to ensure that we run them in the best interests of the community.

**MR BERRY:** I would like to ask a supplementary question. I hope that it gathers as much undivided attention as the last question, which was at first branded stupid. What I would like to find out from the Chief Minister is whether, in keeping with all those big glittering promises that were provided to the community before the last election about consultation, the Chief Minister would be prepared to provide a list of all of the areas where there is any contemplation of these little give-aways or corporatisation or privatisation plans. After all, Mr Speaker, as you and many other people would appreciate, the essence of consultation is providing the information at the contemplative stage, not once the race is over. Could we have a list of all of the areas where Mrs Carnell is contemplating changes of the nature which I have mentioned?

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**MRS CARNELL:** We went to an election with a number of policies, as at least the people of Canberra knew, even if the previous Government was not too sure. Of course, if the previous Government had read our policy statements out there in the community, they would know that we have promised to corporatise ACTTAB. We have promised to look at ACTION buses to find the best way to run them.

**Mr Berry:** Anything else?

**MRS CARNELL:** No, we are not going to privatise anything.

**Mr Berry:** Corporatise or give away?

**MRS CARNELL:** I am sorry. We are not going to give away anything.

**Mr Berry:** Corporatise?

**MRS CARNELL:** In terms of corporatisation, the three things we have mentioned are ACTEW, ACTTAB and ACTION buses. We are looking at ways to make ACTION more competitive.

**Mr Berry:** You are not going to ask the private sector to do anything?

**MRS CARNELL:** Interestingly, we will not close off any options that may make service delivery more appropriate in the ACT. We are just like New South Wales, which last week announced corporatisation of 15 service delivery areas. I can tell Mr Berry that at this stage this Government is not contemplating corporatising any entities other than the ones we announced in our policy statement made available to the community during the election campaign.

**Mr Berry:** Mr Speaker, may I raise a point a order?

**Mr De Domenico:** Under which standing order?

**Mr Berry:** This goes to the issue of answering the question. I know that we have difficulty each time we raise it, but it seems to me that the answer to a question should at least address the question. The supplementary question was about those areas where you might be contemplating privatising, corporatising or generally giving away or shoving things to the private sector. Give us a fair go and give us an answer. This is supposed to be a consultative government. Just give us an insight into what they are up to behind closed doors.

**MR SPEAKER:** Mr Berry, as you have said, we have raised that matter before and the answer is still the same. The Minister may answer the question as she sees fit.

**Mr Wood:** Mr Speaker - - -

**MR SPEAKER:** Do you have a point of order too?

**Mr Wood:** No, I have a question, and we seem to have more questions still coming.

**MR SPEAKER:** Not everybody has yet asked a question.

### **Employment and Training Grants**

**MS TUCKER:** My question is for Mr De Domenico in his capacity as Minister for Employment. Could the Minister confirm that the Government is considering cutting the employment and training grants from \$4m to \$1.6m? If this is the case, can the Minister please outline the Government's rationale behind these proposed cuts and indicate which programs are likely to face the greatest cuts and what the processes are for any decisions regarding funding cuts to non-government agencies?

**MR DE DOMENICO:** I thank the member for her question. As the member would be aware, any expenditure of that sort is part of budget discussions in budget Cabinet. I would prefer to give the views to my colleagues first in Cabinet. Once the Government does make a decision, Ms Tucker, we will let you know.

**Mrs Carnell:** I ask that all further questions be placed on the notice paper.

### **Twinning Arrangement with Versailles**

**MRS CARNELL:** Mr Speaker, I would like to inform the Assembly that the extremely efficient people in the Chief Minister's Department have managed to stop the French letters from going to Versailles and Les Yvelines.

## **SUBORDINATE LEGISLATION AND COMMENCEMENT PROVISIONS**

### **Papers**

**MR HUMPHRIES** (Attorney-General): Mr Speaker, pursuant to section 6 of the Subordinate Laws Act 1989, I present subordinate legislation in accordance with the schedule of gazettal notices for the care and protection of intoxicated persons standards, determinations, management standards and Supreme Court Rules.

*The schedule read as follows:*

Business Franchise (Tobacco and Petroleum Products) Act - Determination of fees - No. 39 of 1995 (S111, dated 30 May 1995).

Intoxicated Persons (Care and Protection) Act - Care and Protection of Intoxicated Persons Standard - No. 38 of 1995 (S110, dated 2 June 1995).

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Public Sector Management Act - Management Standards -

No. 2 of 1995 (S123, dated 13 June 1995).

No. 3 of 1995 (S123, dated 13 June 1995).

No. 4 of 1995 (S123, dated 13 June 1995).

Supreme Court Act - Supreme Court Rules (Amendment) - No. 19 of 1995  
(S127, dated 15 June 1995).

## PAPERS

**MR HUMPHRIES** (Attorney-General): I also present a direction to ACTTAB, made on 5 June 1995 pursuant to section 9 of the Betting (Totalizator Administration) Act 1964. Finally, I present the Activity Report for the Department of Health and Community Care for the March quarter of 1995.

### CORPORATISATION OF A.C.T.E.W. - SELECT COMMITTEE Suspension of Standing Orders

**MS HORODNY** (3.13): I move:

That so much of the standing orders be suspended as would prevent Ms Horodny from moving a motion relating to the establishment of a select committee on the corporatisation of ACTEW.

Mr Speaker, I believe that it is fundamentally important that this select committee be given the support of this Assembly. Not only has there been a rush to get across all the issues surrounding corporatisation, with the lack of information and the lack of consultation; but parliamentary counsel, who have been working around the clock, not just on this legislation but also on other legislation, have simply not had the time to draft all our amendments. Mr Osborne may be going to support this legislation because he feels that his concerns may have been dealt with, but we are still being flooded by constructive suggestions for making positive amendments to this legislation.

Parliamentary counsel have been wonderful; but they just have not had the time to get across the issues and then draft all the amendments that we would like - for example, entrenchment of consumer rights, along the lines of the consumer contract which is provided for in the case of the Sydney Water Board; a provision to prevent backdoor privatisation; setting environmental targets; community consultation processes;

and assurance that ACTEW will get involved in providing energy services in the broader sense. Also, notwithstanding Mr Osborne's proposed amendments regarding pricing, there is no actual requirement in the Bills that the Government establish a body for independent pricing. Some may argue that this can be done later, but why not get it right at the beginning? This inquiry represents a very important debate in this Assembly. Many people in the community believe that we should have it too. We have written support for an inquiry - - -

**Mr Berry:** Mr Speaker, I take a point of order. I reluctantly rise. I do not really wish to interrupt Ms Horodny when she is in full flight, but I think we have to deal with the issue of the suspension of standing orders before we get onto the substantive motion. I apologise for the interruption.

**MR SPEAKER:** I uphold the point of order. Initially, you must deal with the motion to suspend standing orders, Ms Horodny, before moving on to the substantive motion which I understand you have circulated.

**MS HORODNY:** That is exactly what I am doing right now. I am addressing that issue.

**MR SPEAKER:** Please continue.

**MS HORODNY:** Thank you. We have had written support for an inquiry from the ACT Council of Social Service, the Conservation Council of the South-East Region and Canberra, the Youth Affairs Network, the Tenants Union, the Belconnen Community Council, the Australian Conservation Foundation, Solar Solutions, Solahart Industries, the Sustainable Energy Industries Council of Australia and Advanced Control Technologies. The Trades and Labour Council has urged that corporatisation not take place until the enterprise bargaining agreement for corporatisation is finalised. Also, individual members of other residential associations, community councils, and churches and community groups have offered personal support, but have not been able to speak on behalf of their membership before a meeting.

In recent days a rumour has been going around that we want the corporatisation of ACTEW postponed because we want a political win. That is nonsense. We want a select committee because we believe that without one this Assembly will create an organisation that is unlikely to reach its full potential, that is unlikely to serve the people of Canberra, and that is most likely to let people down. The Greens want what is best for Canberrans. We cannot afford to cobble together amendments in a haphazard way or to say that it is too bad, because there is not even time to get all these amendments done. The Sydney Water Board was corporatised only after extensive community involvement in the process, and a consultative process has just begun for the corporatisation of electricity authorities in New South Wales. We have not had any consultation on this issue in the ACT. We ask the Assembly that we be given the opportunity to debate our proposal. We are amazed that the Liberals have dumped the democratic process to such an extent that they would not even grant leave.

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**MR HUMPHRIES** (Attorney-General) (3.18): Mr Speaker, I have a feeling that Ms Horodny might not understand what is happening at this time. We have passed over the items on the agenda, as printed on the blue sheet of paper, relating to the Electricity and Water (Corporatisation) Bills; but that is because they have slipped down underneath the matters that come on automatically at 2.30 pm each day. We will be coming back to these Bills this afternoon, and a perfect opportunity exists at that time for the motion that Ms Horodny is now talking about to be moved. We are not going to abandon this issue for today; it is on the agenda for this afternoon.

I simply say to members that we accept that Ms Horodny has a very important point she wants to put before the Assembly. She is entitled to move that motion, and we on this side of the chamber are fully prepared to engage in the debate which flows from her motion; but I think it would be an unfortunate precedent, were we to agree to the suspension, if we put to one side a ministerial statement which is fairly significant, and we have not generally done so in the past. Mr Speaker, it has been the courtesy of this place in the past to allow papers to be presented and ministerial statements to be made before we go back to other matters of Executive business.

All I am asking is that we have the courtesy of letting the Chief Minister make her statement, which is a fairly significant one. I am very happy for this to be brought forward ahead of the two committee reports, although I think it would have been courteous of Ms Horodny to have approached the chairs of the two committees and asked them whether they were happy for their matters to be put to one side. If that is the case, fine, we can bring it up at that point; but she certainly did not ask the Chief Minister whether she could have precedence over her ministerial statement. The statement is about new Administrative Arrangements for the ACT. There are a great many administrative changes to flow from this statement in the Assembly, and there are public servants waiting to put those things in train. It would be appropriate, I think, to allow the Chief Minister to make that statement so that the Assembly is the first to know about these things - not other people - and then we can go onto other things.

Mr Speaker, I think it is absolutely essential that this be done in some different way, but I would say to Ms Horodny that it is a matter of give and take in this place. We are not suggesting that her motion should not be considered today; but it ought to be considered, at least, after the ministerial statement, as has always been the case in the conduct of business in this place.

**MR BERRY** (3.21): The Opposition will be supporting Ms Horodny's motion. It was a matter that was discussed between parties in the Assembly.

**Mr Humphries:** Not us.

**MR BERRY:** Hang on a minute. I will get to you in a minute. It was discussed between parties in this Assembly. It is a matter of some urgency as far as the Greens are concerned and I am prepared to accept the urgency which they give to it. I was also present this morning, Mr Speaker, when it was made clear to the Greens that they would not be given leave to pursue this course.

**Mr Humphries:** By whom?

**MR BERRY:** Consult your Whip. He was talking to you on the phone.

**Mr Humphries:** That is not true. He said that we would give leave.

**MR BERRY:** I was present and it was clear that leave was not going to be given for the Greens to pursue this course. I, for one, having agreed with the approach which has been taken by the Greens, do not see any particular problem with dealing with it now. It is a matter of some import to the people of the ACT.

I accept that the ministerial statement is about an important issue as well; but it would not be the first ministerial statement that has been delivered late and, if Mrs Carnell chose to do so, it would not be the first ministerial statement that was tabled and incorporated in *Hansard*. If it is so important that that matter be dealt with in this Assembly today, we would have no objection, if it needs to happen right now, to Mrs Carnell seeking leave to table it and to incorporate it in *Hansard*. As far as this issue is concerned, it is one that Labor has been concerned about for a long time. We think it deserves a great deal of weighty discussion because it is an issue which is of concern to many thousands of people. We will be supporting the move by the Greens to bring the matter on as a matter of some urgency.

Question resolved in the affirmative, with the concurrence of an absolute majority.

### **Proposed Appointment**

**MS HORODNY (3.24):** I move:

That:

- (1) A select committee on the corporatisation of ACTEW be appointed to inquire into:
  - (a) the most appropriate structures for the public utility providing energy, water and sewerage services for the ACT to ensure:
    - (i) accountability of ACTEW to the Legislative Assembly and the community in relation to planning and conduct of activities;
    - (ii) ACTEW maximises the potential to meet the environmental local, regional and national obligations of the ACT, including meeting greenhouse reduction targets and the downstream impact of sewerage services; and
    - (iii) social equity in pricing of services.

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- (b) the social, economic and environmental impact of national competition reform on the provision of energy, water and sewerage services in the ACT and the options the ACT has in responding to these impacts, including alternative structures for ACTEW;
  - (c) the potential social, environmental and economic costs and benefits of ACTEW becoming a corporation;
  - (d) mechanisms whereby the community can be assured of fair, open and transparent pricing policies;
  - (e) the impact on employment terms and conditions of staff, including those of senior executives;
  - (f) the appropriate financial relationships between the owner of ACTEW (the ACT community) and ACTEW, including capital structure and dividends;
  - (g) the community service obligations of ACTEW and the best means of funding and delivering any mandated community service obligations;
  - (h) mechanisms to ensure that ACTEW is responsible and accountable to the needs of the community, including the function and composition of shareholders and the composition of Board of Directors;
  - (i) the extent to which ACTEW can further its involvement in research and promotion of alternative energy services appropriate to the future needs of the region;
  - (j) the ramifications of the *Territory Owned Corporations Act 1990* and other related legislation on the proposed corporatisation of ACTEW;
  - (k) the Electricity and Water (Corporatisation) (Consequential Provisions) Bill 1995 and the Electricity and Water (Corporatisation) (Consequential Amendments) Bill 1995; and
  - (l) any other related matters.
- (2) The Committee shall consist of 1 Member appointed by the Government, 1 Member appointed by the Opposition, Paul Osborne, and 1 Member appointed by the Greens.
- (3) The Committee shall report by 26 October 1995.

- (4) On the Committee presenting its report to the Assembly, resumption of debate on the question "That this Bill be agreed to in principle" for both the Electricity and Water (Corporatisation) (Consequential Provisions) Bill 1995 and the Electricity and Water (Corporatisation) (Consequential Amendments) Bill 1995 be set down as orders of the day for the next sitting.
- (5) the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

Mr Speaker, a portion of this debate may focus on the issue of open and consultative government. ACTEW, like Acton before it, needs open, well-informed debate and consultation with government and non-government organisations, researchers and the community. ACTEW must have the input of all sectors of the community to ensure that it continues its great work as one of Australia's most forward-thinking, socially just and environmentally sustainable organisations.

Mr Speaker, several weeks ago Kerrie and I met with the Chief Minister to discuss an issue other than ACTEW. The content of those discussions is directly relevant to this debate. At that meeting we were told that we, the Greens, were irrelevant to the Government because the Government had the numbers. I guess that only Mr Osborne and Mr Moore know the truth of those remarks. Mrs Carnell made the point that if we wanted open and consultative government we would have to be more cooperative. It was our choice. If we caused problems for her Government there would be no consultation and no openness. That is consultation, Liberal Government style. It is no wonder that community groups are fearful of their future.

Whether through so-called political strategy, or through sheer incompetence, we have heard virtually nothing about ACTEW that seeks to constructively inform. We have had promises of information. We have had promises of comprehensive briefing papers on all issues surrounding ACTEW. We never received them. We received from the Chief Minister's office a three-page double-spaced document in 16 point on the benefits of corporatisation. It was hardly inspiring. We asked for the information in the Assembly. Mr De Domenico said that it was on its way. Instead, we got the legislation.

Then we were offered briefings; but the briefings were about selling us a product, not informing us of the merits and drawbacks of corporatisation. If we had wanted ACTEW propaganda we could have read it in the expensive ads in the *Canberra Times*. In some ways the media was more informative than our lengthy briefings. We were told that, without corporatisation, ACTEW would not be able to trade across the border. That is not true. We were told well into the debate that if we did not corporatise it would cost millions of dollars and many jobs. It is not possible to ascertain the truth of this, as, to my knowledge, there has been no comprehensive cost-benefit analysis and no real comparison with other models around Australia or overseas. In short, there has been a lot of lobbying, a lot of advertising and a lot of rhetoric; but there has been no well-informed debate.

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What does the community think? What do ACTEW employees think? What do the unions think? Many ACTEW employees rang us with a range of concerns, including the forecast rise in middle to senior management salaries and the direction the organisation will generally take. In the last few days we have sent out information to the community and we have asked them what they want. Some said that they could not speak for their organisation and they would not be able to make a decision until they had. Others said that, off the record, they supported an inquiry, but did not want to be political in the current climate. Who can blame them, after seeing what has happened to ACTCOSS? Virtually all of them said, "Thanks for providing us with the information. We did not know anything about it".

A common concern amongst all the people we talked to, including many of the unions, was the social welfare aspects of corporatisation. Social welfare is not something that is high on this Government's priorities list. Recently, the Assistant Treasurer of the Commonwealth has instituted an inquiry to look at the effects of the competitive reforms on social welfare and the severe financial hardship many low income earners are facing as a result of those reforms. One aspect of social welfare that ACTEW can help with, and does, to a limited extent, is energy efficiency in public housing. All over Canberra there are thousands of public housing tenants living in homes that are not at all energy efficient. Regardless of the rebate ACTEW provides them with, it is a struggle, and often an impossibility, to keep warm and to eat and to clothe the family during the winter months.

Here is an opportunity to have a win for the environment, a win for local business and employment, and a win for low-income households. It costs the taxpayer an inordinate amount of money, both in rebates and in unnecessary expenditure on burning coal that we do not need. What will ACTEW's responsibilities be after corporatisation to work on this problem? We simply do not know. Is ACTEW doing enough now? Probably not. Let us take the time and get it right. In Victoria charities are beginning to have to fork out big money to pay for the social welfare that the privatised utilities no longer want to pay for. Let us make sure that it does not happen here. Let us give the legislation more thought and more input. Let us let the Salvation Army, the Smith Family, the Tuggeranong Community Council and other people have a say about the structure that they want for one of the most significant assets that this town has.

I want to look briefly at the environmental side of ACTEW. In the ACT we are nowhere near meeting our greenhouse gas targets. We consume vast quantities of energy and take it all for granted. In the backyards of the Hunter Valley, young and old suffer, and have done so now for a very long time, because of the pollution created there by the coal that they burn to give us power. To some extent, that is a sad fact of life; but Australia is the world's leader in renewable energy technology. We have a climate that is amenable to solar technology and a vast quantity of open space, yet we are not utilising this knowledge and this geographical advantage to become world leaders in supply. In the ACT nearly all the energy we consume at home or at work is used in heating or cooling or providing hot water. There is an enormous business opportunity here. It is little wonder that organisations like Solahart have supported our call for an inquiry.

The extent to which ACTEW becomes a leader in renewable energy technologies will be determined, to a large degree, by the make-up of the board. Australian business managers are not noted for their innovative thinking. Nearly every day we hear about another Australian invention that is sold off to overseas interests. The Greens want ACTEW to be not just an efficient supplier of energy but also a world leader in renewable energy and water technologies. The legislation, the objectives and mission statement are fundamental to ACTEW's future. They must not be cobbled together in a few weeks and then changed and amended hurriedly by overworked parliamentary counsel who are not even able to complete all the amendments that members want to move.

For many years pricing has been the subject of much debate. ACTEW has been seen as a means of raising cash for the Government's coffers and has been milked for all its worth. What happens to the dividend is critically important to the future of the organisation and the wellbeing of the community. Should the Government be able to put its hands into the ACTEW accounts? Should the Government be able to push up the price of electricity? Should there be an independent pricing tribunal, and, just as importantly, who should determine the structure of the tribunal? We can draft amendments on the run, trying to cover every loophole, or we can wait just a few short months, put in the hard work and try to create some structures that work and that are well thought out.

In the debate that follows we are likely to hear about the cost of not corporatising - a cost I have never seen written or quantified, a cost that has suddenly appeared in the arguments put forward by ACTEW and the Government only after they thought they had lost our vote. What about the cost of not getting it right? We may hear about the silly idea espoused by Mr Moore of holding an inquiry after corporatisation. Let us get it right first, not afterwards. What about those people who will be working in ACTEW? An inquiry afterwards only gives them a lot of uncertainty. They will not be able to focus on a clear set of objectives. They will not know what the shape of the organisation will be from one day to the next. Or was it just a Liberal idea to make the inquiry irrelevant and redundant? We have seen the result of rushed legislation in the past in this place. It often does not work, and it is not very good.

We will hear from the Liberals that they have a mandate. This is a nonsense. If they have any sort of mandate at all it is to carry out their business in an open and consultative way, and it is to involve people. That is the Liberals' mandate. Without a cost-benefit analysis, we will not vote for the corporatisation of ACTEW. We will vote for the corporatisation when we have the information that shows that it is a smart thing to do and when we have the information that shows us how to do it in the best possible way.

Mr Speaker, the select committee we are proposing seeks to cover the issues surrounding the debate over corporatisation, whether we should have it or not, and then seeks to look at the best possible models, accounting for commercial, social and environmental needs. It looks at accountability, the make-up of the board and the make-up of the shareholders. It looks at pricing and the dividend; its future research and development; its goals and objectives, and its future in a competitive market.

The Greens want a select committee because we believe that that is the best chance of making ACTEW the best possible organisation in the shortest possible time. We are not driven by ideology or by a desire to conform to either flat earth economics or red earth socialism. We want to find out what is best for ACTEW and what is best for the people of Canberra. We want experts in solar industries and renewable energy technologies to have a say. We want experts for and against Hilmer to have their say, and we want the community to have a say. We want to do it quickly because we recognise the need to resolve this issue. The community owns ACTEW, not the shareholders and not the members of this Assembly. Of all the groups we contacted about corporatisation in the past few weeks, very few knew what to expect, and certainly no-one has had the opportunity to have any input into the future of ACTEW.

**MR DE DOMENICO** (Minister for Urban Services) (3.36): Mr Speaker, I do not propose to go into the corporatisation of ACTEW debate because I think we will be doing that later on this day. Let me dispel some of the concerns - I use the word wisely and nicely - that Ms Horodny has. I think the major complaint that I noticed - it has been happening for weeks now, I might say - was that there has been inadequate consultation and discussion with the Legislative Assembly members in respect to ACTEW's corporatisation.

**Ms McRae:** It is true.

**MR DE DOMENICO:** Ms McRae says, "It is true". There has been extensive consultation with all members of the ACT Legislative Assembly, by both officers of ACTEW and Government MLAs and their staff. Consultation by ACTEW officers, in particular ACTEW's chief executive, Dr Michael Sargent, with non-government MLAs on this matter has been as follows: On 24 and 28 April ACTEW offered briefings to all Legislative Assembly MLAs on a range of ACTEW matters, including corporatisation. All MLAs were invited. Unfortunately, only some attended. On 1 May ACTEW offered and provided a briefing to the Green MLAs on a range of ACTEW matters, including corporatisation. On 18 May there were meetings with Michael Moore and Kerrie Tucker. On 22 May there were meetings with Mr Osborne. On 24 May there was another meeting with Mr Moore. On 25 May there was another meeting with Mr Osborne. On 26 May there was a meeting with Mr Whitecross. On 2 June there was a meeting with the Greens. On 7 June there was a meeting with Mr Moore. On 8 June there was a meeting with Mr Whitecross. In addition, information packages, as requested, have been provided to Mr Osborne, Mr Moore and the ACT Greens. The ACT Greens and others might not have liked what they got in the packages, they might not have agreed with what they got in the packages, and that is their prerogative; but those packages, as promised, were provided.

Let us talk about whether there should be more community consultation. Another one of Ms Horodny's allegations was that there was not enough community consultation. The community has been consulted widely, Ms Horodny - very widely, in fact. Firstly, corporatisation is not a new initiative. We have built on the work undertaken in 1991, before my time in here and before your time in here, when ACTEW was within weeks of being corporatised. In that process the community was widely consulted and the benefits and advantages widely discussed. In fact, the legislation under which

ACTEW is now being corporatised was passed by the Government in 1990, at which time it was proposed to corporatise ACTEW. More recently, corporatisation has been a widely accepted principle across all governments in Australia, Liberal and Labor, for making government business enterprises more accountable and efficient in the provision of their respective services.

It should be noted, Mr Speaker, that throughout Australia all major utilities - I state again, all major utilities - water, gas, electricity and telecommunications, have been or are being corporatised. It is equally worth noting that ACTEW is the only major utility in Australia which employs public servants. The recent Industry Commission report known as the Hilmer report, and this year's COAG agreement on the implementation of competition within the utilities industry, further reiterate the need for corporatisation. Throughout all of these processes the benefits and advantages of corporatisation have been widely enunciated, and consultation with the community has been extensive.

The corporatisation of ACTEW and a number of other ACT government business enterprises was a key election platform of the Liberals at the last election. We all know that. It has been no secret. It has not come out of left field all of a sudden, overnight; our policy has been widely known for many years. Mr Speaker, we are not alone. The New South Wales ALP, the Federal ALP and the Queensland ALP have agreed on, and have noted the benefits of, corporatisation. It is widely known. It seems that the only political parties that do not accept the benefits of corporatisation are the ACT Labor Party, because of some philosophical bent against corporatisation anyway, and the Greens.

For Ms Horodny to stand up in this place and suggest that this has come out of left field, with no community consultation, with no consultation with the Greens, is farcical. With respect, it is a nonsense. You may not agree with corporatisation per se; but to stand up here and say that you have not been consulted, that you have not been given every opportunity to ask whatever questions you wanted to ask, is a nonsense. Other members, with respect, have not had the same experience. Mr Osborne did not have any problems in getting his amendments drafted. Mr Moore did not have any problems in getting his amendments drafted. I note that Mr Whitecross has a reef of amendments, most to decorporatise ACTEW; but that is another story. He is allowed to have a different point of view from the Government and other members of this Assembly. Nobody else seems to have had any problems in getting their amendments drafted. I might say, by the way, that the only people who gave us the courtesy of seeing their amendments or their intended amendments prior to late this morning or early this afternoon were the Greens, Mr Osborne and Mr Moore. There has been plenty of opportunity. This Bill has been there for about 3½ weeks now. The Liberal Party's policy on corporatisation has been out there for years, for heaven's sake. It is not as if it has come in from left field.

Ms Horodny also commented that Australian business managers are not noted for innovative thinking. What a slur on the reputation of Australian business managers, for heaven's sake - that we are not producing innovative thinkers! Why? Because the Greens happen to be against the form of corporatisation that this Government intends to attempt

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to go ahead with through this Assembly. I need to say to Ms Horodny that ultimately it will be this Assembly that decides the type of legislation that will go through; not the Liberal Party, but this Assembly. We will have an adequate opportunity of debating that further later on this afternoon.

Mr Speaker, it is important to note that, if ACTEW is not positioned as soon as possible to compete on an equal footing with other utilities, it could lose many of its commercial industrial customers. For anyone not to realise that is to have their eyes shut, because that is the experience throughout the world, throughout the country. If the ACT Legislative Assembly wants to sit on its hands and do nothing, so be it. It can decide to do that later on this afternoon. Certainly, this Government will not be a party to that, Mr Speaker. This Government will make sure that we put ACTEW, as much as we can, on an equal footing.

Ms Horodny started talking about the unions. Had Ms Horodny gone and spoken to the unions that work within the ACTEW framework, she would have known that the majority of those unions, if not all of them, came to the agreement that, per se, corporatisation was okay. You could have picked up the phone, rung them up and asked them, as we did. Ms Horodny should also be aware of a letter signed by Jeremy Pyner, the secretary of the Trades and Labour Council - not someone who is enamoured of Liberal Party philosophy, I must tell you. He is not going to jump around and say what a wonderful mob the Liberals are. Jeremy Pyner, in a letter on 16 June to a Ms Katie Reardon of ACTEW, said this:

Dear Katie,

Further to our phone call the following is for your attention.

Following a meeting of ACTEW unions held this morning -

this is dated 16 June -

the following resolution was made:

This meeting of the TLC accepts in principle the corporatisation of ACTEW.

**Mr Berry:** Why is there a picket line on out at West Belconnen?

**MR DE DOMENICO:** This is for Mr Berry's ears:

This meeting of the TLC accepts in principle the corporatisation of ACTEW.

However, the TLC position is that the date of corporatisation of ACTEW coincide with the registration of a new enterprise bargaining agreement; and negotiated conclusion of current residual issues which go to the terms and conditions of employment.

Moreover this position on corporatisation is taken only in respect of ACTEW.

**Mr Berry:** Tell us about the picket line.

**MR DE DOMENICO:** I do not know anything about the picket line, Mr Berry, to be very honest with you. I ask whether you deny that Mr Pyner, the secretary of the Trades and Labour Council, has written to ACTEW saying:

This meeting of the TLC accepts in principle the corporatisation of ACTEW.

Need I say any more? So much for the nonsense that the unions are all jumping up and down, doing cartwheels, and saying "Oh, this is the end of the earth". What nonsense! This is being done in consultation with the unions, as is the case in anything this Government will do. It will always consult. I note, Ms Horodny, that you disagree with the way that the Government is attempting to corporatise ACTEW. That is your prerogative. You will vote accordingly, obviously, when the vote comes up later on this afternoon. To suggest that there has been no consultation with the community, the unions or ACTEW staff is a nonsense.

This afternoon Mr Berry asked a question about the picket line at Lower Molonglo. Workers from the Australian Workers Union, I am advised, and the Australian Manufacturing Workers Union formed a picket line in support of their motion relating to pay negotiations under the enterprise agreement. It has nothing to do with ACTEW, Mr Berry. This act was in contravention - - -

**Mr Berry:** That is the enterprise agreement that you are going to do after the corporatisation. That is what they are worried about.

**MR DE DOMENICO:** Listen carefully. This act was in contravention of a direct order by the Australian Industrial Relations Commission to follow agreed dispute settling procedures. Subsequently, Mr Speaker, the employees abandoned the picket line and returned to work this morning. So much for Mr Berry's furphy. I say thank you to the person who provided me with that information as soon as they did.

Ms Horodny, yes, the Trades and Labour Council was consulted. The unions and ACTEW staff were consulted. The community was consulted. You were consulted as well. You might not agree with the tenor of the consultation, but you were consulted. You will have the opportunity of either agreeing or disagreeing with the Government's legislation later on this afternoon. The Government will not be supporting the move to refer it to a committee.

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**MR KAINE** (3.46): Mr Speaker, I have to say at this stage that I oppose the motion put forward by Ms Horodny. I do so because to pass it would completely set aside the established processes of this Assembly. The logical process to follow, surely, is to conduct the debate in principle on the Government's legislation, or any legislation for that matter, and see what the Government has to say. The passage of this motion would prevent the Government from expounding in detail its proposal as contained in this legislation. Ms Horodny obviously does not want to hear that. I do. I was at the forefront of corporatisation of ACTEW in 1990 and, as Mr De Domenico has pointed out, we enacted legislation. A majority of the members of the Assembly in 1990 passed a law to corporatise ACTEW. It did not take place, because Labor resumed office and knocked what they considered to be nonsense right on the head. The fact is that a majority of the Assembly in 1990 passed a Bill to do what the Government is now again proposing to do.

I know that there has been an ongoing debate over those five years. The bit of paper did not lie in somebody's drawer gathering dust. I know that there has been a great deal of debate and discussion about it. The fact that Ms Horodny was not part of that does not say that it did not occur. I am not up to speed with all aspects of the Government's current proposal; nor am I up to speed with their consultation processes or the kinds of things that Ms Horodny has raised. But I would like the Government to have the opportunity to tell me. Let us not just shove it off to a select committee without even knowing what the Government is proposing or allowing it the opportunity to present it. What I have been talking about, Mr Speaker, is what I believe to be a reasonable, logical, rational process of debate.

**Mr Berry:** You are too set in your ways, Trevor. You could change.

**MR KAINE:** It is very interesting. Mr Berry wants to jump on a band wagon now because he can sniff the opportunity to knock off a Government proposal. That is what he is on about. He does not want to debate the issue either. He does not want to know the benefits that the Government might be able to enunciate; he just wants to knock it off. He sees it as some sort of short-term political victory. I am not concerned, Mr Speaker, about what the Labor Party might see as a short-term political victory; I am concerned about the benefit that can accrue to the ACT community as a result of what the Government is proposing. So, let us have the debate.

As I was saying, Mr Speaker, I am simply outlining what I see as a logical, rational and reasonable approach to debate in this place. It happens to be what we have always done. I do not see as a good reason to set it aside today the fact that Ms Horodny is confused about something or feels that she is not sufficiently informed. I have to say that it is not solely the responsibility of the Government to inform the Greens on everything. It is their job to go and inform themselves. If they have not done so, that is their problem.

I reiterate: Let the Government have an opportunity to tell the Assembly what they want to do, why they want to do it, and what they have done so far. Not only is that a logical, reasonable and sensible process; I also point out, Mr Speaker, that what Ms Horodny is doing is contrary to our own standing orders. I refer you, Mr Speaker, to standing order 174, which reads:

Immediately after a bill has been agreed to in principle a Member may move that the bill be referred to a select or standing committee.

If we agree to this - - -

**Mr Berry:** Are you going to rule on that, Mr Speaker?

**MR KAINE:** If Mr Berry agrees to this motion he is setting aside the standing orders that he himself helped to put in place here. Where is the rationality, the reason and the logic behind that?

**Mr Berry:** Is that a point of order?

**MR KAINE:** The point is that Mr Berry does not even understand his own standing orders. If Ms Horodny had brought this up at a - - -

**Mr Berry:** I take a point of order. Mr Speaker, I thought I heard Mr Kaine raise a point of order.

**MR SPEAKER:** He did not raise a point of order.

**Mr Berry:** I think he said that this was out of order, pursuant to standing order 174.

**MR SPEAKER:** He drew my attention to the standing orders, and I am checking them. Please continue, Mr Kaine.

**MR KAINE:** I did indeed, Mr Speaker, and I draw Mr Berry's attention to it, too, because obviously he is unaware of his own standing orders. Not only is there a considerable lack of logic and rationality in what Ms Horodny is proposing; it also cuts across our standing orders. For that reason, Mr Speaker, I will not support this proposal.

**Mr Berry:** Would you care to rule on that, Mr Speaker, because it might affect some other speakers?

**MR SPEAKER:** I draw members' attention to the motion that has been put forward by Ms Horodny, particularly paragraph (5). I quote:

The foregoing provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

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**MR WHITECROSS (3.52):** Mr Speaker, the Liberal Government is in an unholy rush on the corporatisation of Canberra's electricity, water and sewerage provider, ACTEW. The Liberal Government has brought forward this legislation with undue haste. In its handling of this matter, Mr Speaker, the Liberal Government has completely failed. It has failed to put the proposed corporatisation of ACTEW in a proper context. It has failed to explain the implications of the reforms to Australia's electricity industry for ACTEW. It has failed to explore how the social and environmental concerns of the community can best be protected. It has failed to show how the corporatisation of ACTEW will make things better.

The Liberal Government has failed to take the Canberra community into its confidence and to consult them on this important issue. Significant community groups, including the Conservation Council, the ACT Council of Social Service and the Trades and Labour Council, have criticised the haste with which the Government has brought forward this matter and the lack of consultation with the community on this major change. The simple fact is that this Liberal Government does not trust the Canberra community. It does not believe in its own rhetoric about community consultation, and it cannot bring itself to engage in the give and take of a community debate on the future of the electricity supply industry. This Liberal Government is afraid of a properly informed debate, so they have rushed this legislation into the parliament and now are trying to rush it through before anyone gets the chance to work out what it all means. This legislation has been before the parliament for less than three weeks. This is not long enough to digest this significant change. It is especially not long enough when the legislation so conspicuously fails to address key social and environmental concerns. The best that the Government can do on these matters is to say, "Trust us. It will all be okay".

Mr Speaker, the one who has to take the responsibility for the Government's performance on the issue and the one who has so conspicuously failed to explain these changes, to put them into context, to take the community into its confidence, to consult, to listen and to communicate is Mr De Domenico. Weeks before this legislation was introduced the Minister could say only three things in answer to questions on the Government's plans: "I do not know", "Not necessarily" and "Wait and see". So much for open government. So much for community consultation. So much for leadership. The community could not even get the satisfaction of knowing that the Government had a well thought out policy and knew where it was going.

Things have not improved much, Mr Speaker, since the Minister did start to explain things. "It will be more efficient", he says; but he cannot say how or why. When people draw their own conclusions, when people say, "We know what 'efficient' means. We can recognise a euphemism. 'Efficiency' means higher prices or less service or fewer jobs or lower conditions of employment", when people draw the only possible conclusions about where the Liberal Government is heading on ACTEW, what do the Liberals say? They say, "Oh, no. None of these bad things are going to happen. No-one will lose their job. There will not be any job cuts, no conditions of service will be reduced, no prices will rise, no services will be cut. Nothing is going to change. Trust us; it will be more efficient". This is not open government. This is not community consultation. This is obfuscation of the first order.

ACTEW, Mr Speaker, is not a relic of the Dark Ages. ACTEW is not a cumbersome, unwieldy bureaucracy which has been sitting over there with its head buried in the sand, not responding to the community. ACTEW is an efficient, forward-thinking, responsive organisation. It already operates in a commercial way. It already operates in a competitive energy market with gas and alternative energy technologies. Certainly, ACTEW needs to continue to change, but ACTEW is also a major community asset. It has a turnover of over \$300m. Significant changes to its structure and the way it operates should not be undertaken in an ill-considered and hasty way. They should not be rushed. They should be subject to an informed public discussion.

Mr Speaker, Mr De Domenico had some things to say about the attitude of the ALP to corporatisation. The Minister tried to claim that the ALP is ideologically opposed to corporatisation. This is simply not the case. There is nothing in ALP policy which makes this kind of - - -

**Mr De Domenico:** So, you will support the Bill, will you?

**MR WHITECROSS:** There is nothing in ALP policy, Mr De Domenico, which makes the kind of arbitrary, blanket statement which you are claiming is ALP policy. Equally, we do not have an ideological commitment to corporatise, or to privatise, or to contract out everything that moves in the public sector - unlike the Liberals. Labor believes that a variety of organisational structures can be used for government agencies. The choice of the best form, the best structure - whether it is for a government department, a statutory authority, a commercially trading statutory authority or a company - is a matter that needs to be carefully considered. We have an open mind. We are happy to consider the evidence and the arguments, but when - - -

**Mr De Domenico:** Go and talk to your mates in New South Wales. They will tell you.

**MR WHITECROSS:** But, Mr De Domenico, when we are asked to support legislation which is being rushed through the parliament and which is supported only by the most glib and superficial arguments, Labor members, I think, are justified in being sceptical and in fearing that these changes are half-baked and ill thought through. The Minister has done nothing to dispel this impression.

In contrast to the Minister's handling of this, we have the model of the New South Wales Government. The New South Wales Government has set in place a series of inquiries. It has announced its intentions. It has put its intentions on the public record, but it is going through a process of consultation and inquiry before legislating. It will bring forward legislation in due course, but it is going through a process of consultation first. That is the correct way for these things to be done. That is the way the Government should be doing things.

The community deserves better from its parliament and from its Government than we have on this. This Assembly has a proud tradition of arguing for legislative changes to be proceeded with at a considered pace, allowing time for community input, allowing time not just for the members of the Assembly to come to an understanding of what is going on and what the proposals mean but also for the community, without all the resources that members have, to see them, to consider them and to come to an appropriate view.

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That is what should be happening. The community deserves a proper process which explains the implications of Hilmer and develops, in a considered way, appropriate strategies by which ACTEW can respond to developments in the national electricity industry. That is what this committee will do. It will do the job which the Government has left undone. It will ensure that we move forward in a constructive way; that we have, in ACTEW - whether corporatised or not - an electricity distribution business in Canberra of which we can continue to be proud and which is equipped to meet whatever challenges lie ahead. I urge people to support Ms Horodny's motion.

**MS TUCKER** (4.00): I would like to respond to a couple of the points that have been raised so far by speakers against our motion. We have been told that there has been consultation. Obviously, there are different views on that. People who have been consulted are often people who perhaps are representing various interest groups, although a lot of those have not been consulted at all. We have already read out a list of the groups who feel that they have not had enough time to look at this issue. There are other individuals ringing - ordinary citizens who have no idea of the possible consequences of corporatisation that is not done with a social conscience. Why would they have any idea, with such a limited amount of debate? I have been living in Canberra for over 10 years, for 20 years actually, with one short time away, and I read the paper and have a great interest in affairs to do with social issues and environmental issues. I worked in a library where I was in touch with all the publications coming out. I am sorry; I do not agree that there has been wide debate on this issue. There was a Labor government, and it probably was not high on their agenda. They were not looking at it anyway. It has not had enough time to be discussed in depth.

Once again, we are hearing the word "rational". I find it quite interesting because, when you come into this place, you imagine that there is a lot of rationality and careful consideration of legislation which will be in place for some time. It does not appear rational at all to be given a shell of legislation and for it to be argued, "Hey, why do we not just sit back and see what the Government does with this legislation? Let us give them a chance". We are given this shell of legislation that is totally open. We have had a problem in getting our amendments drafted. That is possibly because they are coming in at a great rate - not just from our own work and research, but also from expert groups outside our office and outside this Territory. The point is that we are getting this conglomeration of amendments which we are going to be forced to look at. It is not an atmosphere of considered and thoughtful analysis at all. As we are all very aware, the stress level is high when people are lobbying for amendments and the time constraints are as great as they are. I cannot see that this is rational in any way, and we object to the process. That is why we are standing here with this motion. A select committee is not necessarily going to stop corporatisation happening at all. I repeat what Lucy Horodny said: It is just going to make it a good job.

I would also like to make a comment about Mr De Domenico's response to Ms Horodny's comment about business. It is very well documented that, in Australia, bureaucrats, government and even the private sector, to a degree, have not understood the real potential of green business; so I cannot accept that point. Another point that was made is that Mr Pyner supports ACTEW. The letter we have from Mr Pyner - yes, we have had several meetings with many unions - says that they would support corporatisation on 1 January 1996, which is not what we are being asked to look at at this point.

**MR CONNOLLY (4.04):** Mr Speaker, I rise to support my colleague Andrew Whitecross in expressing Labor's support for just standing back, taking a deep breath, and thinking out all the issues. As Mr Whitecross has indicated, Labor takes no black-and-white, ideological stance on this issue, despite the desperate efforts by the Liberals to portray our thinking in that way. Instead, we are saying that we need to consider the case for corporatisation of any agency very carefully. In government we proceeded with the corporatisation of Totalcare and decided that it was not in the public interest to proceed with the corporatisation of ACTEW. That is our thinking at the moment; but the time to make the decision is when all the information is before us, after a committee process, as Ms Tucker indicated.

The decision about the future of ACTEW is probably one of the most important decisions that this Assembly has ever been asked to make. In many ways ACTEW is the most important agency of the ACT Government. It impacts on all of our lives every day. The first thing you do when you wake up in the morning is to consume, in one way or another, an ACTEW product; the last thing you do as you go to bed at night is to consume, in one way or another, an ACTEW product; and at every stage in between we are consuming, using or taking advantage of an ACTEW product.

In simple dollar terms, its turnover of some \$300m a year makes it the largest single economic entity of the ACT Government. Its asset base is valued at about \$1.5 billion. There are arguments that the replacement value of the entire hydraulic system could even push that out further. That is its book asset value. It is an absolutely massive asset of this Government. We are in a unique position in this Territory, in that our urban area is absolutely 100 per cent sewerred. There is no other State or Territory in Australia that can make that boast. Not only is it 100 per cent sewerred, but that sewage is treated to tertiary level. Yes, in some cases ACTEW may show up, in the dry jargon of the economic rationalist, as less efficient than some New South Wales sewage treatment agencies because it may cost more to treat sewage in the ACT. It costs less to treat sewage in some areas of New South Wales; therefore, on the altar of economic rationalism, ACTEW is less efficient. It costs quite a bit to deal with sewage here because it is all treated to that absolute tertiary level. We have the highest standard of sewage treatment in Australia. No-one exceeds ACTEW's level of sewage treatment, and we meet that level for every drop of sewage that goes through the plant.

**Mr De Domenico:** Very environmentally responsible.

**MR CONNOLLY:** We do not pour it out into the ocean, as does New South Wales, or into the Murrumbidgee-Murray-Darling river system, as do most rural areas of New South Wales. It was always of great annoyance to me, as Minister responsible for ACTEW for nearly three years, to get many diatribes from people downriver about what a dreadful job ACTEW was doing, when we knew that their material was going pretty much straight into the creek and ACTEW was focusing very hard on meeting high environmental standards.

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Mr De Domenico interjected, quite rightly, that ACTEW now has a fine reputation as an environmentally conscious agency; but do members think for a minute that that just happened, that ACTEW just woke up one day and said, "Gee, we think we will become environmentally conscious."? There was an enormous level of political involvement in taking ACTEW to that position. I think it is fair to say that utility providers in Australia, historically, tend to adopt what you might call engineering determinism. Engineers tend to get to the top of these organisations. A thought pattern develops - that to any problem the solution must be an engineering solution and, if there is an engineering solution, it should be done. I build; therefore I am. An organisation just goes on and on. That has reached its highest level in Tasmania, where the Hydro-Electric Commission is generally seen as having run Tasmania since before the war. It mattered little, many observers would say, who was the government in Tasmania; the Hydro-Electric Commission got its way.

**Mr De Domenico:** I do not see Dr Sargent in this place, Mr Connolly.

**MR CONNOLLY:** This is what we are concerned about. ACTEW, as a statutory authority, able to be called across into the Minister's office, able to be given clear briefings and instructions in much the same way that a Minister deals with other agency heads, over recent years, quite remarkably, has developed a reputation for environmental excellence. One of the things that gave me enormous pleasure as Minister responsible for ACTEW, towards the end of that era, was our getting bouquets from the Conservation Council, who were not always in the business of giving bouquets to us as a government or to anyone as a government. Nor is it their role to do that. They were commenting on the extent to which ACTEW was focusing on environmental issues, was turning its mind to those issues. Again, do members think that happened overnight?

When we first came into government, when my colleague Bill Wood was first appointed Environment Minister and I was first appointed Urban Services Minister, we had what had been a regular occasion in Canberra winters - a bypass down at Lower Molonglo. The pattern historically had been that not much happened. It was better if it did not appear in the press, and, if it did, nobody would say very much. We took the view that this was unacceptable, and we made it very clear to ACTEW that we had to open our books fully on this process. For the first time ever, we opened all the doors and dragged the TV cameras and everybody down to Lower Molonglo. We exposed to the community the whole process and worked very hard on developing solutions. The solution that was developed, much to ACTEW's credit, but again as a result of some very clear guidance and determined effort by the Government collectively, and particularly by my colleague Bill Wood and me, was that ACTEW spent a very significant sum of money, well over \$10m - Mr De Domenico would probably have in the brief the full amount - in developing those new dam structures which are coming to fruition now down at Lower Molonglo and which will prevent those bypasses from occurring.

That money spent on that dam would show, to many outside observers, consultants and economic rationalists, a further inefficiency in the way ACTEW deals with the sewage side of its business, because it is an additional cost for no net revenue gained. But it was done because our Government was determined that ACTEW would meet the highest

possible environmental standards, we would meet and exceed standards for anywhere else in Australia, and we would be the model citizen when it came to being a custodian of Australia's inland river systems. Again, that did not happen out of the blue, and that is one of the concerns we have. When you go down the process of setting up a body like this in a corporate form and removing it from those levels of control, those levels of political direction, you do run the risk of problems emerging.

I would remind Michael Moore that one of his concerns in the First Assembly was ACTEW pricing structures. He was very concerned that ACTEW should appear before the Estimates Committee. ACTEW was not entirely enthused about that and said, quite correctly, as a matter of law, "We are an off-budget agency. Why should we appear before the Estimates Committee?". As Minister, I said to ACTEW, "You must appear". Since then, quite properly, ACTEW has appeared before the Estimates Committee, and members of this place have had that forum in which to examine, probe and test ACTEW's performance. What is going to happen with those sorts of mechanisms?

The decision about the long-term future of ACTEW is a massive one. It is an organisation which, as I said initially, does impact on every Canberran at all stages of every day. In simple economic terms, it is our biggest turnover. It is our most significant business, if you need to look at things in the context of a business. It is our largest single asset in the sense of the value of the hydraulic and electricity assets there, and environmentally it is our most sensitive, single area of ACT government activity in the sense that it impacts entirely on Australia's inland riverine system. Much of this debate has been focused on Hilmer and electricity, and Mr Whitecross has made some remarks about that. We note that Hilmer apparently is having some second thoughts at the moment; but, for all of this debate, the focus virtually has been solely on electricity and not on ACTEW's water and hydraulics business, and that, environmentally, is by far the most sensitive area of ACT government operations, and an area that requires deep and careful study.

I found offensive some of the remarks the Government was making. It was really saying, "How dare the Greens have the temerity to ask these questions. You people have been lazy. You should have gone away and done your homework. You should not need to ask these questions".

**Mr De Domenico:** I did not say that at all.

**MR CONNOLLY:** It was pretty much what Mr Kaine was saying. That is an inappropriate response from the Government. This is an enormous decision that you are asking us to make and we have had two weeks to look at the legislation. If you believe that that is the appropriate way to proceed on matters of this significance, you are pushing your credibility with members of this Assembly and members of this Canberra community.

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**MR WOOD** (4.15): Mr Speaker, we have heard very good reasons to support the motion put by the Greens. I want to add to the emphasis given by Mr Connolly to some of those reasons, not the least of which is the importance of a political interest, sometimes a political direction, in what this instrumentality and others do. As Mr Connolly indicated, shortly after we took up our ministerial roles he and I became very concerned about repeated bypasses at ACTEW. I was concerned because I did not have confidence in the information I was receiving. I do not know to this day whether ACTEW knew what caused the bypasses. We seemed to get a reason one day, a different reason the next day, and another reason the following day.

As a result of that, I required, with Mr Connolly, a very strenuous audit to be carried out on ACTEW to assess how they were doing their job and what might need to be done to see that they performed better. As a result, changes were made, and it was clear that there were very few bypasses in the next couple of years - I think it happened once or twice - whereas there were six, seven or eight within a period of about two months. I never did get a satisfactory answer on those bypasses. In the case of recent bypasses, we hear that they are due to the influx of water from drainage systems illegally connected to the drains. That was one of the reasons I was given earlier on, and I do not know whether it is the case or not.

I was a bit concerned early in the life of this present Government when there seemed to be a number of bypasses. I did not know why this should emerge again. Was it purely coincidental that it arose so soon after a new Minister was appointed? It is important that that political perspective and that charge that Ministers can give to the body are able to be presented in such matters. I would like Mr De Domenico, as this debate proceeds, to indicate reasons for recent bypasses. If he is absolutely convinced that it is due to infiltration of water into the system, he may say so. Would he, in this debate today - I guess that it will go on beyond today, so it does not have to be done on this day - refute reports I have had that partially treated sewage is being trucked in tankers to Sydney to be burnt or to be disposed of? I would find that remarkable. It was a report that emerged recently from that area. We should at least dispel any such indication. Since the role of ACTEW is being assessed carefully, I want every assurance from the Minister that this political oversight will continue. I would appreciate some indication in this debate to allay my anxieties about how effectively ACTEW is working and whether they really are aware of some of those bypass problems. Are they aware of them and do they know what is causing them?

**MR BERRY** (4.19): Mr Kaine dragged himself to his feet a little while ago and put a great deal of energy into his view of the world in relation to the corporatisation of ACTEW. In the Alliance Government there was some sort of balance of power in favour of that philosophical commitment to corporatisation and privatisation, and the Alliance Government evaporated, for reasons that are a matter of public record. It then was an issue that Labor had to consider once it had been installed as the Government and the Executive in the Territory, and it was not something that we considered lightly. It was something that we considered against a background of need, a case being made out, and so on. In relation to need, it has never been established that

there is a need in the community to corporatise ACTEW. A case has never been made out, not even by Ministers of more experience than Mr De Domenico. Mr Duby could not make out the case either. This led us to a position where we were unconvinced. There was no community cry - - -

**Mr De Domenico:** If Mr Duby could not convince you, nobody could, Mr Berry.

**MR BERRY:** I will get to you in a minute. There was no community cry for any changes in ACTEW. The community had become satisfied with excellent services, a reasonable cost framework and, in the scheme of things, superb reliability. Those issues were amongst many which were considered by Labor when making the decision not to corporatise. The decision was made and we went no further with the issue. At that point the anger and the sting from the Liberals began. It continued right through the last term of the Assembly in the ACT. They were always lamenting the fact that it had not happened.

**Mr Moore:** How many questions were asked about it?

**MR BERRY:** Mr Moore interjects, "How many questions were asked about it?". How many questions were asked about health, how many questions were asked about education, and how many questions were asked about a whole range of things? There were lots of questions. When it came to the health system, at the end of the term the health system was still treating about 50,000 people a year - more than it was treating at the beginning of the term - and giving excellent treatment. The education system was amongst the best in the country. It is not a matter of how many questions were asked by members in this place. I am talking about what the community feels in relation to the services which are provided.

Every day people get up and the first thing they rely upon is something which is provided by ACTEW. There are many things that are provided by ACTEW; but the first thing is a service which is provided by ACTEW, and it goes on from there. Right throughout the day we rely on the services which are provided by that organisation and all the people who work in it. I suspect that many of the community out there take those services for granted. The pipes come in under the lawn somewhere and take out products and bring in products, and the wires come in and electricity is articulated throughout the suburbs and into the households and everything is hunky-dory; but, if we are going to make a change such as is proposed for ACTEW, the community deserves to be fully informed.

I go back to some of the rhetoric which has been used by the Liberals. They have been saying that the debate has been going on for five years. That is a lie. It has not been going on for five years. It was killed. It was dead in the water. There was no interest in the community, no interest anywhere but amongst the few Liberals opposite, in particular Mr De Domenico, driven by that blind ideology. That is all it has been about, just blind relentless ideology - "You have to corporatise; it is the only way to go". Not once was there a scream from the community that we needed to do this to improve in some way the services that were provided and the standing of ACTEW out there in the community.

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Colleagues have mentioned that ACTEW is one of the most sensitive areas of our assets, and that is true. It is one of our biggest industrial organisations. It has the potential to do significant environmental damage. We environmentalists who are concerned about those issues, and others who are not in this place, would want a full examination of ACTEW's capabilities before there are any changes of the order of those which are proposed here and which really are driven, as I have said, by this ideological bent. Some would say, "The Government is entitled to do this if it wants to manage a particular facility in a particular way. The Executive ought to be entitled to do that". That might be an entitlement they have to earn. They can earn that only through a process where there is clear and complete discovery of the workings of the organisation and there is proof of the claims made by the Executive. The Minister in this case has failed completely. He has not been able to demonstrate - - -

**Mr Hird:** You have not been listening, Wayne, as usual.

**MR BERRY:** Listen as I might, I could never get any information out of it. All I could get - - -

**Mr De Domenico:** Did you turn up to the briefings?

**MR BERRY:** I heard a little bit of rhetoric, which I think I understood. I heard, "I do not know". I think I understood that. I heard, "I do not know; I do not care". I understood that. This Minister has failed dismally to bring a complete package of information to the community that would even make them interested in, let alone come to a decision on, whether ACTEW ought to be corporatised or not. That is when we have to consider how we deal with the issue.

It is very clear that in this place there are divided opinions about it. We went through our examination of ACTEW in the past and we came to the conclusion that it could continue to provide excellent service to the community without going through this unnecessary rigmarole. I think there are some people in ACTEW who think it might be in their interests for it to go down that path. Unions are concerned that it might not be. Mr De Domenico makes great play of a couple of letters he has received from the unions; but what he said, in all the rhetoric, is that nothing will change, but any changes will be made under the enterprise bargaining arrangement after we corporatise. If I were a union official around here, and knowing Mr De Domenico, I would be wetting myself. I would not go down that path until I had all the information on the table. That is what they are saying; so do not lead us astray. The community in the Australian Capital Territory deserves a full and open inquiry into this issue before we move.

**Mr De Domenico:** You sat on your hands for five years and did nothing.

**MR BERRY:** Because nothing was necessary and nobody ever made out a case. In all your carping and whingeing from the Opposition, Mr De Domenico, you did not make out a case. Now, when you have your hands on the levers, you still cannot make out a case; so stop trying to kid us. What the community deserves in relation to their asset, ACTEW, is the opportunity for every activist who has an interest in the services which are provided by that organisation to see the innards of the organisation by way of an open committee inquiry process. That can be provided by this place.

Before self-government that was never available to the Territory. In the last Assembly the corporatisation of ACTEW was not attempted because the numbers were not here. We are being driven now by a mangy bit of ideology by just a few Liberals who think, because there are more of them than any other group - they do not have a majority - that they are able to inflict this on the Territory. Well, Labor, for one, and our colleagues the Greens, who initiated this debate, will not go down that path. (*Extension of time granted*)

Labor will be supporting the motion for it to go to a committee because it makes sense. A lot of rhetoric has come from people like Mr De Domenico - hollow, shallow, rhetoric; nothing of substance, nothing that would convince anybody in the community, not one person - - -

**Ms Follett:** "We do not know. We believe; we do not know".

**MR BERRY:** Yes. That was pretty understandable. I would have to say that in the couple of weeks since this Bill was introduced there has been little advance on "We do not know", as far as I can make out.

**Mr De Domenico:** You should have turned up to the briefings.

**MR BERRY:** I heard you speak a little while ago, making out a case why this should not happen. You did your very best to make out a case why this should not happen. There was no information in that; there was just more old rhetoric, just more of the old-fashioned rhetoric. You dredged it up again. Mr Speaker, we have the opportunity here to demonstrate to all of our constituents that we are not fearful of a full inquiry into ACTEW. I will say to you, Mr De Domenico, that we are not convinced - - -

**MR SPEAKER:** Through me.

**MR BERRY:** Through Mr Speaker. Our position is that there is no case for the corporatisation of ACTEW; but we would be more than happy to see the entrails of the organisation closely examined in a committee process, and, most importantly, in a public way so that members of the community with an interest in these sorts of issues can get themselves to the inquiry process and lead us to some recommendations in relation to the future of that outfit.

I plead with some of our crossbench people who in the past have endorsed a committee process. Do not take this step, because the case has not been made out. Let us examine the issue first. It is too important to muck about with. If you start mucking around with organisations like ACTEW - substantial and large organisations - you can do a lot of damage. I did hear that there was going to be a proposal that we have an inquiry after it is corporatised. That is nonsense. You cannot go down that path because the dirty deed will have been done and the case has not been made out. Why on earth would you want to have an inquiry after the deed has been done? It seems to me to be a nonsense.

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I and my Labor colleagues have indicated that we are going to be supportive of the Greens position in relation to this. It is a sound proposal. It is about community consultation. It is about demonstrating to the community that when you say that you stand for consultation and openness you mean it, not like the Liberals. The Liberals, since the last election, even though they promised and promised that they stood for consultation and an open, consultative, council style of government, have not demonstrated it. Here is their chance, and it looks as though they are not going to demonstrate it again. You have been hearing about it for five years. All we have heard is rhetoric from Mr De Domenico, and Mr Kaine is stinging because he lost the battle last time. We now have an opportunity to open it up and let the community have a say.

**MS HORODNY** (4.34), in reply: Mr Speaker, Mr De Domenico has highlighted the difference between the Greens and the Liberal Party. When the Greens talk about consultation we mean informed debate, not salesmanship. We want to see the facts, not the advertising. Mr De Domenico may well like the idea of trying to sell people things before there is any real debate on the issue. Unfortunately, Mr De Domenico did not outline exactly what he means by consultation. I suspect that his idea of consultation differs greatly from our views and, indeed, the views of most of the Canberra community.

I understand that the Conservation Council, which represents 47,000 people in this region, was not able to get a meeting with Mr De Domenico and was able to get a meeting with Mr Humphries only after underlining the importance of this issue. A five-minute discussion of the Conservation Council's views ensued and the Minister's response after that was, "We are going ahead with the corporatisation, but we will consider any amendments that you may want to draft". That is not consultation. If Canberra residents feel confident about this legislation, why have our telephones been ringing constantly over the past two weeks in support of a better process to deal with all the concerns that we have raised? I will repeat the names of the groups that have said to us that they want this issue to go to a select committee. They are the ACT Council of Social Service, the Conservation Council of the South-East Region and Canberra, the Youth Affairs Network, the Tenants Union, the Belconnen Community Council, the Australian Conservation Foundation, Solar Solutions, Solahart Industries, the Sustainable Energy Industries Council of Australia and Advanced Control Technologies.

Mr De Domenico kept saying that the unions had not been consulted by the Greens. We have talked to the unions. We have talked to them extensively. I would draw Mr De Domenico's attention to their press release saying that the TLC meeting accepts in principle the corporatisation of ACTEW; however, the TLC's position is that the date of corporatisation of ACTEW should coincide with the registration of a new enterprise bargaining agreement, and that would be 1 January 1996, which is not quite what Mr De Domenico was trying to say. Mr De Domenico said that there have been briefings with Dr Sargent and other ACTEW executives. There was no discussion about the pluses and minuses of corporatisation. When we asked about a cost-benefit analysis, there was not one. When we asked how Canberrans would benefit, we were given rhetoric. If there has been research, where is the evidence? Mr De Domenico says that the community are aware of what this issue is about and are happy about the corporatisation of ACTEW. The number of phone calls that we have had and groups that have responded in a written form to us to support this select committee suggests that that is not true. I repeat that the Greens are not opposed to the corporatisation of ACTEW;

but, if this restructuring is worth doing, let us do it properly. How, in such a short period, can we possibly do it well? Look at this mishmash of amendments that we are supposed to be looking at now and dealing with. It is a shambles. We, as an Assembly, will not even have time to understand these amendments; so how can we vote on this issue in a responsible way?

As for business, unfortunately, Mr De Domenico and the Liberals are part of the vast majority of Government members or officials who do not recognise the opportunities available to expand business and employment in the ACT in the area of alternative technologies. The Greens say repeatedly that we do not oppose business; it is the type of business that we are concerned about. Mr Speaker, every day in Australia 15,000 times more energy from the sun strikes this land than the nation uses from all other sources of energy combined, yet we do not grab these opportunities. Over and over, short-sighted economic arguments prevent us from being innovative and from realising the long-term benefits of meeting social and environmental obligations. We are sick of being told about Hilmer and competition when there is growing community and industry concern about focusing on narrow economic efficiency arguments. Mr Speaker, this Assembly cannot afford to let pass this opportunity to ensure that ACTEW is set up for the future to become a model organisation in terms of accountability, social justice and environmental sustainability.

Question put:

That the motion (**Ms Horodny's**) be agreed to.

The Assembly voted -

*AYES, 8*

Mr Berry  
Mr Connolly  
Ms Follett  
Ms Horodny  
Ms McRae  
Ms Tucker  
Mr Whitecross  
Mr Wood

*NOES, 9*

Mrs Carnell  
Mr Cornwell  
Mr De Domenico  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mr Moore  
Mr Osborne  
Mr Stefaniak

Question so resolved in the negative.

**REVISED ADMINISTRATIVE ARRANGEMENTS**  
**Ministerial Statement**

**MRS CARNELL** (Chief Minister), by leave: Mr Speaker, this evening I am announcing a new, streamlined and more focused structure for the ACT Government Service. In February this year, the Canberra community voted for change. The Liberal Party went to that election with a clear commitment to a more open, city-style administration, an administration that focuses more clearly on its main tasks - delivering services to the people of the ACT. If those services can be delivered more efficiently, we have a responsibility to change the way we do things. This does not mean rejecting the good things that have been done in the past.

The ACT Government is the newest government in Australia. It is only just five years old - six, I believe. I believe that it is a fantastic achievement to have done as much as we have in such a short period of time, particularly the creation of our separate public service - even though my party would not have done it in quite the same way if we had been handling it. We have a lot for which to thank the people who worked within the Commonwealth Public Service to establish Canberra as the city that it is today, with its wonderful infrastructure, its natural setting and its range of community facilities. But there is a downside. With self-government, we inherited a public service tradition that derives more from managing Commonwealth responsibilities than from delivering services directly to the local community. Not only are we paying more for some services, such as health and education, and not receiving substantially better quality or value for money, but also we are lagging behind other States in terms of public sector best practice. We cannot continue to be an island, with the business of the Assembly focused more on developing an architecture of legislation that celebrates our uniqueness. We must focus on the business of government.

Our reform objectives are similar to those recently set in New South Wales, Victoria, South Australia and Western Australia. They are: Service delivery that is appropriate, responsive and efficient; growth in the private sector; rational and efficient regulation where it is required; integrated planning for Canberra's future; responsible and accountable financial planning and management; and a work force that is committed, flexible, skilled and innovative. To achieve these, we must look at what we do and how we do it. We must measure our performance, not only against the goals we set for ourselves but also against the performance of State and local governments elsewhere. "Competitive tendering" and "corporatisation" are not terms that we have invented to terrorise our work force or our community. In fact, in Canberra, we have a long history of contracting out services of various kinds. Strategies to address the structure of government by concentrating on its core business, to develop stronger links with the private sector and to put some of our organisations on a more commercial footing must be put in place if we are to survive as a competitive, best practice model of regional government in Australia.

Even the Labor New South Wales Government is strongly pursuing a reform agenda. Michael Egan, the New South Wales Treasurer, recently said that competition reform "will produce major economic benefits for Australia and the Government is determined to see that New South Wales consumers, business and employees are winners". Well, so are we! Like the new Labor Government in New South Wales,

we will be pursuing service competition to achieve better value for taxpayers and better quality for consumers. We have signed up to the National Competition Reform Agreement and will be vigorously pursuing appropriate change. In Queensland, the Goss Labor Government moved in this same direction some years ago, boosting the performance of many government-owned enterprises. In Western Australia, the current Government has been separating its “purchaser” and “provider” functions to introduce competition amongst potential public and private providers to deliver best practice, best quality and best price. This has been particularly evident in their transport sector.

In Victoria, competitive tendering has been a key part of the reform process and is seen as a powerful and subtle management tool, rather than a substitute for other reforms. The community has benefited in a number of ways. Contracting-out has brought more commercial relations between private and public sectors; it has provided an immediate injection of best practice; it has enabled better risk management; and it has forced government agencies to better understand their core businesses. Last year, Victoria's Treasurer, Alan Stockdale, cited an annual saving of \$35m within Melbourne Water's budget through contracting services such as information technology, engineering design and mechanical workshops. Examples can be drawn from every State.

How is this relevant to us? Why are we pursuing a reform agenda? Let us be clear, Mr Temporary Deputy Speaker, that doing these things for the sake of doing them is a nonsense. Governments elsewhere are pursuing reform in the interests of better, more efficient and higher quality services to the community. Up until self-government, we were buffered from the economic difficulties experienced in other States. We are only now dealing with the reality of our financial situation. We cannot afford to remain isolated in Australia with an outmoded approach to public administration. The beneficiaries will be the community. We must strengthen our economy and support the continuing development of a diverse private sector. The changes I am announcing here today will help us do this.

The structure of the administration has been changed from time to time as the ACT government itself has changed. But, over the last three years, opportunities have been missed. The previous Government was content to seek across-the-board savings instead of addressing the need for structural change. Indeed, after the Follett Government's last changes to the Administrative Arrangements, there were almost as many departments serving the Government as there were departments delivering services to the community - an absolutely unbelievable situation. This misdirection of priorities was reflected in the name chosen for the ACT's separate public service, namely, the “Government Service” - something my party argued strongly against, because the public service is there to serve the community, not the government. In our first week in government, we moved quickly to create Administrative Arrangements that minimised duplication and overlap. Those arrangements also emphasised our concern to promote economic development within the Territory and the region.

Over the past three months, we have also moved quickly to repair the ACT's parlous financial situation. The legacy of the previous Government was a budget situation with a predicted revenue shortfall of \$15m and a spending overrun of about \$30m. The forecast was for deficits totalling around \$270m over the next four years if existing policies continued. I am happy to report to the Assembly that spending has been reined in

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and, notwithstanding the worse than expected performance of the ACT economy over the past financial year, the gap in the budget has been closed considerably. Today, Mr Temporary Deputy Speaker, we are building upon those changes. The next step in the process of continuing the rationalisation of the ACT administration will commence on 1 July 1995 with the establishment of four portfolio groupings - grouping like functions within policy envelopes. They will be: Chief Minister's; Business, the Arts, Sport and Tourism; Urban Services; and Community Services. Three-year rolling budgets will be developed within these envelopes. The creation of these policy envelopes will help us further quicken the pace of change in the ACT public sector. They will facilitate the development of longer-term planning and budgeting for service delivery. They will help improve the task of the Government in its decision-making.

In concentrating central agency functions within one department - my department - we will be improving the capacity of the administration to promote a corporate approach to decision-making. No longer will there be three separate lines of advice coming to me on important reform issues and government business. There will also be opportunities to consolidate corporate overhead functions by combining the three departments. A combined department will give added weight and energy to the Government's comprehensive program of public sector reform. Lines of communication will be improved. John Walker will head the expanded department. Mike Woods's role in managing the Office of Financial Management will be expanded to embrace the reform and monitoring of our business enterprises, including pricing and dividends. Similarly, Maureen Cane's role in the Office of Public Administration and Management will be focused on supporting the reform process, both through managing strategic program reviews and through improving public reporting and accountability requirements. Improving the quality of information available to the community about the cost and quality of our services will have a high priority in this task.

Building on our earlier changes to the Administrative Arrangements, a new department will be created to manage the functions that fall within the Business, the Arts, Sport and Tourism envelope. Jeff Townsend will head this new organisation, which will be responsible for promoting economic and cultural development in the Territory. The creation of the Department of Business, the Arts, Sport and Tourism is a reflection of our total commitment to promoting Canberra's economic growth and cultural development. With the exception of planning, the remaining functions of the Department of the Environment, Land and Planning will be combined with those of the Department of Urban Services within the Urban Services envelope. John Turner will head the new Department of Urban Services. This amalgamation of functions will strengthen the municipal part of our business and provide opportunities for streamlining and improving service delivery. The process of consolidating development approval systems will continue within the Department of Urban Services. The ACT Planning Authority will be an independent agency, as promised in our election campaign.

To complement the Government's public sector reform program, significant government activities which are capable of operating on a commercial basis are being further consolidated within a new, separate business group within the Department of Urban Services. Administrative arrangements within the Community Services envelope

will remain unchanged for the time being. The idea of establishing a ministry to manage policy and planning for the envelope has not been ruled out but will be investigated in more detail later to ensure that, if we do proceed, we will reduce expenditure and not add further layers to the administration of these important services.

An envelope planning process will be implemented immediately - involving agency and bureau managers - to develop the details of the three-year budget strategy. This will enhance our chances of performing our most difficult task - bringing the budgets of education and health into line with national benchmarks. Ministerial responsibilities will not change, and the scope for savings arising from efficiencies created by the new arrangements will be considered by the Government in the context of the budget. I am asking all affected agencies to be modest and sensible in the implementation of name changes, including by using, wherever possible, old stationery supplies. Later this week, the Government will be introducing into the Assembly corresponding amendments to the Supply Bill to reflect the new structures I have announced.

Mr Temporary Deputy Speaker, the changes I have described build on the arrangements I announced shortly after taking government. They will enhance our capacity to deliver reform within the administration, bringing us into line with what has been happening elsewhere in the country for many years now. The bottom line is that from 1 July 1995 we will have a much sharper and streamlined set of Administrative Arrangements. They will give fresh impetus to the vital task of reviewing the way in which the Government provides services to the ACT. They will be an important part of bringing us into line with best practice and in step with the initiatives of governments in all other jurisdictions in the nation. Mr Temporary Deputy Speaker, I table a copy of my statement, including a diagram showing the relationship between Ministers and the new structures I have announced and another describing the ACT Government portfolio groupings. I move:

That the Assembly takes note of the paper.

**MS FOLLETT** (Leader of the Opposition) (5.00): Mr Speaker, I must admit that I had expected better, even from Mrs Carnell, on such an important matter. I believe that the Government has the right to organise the administration as it thinks best; but the fact of the matter is that what we have here is a reorganisation which is so plainly purely cosmetic and so confused that it is quite impossible to work out how Mrs Carnell can make the claim that this will be better for the Canberra community. Some of the sillier statements that Mrs Carnell has made include her constant carping about the name "ACT Government Service". Indeed, I remember the debate that we had on that matter last year. I could make a point about her reflecting on a vote of the Assembly, but I will not. I will simply say that, having whinged about it constantly, she has not changed it. Having made the point that she does not believe that it is an appropriate name - - -

Debate interrupted.

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## ADJOURNMENT

**MR SPEAKER:** Order! It being 5.00 pm, I propose the question:

That the Assembly do now adjourn.

**Mr Humphries:** Mr Speaker, I require the question to be put forthwith without debate.

Question put:

That the Assembly do now adjourn.

The Assembly voted -

*AYES, 8*

*NOES, 9*

Mr Berry  
Mr Connolly  
Ms Follett  
Ms Horodny  
Ms McRae  
Ms Tucker  
Mr Whitecross  
Mr Wood

Mrs Carnell  
Mr Cornwell  
Mr De Domenico  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mr Moore  
Mr Osborne  
Mr Stefaniak

Question so resolved in the negative.

## REVISED ADMINISTRATIVE ARRANGEMENTS Ministerial Statement

Debate resumed.

**MS FOLLETT:** As I was saying, Mr Speaker, Mrs Carnell has constantly criticised the name of the ACT Government administration - ACT Government Service. In fact, in her speech she referred to that name and said:

This misdirection of priorities was reflected in the name chosen for the ACT's separate public service, namely, the "Government Service" ...

But she has not changed it, Mr Speaker. I find that an extraordinarily silly approach, but it is typical of the lightweight nature of this whole document. Again, Mrs Carnell makes the empty rhetorical claim that her party was elected on a commitment to a more open, consultative, city style of government. I think that, if you asked all members other than those in the Liberal Party whether they had seen any evidence whatsoever of that change, we would be unanimous in saying no.

As for the open style of government, I find that an absolutely laughable concept. Mr Speaker, I have constantly sought information from Mrs Carnell's departments. I have not got any of it. I have, indeed, been seriously delayed in my work because I cannot get hold of my own documents from when I was in government. Open and consultative, my foot! That is an absolute sham. I am quite surprised that Mrs Carnell is still laying claim even to the rhetoric. Mrs Carnell, again, in this somewhat scurrilous document, refers to the parlous budget situation in the Territory. That is just an outright untruth, and Mrs Carnell well knows it. Mr Speaker, the fact of the matter is that, throughout the time that I was the Treasurer, the Territory had balanced recurrent budgets.

**Mr Humphries:** You had huge debts.

**Mr Hird:** The Auditor-General had something to say about that.

**MS FOLLETT:** Mr Speaker, the debt of the Territory was maintained at a very low level. I warn Mr Hird, in particular, that I am not going to shout over him. The net borrowings of the Territory were no higher when I left office as Treasurer than they were upon self-government. I think that, given the huge cuts in Commonwealth revenue to the Territory, that is no mean feat. Mrs Carnell, purely for political rhetorical purposes, refers to this as a parlous situation. She has, of course, conveniently forgotten that the Territory does have an AAA credit rating, with a positive outlook, achieved whilst I was Treasurer. Very few States in Australia actually have that credit rating. Mrs Carnell obviously believes that I somehow fooled the Standard and Poor's rating agency into giving the Territory that rating. I assure members that I did not. The AAA credit rating was achieved because the Territory had been well managed. Only Mrs Carnell would attempt to mislead the community into believing otherwise.

Even were you to accept her point there, Mr Speaker, she says in her statement:

We are only now dealing with the reality of our financial situation.

How? Where is there any information whatsoever in this document about how Mrs Carnell is even attempting to match her rhetoric with action? There is not a single word in here that would give any credence whatsoever to Mrs Carnell's claim to now be dealing with the reality of our financial situation. Furthermore, Mr Speaker, she has completely ignored all of the efforts that have been made over the six years of self-government, not five - that is how good she is at figures - towards ensuring that our financial future was sound. I am referring to matters like the constant reductions in our own outlays that were made in every year except the year of the Alliance Government. The Territory actually reduced the amount it spent on its own administration every year except when Mr Kaine was Chief Minister and Treasurer. Mrs Carnell has skated over that fact, but she has only to look through the budget papers to recognise that it is absolutely true.

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She has also skated over the efforts that have been made, for instance, to bring organisations like the ACTION bus service to a better financial status. The fact that there was a \$10m reduction in the amount that the ACTION bus service costs the taxpayers of the Territory is very much to their credit. I do not admire anybody in politics who cannot give credit where credit is due. The changes that occurred in ACTION and the changes that occurred in the administration reflect enormous credit on the management and the staff of those organisations, and I expect them to get that credit.

Mr Speaker, Mrs Carnell has completely skated over all of those matters. In this hollow and meaningless document, she has again mouthed the rhetoric of “streamlining”, “rationalisation”, “lean and mean”, “focused”, “sharp”, and all the rest of it. Given the complete lack of any other evidence, the only thing that that can mean is a reduction in jobs. So, Mr Speaker, you might ask yourself: If Mrs Carnell is reducing the number of departments, has she reduced the number of department heads? No, she has not. She has replaced three departments with one department, but she has kept both department heads of the replaced departments. I find that an extraordinary way to do things and then to claim that you are streamlining them. I can only presume from what Mrs Carnell has offered us that there will be the usual Liberal ideological slash-and-burn mentality and that we will see a reduction of jobs lower down the line, since clearly there is no intention to reduce them at the top, and the contracting out of additional government services. Indeed, Mrs Carnell's rhetoric has always indicated that that was on her agenda.

Mr Speaker, I was also appalled to see that Mrs Carnell, in a single throwaway line, referred to the fact that she intends bringing health and education spending into line with national benchmarks.

**Mrs Carnell:** Eventually.

**MS FOLLETT:** Mrs Carnell now interjects, “Eventually”. Mr Speaker, I think she should have put in the speech “eventually”, because, if she were to do it in the timeframe that this document apparently refers to, we would see an enormous reduction in the health and education services to this Territory. Mr Speaker, I regard that statement by Mrs Carnell as an absolute sham. This document, I presume, is intended to be implemented over the three years of the Government's term, by way of three-year rolling budgets. I make no secret of the fact that I had been planning for three-year budgets, and I have no doubt that Mrs Carnell is now getting the benefit of some of the documents which I myself have seen.

Mr Speaker, overall, I find this a totally unconvincing document. Obviously, we have not had time to look at the detail of the portfolio groupings, but it does occur to me that there are some departments that are answering to three different Ministers, and vice versa. I do not know how well that is going to work, but it is about as confusing as everything else that Mrs Carnell does. As I said, I believe that the Government has the right to organise the administration as it sees fit. However, on the document that we have

before us, on the best interpretation, I think you could say that these were cosmetic changes only, a shuffling of the deckchairs; but, on the worst interpretation, you would be forced to draw the conclusion that Mrs Carnell's rhetoric about streamlining, rationalisation, sharper focus, fewer departments and all of the rest of it can have only one real meaning, and that is fewer jobs in the public sector.

Mr Speaker, my Labor colleagues and I will be monitoring this situation very carefully indeed; but I suggest to Mrs Carnell that, as a bare minimum, if she wants to whither on about the name of the service, it is fully within her power to change it. I suggest that she stop whingeing, start behaving like a government and make that change, if she is serious about it.

Debate (on motion by **Ms Tucker**) adjourned.

**PLANNING AND ENVIRONMENT - STANDING COMMITTEE**  
**Report on Watson, Section 61, Block 8 (Former Starlight Drive-In Site)**

**MR MOORE** (5.14): Mr Speaker, I present Report No. 2 of the Standing Committee on Planning and Environment, entitled "Report on Watson, Section 61, Block 8 (Former Starlight Drive-In Site)", together with a copy of the relevant extracts from the minutes of proceedings. This report was provided to the Speaker for circulation on Wednesday, 14 June 1995, pursuant to the resolution of the Assembly of 1 June 1995. I ask for leave to move a motion authorising the publication of the report.

Leave granted.

**MR MOORE**: Thank you, Mr Speaker, and thank you, members. I move:

That the Assembly authorises the publication of Report No. 2 of the Standing Committee on Planning and Environment, entitled "Report on Watson, Section 61, Block 8 (Former Starlight Drive-In Site)".

Question resolved in the affirmative.

**MR MOORE** (5.15): I move:

That the report be noted.

Mr Speaker, I appreciate the Assembly's support for the authorisation of the publication of the report. It is an unusual move; but in this case there were some matters within the report that may have been considered defamatory, although I do not believe them to be so. Nevertheless, following your letter, it is appropriate that the Assembly authorise that publication. With that now done, I think it important that we move to the fundamental question, which is the issue of the Starlight Drive-In site.

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This issue was raised because the Minister for Planning wrote to the Standing Committee on Planning and Environment and asked the committee whether it would look into the Starlight Drive-In site and, in particular, that lease. We did so, Mr Speaker. I draw your attention to the fact that, for quite some years, this lease has been a controversial lease, which, I suspect, is why the Minister referred it to the committee. In fact, we first became aware of controversy surrounding this lease in a report in 1987 by Professor Max Neutze, who was reporting to the Joint Parliamentary Committee on the ACT while it was undertaking an investigation into the leasehold system. This lease was identified at that point as a troublesome lease. In spite of being identified in that report, it has continued to be a problem lease for quite some time.

Mr Speaker, the committee was particularly concerned about a series of matters. I will take them, one at a time, from the recommendations. The first recommendation is:

That the Government ensure appropriate lease conditions (and other arrangements) are in place to ensure that the serviced apartments are not sold or used for long-term residential use.

This proposed development and the variation to this lease provide for both residential and tourist accommodation or serviced apartments. It seems to me that, if we are going to allow it to be divided in that way, we have to find ways in which we can police such leases. The history of this lease indicates that policing of the lease has not been particularly successful.

There was also the manner in which a number of dwellings were purchased off the plan, stamp duty was paid to the Territory and, from evidence presented to the committee, a number of people who bought off the plan were given to understand that the variation to the Territory Plan and the lease variation had gone through. In fact, the term used by a number of agents who were selling these dwellings was that it was just a matter of a rubber stamp. Indeed, Mr Speaker, any lease variation is at the discretion of the Government and is not necessarily a matter of a rubber stamp. We believe that a number of people misunderstood the rights and responsibilities there, although I have been informed since this report was first presented to you, Mr Speaker, that a contract was signed, and certainly the agent who was selling these dwellings made the point to me that the contract actually stated that it was awaiting approval. Even so, we know that on many occasions the fine print in a contract can be missed by ordinary people.

If, indeed, the impression was given, as I believe it was, that these dwellings were, effectively, approved and therefore were sold off the plan, then I think there is a real question of ethics involved. That is why the committee said in the second recommendation:

That the Government, and in particular the Minister for Consumer Affairs, investigate the sale of residential dwellings 'off the plan' before all relevant development conditions have been met (including approval of the lease variation) and ensure that legislative and administrative arrangements are in place to protect the interests of purchasers.

I think the more fundamental question was whether the variation of this lease should proceed. The committee recommended:

That the Minister defer consideration of varying the lease for Watson Section 61 Block 8 until such time as the Inquiry into the Leasehold System is completed, or until such time as that Inquiry has advised the Minister on this specific lease, in order for the Minister to properly determine:

- what is the appropriate level of betterment to be paid to the Territory -

and after the number of variations that have applied to this lease and proposed changes to it, I do not think that is going to be a particularly easy matter to assess -

- what is the appropriate process to be followed by the Department
- what is the method of ensuring that the lessee will not continue his former practice of breaching lease contracts.

Mr Speaker, as our report indicates, that is the way the committee perceived what had happened on a number of occasions. This lessee simply did not continue with what is, effectively, when he signs a lease, a contract. He had not continued with his part of that contract on a number of occasions over a number of issues. The committee considered that to be serious enough to warrant a delay in the variation to this lease until such time as those issues are sorted out. Mr Speaker, I believe that the committee, in this unanimous report, has thought very carefully about the situation with leasehold. We believe it appropriate that this issue be dealt with very carefully by government. We hope that it will form part of the inquiry that the Government has announced. I believe that there will be further information on that later this week.

**MR KAINE (5.23):** Mr Speaker, I have to agree with Mr Moore that the committee's review of the administration of this lease raises a number of interesting questions. The bottom line is: Is the administration of our leasing system being effected in the best interests of the ACT community? I think the aspect of the chronology, the details of which are at the back of the report, that struck me most forcefully was the fact that the present lessee has, over a period of about eight years, sought approval for a series of development proposals, all of which have been approved and all of which had timescales for starting and finishing the development; but not one of them has been met. One must question how the ACT Government can approve a proposal that says that you must start it within a certain time and you must finish it within a certain time, and those conditions are not met; there is another proposal put forward; it also is approved and has timescales attached to it; those timescales are not met; and so we go on, over a series of succeeding proposals.

It is not only a question of the time involved in this. In connection with some of these approved proposals, there were other covenants. For example, in one case, in order to provide ease of access for traffic off the highway, as part of the approval the lessee was required to provide slip-lanes on the highway. If you go out there, you will find that there is no slip-lane there. That was approved as a condition of a proposal some years ago. So, you have to ask what is driving the lease management. In fairness to the officers in the departments that have been dealing with these matters, the issues are quite complex, and one can argue that a lessee is entitled to come along with a succeeding proposal, if he wishes to do so. He is the person that is paying the holding costs, technically, of leaving that land there idle until such time as he gets approval for a proposal that he feels he can go ahead with. So, there is a question of commercial expedience in this. But that assumes that there is only one side to the argument - that, in the interests of the community, that land can be left there, virtually derelict, for years and that the administration should do nothing to make sure that something happens there, particularly when there has been an approval to a proposed project that is supposed to take place there. We need to distinguish here between the planning aspects and the lease management aspects that relate to this piece of land.

It is an interesting case study. I suggest that members of the Assembly, before proceeding to debate the matter, after it is adjourned tonight - I presume that it will be - should read this report very carefully and find out just what happened over a period of eight years in connection with this block. It makes interesting reading. I found no fault, for example, with the way the planning aspects have been treated. It seems to me that the planners have had it right, and there are no gaps in the process as far as they are concerned; but, when you come over to the lease management side, there are some real questions about how far you let a developer go before you pull him or her up and say, "You have had enough rope. It is time you did something there".

I do not know whether this experience is repeated across one or more other potential development blocks in Canberra. This could be unique. But it was because of the documented processes in connection with this block that I agreed that the committee should write to the Minister and ask that the processes of lease management be reviewed. I think there is enough evidence here to suggest that, at least in this case, there are some questions that need to be answered. Let us be clear: I am not, for a moment, suggesting that there is anything basically wrong with the way it has been administered. It seems that it has been administered in accordance with the law. But is that sufficient? Do we, or should we, require our public servants to be a little more meticulous in terms of the public interest in the way these matters are dealt with? I think that an investigation is the appropriate way to go. That recommendation has been made to the Minister, and I endorse that recommendation.

**MR BERRY (5.28):** Mr Speaker, this was a fairly intense area of the committee's deliberations, because it went to the examination of weighty information that was provided to the committee by a community member. One of the big problems I have about the way that this issue was approached by the community council officers is that it seemed to me at first - indeed, that view remained with me - that the intent was more to create a headline about the likelihood of some sort of corruption in the public sector.

None of that was proved; but, of course, straightaway the media pricked up their ears about these issues. That was unfortunate, and I think it was a quite unnecessary approach to take. From my point of view, there was no evidence of corruption. I have said before: If there is evidence, wheel it out, and it will be dealt with. But to create, or attempt to create, the impression that there might be corruption is unhelpful. We have to get to the issues in relation to the matter.

A number of changes have occurred over many years, going back to before self-government. We have to keep in mind that this particular development proposal is amongst the controversial North Watson proposals which have, in the past, been endorsed. I suspect that there are still people in the community who oppose the North Watson development and maybe this particular development. Some of the opposition to it might be related to earlier campaigns against the proposal for North Watson. I think we have to keep that in mind while we consider this report. Overall, we have to be concerned about some of the investors who have paid deposits for this development and who, I think, deserve some form of protection. It has been said that these people took their decision in the clear knowledge that this development had not been approved and that it was a bit risky; but it was a good deal, so they were prepared to take a punt. To me, though, it seems that selling these sorts of premises off the plan when the leasing arrangements have not been approved can lead to a situation where people could easily be misled about the property they intend to buy. So, I think some more thought ought to be given to that issue as time passes.

The recommendation at page 10 of the report, item 30, goes to the deferral of consideration of the variation of this lease until the inquiry into the leasehold system is completed or - I think this is a pretty important point - until such time as that inquiry has advised the Minister on this specific lease, in order that the Minister can properly determine certain things. It is important that the Minister pay particular regard to that first paragraph, because I think it provides the opportunity for the inquiry to deal with this particular lease first, or rather smartly, in order that the investments that people have made in relation to that development are protected and this issue is not strung out too far. So, I would urge the Minister, if it is at all possible, to adopt that course.

It is an issue that would be of concern to the community generally, because we have to have a transparent arrangement in place in order to determine that betterment is being treated fairly for all investors, and planning arrangements where changed proposals are able to hold up developments, without penalty, ought to be the subject of close examination in order to have a proposal which would be generally accepted by the community and, at the same time, a proposal which does not put a bar in the way of development but which allows development to occur at a reasonable pace and in a way which is easily understood by the community. That is a very difficult and tall order, I know; nevertheless, it is one that I think the Government should take into account when it is looking at this matter. Mr Speaker, I will leave the matter there. I look forward to the Government's adoption of the recommendations.

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

**PLANNING AND ENVIRONMENT - STANDING COMMITTEE**  
**Inquiry into Leasehold Administration**

**MR MOORE** (5.34): Pursuant to standing order 246A, I make the following statement on behalf of the Standing Committee on Planning and Environment. On Friday, 2 June 1995, the committee resolved as follows:

That the Government institute an inquiry under the Inquiries Act into the administration of ACT leasehold with particular reference to the assessment and collection of the appropriate charges arising from betterment.

The committee also decided that I should make a statement on this matter to the Assembly at the first available opportunity. The background to the committee's decision is as follows: The Minister for the Environment, Land and Planning wrote to the committee on 26 April 1995, asking us to consider a redevelopment proposal for Watson, section 61, block 8 - the former Starlight Drive-In site. Mr Speaker, we have just dealt with the report on that issue. The committee conducted public hearings on this matter and heard from government officials, representatives of the proponent and the public. The committee has produced a detailed report on its examination of the redevelopment proposal, which has just been tabled and debated. The important point in the context of this statement is the committee's conclusion that the Government ought not proceed with the proposed redevelopment until after the inquiry into the ACT leasehold system has reported. In order not to prolong the matter unduly, the committee considers that it may be desirable for the leasehold inquiry to report to the Government on Watson before it brings down its final report on the whole ACT leasehold system. This is a matter for the Government and the inquiry to decide.

At the same time as the committee was considering the Watson matter, it was examining the draft variation for Yowani golf course. This was the subject of the first report of the committee in this Assembly, which was tabled in the last sittings. In examining the Yowani draft variation, the committee became extremely concerned about uncertainty within ACT Leasing about the amount of betterment payable. We received two pieces of advice on this matter from DELP, one stating that the remission rate to apply for calculation of betterment was 50 per cent and one stating that it was 20 per cent. The difference in revenue loss to the Territory is about \$1.5m, which is a significant sum of money in these difficult economic times. In fact, I think it is a significant sum of money at any stage. If uncertainty exists on these two matters that happened to come to the committee's attention, it might be presumed that similar uncertainty exists in relation to other development proposals in the Territory. The result would be that the ACT community might be missing out on substantial sums of money due to inappropriate action by the department.

The committee is so concerned about this issue that members unanimously resolved to call upon the Government to institute an inquiry into the leasehold system. The committee also expressed the view that the inquiry would best be conducted by people with expertise in the law, auditing/accounting and the leasehold system, suggesting that an inquiry by three people would be the most appropriate. When making its decision,

the committee had in mind one of the recommendations of the former PDI Committee, in its last report to the Second Assembly, on possible changes to planning legislation in the ACT. I call it the PDI Committee, Mr Speaker; but, considering that we are in a new Assembly, I probably should refer to it as the Planning, Development and Infrastructure Committee of the previous Assembly. I understand that the PDI Committee, whilst concerned about betterment policy in the ACT, did not have the time to examine the issue in detail. Hence, it recommended that “an appropriate committee of the new Assembly inquire into betterment in the ACT”.

The Planning and Environment Committee considers that the new material revealed in the course of its consideration of the Yowani draft variation and the redevelopment proposal for the Watson drive-in site indicates that an inquiry by an Assembly committee would be prolonged and may politicise issues which are of central concern to all Canberrans. Therefore, the committee considers that an inquiry under the Inquiries Act is the appropriate way to further the public interest in safeguarding the administration of ACT leasing. On behalf of the committee, Mr Speaker, I must acknowledge the speedy response of the Government in deciding to establish an inquiry, as called for by the committee. I understand that the Minister will shortly announce details of the inquiry's terms of reference, membership and reporting date. The Planning and Environment Committee will be closely monitoring the report of that inquiry. Mr Speaker, I am delighted that the Government has responded positively to the committee, and I look forward to the outcome of that inquiry.

**SCRUTINY OF BILLS AND SUBORDINATE LEGISLATION -  
STANDING COMMITTEE  
Reports and Statement**

**MR OSBORNE:** Mr Speaker, I present Reports Nos 4 and 5 of 1995 of the Standing Committee on Scrutiny of Bills and Subordinate Legislation. I ask for leave to make a brief statement on the reports.

Leave granted.

**MR OSBORNE:** Reports Nos 4 and 5 of 1995, which I have just presented, were circulated when the Assembly was not sitting, on 17 May 1995 and 9 June 1995, respectively, pursuant to the resolution of appointment of 9 March 1995. I commend the reports to the Assembly.

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## ADJOURNMENT

**MR BERRY** (5.40): Mr Speaker, I seek leave to move a motion in relation to the adjournment of the house.

Leave granted.

**MR BERRY**: I move:

That the Assembly do now adjourn.

Mr Speaker, some time ago, there was a debate about the sitting periods for this house. It is important that we consider what has happened here today. There have been long debates about particular issues. The Government's view has always been that we should rise at about 5.30 pm and, if you want to have a night sitting later on, you negotiate. If you are prepared to negotiate with us to get through your business for this sitting period, we are perfectly happy to have those negotiations; but we are not going to sit idly by and have it rammed down our throats. Mr Speaker, we are not going to sit idly by and have it rammed down our throats, when the Government has been prepared to involve itself in debate all day and has not had the decency to come over and talk to the Opposition about extending the sitting this evening. Nobody should have to tolerate that sort of nonsense.

**Mr Hird**: I told you that.

**MR BERRY**: Mr Hird says, "I told you that". That was about three-quarters of an hour ago. Let us be fair dinkum about this. You have two more days and two more nights. If you want to talk to us about one of those nights becoming a sitting period to get through your business, come and talk to us, by all means; but you cannot impose it upon us and expect us to lie down when you want to move down this path. Members have put in a full day here - the planned full day - and I think they are entitled to quit for the day and come back to deal with business tomorrow. If you want to move into a night sitting tomorrow night or the next night to cover your business, give us a bit of time to plan it. There are people here who want to get home to their families and there are people who have made other arrangements. As far as I am concerned, this place ought to adjourn in order that we can get on with our usual business, come back tomorrow and deal with the legislation. It is not our plan to stop you from getting through your program this week; but what I do want to emphasise is that we will participate and we will be cooperative to the extent that it is negotiated with us in order that we can plan our lives as well.

So, Mr Speaker, I think it is important that we adjourn. It is a quarter to six - well after the time that the Government said we would normally be sitting. They have said in the past that they might extend sittings if there is a need for it; but, if they want to extend the sittings - to Wednesday or Thursday night - they should give us a bit of an idea and we will be happy to negotiate a period of time in order that any outstanding business can be dealt with. But, I think, to try to ram it down our throats tonight is a bit unreasonable.

**MR HUMPHRIES** (Attorney-General) (5.44): Mr Speaker, the reason why I believe that the Assembly needs to sit on this evening to complete the business before it is that the business foreshadowed in Executive business - not in private members business or Assembly business - and set down for today's sitting of the Assembly has been superseded by a series of private members matters, essentially, brought before this Assembly. Today we arrived at 10.30 am and saw, for the first time when we sat down at our places, the text of a motion dealing with the Versailles-Canberra twin city relationship. I had been led to believe at one stage that there was going to be a motion about that in private members business on Wednesday morning. That plan apparently changed, and we saw in the media this morning that we were going to have the motion today. That is fine; but we did indicate last Friday, at the Government business meeting, that the Government did want to have this package of Bills - the ACTEW corporatisation Bills - debated today. That was the indication we gave very clearly. All morning - in fact, 2½ hours of this morning - was taken up with debate on the Versailles-Canberra relationship.

**Ms McRae:** Who spoke on it? How many of you?

**MR HUMPHRIES:** Indeed, it was an important issue. It deserved to be spoken about. But we were not told in advance that this was going to happen today. As a result, our program had to slip. Fine; we let the Opposition and crossbenchers put that onto the agenda; we sat patiently through it; we contributed to the debate, as we were entitled to; and we had the matter dealt with. This afternoon, a further matter was brought before the Assembly, taking about an hour's debate, as I recall; not scheduled; with respect, pre-empting debate later on in the afternoon or this evening. Again, that happened over the Government's objections; fine. With respect, you have already wasted much of today on these issues. We now want to do some Executive business this evening, and I think we are entitled to do that. Other members have made some arrangements. I am proposing that we not sit through dinnertime. I am suggesting that we suspend the sitting from approximately now until 7.30 this evening. That is not unreasonable, in my view.

**MS McRAE** (5.46): I would like to rise in support of the motion because I find this quite an affront. First of all, the business of the afternoon was entirely appropriate. It is entirely in order for a private member to move a motion. If we had not had the motion, we could just as well have had an MPI. It was entirely appropriate that the time was spent in the way it was this afternoon. It is entirely appropriate that the Government's business be proceeded with at a time of the Government's choosing; but it is not appropriate that we are given no notice and no guidance, and that we are not told that this will need to be done at this time. We all have other commitments. We all accept invitations and order our lives on a basic expectation of what our working day will be. The Tuesday night sitting used to be scheduled at 8 o'clock so that the break was there and people could get on with their lives.

If the Government wants to schedule a night sitting, that is fine. We have all day Wednesday and all day Thursday. As I recall, last year we were recalled for a full day of sitting on the electoral Bill, when something of importance had to be done, and people were given fair warning. It is entirely out of order to be told, three-quarters of an hour

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before the postponement of business, that we are suddenly required to sit through, not only from 8.00 pm until 10.00 pm, but presumably until the small hours of the morning, with absolutely no warning. I find that behaviour of the Government absolutely disgraceful.

Question put:

That the Assembly do now adjourn.

The Assembly voted -

*AYES, 8*

Mr Berry  
Mr Connolly  
Ms Follett  
Ms Horodny  
Ms McRae  
Ms Tucker  
Mr Whitecross  
Mr Wood

*NOES, 9*

Mrs Carnell  
Mr Cornwell  
Mr De Domenico  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mr Moore  
Mr Osborne  
Mr Stefaniak

Question so resolved in the negative.

### **SUSPENSION OF SITTING**

**MR HUMPHRIES** (Attorney-General) (5.50): Mr Speaker, I seek leave to move a motion relating to the suspension of the house for dinner.

Leave granted.

**MR HUMPHRIES**: I thank members. I move:

That this sitting of the Assembly be suspended and the chair be resumed at 7.30 pm following the ringing of the bells.

**MR BERRY** (5.51): I think the matter is self-explanatory, but one cannot miss the opportunity to again - - -

**Mr Moore**: One could, you know. One could just sit down.

**MR BERRY**: Yes, but one is not going to. One could not miss the opportunity to express a view about this sort of business.

In the past, we have listened to those opposite whinge and cry about having to deal with night sittings in this place - ordered night sittings, which are regular, which are on the notice paper, which can be planned for and for which staffing is arranged over a period of 12 months.

But now, all of a sudden, we see a situation where these people over here are not so concerned about all the excuses they made in the past. We go back to the issue of consultative and open government. We have a quick night sitting without telling anybody, because that makes sure that people cannot come along here and see the Government embarrassed. As I said before, if you were prepared to talk to the Opposition about an extra sitting period in the evening, we would be happy to go along with that, provided that there was a bit of notice to the community as well as to the members and our staff. Let us not forget our staff, who have been working all day, not being aware of what was going on here.

**Mr De Domenico:** So have ours.

**MR BERRY:** If you treat your staff that way, go for your life. You would expect that from Liberals. But we do not treat our staff that way, because of our background. This is a shabby piece of work. I am disappointed that Mr Moore would support it. I am even more disappointed that Mr Osborne would support it. Given our commitment to the local football club, I thought we could have been a bit more together on this. We did all right on Versailles, but more could have been achieved today.

**Mr Osborne:** You have a lot of supporters out there, Wayne. Do not upset them. Do not keep their No. 1 signing away. How can their gun player not be there?

**MR BERRY:** I can still remember the debate over the Tuesday night sittings. I will not go into that.

**Mr Moore:** No; because you would be embarrassed.

**MR BERRY:** No, I would not be embarrassed at all. If this had been planned and if there had not been some sort of wild collaboration with the Government, you might be free of embarrassment; but I think you have the problem, not I.

Question resolved in the affirmative.

**Sitting suspended from 5.53 to 7.30 pm**

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## MOTOR TRAFFIC (AMENDMENT) BILL (NO. 2) 1995

**MR DE DOMENICO** (Minister for Urban Services) (7.30), by leave: Mr Speaker, I present the Motor Traffic (Amendment) Bill (No. 2) 1995 and its explanatory memorandum.

Title read by Clerk.

**MR DE DOMENICO:** I move:

That this Bill be agreed to in principle.

Mr Speaker, this Bill amends the Motor Traffic Act 1936 to reinstate the ability to appoint non-public servants as authorised inspectors, medical testing officers and motor traffic officers under the Act. This provision in the Motor Traffic Act was inadvertently removed when the Statutory Offices (Miscellaneous Provisions) Act 1994 - the SO(MP) Act - was enacted in December last year under the previous Government. That Act amended most ACT Acts to simplify the practice of having both the Minister and the chief executive separately appointing a person to the statutory office and to the public service position having that statutory office's functions. However, the SO(MP) Act also inadvertently removed the ability to appoint private sector mechanics to be inspectors under the authorised inspector scheme. This scheme has been very successful in enabling private garages to "clear" less serious defects and to certify gas conversions of motor vehicles for registration purposes. It had a similar effect for the appointment of medical testing officers, who are required to advise the Registrar of Motor Vehicles on the fitness of applicants for drivers licences.

Mr Speaker, the effect of the SO(MP) Act with regard to mechanics has been to prevent additional inspectors being appointed to certify work under this Act. This has led to inconvenience and loss of business opportunity for some private sector mechanics, who are unable to clear defects or certify gas conversions of motor vehicles without this appointment. If offered such business, those mechanics currently not appointed must either refuse the work or undertake the work in the knowledge that they must employ an authorised inspector to certify this work. This is an unsatisfactory situation, both for the mechanics concerned and for members of the public, whose choice of mechanics is restricted. The effect in relation to the medical officers is similar, in that private medical practitioners not currently appointed to be medical testing officers are unable to provide this service to their patients. Likewise, it is not currently possible to appoint persons other than ACT public servants as motor traffic officers, so that they can perform other functions under the Motor Traffic Act, as specifically authorised by the Registrar of Motor Vehicles.

Mr Speaker, this Bill will not introduce any new provisions under the Act. It will merely reinstate provisions that have enabled successive governments to successfully utilise private sector resources to the benefit of the whole community. I commend the Bill to the Assembly.

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

**ELECTRICITY AND WATER (CORPORATISATION)  
(CONSEQUENTIAL PROVISIONS) BILL 1995**

[COGNATE BILL:

**ELECTRICITY AND WATER (CORPORATISATION)  
(CONSEQUENTIAL AMENDMENTS) BILL 1995]**

Debate resumed from 1 June 1995, on motion by **Mr De Domenico**:

That this Bill be agreed to in principle.

**MR SPEAKER:** Is it the wish of the Assembly to debate this order of the day concurrently with the Electricity and Water (Corporatisation) (Consequential Amendments) Bill 1995? There being no objection, that course will be followed. I remind members that in debating order of the day No. 1 they may also address their remarks to order of the day No. 2.

**MR WHITECROSS (7.35):** Mr Speaker, I have already spoken earlier today about the Labor Party's concerns with the timing and consideration of this Bill. Our view is that this is not the kind of change that should be made in the haste in which the Government is doing it. Opportunities have not been given for proper consideration either by the Assembly or by the community at large. The ACT Electricity and Water Authority is a very significant asset of the people of Canberra, with a value of over \$1.5 billion. It has a turnover of over \$300m a year. It is providing essential services to ordinary people in their homes - electricity, water and sewerage services - services that people in the community can and do take for granted and have a right to take for granted.

The corporatisation that is being proposed is not the kind of change that ought to be made without the Canberra community at large having a proper understanding of what is going on and a proper chance to have their input. We do not believe that the less than two weeks we have been given so far is sufficient and, given the raft of amendments we have before us today, we certainly do not believe that members have had an adequate opportunity either to understand the amendments that have been proposed or to consider whether there are other amendments they would like to have made. I, and I am sure the Greens, have amendments we would have liked to move if we had had further time.

The corporatisation of ACTEW takes us into a new structure for the delivery of electricity and water services. Instead of having a statutory authority in a structure that is designed to be responsive to government and balances that responsiveness to government and political input with the appropriateness of operating in a commercial way, we have an electricity and water authority operating in a corporate form that is designed to promote the concepts of profit maximisation, of focusing on the bottom line. In the few statements we have been able to get out of the Minister on what his thinking is on this issue,

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what consistently comes through with Mr De Domenico is that what he understands is the bottom line, what he understands is finances. When he is asked to explain it, he always falls back on the same notions of efficiency, of dollars, of cutting costs. They are the concepts he understands. He does not seem to understand the wider issues of social responsibility and environmental protection which concern the Labor Party and so many members of the community.

Today, we have a report in the newspapers - I have not heard any mention of it anywhere else - of proposals being put to the Government to separate out the concessions that are made by ACTEW and ACTION. Instead of those concessions being absorbed within the budgets of ACTEW and ACTION, those concessions will be separated out and funded off-line out of the Government's budget, and ACTEW and ACTION will be able to say, "This is not our responsibility. Who are we to care whether people out in the suburbs have the money to pay their electricity bills, or have the money to pay full fares on ACTION to get from A to B? This is a matter for the Government. If the Government wants to give these people subsidies, let the Government give them subsidies. It is not a matter for enterprises such as ACTEW and ACTION".

That is the message that is coming through in that report. This is something we read about in the newspapers today. None of us heard about it in briefings. It was not an issue that was ever canvassed with us. Yet suddenly in the newspapers today we read on page 3 that there is a new push on by the Government to take subsidies out of the budgets of those organisations and make them a separate issue, an issue on which the Government is responsible, not the organisation delivering the services. When the pensioner turns up at ACTEW's door and says, "Why can I not get a concession on my electricity?", ACTEW will say, "That is the Government's problem, not ours". When they go to the Government, it will say, "We have a lot of budget constraints and Treasury will not give us any money. I am sorry; we would like to help you, but we cannot".

We have a situation where organisations in the private sector provide concessions to pensioners and other low income people; but in the sort of mad ideology that dominates the privatisation-corporatisation debate in the public sector, you would not be seen dead as the chief executive of a government corporation giving a concession to anybody. No, that is a matter for Treasury; that is not a matter for the organisation. This is the sort of logic we need to unpack. We need to know where we are going with ACTEW before we make the decisions the Government wants us to make tonight.

In Mr De Domenico's speech earlier in the day, he had a lot to say about all the opportunities for consultation that members had to avail themselves of, and he mentioned a briefing back in May - I am a bit sketchy on the date now. I attended that briefing, Mr De Domenico, and I will tell you a little story about it. It was not a briefing about corporatisation at all; it was a briefing about ACTEW and what a wonderful organisation it is. Of course it is a wonderful organisation. I listened intently to what they had to say. They talked a little about Hilmer and I asked some questions. They said, "Under Hilmer, some of our large customers will be able to bid on the electricity grid to other suppliers and not have to buy from ACTEW. Sydney Electricity has been in town talking to our six top customers. We could lose customers to Sydney Electricity". So, I asked them some questions. I said, "That is interesting. If Sydney Electricity takes our six top customers, what will this do for electricity prices for ordinary residents? How is this going to work?"

What are the implications for the bottom line of ACTEW?”. I asked these questions, Mr De Domenico, and what I was told was, “You are asking me to reveal sensitive, commercial-in-confidence information, and I am not going to tell you”. So much for community consultation. So much for informing members.

One of the senior executives was talking about the proposals to corporatise ACTEW. I asked him some questions about the corporatisation of ACTEW and what the benefits of the corporatisation of ACTEW were. What was explained to me was, “This is the fashion now. Everybody is doing it, so we should do it too. It is really efficient to be corporatised. We have to get in and be efficient like everybody else because that is what corporatisation means”. I could not get a satisfactory answer. When I said, “But what you are saying does not explain to me how it is going to be more efficient, how it is going to be better, why we should be doing this”, they said, “Well, to tell the truth, what it all comes down to is this: We want to be able to get on with the business of running ACTEW without having politicians and bureaucrats and unions telling us what to do”.

**Mr De Domenico:** That is not true.

**MR WHITECROSS:** I am afraid that it is true, Mr De Domenico.

**Mr De Domenico:** No, it is not.

**MR WHITECROSS:** That is what I was told.

**Mr De Domenico:** No; I think you are misrepresenting what you were told, just between you and me.

**MR WHITECROSS:** No, I am not, Mr De Domenico; that is what I was told. Mr De Domenico, I personally believe that the taxpayers, the ratepayers, the citizens of Canberra have a right to expect that an organisation that is valued at \$1.5 billion, with a turnover of over \$300m, is something that is of interest to the community at large, of interest to the elected representatives of the community. I do not understand why we should be handing control of the organisation across to a corporate form that is more remote from the legislature, more focused on profit maximisation, less focused on service delivery, and less able to grasp the implications of social and environmental concerns. Mr Connolly talked before about some of the struggles he has had in the past to orient the organisation onto environmental concerns, and I fully acknowledge that they have responded to those pressures from government; but that is the way it should be.

Mr Speaker, these are the reasons why we approach the corporatisation of ACTEW with some scepticism, with some searching for reasons why we should be putting an organisation through the turmoil and uncertainty of institutional change when we are not clear on how it is going to be better at the other end and what is going to happen which is different from what we have now. So far we have not been persuaded. I have not been persuaded, my colleagues have not been persuaded, lots of other people in the community have not been persuaded. We are very reluctant, under those circumstances, to embrace this proposal at this time.

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Given the apparent inevitability of some form of corporatisation being passed, we will be moving some amendments in the detail stage. There are some issues we want to pick up in the detail stage which we think are fairly important, and I know that other members also have some issues they want to pick up. It seems extraordinary to me, and perhaps it reflects both the haste and the lack of consideration with which these proposals have been put together, that we have the situation where somehow or other we managed to exempt ACTEW from the FOI Act and from the Ombudsman's Office under the original Bills. We managed to put in proposals that would allow in the future for their exemption from whistleblower legislation, which seems to me to be a bit of an alarming notion.

**Mr De Domenico:** We have put them all back in again, though, have we not?

**MR WHITECROSS:** No, you have not.

**Mr De Domenico:** We are about to, are we not? You will support those, will you?

**MR WHITECROSS:** I will be moving an amendment.

**Mr De Domenico:** You have a look at our amendments too.

**MR WHITECROSS:** I have not seen them, Mr De Domenico. These are fundamental matters of public accountability, yet the legislation we were given to consider less than three weeks ago has somehow glossed over these things. We mean to fossick out these things. Nobody told me in the briefings, "By the way, Mr Whitecross, we do not think it is appropriate that ACTEW should be subject to the Freedom of Information Act", or "We do not think ACTEW should be subject to the Ombudsman's Office inquiries", or "We do not think ACTEW should be subject to whistleblower legislation". It is up to individual members to fossick these things out for themselves, to work them out for themselves. This is not even a very informative approach to members of the Assembly, let alone to anybody else.

**Mr De Domenico:** You should have been here when we went through the Public Sector Management Bill.

**MR WHITECROSS:** I was not a member of the Assembly when we went through the Public Sector Management Bill, Mr De Domenico. I am concerned that these policy decisions were never explained to members. We were required to work them out for ourselves, and we were required to do that in less than three weeks. It seems to me that we are still in a situation where the case has not been made out, but we will do our best with what we have.

The other amendments the Labor Party will be pursuing tonight relate to the views of workers who work for ACTEW, whom Mr De Domenico claims to be very concerned about. They do not want ACTEW to be corporatised on 1 July 1995. They, like the rest of us, are saying, "Hang on a minute. Let us sit down and talk this out and work out exactly where we are going to be, and then corporatise it after that". They are saying, "Let us dot all the i's and cross all the t's. Let us figure out exactly where we stand on all these things, and then we will corporatise ACTEW". That is what the TLC is saying,

and we agree that that is what should be happening. We should be sorting out the details before we go ahead with the corporatisation, not after. We are also going to be moving amendments that go beyond that to other issues to do with the Public Sector Management Act.

**Mr De Domenico:** Do you mean to decorporatise it again?

**MR WHITECROSS:** No, not decorporatise it, Mr De Domenico. You are not paying attention. The Public Sector Management Act deals with issues to do with standards that are expected of organisations in the public sector and management practices of organisations in the public sector. Whether it is a corporation or not, those management practices, those standards, can apply, and we think they should. We think it is appropriate that there should be standards to do with conflicts of interest, and with orientation towards service delivery, towards honesty and towards integrity.

**Mr Berry:** All foreign to the Liberals.

**MR WHITECROSS:** These are issues that are picked up, Mr Berry, in the Public Sector Management Act and which the Liberals have just jumped in their proposals. None of these things will happen. ACTEW has been moved right outside the scope of those provisions.

**Mr De Domenico:** What about corporations law and company law and all that sort of thing? Does that not count?

**MR WHITECROSS:** Mr De Domenico, that is not the same as an Act passed by this parliament last year to protect the interests of Canberra, to set standards for how people in public enterprises work. That is what we are on about. Let us have an organisation delivering electricity and water - one owned by the people of Canberra - which abides by the public sector standards this parliament has set down. It should not be outside those standards; it should be inside those standards.

There may be, Mr De Domenico, individual items there that, if we had more time and perhaps an inquiry, we could have sorted out. Perhaps there are things that will not be appropriate to a corporatised form of ACTEW, and we might be able to work those things out. Unfortunately, we were not given the option of having an inquiry before this Bill was passed. We were not given an opportunity to sort through all the minutiae of a very thick Act, the Public Sector Management Act, before all this was done. The less than three weeks that we were given was not really enough to do that, and I have to say that the first briefing I got was not for about a week after the Bills were tabled.

**Mr De Domenico:** Did you read it in the meantime, though?

**MR WHITECROSS:** I did read it in the meantime; but the Public Sector Management Act is over 200 pages long, and digesting that, in addition to these two slim volumes, takes a while. It does not take long to exempt ACTEW from the Public Sector Management Act, but understanding what you have exempted it from takes a lot longer.

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There are a number of things we are not happy about with this Bill. There are also a number of issues the Green members of the Assembly have raised and have talked to us about which we agree with, including things such as FOI, and we will be happy to support some of them. I know that Mr Moore has some amendments that we are also happy to consider, and Mr Osborne as well. We will be working through those amendments to get the best form we can out of a corporatised ACTEW, if it is the will of the Assembly that it be corporatised, and that appears to be the case; but we do not think we are doing it in the right way. We do not think we are going to get the best result. We think there are going to be problems caused by the haste with which the Government has approached this and their refusal to take the community into their confidence, to listen to what the community has to say, to take on their good ideas and incorporate them into the Bill. We agree with those in the community, including such organisations as the Conservation Council, the Council of Social Service and the Trades and Labour Council, who say, "Let us get it right first and then let us talk about corporatising it".

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

That the debate be adjourned.

The Assembly voted -

*AYES, 8*

Mr Berry  
Mr Connolly  
Ms Follett  
Ms Horodny  
Ms McRae  
Ms Tucker  
Mr Whitecross  
Mr Wood

*NOES, 9*

Mrs Carnell  
Mr Cornwell  
Mr De Domenico  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mr Moore  
Mr Osborne  
Mr Stefaniak

Question so resolved in the negative.

**MS TUCKER** (7.58): Mr Speaker, the way this Government, supported by Mr Moore and Mr Osborne, is rushing these pieces of legislation through the Assembly is deplorable, especially as they have all committed themselves to open government, to consultation, to consideration of all people in our community. We are all well aware of the importance of ACTEW's services to all residences and businesses of the ACT. It is up to this Assembly to ensure that the community service, environment and business obligations of ACTEW are met. By rushing through the corporatisation this week just so that ACTEW does not have to have two sets of accounting books for the next financial year, we are also throwing away an enormous opportunity to lead the way in showing that the ACT sees economic efficiency in the broadest sense, that we recognise the business opportunities of expanding research and development in alternative technologies, and that we can find innovative ways of meeting social justice needs at the same time as creating new jobs for Canberrans.

The Greens would not be making this fuss if we and hundreds of other people, including some notable experts in the area of environmental and social research as well as industry representatives, thought this legislation was any good, that it contained any vision. We have a government with a lack of vision. Unfortunately, the Independents in this Assembly share this Government's lack of vision. It is with great regret that I will be speaking to some of the amendments we have drafted over the last few days here, rather than in a committee, where we would have the time to consider the future directions of ACTEW and set up the appropriate structures to head in those directions. I recall that recently in the Assembly, in a debate on a motion Roberta McRae put up about consultation on legislation, Mrs Carnell said:

It is interesting that the thing that Ms McRae left out and the thing that is most important and has worked best in this Assembly is the committee process. If this Assembly believes that consultation has not been adequately handled, what happens? The Assembly refers a Bill to a committee; and that committee, in an open forum with everybody present, asks for members of the community and organisations to come forward.

Unfortunately, that does not seem to be the sentiment at the moment. The Greens do not oppose corporatisation on ideological grounds, as we have also said many times. However, in rushing through this legislation and slapping in amendments rather than looking at the whole thing in a considered manner, we have wasted an opportunity to turn ACTEW into a world-class organisation in terms of energy and water service provision and social requirements. The Greens recognise that ACTEW, if corporatised, could be more innovative in terms of R and D, particularly in the area of new technology, and this could attract more business to the ACT. As we have said before, the Greens are not against competition or business. What we care about is the type of business we promote. Do we have a strategy to do this? No.

The Greens will oppose agreement to this Bill in principle, not because we have in-principle opposition to corporatisation but because we are concerned that it is not the best possible corporatisation. We have had the opportunity but, unfortunately, we have not taken it. Addressing these concerns with piecemeal amendments is not good enough for such an important piece of legislation and there is also not enough time to draft complex amendments. Have governments not learnt by now that it is easier, cheaper and more satisfactory to the general public to attempt to get things right first? The legislation as it stands has some big holes. Obviously, it is not just the Greens who believe this, or the legislative drafters would not have been working day and night drafting amendments to the legislation, even some from the Government itself. The way this issue has been rushed through means that as a community we have not addressed big issues such as pricing, FOI, the setting of environmental and social targets, community service obligations, community representation on the board of directors, where the dividends go, whether bureaucrats should be shareholders - the list goes on.

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I will reiterate some of the amendments we feel should be considered by this Assembly but cannot be considered in the present timeframe. These include entrenchment of consumer rights along the lines of the consumer contract that is provided for in the Sydney Water Board, setting environmental targets, community consultation processes, and assurance that ACTEW will get involved in providing energy services in the broader sense. There is also no actual requirement in the Bills that the Government establish a body for independent pricing. We have a rather bland, uninspirational and potentially dangerous piece of legislation that does not have adequate accountability mechanisms built in or anything strong about the environmental community service obligations of ACTEW. As the legislation stands, these obligations will be made explicit only in the statement of corporate intent and so are subject to the whims of the shareholders and not even reviewed by the Assembly.

Mr Speaker, when we are presented with an opportunity for reform, members of this Assembly should act responsibly and cautiously. It is bad process to pass legislation and then go back to see how it could have been better, and it costs the community more in the long run. It is appalling that other members have not acted to ensure that we get it right first, in consultation with the community, and it is to the shame of the Liberals and of Mr Moore and Mr Osborne that we have let this opportunity go.

**MR BERRY (8.04):** Mr Speaker, I suppose members will expect to hear over and over again about the error of their ways.

**Mr Moore:** On a point of order, Mr Speaker, I would draw to your attention Mr Berry's indication that he will breach standing order 52, I think it is - tedious repetition - because he is saying that members will expect to hear something over and over. That would not be appropriate at all, Mr Speaker.

**MR SPEAKER:** I am sure that Mr Berry is not going to breach standing orders by indulging in repetition, tedious or otherwise.

**MR BERRY:** As the evening goes on, I am sure that they will also find tedious Mr Moore's smart alec interjections and points of order; but that is something we have all grown used to over the years.

This issue, as other members have pointed out, is about a sensible approach that meets the needs of the community. It is about demonstrating, as far as the Government is concerned, that there is a need to go down the path their proposed legislation seeks to pursue. The Minister in this case - he is certainly not by himself - and indeed the Chief Minister seem incapable of making out a case as to why this Bill should pass through the Assembly and that there is dire need for it. You can hear all the rhetoric, the honeyed claims, about what this will achieve; but it is all based on the old ideology which gave rise to the continued claims throughout the last term of this Assembly. These days, this is rather old fashioned. It seems as though the Independents, regrettably, have climbed on the band wagon of the Liberals on this issue. Who knows what the price was?

**Mr Moore:** On a point of order, Mr Speaker: The implication in that is clearly inappropriate.

**MR SPEAKER:** Might I suggest that you withdraw it, Mr Berry.

**MR BERRY:** Nobody would ever suggest that there was an imputation against Mr Moore - somebody of such standing.

**MR SPEAKER:** Thank you, Mr Berry.

**Mr De Domenico:** Keep going, Wayne. You are getting him all on side!

**MR BERRY:** That is all right. Michael keeps inviting it. The issue for the right-thinking members of this Assembly is about how the community has been consulted. The community out there would think that consultation has passed it by; they have seen no consultation on this issue. I repeat what was said before: The Government's commitment to consultation is a big lie. It is the biggest lie that has been imposed upon the community in the ACT, because they have no commitment to it. What I find rather more disturbing is that others in this Assembly would let them get away with it.

Consultation has been the catchcry of many groups in our community, who would ask at all times for more of it. I do not think anybody in this chamber has ever said that they were not about full-on consultation. But the first ones ever to demonstrate that they have no inkling at all to pursue a path of genuine consultation have been the Liberals. They are now supported by a couple of Independents, who in the long haul, I think, will sicken over this issue. It is early days yet, and we can expect that the Liberals will try to spin the web about these sorts of issues. But for people who have some other ideology in this place, it is rather surprising that they are not capable of taking the Liberals to task about some of the rhetoric that has surrounded the introduction of this legislation. They say, "It will be more competitive". When asked to prove it, they say, "We do not know". They cannot prove it.

**Mrs Carnell:** Corporatise it and watch.

**MR BERRY:** Here we go - corporatise and watch. When we ask them to show us how it will be more competitive, they say, "We will corporatise it and you can watch. Just wait and see. We do not know".

**Mrs Carnell:** We do know.

**MR BERRY:** You do? Tell us, please - or is it too big a secret to tell us? Have you told the Independents? Give us the same details. I suspect that you have told them what you have told us: "We do not know. Wait and see. It will be better in the long haul. This is about competition and efficiency and all of those things that by themselves guarantee a better life for all". What a joke you lot are! I think this is buried in a mound of ideology; I know that it is. It is very obvious that it is, because none of the Liberals opposite have been capable of bringing forward an argument that would convince any reasonable thinking person.

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The Minister, dragged to the microphone on this issue, made an absolute fool of himself; he made an absolute galah of himself.

**Mr Connolly:** "I do not know; I do not care".

**MR BERRY:** Yes - "I could not care less; I do not know; I am not interested. We have the numbers; you can all buzz off".

**Ms Follett:** He could not answer a single question on it.

**MR BERRY:** He could not answer the questions, and still cannot, and we will get another round of it before the night is out. We will get another round of how much better it will be under corporatised ACTEW. Give us the numbers. You cannot give us the numbers because you do not have them. I think Mr Whitecross, in his contribution to the debate commenting on the consultation he had with officers concerned with this issue, amply demonstrated that there has not been a case made out, even in the minds of those who dearly love to support this proposal.

Labor is deeply concerned, on behalf of the community, that the Government would move down this path, flying in the face of its promise to consult and ignoring its previous commitment to the committee system in a way which, I think, will raise questions in the minds of the community. In the political sense people could say, "You should be laughing from the Opposition benches. You should say that this is going to damage the Liberal Party". Maybe it will; but the issue of most importance to us is the survival of a strong and vibrant ACTEW, owned and controlled by a government that cares about the community. None of that will be achieved, on any examination of the figures that have been put forward by this lot opposite. They have not even had the energy to put forward an argument with any particular weight that would enlist any support from any direction. That is because it has all been about rhetoric.

If you have some figures, put them forward so that other people can examine them. You do not have them, so you cannot put them forward for other people to examine. You try to pull the wool over everybody's eyes with all the rhetoric, but you have not fooled us. You might have fooled some people, but you have not fooled us. If there were figures available to you, and if there were better pictures available to you about the future of ACTEW, I know that you would have wheeled them out by now; but you have not been able to do so. On any examination of the reporting of this issue, there is just no evidence. You would have us sitting back in our chairs thinking about this if there was a decent picture for us to support. Either it is incompetence or there just is not anything in it. You cannot win. It seems to me that you are not capable of presenting a decent image about the future of ACTEW under a corporatised model, a picture that is worth conveying to the people. Mr Whitecross made it clear that your officers were incapable of presenting a decent image of what you are on about. Certainly the two Ministers - the Treasurer and the Minister responsible - have been incapable of putting forward a decent picture. We will hear heaps of rhetoric from both of them. Mrs Carnell is adept at it, and Mr De Domenico uses the very old-fashioned type; but they are both hollow.

We are going to have to deal tonight with a range of amendments, all of which are extremely complex and require some further contemplation. I do not think that is something the Government is concerned about. It is only a few weeks ago that this legislation turned up. They crow about the five years of consultation that they claim has occurred. Of course, that is rubbish, and now people are going to have to get their minds around these amendments. Some of them might be only a line or two, but the issues they address are extremely complex and are issues that members of the community are entitled to examine at length. We accept that the committee process will not go ahead before the legislation is passed, and at the end of the day we will have to learn to live with whatever comes out of here. Some people will accept what the Government says, whatever it is; but those amongst us who want to sit down and closely examine the issues and how they will affect employees in ACTEW, how they will affect members of the community - rich and poor alike - believe that this legislation deserves a little more time to ferment. It is not mature. A lot of the amendments that are proposed will only confuse those who are trying to consider where we are headed in relation to this issue.

I think it is an outrageous abuse of authority in this chamber that the Government would try to hurry this Bill through. Let us not forget that this sitting this evening was not planned. It has avoided proper scrutiny of the legislation, and I think the community will be the poorer as a result. For our part, we will resist the efforts of the Government to proceed down this path. We might be foiled. We will be foiled, I fear. But it is something the Government ought to suffer some pain over. I see that Mr Moore is suffering some aggravation right now. As the night goes on, I think the point will be made over and over again.

**MRS CARNELL** (Chief Minister) (8.19): After that - I do not know quite what it was, whether it was a speech from Mr Berry or not - it is hard to see that this debate over corporatisation of ACTEW is not taking place in a vacuum, because that speech certainly was a vacuum. Every one of us in this Assembly owes it to the people who put us here to be aware of the national context of this debate. To pretend that we are not affected by decisions taken by other governments, or that we can decide this issue without having full regard to the ramifications of what is happening interstate, is to delude ourselves and to betray the trust of the people of the ACT. It is the people of the ACT who will lose if we are left behind in the dust as the competition caravan rolls across this country.

Mr Speaker, the world is changing. The world is changing around the ACT and it is changing rapidly. That is why we cannot afford to stand still. That is why this Government actively supports changes such as the corporatisation of ACTEW - something that ACTEW itself wants, which it seems has been overlooked by those opposite. In seeking to block these changes, the Opposition is trying to isolate the ACT from that wave of change. Were they in Eastern Europe, I am sure that they would be up there saying, "Rebuild the wall, rebuild the wall"; that is the equivalent of what they are saying here.

In taking the stand they have, the Labor Opposition is not just at odds with our position; they are directly at odds with the thinking of their Labor colleagues around Australia. I read to the Assembly some excerpts from a recent document that touched on this very same issue:

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Competition reform will produce major economic benefits for Australia and the Government is determined to see that consumers, business and employees are the winners.

I go on:

The Government's first major competition initiative is the reform of the electricity industry.

I read this from the same document:

Corporatisation is not to be regarded as a path to privatisation. The Government will use corporatisation as a vehicle for economic reform for the benefit of the community on whose behalf the Government has shareholder responsibilities.

Assembly members might wonder who produced such a document, which so strongly advocates corporatisation and competition reforms. It is not a Liberal policy document; nor is it the product of some economic rationalist academic think-tank. In fact, those quotes are all from the financial statement delivered in the New South Wales Parliament a fortnight ago by the new Labor Treasurer of that State, Mr Michael Egan - not exactly a renowned Liberal. In the same statement, he detailed plans to corporatise more than 15 government-owned enterprises, including the State's electricity distributors and the TAB - surprise, surprise! By 1 January 1996, the New South Wales Government will have established an electricity market across the State. In other words, it is a Labor government embracing competitive reforms and embracing corporatisation.

The New South Wales Government is by no means alone. The Federal Labor Government, of course, has been corporatising government-owned enterprises for more than a decade. In Queensland, the Goss Labor Government began corporatising a host of government businesses three years ago. We heard, when Mr De Domenico quoted from a letter today, that now even the TLC says that it does not oppose in principle the corporatisation of ACTEW. Yet here in the ACT the isolationism of the Labor Party's hard Left has reigned supreme. The Labor Party here in the ACT has steadfastly refused to consider reforms that Labor governments elsewhere in the country have adopted - and not adopted screaming and shouting, but embraced, Mr Speaker.

In government, the Labor Party denied ACT residents the benefits of a more competitive, dynamic structure for government-owned businesses. They said no, they would not even consider it. In fact, they went to the length of decorporatising ACTTAB. That showed a government that simply was not willing to learn. That is interesting. What happened? There are two examples of corporatisation in the ACT. The first is Totalcare. Totalcare was making a loss. It was corporatised, and it is now making a small profit. The other example is ACTTAB. ACTTAB was decorporatised and it is now making a loss. What does that tell you? They are the only two examples we have, and it is very definite. We have a 100 per cent success rate here for corporatisation.

Now, in opposition, this mob opposite seek to stymie our reform plans, even when they should have seen that there is an obvious place for corporatisation in government business. They seem to have learnt nothing from the drubbing they received on 18 February. They still have not woken up to the fact that they have been rejected by the people of Canberra and that their no-change agenda desperately needs changing. They have turned the Opposition benches in the ACT Assembly into the political equivalent of Jurassic Park, a place inhabited by ideas and policies that have long been extinct everywhere else. There is Tyrannosaurus Wayne, who desperately wants to be king of the dinosaurs, spouting ancient rhetoric about the evils of profit - we are a bit sad that he did not do that one tonight - and describing our doctors as grasping predators. Then there is Terrydactyl Connolly, who likes to soar above the other dinosaurs, taking the high moral ground, although some suspect that he is really spying out greener pastures. The tragedy for the people of Canberra is that these dinosaurs are not content just to practise their palaeolithic politics; they want to drag the ACT community back there with them.

By contrast, this Government is looking to the future. Like other governments around Australia, we believe that there are better ways to deliver services. That is all this is about - better ways to deliver services. Like the new Labor Government of New South Wales, we believe that introducing competition into service delivery will deliver a better deal for consumers by putting the focus back on meeting the consumer's needs - away from the bureaucracy; back to the consumer. That is what this is about. It will deliver a better deal for taxpayers by producing greater efficiency through competitive forces. The corporatisation of ACTEW is a step down that path. It will separate ACTEW from the public service bureaucracy, with its focus on the process of the government, and allow ACTEW to focus more clearly on consumer service. It will allow ACTEW to focus more clearly on who they are as an enterprise, to give them a greater corporate identity.

It has now been four years since the corporatisation of ACTEW was first proposed and almost completed. It certainly is not a new idea. It is an idea that has been debated extensively. It is now time to turn the idea into reality. If we hold another committee inquiry into corporatisation, it will waste time and, most of all, it will waste the opportunity for ACTEW to gain just a small head start on the corporatisation agenda of their New South Wales competitors.

Mr Speaker, you would think we were debating something that had never before been debated anywhere in Australia or the world. The facts of the matter are that corporatisation has been debated everywhere before. The benefits of corporatisation have actually been well documented. They have been well documented to those opposite and to the Greens and to whoever else wants to listen. The fact is that organisations like ACTEW do not operate well under bureaucratic processes, and that is exactly where they are operating now under the Public Sector Management Act. They need to have their own identity; they need to have their own flexibility. To assume for a moment that employees working in the sorts of areas that ACTEW employees work in would operate under the same guidelines as those employees who work in the bureaucracy behind desks in our public service is simply ridiculous. What this gives them is flexibility to have their own corporate structure, and it does give them a small opportunity to have a head start on New South Wales, and that is very important.

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**MR CONNOLLY (8.29):** Mr Speaker, here we are on a Tuesday night, in the first set of sittings after Tuesday night sittings were abolished, and any members of the Canberra public who had concerns about why we need to corporatise ACTEW, I am sure, have had them allayed by the Chief Minister: It is very clear that unless we corporatise ACTEW the Berlin Wall will be rebuilt, we will call the Labor Party lots of names, Wayne Berry and Terry Connolly are a couple of dinosaurs, and yah, yah, yah, yah! That amounts to the level of intellectual input the Government has presented to justify its case for corporatising ACTEW. That really is a fairly woeful level of debate. It raised a chuckle from the Government back bench; but that is probably not difficult, particularly at this stage of the evening. But what did it do to advance the case for the corporatisation of ACTEW?

Mr Whitecross, Mr Berry and Ms Tucker have asked some very simple questions, such as: Why are we going down this path? I will ask the question again, and I will make it even more simple. Tell me one thing that ACTEW can do only in a corporate form, that it could not do as a statutory authority. Mrs Carnell says that it is all about efficiency, that the Labor Party somehow are opposed to efficiency. The struggles we engaged in to create efficiency in other areas of the public service, in ACTION buses, in ACTEW itself over the last 3½ years, are well documented. So yes, we are in favour of efficiency.

“We must do this because of Hilmer”, says the Government. The Hilmer process came out of COAG, and who was at COAG when that process was being developed? The then Chief Minister, Rosemary Follett, representing this Labor Party. Yes, we are in favour of competition reform; yes, we are in favour of micro-economic reform; yes, we are in favour of the national grid; yes, we are in favour of the proposition, although it is irrelevant for our specific purposes, that the vertical monopolies from generation through wholesaling and reticulation through to the retail client on the electricity side are a bad idea and would be better broken up. Those arguments we are all in favour of, but why does it follow that you must have the corporate form to do any of this? What have the justifications been? From Mrs Carnell: “If you do not do it they will rebuild the Berlin Wall, and Wayne Berry and Terry Connolly are dinosaurs”.

Let us at least see what Mr De Domenico said in his presentation speech. He lists five justifications for corporatising ACTEW. The first is to provide incentives to improve efficiency within ACTEW by setting appropriate performance and accountability targets. Why can that not be done in the form of a statutory authority? Of course it can be done in the form of a statutory authority. It has been done for many years. ACTEW's efficiency, performance and accountability has been assessed in surveys that have been tabled in this place over the years. The Electricity Supply Association of Australia compares all the electricity supply bodies around the country, and ACTEW performs pretty well in that area. As I said earlier, there are some areas in relation particularly to water and hydraulics where ACTEW's costs are higher; but ACTEW performs so much better and provides such an expensive service in order to put out very high quality water into the Murrumbidgee that you would expect its costs to be higher.

By way of an aside, I recall one occasion when there was some community concern about this, and we took the camera crews down to the Lower Molonglo treatment plant. One ACTEW employee became so carried away and so enthused, quite rightly, about ACTEW's performance that in a flourish he consumed a glass of the water in front of the cameras. I rather blanched in horror at the large sign in red behind saying, "Danger! Do not drink the water"; but this ACTEW employee did and is there still. Mr Moore and I grew up on it, so it is obviously no problem at all. That aside was to illustrate the fact that yes, ACTEW has some less efficient - in mere economic terms - indicators for sewerage because of the high cost.

In an attempt at rationality, and aside from the dinosaurs, the Trebbies and the Berlin Wall, one thing Mrs Carnell said was, "You have to have a corporate culture, and only through corporatisation can you get a corporate culture". Any organisation that has so enthused its workers that they are prepared to drink the sewage, it seems to me, has a pretty good corporate culture. The level of pride of ACTEW employees in that organisation is justly very high. I would also point out that very substantial sums of public funds have been expended in those ACTEW corporate image video ads that we have seen for many years. No-one has ever criticised them, quite rightly, and it is quite appropriate for ACTEW to engage in that sort of process. So, the argument that you can have a corporate identity and you can enthuse your employees only if you are in a corporate form, Mrs Carnell, is simply not true. Mr De Domenico says that you have to be a corporation to provide incentives to improve efficiency within ACTEW. That is simply not so. It has been done for years and can continue to be done. Should we improve on it? Yes, we should improve on it.

The second justification is to separate the regulatory functions from the company, as it is not acceptable for an organisation to compete in an industry while regulating parts of that industry. Whether you should or should not do that is an argument. That nearly happened the last time round. While the Labor Government decided not to proceed with the incorporation of ACTEW, we continued to debate within our own councils for about a year afterwards, according to my recollection, that idea of separation, and some level of separation occurred. But you can debate that one way or the other.

**Mr De Domenico:** What stopped you from doing it?

**MR CONNOLLY:** We simply decided that it was not a sound move. But even assuming that it is a sound move - and I will grant Mr De Domenico, for the purpose of argument, that it is a sound move, and thus, on his second point, we should separate regulatory functions from commercial functions - you do not have to corporatise to do that. All you have to do is set up your regulatory agency within the Department of Urban Services and leave within ACTEW the statutory authority, the commercial arm. Even assuming that it is a good idea, it is not a justification for corporatisation, because you can do it perfectly well within the statutory form.

The third point states that you must corporatise in order to identify and fund accordingly the Government's community service obligations. Again, one can debate the extent to which one should do that; but, given that it is a sound idea to identify and fund accordingly the Government's community service obligations, that can be achieved perfectly adequately, perfectly simply, within the form of a statutory authority.

**Mrs Carnell:** But why?

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**MR CONNOLLY:** I am not the one who has to say why. You are, because you are proposing to this Assembly that, within two weeks of seeing the Bill and in an unscheduled night sitting, we fundamentally alter the structure of the largest public enterprise in this Territory, the organisation that controls \$1½ billion worth of this community's assets, the organisation that plays such an absolutely central and sensitive role in the environment, not just of the ACT but of the entire inland river system. So, "But why?" is the question not for you to mutter, asking me, but for you to answer and explain to this Assembly. Every one of these points you have put forward as a justification, as a "but we must corporatise", could be fulfilled, if they are valid, just as easily under the statutory authority mechanism.

I am taking them out of sequence here. The next point I will speak to says that it would allow the Government and the community to maximise the returns on their investment in such enterprises. That could be code for anything. Maximising return on the investment, given that the investment is the \$1.5 billion asset, could well be code for "jack up the dividend and jack up the prices". We are a bit concerned about what that is flagging for future prices. Again, even assuming that there should be a maximisation of return on investment - and there can be debate about the extent to which that is the sole goal of a utility provider - that can be achieved under the statutory authority formula. So, each of those four points could have been achieved under a statutory authority mechanism.

The final point says that it would allow the corporate body to set itself up along company lines, in line with the Corporations Law. In other words, you have to be a corporation to be a corporation. Yes, I grant you that, as a matter of simple logic, you do have to be a corporation to be a corporation. So what? It is meaningless. But then you say that it puts it on a comparable footing with other commercial enterprises to become competitive. So, we come back once again to this mantra that ACTEW has to be a corporation to be competitive. Why? In what sense does it have to be a corporation to be competitive? It is a different argument to the breaking down of the vertical monopoly in electricity generation, distribution and supply that applies in the larger States. ACTEW does not generate; it is clearly not that type of organisation. ACTEW should be as efficient as it can be.

To the extent that we have the opportunity to engage in cross-border operations, yes, we need to be involved in that. To the extent that we need to protect our patch against any raids from interstate, yes, we have to do that. But tell me why you have to change to the corporate form to do that? Tell this Assembly why it is necessary to go through this process. Your whole argument here is based on a mantra of competition, competition, competition, and a blind acceptance that you must change to the corporate form in order to achieve these policy goals. You have conspicuously failed to demonstrate the case, other than - - -

**Mr De Domenico:** You have just given five good reasons out of the speech yourself.

**MR CONNOLLY:** As I have said, each of those four reasons, even assuming that they are valid policy goals, can be achieved under the statutory authority form. Providing efficiency incentives: Yes, ACTEW has been working on that for years, moving year by year to improve its position, and could continue to do so under the statutory authority form. Surely you would not deny that you can achieve that under the statutory authority form; and, if you do deny it, please explain. Separate the regulatory functions from the commercial functions of ACTEW: We do not necessarily agree that that is a desirable policy goal; but, if it is a desirable policy goal, you can easily achieve it by separating your regulatory functions into the Department of Urban Services, or whatever other arm of the ACT service you want to perform them, while retaining the corporate and commercial functions within the statutory authority model.

Identify and fund accordingly the community service obligations: You can do that under a statutory authority model, and work has been done to that effect already. If that funny little piece we read in the newspaper this morning and that Mr Whitecross adverted to is an indication of things to come, you will be doing that across a whole range of government services, whether they be statutory authorities, corporations or line agencies or departments of state. There are plenty of line agencies where you could apply the argument that there are community service obligations and that those should be separated. So, you can achieve that policy goal, if it be a sound policy goal, quite easily under the statutory authority form. Allow the Government and the community to maximise the returns on their investment in such enterprises: Again, you can achieve that under the statutory authority model.

Of your five points, four of them are easily achievable, if they are sound policy outcomes, under the statutory authority model. Your fifth point says that it has to be a corporation in order to be a corporation - we grant that as a matter of logic, but it is meaningless - and you have to be a corporation to be competitive. The competitive nature of a body depends, at the end of the day, on its bottom line. If I am a commercial customer, my choice of whether to buy power from ACTEW, Pacific Power, Prospect or Illawarra will depend on the bottom line. I could not care less whether I am dealing with a statutory authority, a government-owned corporation - which we are assured ACTEW will remain - a private sector body or a half-government half-private-sector body. My decision as to where to buy power will be that I will buy power where it is cheapest.

**Mrs Carnell:** And that is what this is about.

**MR CONNOLLY:** But why do you need to change to the corporate form? If you want to go ahead with efficiency processes, if you want to go ahead with micro-economic reform, you can do that - - -

**Mrs Carnell:** Because it is important to have employment flexibility. It is called employment flexibility.

**MR CONNOLLY:** But you have given all sorts of assurances to the unions about not tampering with terms and conditions, have you not? So, you are not going to change terms and conditions. You have said that to the workers. You have given these promises, but now you say that what we have to do is change the employment structures to reduce the bottom line.

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**Mrs Carnell:** To be flexible.

**MR CONNOLLY:** Flexible, yes. I am sure that lots of workers know what flexibility means. It usually means a brown envelope with a blue slip in it saying, "Thank you, sir. You are going to be more flexible; go and collect your redundancy pay".

**MR SPEAKER:** Order! Mr Connolly, your time has expired.

**Ms McRae:** Mr Speaker, as a trivial point of order: According to which clock? They are completely different.

**MR SPEAKER:** I will explain that shortly.

**MR CONNOLLY:** I was watching that clock, Mr Speaker. I was just coming up to my peroration. (*Extension of time granted*)

Whatever your stated policy goals are, there is no reason why you cannot achieve them under the statutory authority framework. In order to get support from the community for this proposal, and particularly in order to justify racing this thing through - - -

**Mrs Carnell:** We tried to get ACTEW incorporated.

**MR CONNOLLY:** You have tried nothing. You have been in government for three or four months. In order to justify these changes, you must explain what it is that you want to achieve. To date, you have achieved nothing other than rhetoric and a few dinosaur jokes.

**MR SPEAKER:** Ms McRae quite properly raised a problem. I advise members that, due to a malfunction of the timing clocks, the bell will ring with two minutes remaining rather than the normal one minute. So, when the bell rings you will know that you have two minutes instead of one, unfortunately.

**MR HIRD (8.46):** Mr Speaker, I would like to draw Mr Connolly's attention to the *Financial Review* of 9 June 1995. It says of New South Wales, which has a Labor government, "NSW takes first bite on the power-reform bullet". New South Wales does that because they know that they are coming down here.

Mr Speaker, it is with great enthusiasm that I rise in support of this Bill. During the past weeks we have heard debate from both sides of the Assembly about the significant benefits and perceived drawbacks of corporatisation. It is reassuring to note that, whilst the Opposition opposes ACTEW corporatisation on ideological grounds, the four members sitting on the cross benches have all said that they do not share that view. This indicates that they understand the obvious business and community benefits which will flow from the move. It is equally pleasing to note that the New South Wales Labor Government has announced that 13 key government agencies will be corporatised by 1 January 1996 to improve efficiency and reduce charges to that State's investors and consumers, making electricity and water cheaper in New South Wales than in Victoria and Queensland.

The New South Wales Government, Mr Speaker, has acknowledged the need to corporatise its power utilities as part of the Federal Government's Hilmer national competition reforms. The New South Wales Treasurer, Michael Egan, has said that competition reforms will produce major economic benefits for Australia, and his Government is determined to see that New South Wales consumers, businesses and employees are the winners. Similarly, the ACT Government is just as keen to ensure that ACT consumers, businesses and employees are the winners from corporatisation. As the benefits of corporatisation are clearly evident to the Labor Government in New South Wales and also the Federal Labor Government, the question is whether the opposition by ACT Labor is just a knee-jerk reaction to anything that this Government proposes.

**Mr Humphries:** This is a jerk reaction, actually.

**MR HIRD:** Yes, Mr Humphries. One wonders, then, whether the ACT Labor Opposition really understands the issues. Mr Berry certainly does not understand the difference between privatisation and corporatisation. To suggest that a corporatised ACTEW will lose sight of its customers and focus primarily on gaining profits is absolutely incorrect. Consumers are the reason for ACTEW's existence. The bottom line, for those who have not been in private enterprise, is that no corporation can survive if its services are no good and its prices too high. Mr Connolly touched on that.

Under corporatisation, ACTEW will have to compete for customers and justify prices charged for electricity and water when new competition policy, agreed to by both Liberal and Labor governments across Australia, is introduced. This agreement has important implications for ACTEW, as ACTEW will face competition in areas where it currently holds a monopoly. In electricity, ACTEW will have two core business activities - the retail sale of electricity, and electricity distribution. ACTEW will be able to buy energy from any source and, within some limits, sell to any buyer. Distribution wires will have to be shared with other retailers, who will be allowed to sell to the same customer group; and a national external regulator will oversee the prices. This means that ACTEW will have to compete for customers, justify prices, allow others to use the distribution network, and market improved services and customer support.

In water, the reform program will be similar to that for electricity. This will mean regulations, a code of conduct, market rules, metering and technical specification, pricing oversight and a dispute resolution process. ACTEW will be required to focus more on demand management and customer services. Through corporatisation, ACTEW will be permitted to get on with its business of delivering energy, water and sewerage services. At the same time we, the Government, and the community will be ensuring that standards, levels of service, community services, environmental targets and responsibilities are met. Moving to a more private sector model of capital investment and business management will place discipline to perform on the board and management. There will be increased focus on costs and returns. This will require a clear commitment to the level of performance shareholders can expect. All the discipline of the Corporations Law will bear on ACTEW to make it fully accountable for its performance.

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**Mr Berry:** This is not an auction, Harold. We want details.

**MR HIRD:** Mr Berry, listen and you will learn, for a change. In the competitive environment where consumers will have a choice, it will become even more important in 1996 for ACTEW to improve on its already high standards in the area of customer service. ACTEW will be able to effectively meet these challenges only if it is corporatised.

We in the ACT need to provide the best possible framework for ACTEW's future, to make sure that it can continue to be at the forefront of utilities in this country. To do otherwise would be an abrogation of our responsibilities as representatives of this community. Examples from around the nation show that corporatisation is the path to follow to ensure this. It becomes evident that corporatisation will mean the lowest possible pricing of services, combined with the highest possible quality of consumer service consistent with a fair return to government and the community on investment.

Corporatisation will provide not only benefits to the ACT consumer but also gains to ACTEW staff - listen to this, Mr Berry - by providing the organisation with the flexibility to innovate and compete with the private utilities, including several New South Wales utilities which will be vying with ACTEW for market share; by accelerating current programs to increase skills and productivity of employees; by tailoring awards for employment of staff by ACTEW Corporation to suit industry conditions rather than those of the wider public service; and by tailoring enterprise bargaining to speed up the reform of work practices that inhibit efficiency. This will not be a disadvantage to staff of ACTEW. They will maintain their current terms of employment, whilst the red tape of the public service will be removed. In fact, Mr Speaker, in my discussions I have found that staff see this as a positive move because they can see that a more efficient ACTEW will be able to save jobs rather than lose them to competitors such as Pacific Power from New South Wales.

Corporatisation will assist ACTEW to compete and remain profitable in the national electricity market from 1 July 1996. Mr De Domenico, as Minister, is to be commended. Corporatisation will provide more precise commercial measures and a commitment to increasing efficiency and innovations, and it will provide an organisation which will meet its obligations under the competition reform process. On the other side of the coin, Mr Speaker, if ACTEW is not corporatised by 1 July this year, the various utilities, such as Pacific Power, already courting the commercial consumers of the ACT, in particular the Federal Parliament House, will be in a better position to attract significant market share. This will be due to ACTEW's decreased ability to compete in cost, efficiency and service and subsequently will result in a drop in revenue which will have serious implications for remaining customers and the ACT community at large, Mr Speaker.

**Mr Berry:** Could you detail those for us?

**MR HIRD:** Just wait. You listen. Underused infrastructure will impose cost burdens on the ACT community, and prices will need to increase. The funding of many ACT government services from ACTEW's dividend will be significantly affected. Due to a drop in customers and revenue, staffing levels would need to be decreased, as would ACTEW's current expenditure in purchasing local services and materials, with obvious consequences for the whole of the ACT community.

Mr Speaker, by corporatising ACTEW as an ACT Territory-owned business, the business returns stay in the ACT. We the community own the business. As the corporation grows and expands into developing markets, job opportunities will grow and increased revenue will provide a boost to the ACT economy. The Greens have acknowledged that ACTEW has an excellent record in meeting environmental obligations, a record of performance of which both ACTEW and this Government are justifiably proud. (*Quorum formed*) ACTEW has embraced the principles of ecological sustainability and has shown that it is possible, practical and desirable to couple environmental concerns with running a business. The future water strategy released last year is an example of this. ACTEW has sought, with community consultation, to delay the need for another dam in the ACT, which is good for the environment and will save ACTEW and the ACT community money. As well, Mr Speaker, the Lower Molonglo sewage treatment plant is the most advanced in the world, and ACTEW is constantly looking at ways to improve the quality of water the plant puts back into the river system. This can be seen in the development of a technique for reducing the toxic blue-green algae which pollutes many New South Wales rivers. That technique, after recent trials in Cooma, has proven to be very successful. These are just a few of ACTEW's achievements, Mr Speaker, all of which are supported and encouraged by this Government in the policies which helped bring it victory at the recent February election.

I believe that we also have support from Mr Connolly for corporatisation. He is not in his seat, but I understand that he is not far away. When the Labor Party was corporatising Totalcare Industries, on 28 November 1991, Mr Connolly said:

The decision to corporatise Totalcare has been taken by the Labor Government in the light of the commercial nature of the company's operations, the level of competition which it experiences in the marketplace and the need to place it on a similar footing with its competitors. Corporatisation will allow the former Health Services Supply Centre to operate more effectively and seek and win new business.

He went on to say:

Totalcare ... will be well placed to explore new market opportunities. If it is able to capture these new markets it will be able to take advantage of significant economies of scale.

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It is exactly the same situation today with ACTEW. We are entering a new phase of competition that we must be prepared for now. Just as it was necessary for Totalcare to corporatise because of the need for greater efficiency and to be competitive in 1991, it is necessary to corporatise ACTEW on 1 July this year because of new competition from corporatised Pacific Power of New South Wales and other corporatised electricity providers. Will Mr Connolly now support corporatisation of ACTEW, as circumstances have changed regarding competition? I believe that he should, because on 10 November 1991 he said:

ACTEW, on the other hand, is not competing with the private sector. It is a supplier of a monopoly service.

Not any longer. He also said:

It enjoys a statutory monopoly -

not any longer -

for the provision of electricity and water in this Territory ... It is a totally different organisation from this body.

He was referring to Totalcare. Not any longer. He went on:

There is no competitor.

Not any longer. Mr Speaker, the situation is about to change drastically. We are now looking at a different ball game. It is essential that we corporatise ACTEW as soon as possible. I commend this package of legislation to the Assembly and believe that the legislation should pass tonight for the benefit of not only the consumers of the ACT. (*Extension of time granted*) Mr Speaker, in closing, I simply say that, for the sake of the consumers of the ACT and the people who have jobs with ACTEW and who may suffer in the raids of the New South Wales competitor, I commend the legislation and look forward to the support of even Mr Connolly for this legislation.

**MR OSBORNE** (9.02): Mr Speaker, I said at the start of the debate on this issue some weeks ago that I was not against corporatisation, nor was I necessarily for it. It was then up to the Minister, Mr De Domenico, to convince me, so that I could then tell the people who live in Brindabella that they would be better off each day from then on with a corporatised ACTEW and it would be - - -

**Mr Berry:** What did he say? Did he say, "I do not know; I do not care."?

**MR OSBORNE:** To be quite frank, Mr Speaker, until yesterday I was unsure. As late as yesterday afternoon I had a conversation with Mr Berry and said, "Let us knock it on the head". I have listened to the Liberal ideology about corporatisation and I have also listened to the Labor ideology about corporatisation and - surprise, surprise! - they differ; but the bottom line, Mr Speaker, was that I needed to be convinced.

My biggest concern in this whole debate and this whole issue, Mr Speaker, was how the normal people, my next-door neighbours, would benefit or suffer from a corporatised ACTEW. As far as I am concerned, ACTEW is a great operation. I remember that when I first moved down to Canberra we arrived in town on a Sunday afternoon and we had our power turned on the first day. I had lived in Sydney for 25 years and thought that if you got the power turned on within three weeks you were lucky. I have always had a very good opinion of ACTEW. The biggest consideration for me was: Why change? I have listened to both sides of this debate tonight. A lot of the points that the Labor Party have brought up have been very valid.

To be quite honest, in the last week I have felt a very important person. I have been visited by every bureaucrat in relation to ACTEW. Dr Sargent came to see me a couple of times. Peter Phillips - the chairman - and Jim Service came to see me. Just about every member of the Liberal Party involved with it came to see me. I must say that my ego has been somewhat inflated by all the attention I have received.

**MR SPEAKER:** It does tend to happen here, Mr Osborne.

**MR OSBORNE:** Yes. To be fair, I have had many a meeting with Mr Whitecross, who, I think, has put up some good arguments. I have also spoken to Mr Berry a couple of times, but I question - - -

**Mr Berry:** I even went out to watch him play football.

**MR SPEAKER:** Order! Interjections are out of order, particularly when you are out of your chair.

**MR OSBORNE:** He came out and watched me play football, and I think we spoke about it even there. But I question Mr Berry's involvement along that line of ideology. I still had not been convinced. To be quite frank, I was a little bit disappointed initially with the way it was handled and the fact that I myself had to chase many of the details that I was looking for. I heard all the arguments, and the same thing came back to me: Why change?

One thing that really stuck in my mind, I suppose, was that the national grid coming in next year is a very valid argument. Although we have a very efficient ACTEW, we have to come to the realisation that a mob like Pacific Power, which works all the way around our Territory, is going to pose a big threat. The thought of losing the monopoly in the ACT caused me to give the matter a lot of thought. Dr Sargent mentioned the possibility of losing Parliament House, which turns over \$10m for ACTEW every year. You would be a fool not to agree that that was a concern. But still I had not been convinced completely. It is very hard for the Labor Party to accept the corporatisation of ACTEW, but Labor parties outside of the ACT are going down this path. I could see that the tide was turning. It is a little bit like the republic debate. No matter what you think, I think a republic is inevitable. That is the way it is going. I also formed the view that that was perhaps the way corporatisation was going, whether or not you like it.

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But I still had some grave concerns, and the big one for me, more than any other, was pricing. I was worried about what would happen to the prices. Once ACTEW was corporatised, would the prices all of a sudden go through the roof? That is what the majority of people out there are concerned with. I have sat here and listened to arguments about this and about that. To be quite frank, Mr Speaker, I am not overly concerned with all those things. I am mainly concerned with how the people who voted for me are going to benefit or suffer. The big concern for me was the pricing. I had a discussion with Mr De Domenico about an amendment that I am going to move. He allayed my fears about pricing. My amendment, which I will not speak about too much now, will propose a regulatory body, an independent tribunal which will monitor price. That was a big step towards convincing me.

Another issue was disconnections. I am aware that, more than anyone else, the people on low incomes, the people on social security, are the ones who suffer if prices go up. I have had an assurance from Mr De Domenico that the status quo will remain. Another thing that caused me many a sleepless night was the board. I had a problem with the board becoming a vehicle for jobs for the boys and the seven members of the board suddenly becoming seven of the Liberal Party faithful.

**Mr Berry:** Did you get a guarantee that the chairman's wages would not go up?

**MR OSBORNE:** That was another concern Mr Berry raised with me. I addressed with Mr De Domenico yesterday the wages for members of the board, and he assured me that the situation would remain as is.

**Ms Follett:** It will not be up to him, will it?

**MR OSBORNE:** I am on fire, Rosemary. Another issue concerned positions on the board. I had thought of moving an amendment in relation to the shareholders; but the Minister gave me an assurance that one spot on the board would be for someone from the Smith Family, the Salvation Army, or that side of life, who had a real feel for what was happening. We can all sit here and speculate about what it is like, but people from those organisations have a real feel for what it is like out there. We can sit here and argue for six months about a select committee and about which way ACTEW is going to go; but appointing to the board someone such as that, who will have an ongoing role in the direction that ACTEW takes, will give the people out there who suffer the most a voice. That, to me, was a big concern, and that was another thing that the Minister reassured me on.

Probably the big thing that sold me was the Trades and Labour Council support in principle for ACTEW. Today I received some figures on union members in ACTEW. They show that some 900 of the total work force of about 1,400 are union members and that 82 per cent of those 900 are members of unions which basically are not opposed to the corporatisation and 61 per cent are members of unions which not only support corporatisation but also advocate it from 1 July 1995. There has been a lot of talk about the TLC wanting corporatisation to start at the end of the enterprise bargaining deal. I suppose that it is a great bargaining tool for them, as it is for Dr Sargent, when they sit down around the table.

I suppose that what it all boils down to is that everything I have learnt about ACTEW would indicate that the primary issue, as the Greens have said tonight in declaring that they are not opposed to the corporatisation, is basically a matter of the timing. When do we corporatise? As the Labor Party said this morning on the issue of Versailles, the French people have elected their representatives and the French people are responsible for the decisions that they make. It appears to me that I am in the same situation. I have been elected and I need to make a decision about timing. My two main concerns have been addressed by Mr De Domenico. I think the average householder has been protected. It was then up to me to decide when we should corporatise. I thought about the idea of 1 January 1996, but then I decided: Why wait? A big consideration was the threat that running the two books between now and 1 January 1996 would cost the ACT taxpayers \$1m, so that solved that problem. Being an elected member, I was not prepared to waste \$1m when I had made up my mind on the path I was going to take.

Mr Speaker, this has been one of my most difficult decisions. I probably did not want to have to make it, but I suppose that in this line you have to make these decisions. What made it harder, Mr Speaker, was the fact that I had to find all the answers myself. I wanted Mr De Domenico to convince me. I found that I had to convince myself. I could see that there were some very valid arguments. I suppose that in the long run I do not think anyone out there is going to be disadvantaged by ACTEW going down this path. With the threat of the national grid coming in, I do not think I had a choice. I will be supporting the move towards corporatisation.

**MR HUMPHRIES** (Attorney-General)(9.14): Mr Speaker, Mr Connolly, who is not here at the moment, posed an interesting question during his remarks, and that was the question of exactly what it is that ACTEW can do in its corporate form which it cannot do in a statutory authority form or some other form. That is a very good question. It deserves an answer. Mr Speaker, the answer I would determine is one that I have gained from personal experience. It is an answer which, I think, goes to the question of not what ACTEW could do but rather how it does what it does. I will explain that by referring to my experience within the predecessor of the ACT Government Service. I do not think there are many members of this place who actually were employees of the Department of Territories in one form or another. I think Ms Follett might have been.

**Ms Follett:** No.

**MR HUMPHRIES:** No. Mr Berry was. Mr Moore was, I think.

**Mr Berry:** I was in a statutory authority.

**MR HUMPHRIES:** There are only a few of us who were, in effect, in employment within the predecessor of the ACT Government Service. As well as being an employee of the Department of Territories, as it then was, I had had experience before that as an employee in a private sector firm with similar kind of work. I was a lawyer in the private sector and became a lawyer in the government service, so I had the chance to experience the different ways in which those two fundamental areas of employment in our community work.

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The experience that I derived relates particularly to the taking on of new employees. In my private sector guise, I had the capacity to make decisions about employing other people in the firm I worked for. For example, on a few occasions, I had to employ staff of various sorts. We would place an ad in the newspaper, the ad would be answered a couple of days later, we would interview the people a couple of days after that, we would fill the position and the person would then start. The process would usually take about a week, maybe a couple of weeks for legal staff, but certainly of about that order.

When I was in one of the legal sections of the then Department of Territories, I was asked to chair a selection committee. I agreed to do this. I imagined that I would be able to put an ad in the paper, interview people who answered the ad and then, with my committee of three, make a recommendation as to what should happen with those particular applications. The process that I embarked upon, from go to whoa, lasted well in excess of three months. That was to employ a fairly small number of additional lawyers in the ACT government service, some of whom are still there. It took more than three months to make a decision that would have been made in the private sector in less than two weeks - I have no doubt about that - for equivalent positions.

It was not that there was any particularly difficult process that had to be encountered or that there were any particular additional qualifications that people in this circumstance needed but that people in the private sector did not need. The difference was a difference in the culture of operation between the private sector and the public sector. The difference was a difference in the speed and efficiency of decision-making between those two sectors. Mr Speaker, that is what these corporatisation Bills before us tonight are all about. They are about providing a mechanism for ACTEW to operate in a commercial, competitive world, one in which the sorts of symptoms of public service operation do not inhibit the way in which ACTEW provides services to the community. ACTEW must provide those services in an entirely different environment.

Members opposite, when they first started to debate the Government's program of corporatisation in this area - and I think Ms Follett particularly did this - sniggeringly said, "We do not have any competition in electricity. Whom are you going to buy your electricity from if not ACTEW? Teehee, hee!". Of course, Mr Speaker, that exhibits the enormous ignorance that has been present on the benches opposite. We are today in an intensely competitive environment for provision of electricity, for services. That competitive environment will spell a difficult path for ACTEW if it is not able to compete on similar terms with other organisations. We must give ACTEW the opportunity of providing that kind of competition to those firms, or else the environment will see ACTEW's competitive position deteriorate. That would be bad for us, Mr Speaker, because we are the people who benefit, who see the dividends, so to speak - that is, the community of the ACT. We lose out if ACTEW cannot compete in that marketplace.

If we can ignore the evidence of what is happening in other parts of this country, ignore the fact that other States, including many Labor States, have seen fit to corporatise their public utilities in the same fashion, we still have the problem that we will be operating in an environment which is changing so rapidly that a responsive organisation is required to meet those challenges. I do not believe that we can do that merely by dictating from a Minister's pen what level of efficiency ACTEW will achieve.

ACTEW must still operate within a public sector milieu. Excuse the use of the French word. Under this arrangement it has the capacity to operate in a private sector milieu. That is the sector in which it must compete.

Mr Speaker, I see corporatisation as being about introducing commercialisation or commercial values into the application of the work that ACTEW does. Commercialisation is the application of private sector management techniques and structures to government bodies which were previously subject to rigid central control. That does not imply that public ownership is in any way put at risk. Members opposite, particularly Mr Berry, have been quick to equate this move with the privatisation of ACTEW. Let me remind members - if it is not already clear to them - that privatisation, even if it were the policy of this Government in respect of ACTEW, could not occur without further legislation. To achieve such a change, we would have to obtain the support of a majority of members on the floor of this Assembly. If you see this as a staging post towards privatisation, it would be that only if it were seen by members of the community as showing up the need on ACTEW's part for there to be a more efficient operation, one which could not be delivered under government control; but that is not the position we are in today. We believe that ACTEW needs to be retained by the government sector; and it will be, under this model. It is quite false and dishonest for those opposite to suggest that this is in fact some form of clandestine privatisation.

I think that those opposite have shown a considerable lack of diligence in pursuing exactly what it is that this particular model is all about. Frankly, I would have expected better research from them if they were going to make a considered contribution to this debate. Mr Whitecross, for example, who is also not here - he is off doing something else, I assume - made a suggestion about this Bill. (*Quorum formed*) Mr Speaker, Mr Whitecross told us that the whistleblowers legislation was not going to apply to these Bills. I picked up my copy of the consequential amendments Bill and turned to the fifth page - I did not have to get very far - to see that the Schedule amends the Public Interest Disclosure Act 1994. That is the whistleblowers Act. It does apply to this legislation.

I wonder whether members of the Labor Party, in their research on this matter, have bothered to go to their colleagues in other States, who have been in this position before, and ask them why they did what they did. I take it from the silence opposite that they have not done that. I think that is reprehensible, Mr Speaker. They are entering this debate saying, "You are making a mistake, Government. You have not proved your case. You must prove to us that corporatisation is the way to go". Mr Speaker, they have done so without clearly canvassing the reasons that their Labor colleagues in other States have seen the imperative to go down this path. For goodness' sake, we are corporatising only our second body in the ACT. We are way behind in this game; we are not exactly leading the pack. You would think that those opposite would have had ample opportunity to canvass views around this country. We all know that, if this were anywhere else, people like Mr Connolly from the Right would be leading these sorts of initiatives, not criticising a Liberal Government for doing them. But the imperative of this Opposition at this point in time is, "You cannot go along with what the Liberal Government wants to do, because they are the Liberals and they are not to be trusted".

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The suggestion was made by, I think, Mr Connolly, that the idea of better return on the investment is code for getting a bigger dividend out of ACTEW and therefore forcing up prices. I point out to members of the house - - -

**Mr Connolly:** Better return on the investment means a bigger dividend, surely.

**MR HUMPHRIES:** If you want to talk about bigger dividends, let me point out to members that in the four years of Labor government, during which they controlled ACTEW, the total dividend returned to them from ACTEW was \$100m. In the one year of Liberal government, during the Alliance Government, that return was only \$12m. You can see from those figures that the average Labor dividend was more than double the Liberal Party's dividend from ACTEW. Who was squeezing money out of ACTEW by way of dividends?

Mr Speaker, let me also point out that there is also a very dishonest argument running around in the Labor Party's ranks about there being some move to raise prices through corporatisation which is a direct product of this Government's plans to corporatise. Ms Follett, if she casts her mind back, will recall that last year she sounded a warning about higher prices for electricity in the ACT. It had nothing to do with the change in the structure of ACTEW. At that stage there was a Labor government in power. The reason that ACTEW prices for electricity were going to rise was that the ACT was being taken off the breast of the Snowy Mountains electricity scheme. We no longer have that highly advantageous arrangement with the Snowy Mountains Authority which effectively gave us heavily discounted power. We therefore have to go into that competitive market that those opposite do not seem to believe exists. In that competitive market, unfortunately, in the absence of those subsidies - at least in the short term - prices have to rise. That is what Ms Follett told us last year; but, when we sound the same warning for the same reasons this year, Mr Whitecross says, "That must be because of corporatisation. Aren't these guys nasty? Look at what they are doing. We have proved our point. Prices are going up already". Mr Speaker, the citizens of this Territory deserve arguments of more honesty than that.

I think it is particularly distressing, if I might say so, that in this debate the Greens have overlooked the important advantages to consumers in this Territory of having in place a model for delivering corporate services which has the capacity to take on board social objectives but which also remains competitive enough to deliver cheaper electricity prices for the people of Canberra. If we do not corporatise this body and if it does not compete effectively in this new competitive market, there will be a direct and clear consequence of that fact. It will not be that ACTEW will cease to exist. That is almost certainly not going to be the case. It is a statutory authority. It will remain in existence, because we created it and we sustain it. What it will do is pass on higher electricity prices for the people of Canberra, if it is in that marketplace and if it cannot compete on that corporate plane.

Mr Speaker, the proof of the pudding is that other States have decided to eat it. They have all gone down that path. They know what has to be done. The Federal Labor Government has in fact heavily corporatised bodies it owns, for precisely the same reasons - OTC, Australian Airlines, AIDC, the Snowy Mountains Engineering Corporation, the Federal Airports Corporation, Telecom. Others more recently have

been privatised. Either they are totally wrong, they have completely got the wrong end of the stick, or they have done something which their own experience over the last few years has proved that there is a need to do. Mr Speaker, that is the case here. We owe it to this community to keep ACTEW on the competitive edge. We do a disservice to our community if we are not prepared to make those decisions to put it in that position. I would urge members, therefore, to put aside their ideological objections to the idea of corporate entities and corporate milieus and instead agree that this legislation is extremely important for the future of cheaper electricity in this Territory.

**MR MOORE (9.29):** Mr Speaker, is it not great to be here on a Tuesday night having our late night sitting, as those of us who sought to change the program from the conventional Tuesday night sitting indicated that we expected would happen on occasions? That being the case, Mr Speaker, I must say that I welcome being here and welcome particularly the contributions by a number of members who sought to enlighten us on a range of issues. I note the contrast between the debating styles of Labor members. Andrew Whitecross presented sensible, albeit ideologically based, arguments. That contrasted greatly with the continuing stunts of the Deputy Leader of the Opposition, Wayne Berry, who probably ought to be known as the stunt master. Mr Speaker, some of the statements from Mr Berry really made me cringe when I thought back to the previous three years when he had been in government and particularly when he had been a Minister. I now hear exactly the opposite things coming from Mr Berry. It seems very strange to me.

Mr Speaker, a wide range of reasons have been presented as to why we ought to proceed with this corporatisation and a wide range of reasons have been presented as to why we ought not. For me, it fundamentally boils down to a changing culture in ACTEW. In the last three years, under the guidance of its chief, Mike Sargent, ACTEW has seen a great change in the way that ordinary people deal with ACTEW. We have seen a great change already in the whole culture of the way people deal with ACTEW. Some of that credit must go to the Minister responsible at the time. For most of the time, if not all of the time, that was Terry Connolly. I think great credit is due there.

Mr Speaker, it seems to me that at the last election there was a significant rejection of the way Labor had been managing the Territory, and people looked to a new way of management. As I understand it, that new way of management includes allowing the Liberal Government to operate in a way in which we would expect a Liberal government to operate. However, the Chief Minister points out to us that in fact we are getting a similar operation from the New South Wales Government, which I recall her saying is corporatising 15 bodies within New South Wales. What I am interested in seeing, Mr Speaker, is a development of the cultural change that has already occurred. That cultural change should apply not only to the economic running of ACTEW but also to its environmental role and its role as the seller of energy rather than as just a business that deals with electricity and water.

Mr Speaker, there is no doubt that over the last three years there has been significant change in the way ACTEW operates and in its response to questions raised by this Assembly. As chair of the Environment Committee, I certainly remember dealing with the issue of co-generation of electricity. I remember the response that came back from the Minister and the Government. I also remember the very positive response from ACTEW,

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which took on board what we were seeking to do and ran with it with more flexibility. In a corporate structure they will be able to run even harder. Part of the reason for that, Mr Speaker, is self-concept. That is the driving force behind why I see it as appropriate to move towards this corporatisation.

Mr Speaker, a number of amendments will be moved from different places in the house. I can see some members standing up and saying that there is an impossible number of amendments and it will be difficult to handle them. On the contrary, we have what strikes me as a fairly average number of amendments for a Bill of this importance. Certainly, those prepared by the Greens, by Mr Osborne and by Mr Whitecross are significant. Some of them I disagree with. That is fine. Some of the amendments put by Mr Whitecross I agree with. All of Mr Osborne's I agree with. He originally had some others which he discussed with me, and which I know he discussed with other people. He has since removed those. Some of the amendments put up by the Greens, I think, will enhance this piece of legislation and will enhance the corporatised ACTEW. That is how this Assembly should operate. I am delighted to be taking part in this debate, and I will be delighted to support a range of different amendments.

Mr Speaker, I think this legislation marks a step forward in the way one body in the Territory at least will be able to operate, in the new environment which is going to be launched in a year's time within the Australian context, particularly for the supply of electricity. Mr Speaker, I think this is a step forward for the Territory.

**MR DE DOMENICO** (Minister for Urban Services) (9.36), in reply: Mr Speaker, prior to the last election this Government, as a fundamental plank in its election manifesto, made a commitment to corporatise ACTEW. This position has been consistently held since 1991, when the Alliance Government promoted and almost effected the corporatisation of ACTEW. It was not then and it is not now a radical proposal. The fact is that since the early 1980s most Australian governments - Federal, State and Territory, both Liberal and Labor - have seen the sense of corporatising government business enterprises.

Mr Speaker, since the proposal to corporatise ACTEW was first mooted in 1991, the Queensland Labor Government, for example, has corporatised its electricity utilities. In New South Wales, as Mrs Carnell and others have mentioned, the incoming Labor Government has wasted no time in announcing the corporatisation of its energy utilities. In fact, New South Wales has recognised the sense of corporatising its government business enterprises and has announced that 15 of these enterprises will proceed down this path, not for ideological reasons but because it makes good sense. This Government approaches this reform from the same perspective - that is, it is the sensible thing to do. Mr Speaker, the Hilmer reforms seek to introduce competition as part of national micro-economic reform leading to increased competitiveness of Australian products both nationally and internationally. Industry Commission inquiries indicated that utilities are a major component of overall product cost and that the competition policy's objectives are to reduce this additional product on-cost.

Members will appreciate that corporatisation is not any new phenomenon. Since 1983 the Federal Labor Government has corporatised or is in the process of corporatising OTC, the Office of Defence Production, AIDC, the Snowy Mountains Engineering Corporation, the Government Aircraft Factories, the Federal Airports Corporation, Aussat, Australia Post and Telecom. Mr Speaker, these changes have not resulted in a cataclysm, as the members opposite would have the community believe is a natural consequence of corporatisation. These valuable community assets have been enhanced. In fact, these reforms have resulted in better performance by the corporatised body and hence a better return to the community. For example, the corporatisation of the Government Aircraft Factories resulted in an increase in sales of 24 per cent.

On a local level, corporatisation is not a radical or ideologically driven issue. Totalcare is a home-grown example of a government business enterprise that has successfully corporatised under this legislation. Totalcare was corporatised on 1 January 1992 by a Labor government, and within six months it had turned itself round and was recording a profit. It is estimated that since corporatisation Totalcare has saved \$1.4m per annum for the taxpayer through improved efficiency, with no reduction in the quality of service.

The constant chant from the detractors of this reform, primarily the Labor ideologues, is: Why corporatise ACTEW when it is performing satisfactorily in its current form? It is a variation on the "If it ain't broke, why fix it?" claim. In the present regulatory environment ACTEW and other utilities enjoy a monopoly in their respective areas of operation. In this environment ACTEW has performed efficiently and responsibly. However, as of 1 July 1996, perhaps even 1 January 1996, barriers to competition will be removed. In this new environment ACTEW, unless corporatised, will not be in an optimum position to protect its market in the Territory and compete in other jurisdictions. In short, corporatisation is a commonsense response to a changing economic and regulatory climate.

Rather than face this challenge, Labor hopes against hope that the consequences of competition will pass us by and that a decision need not be made. This Government cannot adopt this irresponsible course of action, because of the impact of such a course of action upon the Canberra community. The harsh reality is that if ACTEW loses market share jobs may be at risk. For example - Mr Osborne quoted this example - if it were to lose a \$10m contract, which is equivalent to the contract to service Parliament House, 20 to 30 jobs may be at risk. This is a risk that this Government cannot and will not accept. The Parliamentary Labor Party, in its response to this proposal, has shown itself to be the repository of the conservatives in this Assembly. The members opposite would prefer to ignore commercial reality if commercial reality conflicts with their outdated and outmoded ideological baggage.

The fact is that corporatisation will provide better value for money. With ACTEW's asset base of \$1.4 billion, taxpayers deserve a commercial return on that investment; and that can best be achieved by allowing the business to operate along commercial lines, thus becoming more competitive, while still maintaining its commitment to its community service obligations. These two objectives are not inconsistent. Corporatisation provides the best means of letting ACTEW reach its full potential as a vibrant player in the open market while still retaining ownership in the hands of the Territory.

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In keeping with the TOC Act, ACTEW will be incorporated under the Commonwealth Corporations Law and wholly owned by the Territory. The only voting shareholders will be the Chief Minister and the responsible Minister on behalf of this community. As such, ACTEW will therefore continue to be owned by the Territory, but it will be separated from the broader public service. It is entirely appropriate, Mr Speaker, that it be freed up from the bureaucratic constraints. This will give it the flexibility to compete more effectively. The board of directors will be appointed by the Government in consultation with members. We will ensure that the directors will be of high quality and proven ability and have a commitment to the Territory. The Government, as the shareholders, is concerned with the achievements of environmental, community and business objectives. We therefore intend to appoint directors with appropriate skills and experience to achieve these objectives.

The process and effect of corporatisation and quality of service to its customers, large or small, are not mutually exclusive; quite the contrary. Customers are the reason for ACTEW's existence. Each customer has been and will continue to be recognised as an individual deserving of the best possible service. Those customers are the people of Canberra, the community, the people who ultimately set the framework within which the organisation works. None of this will change with corporatisation. There has been no shortage of dissembling by those sitting opposite on the consequences of corporatisation. I have already indicated what benefits corporatisation will bring. It is now appropriate to set out what it does not mean.

Mr Speaker, there will be no job losses as a result of corporatisation. There will be no price rises as a result of corporatisation. There will be no reduction in services to the people of Canberra as a result of corporatisation. Standards will not fall. To say otherwise would be an insult to the workers within ACTEW. Those who are unable to pay their bills will still have the same safeguards that exist today. The statutory safeguards that exist through the operations of the Essential Services Review Committee will remain in force. Pensioners and low income earners will not be disadvantaged. The rights they have today will still be there on 1 July, when corporatisation takes effect. If power failures occur in the middle of the night, ACTEW workers will still be there to put the power back on. In short, Mr Speaker, when it comes to service and the expectations of the community, corporatisation will not reduce these at all.

As I stated earlier, Mr Speaker, this Government is committed to ensuring that ACTEW continues to uphold its community service obligations. The Territory Owned Corporations Act provides that the corporation can be directed by its shareholders - the Chief Minister and the responsible Minister - to carry out community service obligations. I give the undertaking to this Assembly that this will be the case under a Liberal administration. Schools will still receive the same reductions as they receive today. So, too, will charitable organisations and churches.

By corporatising ACTEW, the Government is looking to ACTEW to hold down its costs and pay a fair dividend to the Government that reflects the capital tied up in the distribution of electricity, water and sewerage in the ACT. As the Government will continue to be the owner of the corporation, we will ensure that ACTEW prices remain fair and competitive. Mr Osborne has given notice of an amendment which will make sure that that happens even more. As part of a move to a national electricity market to

cover south-eastern Australia, there will be a national oversight of pricing and performance by the various electricity suppliers. Therefore, customers will be protected in two ways. This will bind ACTEW as it will bind those corporate entities that produce and distribute electricity and water in New South Wales, Queensland and Victoria. Mr Speaker, this Government, as do other State governments, supports such controls as a means of ensuring that unfair competitive practices are not permitted.

By operating on a more efficient and focused basis through corporatisation, costs may be reduced, thereby minimising any price increases. I think it should be pointed out that recent price increases announced by ACTEW had nothing to do with corporatisation, that they were well within the CPI increase and that the increase in electricity charges was the first in three years. ACTEW continues to make returns to the Territory by means of the annual dividend which, as members will appreciate, is calculated on the basis of tax equivalent payable to the Territory, plus a proportion of the profit after tax, plus interest. In the past four years, the dividend to the Territory has totalled almost \$90m. It is this Government's commitment that any future dividend will be returned to the community; but, for the people of Canberra to receive the benefits of these dividends, ACTEW must be in the best position to produce the profits at first instance.

I have been asked on a regular basis, Mr Speaker, what impact corporatisation will have on my constituents and the constituents living in Molonglo and Ginninderra. Mr Osborne in particular asked about the constituents in my electorate, Brindabella, which is also the electorate of Mr Wood, Mr Kaine and Mr Whitecross. It is true that corporatisation will not result in stronger lighting or faster flowing water. I am, however, confident that ACTEW will be able to improve upon its excellent service record. If ACTEW's performance is prejudiced, although the effect upon the people of Canberra may not be felt immediately, it will affect them, nevertheless, through reduced dividends and the depletion of a community asset. For that reason it is in the interests of all Canberrans to see ACTEW corporatised.

Another concern raised is about the consequences of corporatisation for ACTEW's activities with respect to the environment. I can assure the members present that ACTEW's longstanding commitment to the environment will continue after ACTEW is corporatised. The efficient distribution and use of electricity and water and the treatment of sewage effluent are major environmental issues that have been a focus of ACTEW's interest in research and development in the past and are part of its activities which will continue to be the focus of ACTEW's interest after 1 July 1995. They remain a high priority of this Government and will be a key factor in ACTEW's continuing development and growth.

In April this year, Mr Speaker, I opened three energy efficient houses in Nicholls. I give credit to the previous Government. These houses were commenced by the previous Government under the purview of Mr Lamont. The aim of this initiative and others like it is to educate the community on conservation strategies. There is no logical reason to conclude that corporatisation will diminish these initiatives. The fact is that in today's business climate, as it will be in tomorrow's, being environmentally conscious

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is part of being a good corporate citizen. Furthermore, being at the forefront in developing technologies that promote conservation of the environment is also good business. This confluence of good environmental practice and good business will not be compromised by a change in structure.

Mr Speaker, as an example, corporatisation will effectively allow ACTEW to commercialise products of our research and development such as FERRAQ, a program to remove phosphorus from sewage effluent entering Australia's rivers, reducing problems with blue-green algae. A corporatised ACTEW will commercialise its existing developments in innovative water recycling technology. ACTEW will be more readily accepted as a participant in joint business ventures by potential partners from the private sector once it has been corporatised. For example, significant markets are opening up for package sewage treatment plants in Indonesia, using the type of technology demonstrated in the Southwell Park water recycling plant.

In its corporate form, ACTEW will be better able to market its technological expertise beyond our shores. In this economic climate you cannot stand still. Everything that can be done should be done to enhance ACTEW's competitiveness in vying for overseas business - a very lucrative market indeed. ACTEW, and thus the residents of the Territory, have benefited from this entrepreneurial activity to date and will continue to do so after corporatisation. ACTEW has already identified potential trade links with our nearest neighbours, in particular China, Indonesia, Malaysia and Fiji.

In a corporatised form, with the increased flexibility that that entails, ACTEW will also be able to focus its efforts on the marketing of locally developed technology throughout Australia. In this regard ACTEW will be in an excellent position to build on substantial gains made to date. Late last year, for example, it helped the people of Cooma reduce the amount of phosphorus accumulating in the Murrumbidgee River. Recently it completed a water mining project at Southwell Park. These two projects attracted enormous interest from overseas and interstate. Mr Speaker, contracts that ACTEW can develop with overseas and local buyers will profit this community. To deny ACTEW the best ability to pursue such activities is folly in the extreme. Fittingly, that is the approach that the Labor Party endorses. That is a prohibitively high price to pay to satisfy their desire for a warm inner glow.

Mr Speaker, ACTEW will remain an open book. With corporatisation, it will be bound by the provisions of the Corporations Law and open to the scrutiny of the Australian Securities Commission. As with any large corporation, the financial records of ACTEW will be open to scrutiny by members of the community. Furthermore, this legislation will specifically bind ACTEW to the provisions of the Freedom of Information Act, the Privacy Act, the whistleblowers Act and the Ombudsman Act. It should also be said that ACTEW will be bound by all environmental controls as set out in statute. Just like every other business, ACTEW will comply with the law.

Rights that employees currently enjoy will be enshrined. Rights such as maternity leave, long service leave, parental leave, recreation leave and sick leave will continue without any change detrimental to individual workers. *(Extension of time granted)*

Policy and procedures on issues such as EEO, industrial democracy, occupational health and safety, and recruitment will continue to be implemented and maintained to the high standard of the leading role that ACTEW has previously established. Any changes to conditions of employment will be negotiated through the enterprise bargaining process with all relevant parties.

Mr Speaker, ACTEW Corporation Ltd will be accountable to the Assembly and the people of Canberra by virtue of the requirement that it file a statement of corporate intent under clause 20 of the TOC Act and under the Commonwealth Corporations Law. This must be submitted by the company's board of directors to the voting shareholders within three months of ACTEW becoming a Territory-owned corporation and within one month of the beginning of each subsequent financial year. The voting shareholders must, in turn, table it in the Assembly. This document must address the following issues: The description of the main activities of the corporation; a description of the nature and scope of the activities to be undertaken, including ACTEW's major new work and participation in the national electricity market; its business and corporate strategies, which will be included in ACTEW's corporate plan and programs; the environmental goals and objectives of the corporation, including the environmental management strategy and the environmental action plan; stated targets and performance measures, generally as per ACTEW's financial plan but also addressing key performance indicators in relation to the environmental and human resource matters; and any other relevant information that may relate to the activities, business or management of ACTEW. Mr Speaker, I reiterate that this reform is not driven by ideology, although opposition to it is. It is a reform whose time has come. It must come about. The workers and management of ACTEW realise this, as does the Trades and Labour Council. It seems to me that it is only the Labor Party which averts its eyes from reality and would prefer to damage a valuable community asset on the altar of ideological purity. I commend the Bill to the house.

Question put:

That this Bill be agreed to in principle.

The Assembly voted -

*AYES, 9*

Mrs Carnell  
Mr Cornwell  
Mr De Domenico  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mr Moore  
Mr Osborne  
Mr Stefaniak

*NOES, 8*

Mr Berry  
Mr Connolly  
Ms Follett  
Ms Horodny  
Ms McRae  
Ms Tucker  
Mr Whitecross  
Mr Wood

Question so resolved in the affirmative.

Bill agreed to in principle.

### Detail Stage

Clause 1 agreed to.

Clause 2

**MR WHITECROSS (9.58):** Mr Speaker, I move:

Page 1, line 9, subclause (2), omit "1 July 1995", substitute "1 July 1996".

The purpose of this amendment is to change the start date for the new corporatised ACTEW from 1 July 1995 to 1 July 1996. Mr Speaker, seeing that the numbers are here in the Assembly to proceed with this now, notwithstanding the Labor Party's concerns about it, we believe that the passing of this legislation creates the certainty that ACTEW needs to prepare itself for a corporatised life in the future; but we are concerned that there should be a settling in time before that corporatisation should begin. The views of the Trades and Labour Council, of which much has been made by Mr De Domenico and by Mr Osborne, are perfectly consistent with our amendment, Mr Speaker, because the line from the TLC's letter which Mr De Domenico keeps forgetting to read is the line which says that they do not think that corporatisation should happen now. The effect of our amendment is to provide that breathing space during which unions could engage, with the TLC, in an enterprise bargaining process, and during which Mr Moore's committee, if Mr Moore decides to go ahead with it, could sort out any problems that we did not spot in the less than three weeks we have had to look at this legislation. It would give us a chance to set a few things straight before the new corporatised ACTEW begins. That is the basic purpose of this amendment.

Some debate could be had about whether it should be 1 July 1996 or 1 January 1996. We are pretty flexible on that. I picked 1 July 1996 because the management of ACTEW have made much of the fact that changing form in the middle of a financial year is an extremely expensive exercise. In order to save them this expense, I picked 1 July 1996; but we would be happy, if the unions are satisfied that concerns about terms and conditions of employment which they want clarified before ACTEW becomes a corporate entity are sorted out before 1 July 1996, to whip a quick amendment through the parliament some time down the track, to bring the date of corporatisation forward to 1 January 1996 or whenever. We are not wedded to that date. But that is always assuming, Mr Speaker, that ACTEW do not think it will be too expensive for them to change the date down the track.

We think that this provides the best of both worlds, Mr Speaker - the best of the Government's world from the point of view of having their corporatisation through and ACTEW management having a clear idea where they are going, but also providing that period during which the unions and others can work through the fine details of this change and make sure that all the i's are dotted and the t's are crossed before the start date. We think that that is much better than starting on 1 July 1995 and putting

ACTEW in the position of having the better end of the bargaining situation with their employees and with others. The Trades and Labour Council seem happy to let the date slip and, as I said, Mr Osborne and Mr De Domenico take the Trades and Labour Council's views very seriously. So, Mr Speaker, we think that they should be happy with this amendment.

**MR DE DOMENICO** (Minister for Urban Services) (10.03): Mr Speaker, the Government will be opposing this amendment. I think I need do no more than reflect on what Mr Osborne said when he spoke at the initial stage of the debate. We have made a decision. The Assembly has made a decision to corporatise ACTEW and I think it was a correct decision. Mr Whitecross said that he was not too fussed as to whether it is 1 January or 1 July. It seems to me that Mr Whitecross has something against 1 July 1995. Now that we have taken the decision to corporatise ACTEW, let us give them better than an even chance to compete with their competitors. Let us start on 1 July 1995.

**MR BERRY** (10.03): On the industrial relations front there is a range of issues which raise serious concern in relation to this matter. My colleague Mr Whitecross has drawn attention to the fact that much weight has been placed on the view of the unions in relation to this matter. I refer to the letter from the Trades and Labour Council, which says, in part:

However, the TLC position is that the date of corporatisation of ACTEW coincide with the registration of a new enterprise bargaining agreement; and negotiated conclusion of current residual issues which go to the terms and conditions of employment.

The Liberals opposite have said that nothing will change, that workers' wages and conditions will not change, nobody will be sacked, and so on; but they have also said that changes would be negotiated under the enterprise bargaining arrangements. Why, then, do they not proceed down that path as a preliminary measure? That is the key to this. If you want the support of the trade unions, which you crow about, you really have to proceed down this preliminary path before you get to a point where the unions really agree with you. I have to say that it would be dishonest for the Government to proceed down the path of an early commencement date, as is described in the Bill, without having first gone through the enterprise bargaining arrangements to sort out those very important residual issues which have been around for some time, as I understand it.

A little while ago we heard Mr Humphries speaking on this issue and he drew attention to some employment issues when he was a member of the government service here in the Australian Capital Territory. It became very clear to me what this Government was about in relation to employees. What they intend to do, very clearly, is to make the employment arrangements more flexible. For that read "less attractive".

**Mr De Domenico:** Read "more flexible".

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**MR BERRY:** Kennett said “more flexible”, too. Kennett meant “less attractive”. You ask all the Victorians who are leaving the State. It comes down to not having the guts to come out and say what you mean. It means making ACTEW employment arrangements more competitive - less costly, less of them, less attractive. Read all those things into the rhetoric that goes with the language which the Government is using in relation to this corporatisation, and in particular in relation to industrial relations issues.

We have heard all this rhetoric before from employers over the years. Time after time employers talk about flexibility. Flexibility usually means that the worker gets screwed. That is my impression of that sort of language. It is the sort of stuff that flows like honey off the tongues of the Liberals. It is the sort of stuff that they can feed into the media all the time and think that because it sounds so warm and comfortable people will be sucked in by it. Well, workers are not sucked in by it. Obviously, the unions are not. They disagree with you. In fact, they make it very clear that any agreement in relation to the corporatisation of ACTEW hangs on the basis of the sorting out of the new enterprise agreement and residual issues. So, do not fib to this Assembly. You cannot do that. Do not say that the unions support what you are doing when they do not. They absolutely do not.

**Mr De Domenico:** That is not true.

**MR BERRY:** They absolutely do not, because one of the conditions of their in-principle - - -

**Mr De Domenico:** You must have a different letter from the one that I have.

**MR BERRY:** No, no. One of the conditions of their in-principle support for this is that you have to sort out the new enterprise agreement and those residual issues. Will you agree to do it before the starting date? No, you will not. You really have to come out and step across - - -

**Mr Osborne:** Wayne, look what you have done to Lucy. You have put her to sleep.

**MR BERRY:** Some people might have been asleep when the Liberals were trying to pour this warm honey on them. Ms Horodny was not, because she knows what the Liberals are about in relation to the employment conditions of workers within the industry. It is my understanding that the Greens took a bit of time to talk to the unions and they understand clearly where the unions are coming from on this issue.

I think it is most important that this issue be emphasised over and over again. We need to ensure that the workers in ACTEW are protected. We have said a lot about the sorts of services that ACTEW provides and the quality of their services. ACTEW has presented a well-meaning corporate image to the people of the ACT over many years, but, when it comes down to it, there are a great number of employees in there who probably are baffled by what changes will be negotiated under the enterprise agreement. They will be

baffled by what that means post-corporatisation. They would clearly understand that, from their point of view, their strongest bargaining position is to get it out of the road before we go into the corporate arrangement. It is like what the spider said to the fly: "Come into my parlour". When they get you in there the door snaps shut and you have had it. The Government is setting out to cut off employees from the Government's wages position.

**Mr De Domenico:** What page of the manifesto is this coming from?

**MR BERRY:** I like this. Mr De Domenico asked, "What page of the manifesto does this come from?". Mr De Domenico, this comes from an area of consistency on industrial relations, fair play and truth - that is, you lay it on the trade union movement truthfully, otherwise you will receive a negative response. If you read that letter, it is a negative response.

**Mr De Domenico:** No, it is not.

**MR BERRY:** It is. It says that the TLC "accepts in principle the corporatisation". It goes on to say:

However, the TLC position is that the date of corporatisation of ACTEW coincide with the registration of a new enterprise bargaining agreement; and negotiated conclusion of current residual issues which go to the terms and conditions of employment.

I say to you that, if you are fair dinkum about earning the support of the TLC, you ought to be supporting the amendment which has been moved by Mr Whitecross, because it really goes to that very important issue of delay until the unions are able to sort out that enterprise bargaining arrangement.

I appeal to Mr Osborne on this score because I know that he placed a great deal of weight on the unions' position in coming to his own position in relation to the corporatisation of ACTEW. I think there is a very strong case for delaying the effect of the corporatisation Bill until that unanswered question about the enterprise bargaining agreement and the residual issues is resolved. If you do not allow those things to be resolved before the effective date of the important parts of this legislation, I think the unions will regard themselves as being treated unfairly. I think it is a very important issue, to be frank. I think the unions expect, in return for their in-principle position, that some support should go to giving them the flexibility - if I can use a term often used by the Liberals - to negotiate their enterprise bargaining agreement before corporatisation starts. Trust them, Mr De Domenico. That would be something new. These are the people who are going to have to work in this business, so you ought to trust them and delay.

**MR SPEAKER:** Order! The member's time has expired.

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**MS TUCKER** (10.14): Mr Speaker, the Greens support Mr Whitecross's amendment. This amendment gives members of the Assembly who chose to rush corporatisation through earlier on today an opportunity to reconsider their unwise decision, at least to some extent. The Greens tried to have this legislation referred to a select committee before it was passed. The majority of members chose not to support that motion. We are standing here now, debating a range of amendments to make the legislation at least more acceptable in terms of accountability and environmental and social obligations.

Reference has been made several times by the Liberals to other States' corporatisation of utilities. However, as we have already mentioned several times, they took much more time to consult and to consider the implications of changes they made. In terms of all the implications and consequences, it is early days and we are not quite sure what they are yet. No-one possibly could be. By delaying corporatisation until July 1996 the Assembly has time to review the legislation. It does not make sense to have a committee after ACTEW is corporatised. We spoke earlier about how this will only create uncertainty within ACTEW. As we have been told, we have to live with this legislation now. At least putting off the commencement date allows more time for reflection and consideration of the major issues which have not been considered in this place or in the wider community so far.

I would recommend to the Liberals and the Independents that they read some of the documents we have regarding competition policy, because we keep getting told by the Liberals that it is something that will be of great benefit. We have said several times that there are many very credible groups questioning the implications of Hilmer and competition policy. I will quote from one of those documents. It is from the Australian Conservation Foundation and it is headed "Potential Implications of National Competition Policy for the Water Industry". Briefly, they make this point:

Water must be managed as a natural system, not as a marketplace.

Under the heading "Environmental and Public Benefits" they say:

The almost exclusive focus on commercial performance may well result in the failure to deliver services for which no real "market" exists. In the process, a wide range of "public good" environmental services which are difficult or impossible to commercialise will disappear from water utility agendas, and government departments will be expected to pick up these responsibilities in the absence of a revenue base.

Other concerns they make clear are:

- . the increased emphasis on regulation as opposed to other policy instruments and a more open, consultative approach to managing the water industry
- . the potential loss of a range of management (as opposed to operational) responsibilities currently provided by water utilities
- . the limitations and pitfalls of competition via benchmarking

- . the loss of expertise within the water industry
- . the implications of privatisation for prices and charges
- . the loss of developing trade opportunities for water and wastewater technology and expertise.

Also, some very interesting comments on the national competition policy have come to us from the Public Interest Advocacy Centre. I will not read the whole document, obviously, but - - -

**Mr Berry:** Why not? I have not read that.

**MS TUCKER:** I know that you would encourage me to, Mr Berry, but I will not do so. I do not want to be here until 3.00 am.

**Mr Berry:** No; I am interested now because it is important. This could affect the way I vote.

**Mr De Domenico:** Nothing would affect the way you vote.

**MS TUCKER:** We wish; we wish. This paper states:

While some improvements were made to the draft National Competition Package, it is now to be implemented by all States and Territories and insufficient attention has been given to some very difficult but fundamental issues, such as:

- . the development of consumer protection mechanisms in deregulated industries of gas, water and electricity where suppliers vigorously compete for large industrial customers but continue to be monopoly providers for domestic and captive consumers;
- . the incorporation of environmental sustainability principles in deregulated and profit seeking industries of gas, water and electricity - for example by establishing regulatory regimes which encourage demand management rather than excess consumption of scarce natural resources;
- . ensuring universal access on reasonable terms to essential services by remote, rural and economically disadvantaged consumers from profit seeking and competitive public utilities.

Another point that they make clearly is this:

... governments committed to maximising the well-being of society are confronted with how to balance efficiency and equity objectives.

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That is one of the principal points that we have been stressing through this debate. I was rather alarmed to hear Mrs Carnell, in the argument for corporatisation, claiming that we have a 100 per cent success rate in the ACT. As Lucy commented, coming from a science background, that is really not a significant sample size.

**MR WHITECROSS** (10.19): Mr Speaker, our position is that, having decided to corporatise, we should let the start date slide. Mr De Domenico has not presented any argument which would persuade me that it is appropriate not to do this. The arguments are not there for us to rush into this. As I have said and as Mr Berry has said, it is simply not the case that the TLC supports what Mr De Domenico is doing on this. What the TLC supports is progress towards the corporatisation of ACTEW in a considered way, and letting the enterprise bargaining and terms of conditions of employment be resolved before we proceed. That is what this amendment would allow.

Amendment negatived.

Clause agreed to.

Clauses 3 to 6, by leave, taken together, and agreed to.

Clause 7

**MR WHITECROSS** (10.21): Mr Speaker, I move:

Page 3, line 28, omit the clause, substitute the following clause:

**“Employees and employment conditions**

7. Where immediately before the relevant day, a person was employed by the Territory as part of the staff of the Authority under the *Public Sector Management Act 1994*, the person shall, on and after that day, continue to be employed by the Territory under that Act and shall become part of the staff of the Company.”.

This amendment is designed to ensure that people employed by ACTEW continue to be employed under the Public Sector Management Act. There are other amendments to the Electricity and Water (Corporatisation) (Consequential Amendments) Bill, when we come to it, which relate to this. It is the view of the Labor Party that, regardless of the arguments for or against corporatisation of ACTEW, no case has been made out that ACTEW or its employees should be exempt from the provisions of the Public Sector Management Act. Mr Speaker, the Public Sector Management Act is very long and complicated, and I would not want to go into all the details.

**Mr De Domenico:** Read it into *Hansard*.

**MR WHITECROSS:** I would not want to read it into *Hansard*, Mr De Domenico.

**Ms McRae:** Go on. It might change my vote.

**MR WHITECROSS:** No. It does cover some issues which are of interest not only to ACTEW employees but also to the public at large. It sets out values and principles which organisations under the control of the Government, using Government money, dealing with the public on behalf of the Government, should abide by. Under the legislation proposed by the Government we are taking ACTEW outside all these principles and all these values. No doubt the Government will say, as the Government has said on everything else, "Do not worry. We have taken them out of these provisions, but nothing will change". It comes back to the same thing. Why would we take ACTEW out of these provisions when only 12 months ago this parliament decided that it was appropriate that ACTEW be covered by these provisions?

These are significant issues dealing with responsiveness to the Government, service to the public, fairness and integrity, effectiveness and efficiency, fairness in decision-making, best practices, safe and healthy working environments, appropriate decision-making structures which incorporate notions of industrial democracy, disclosure of interests which could be perceived to be a conflict of interest, and not taking improper advantage of positions. These are significant issues which the general public and the parliament have a right to expect will be part of the values and principles under which ACTEW will operate. I think that the approach taken here, of legislating for these things, is an appropriate one. A case simply has not been made out that we should take ACTEW outside these provisions.

Mr Speaker, the Public Sector Management Act also deals with a range of other issues of great importance to people, issues which traditionally have been the subject of legislation, not of the vague flexibility that Mrs Carnell has talked about, including provisions ranging to long service leave, maternity leave, disciplinary procedures, grievance procedures, merit protection and whistleblowing; even such important, if somewhat arcane, issues as the right of employees of ACTEW to stand for public office and then to be reappointed should they not succeed. These are all provisions which, in a much longer process than we have been given to deal with this issue today, were considered and passed by this parliament only a year ago. We should not, with a stroke of the pen, be taking ACTEW outside these well thought out provisions. Let ACTEW stay within these provisions and work with these provisions. If this provision or that provision should not apply to a corporatised ACTEW, let a case be made out. What we have is a blanket, holus-bolus removal of ACTEW from the provisions of the Public Sector Management Act.

We have the absurdity, Mr Speaker, of the amending Bill proposing that the company shall, in consultation with relevant staff organisations, establish and maintain appeal, review and grievance procedures, for instance. There already are appeal, review and grievance procedures. The Chief Minister is always to be heard running around town and talking about eliminating duplication. Here she is supporting a Bill before this parliament which is going to create duplication. It is going to create two sets of appeal, review and grievance procedures. We already have tried and true appeal, review and grievance procedures which are widely understood by the community, which are widely understood by ACTEW employees, and which are widely understood by relevant staff organisations. Why would we want to throw them out, without even having talked to staff associations, and say, "Let us start again."? It is not the correct approach.

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Obviously, if we are going to throw this out, staff organisations will say to the Government, "We want these things duplicated". Why go down that path? Why not stick to the tried and true procedures which already exist? Why not abide by the values and general principles set out in the Public Sector Management Act? Why not stick to the existing statutory framework for dealing with issues like long service leave, maternity leave, sick leave, grievances, dismissals for inefficiency and all the other things which the Public Sector Management Act deals with? It seems to me that this is a well thought out and good framework for employment in the public sector, and it is an appropriate framework to take into the future. If the company has a problem that it wants to come back to this parliament with, let it come back to this parliament with specifics. The Government should not come to us asking us for a general exemption from the provisions of this Act.

**MR DE DOMENICO** (Minister for Urban Services) (10.28): Mr Speaker, the Government will not be supporting Mr Whitecross's amendment, for the basic reason that we have just agreed, as an Assembly, to corporatise ACTEW. One of the major points in corporatising any entity, Mr Whitecross, is to remove it from the shackles of the public service. I will tell you another reason why we will be opposing your amendment. Had Mr Whitecross and members opposite spoken to the unions involved in ACTEW, they would have known that they wish to be removed from the Public Sector Management Act. If you speak to the unions, Mr Whitecross, you will find that they want to be removed from the Public Sector Management Act. Without saying much more, Mr Speaker, the Government will not be supporting this amendment because it goes down to the very basis of why we are corporatising.

**MR BERRY** (10.29): This again exposes the Government over its industrial relations stand on the matter of the employees of ACTEW. Clearly, Mr Whitecross's amendment seeks to offer protection from what might be described as the ravages of a management hell-bent on introducing the "efficiencies" and "flexibility" that the Liberals use in their rhetoric in relation to this matter. That really gets to the guts of the issue. This is about removing the protection for workers which is provided under the Public Sector Management Act. Sometimes that is described as removing the shackles. That is described as being more flexible, basically so that we can bore it up the workers.

**Mr De Domenico:** Oh, dear! Chuck them all out in the street! Hit them over the head with a bit of four-by-two! Run them over with the tanks!

**MR BERRY:** No; reduce their wages and conditions and discard them at will. This battle went on over the Public Sector Management Act in 1994 and there was a review of the position. The review found that the Public Sector Management Act should continue to apply. It was a lengthy inquiry which dealt with all of the issues. From my memory, I think I was on it. I think Mr Kaine might have been on it as well, and perhaps Ms Szuty in those days.

In those days, when the committee process was really valued, because it was enormously important, we closely examined this issue of how the Public Sector Management Bill ought to apply. Senior managers from ACTEW wanted to discard it. They were enamoured of this flexibility notion as well. There were not too many workers at the bottom who were particularly in love with it, because they realised that there were considerable protections for them under the Public Sector Management Bill. You just cannot march on people. It is fairly obvious, Mr Speaker, that the nub of the issue is whether workers within ACTEW ought to be provided with the protection which is afforded to them by the Public Sector Management Act or whether that ought to be stripped away. The Bill as proposed strips it away, and what Mr Whitecross sets out to do is to reinstate that protection.

Mr Osborne would recall from his days in Sydney the need for protection of workers. Not everybody had the luxury of such employment conditions as are provided under the Public Sector Management Act, and many of us have seen what happens in areas where employers are not as responsible as they ought to be. Certainly, the removal of the protection which is provided by the Public Sector Management Act would be a major blow to many of the workers within ACTEW. I agree that there are, among the elite levels within ACTEW - - -

**Mr De Domenico:** What - the plumbers, the electricians?

**MR BERRY:** No. Within the elite levels in ACTEW there is a view that they ought to be freed of the restrictions which bind them under the Public Sector Management Act, because that would give them more power to manipulate the blue-collar workers and so on within the organisation. From Labor's point of view, we will always stand to ensure that this important piece of legislation, which was developed to protect workers, remains in place where appropriate. I think that fair-minded people would as well. The Government, as I mentioned a little while ago, dribbles honey off the tongue and talks about flexibility and all that sort of rhetoric. It is trying to cover up. It says, "Let us remove the shackles; unload a few workers, reduce their wages and conditions, and it will be more efficient". That is what "removing the shackles" can quite easily be described as in the model which is proposed by this Government.

**Mr De Domenico:** You insult workers by saying that.

**MR BERRY:** No, no.

**Mr De Domenico:** You do. You are insulting their intelligence.

**MR BERRY:** Mr De Domenico, that is something that you are not well known for and that I doubt you could identify. You should be a little bit careful about getting into that debate, because we have heard your response in relation to the benefits that flow from ACTEW: "I do not know". What is more, it seems that you do not care. Neither do you care about the future of workers in the Territory; otherwise, you would not be trying to strip this protection from them. Nobody in this Assembly should support that.

**MR WHITECROSS** (10.36): Mr Speaker, as I said in my opening remarks, this amendment serves two purposes. One is protecting the public interest and giving the public confidence about the values, principles and management practices of a public organisation which all members of the public have an interest in. The second is continuing the frameworks which have been established over time, which have been carefully considered by this Assembly as good procedures for protecting the interests of staff of government-owned organisations, and ensuring that their interests are properly looked after. Mr Speaker, Mr De Domenico has said, "The unions do not want these protections". It is not my understanding, from talking to the unions, that they do not want these protections. In fact, my understanding is that they have said, "Here is a long list of things we want protected", and a lot of these things are the things which are in clause 7.

This is very much the second-best solution. The reason why we have this long list of things in clause 7 is that they were taken out of the Public Sector Management Act. It just does not seem to me that that is the right way to go about things. The explanation that I have heard for ACTEW being taken out of the Public Sector Management Act harks back to the last enterprise bargaining round, where ACTEW, with the rest of the ACT Government, was locked into a whole-of-government bargaining approach. ACTEW management and some ACTEW staff organisations have said to me that they think that it is not a very appropriate situation for ACTEW to be locked into a whole-of-government bargaining approach. But, Mr Speaker, that is history.

In the negotiation of the Public Sector Management Act last year, changes were made to the framework under which ACTEW operates which ensure that ACTEW is not locked into a whole-of-government bargaining approach, which say that ACTEW can conduct its own negotiations with its workers under enterprise bargaining, and which give ACTEW independence from the commissioner on a whole range of matters under the Public Sector Management Act. Those discussions were had last year. Allowing ACTEW, as a commercial organisation - a commercially-oriented statutory authority - to have that level of independence was negotiated and was incorporated into the Act last year. So, harking back to the last enterprise bargaining round does not do anything to persuade me that things have changed.

The other thing that I wanted to pick up is this issue of flexibility. I have great confidence in the capacity of unions to look after the interests of their members. We, in the Labor Party, believe that unions perform an important role in looking after the interests of their members; that there should be appropriate frameworks for them to be able to do that; and that, within those frameworks, they can do it very well. If, in the spirit of flexibility, unions in ACTEW go to management and say, "We would like to get some amendments to the award to change the structure of classifications" - as is going on at the moment with hydraulics workers, for instance - they can do that. There is nothing to stop them from varying the award. It is a recognised practice. All over Australia, there is reform going on in the structure of classifications, multiskilling and moving to payment based on competency, not on arbitrary classifications. This sort of move towards more flexible structures of employment is happening all over the place, and there is no reason why unions in ACTEW cannot negotiate similar agreements with ACTEW, as has happened in the past. We have seen it in the public sector. We have seen it in the private sector. There is no reason why it cannot happen in ACTEW.

So, I simply do not accept that the flexibility does not exist to make the kinds of changes that might need to be made. But what this does is provide the carefully considered protections which we are all used to seeing for government employees, whether employed in a government department, a statutory authority or a government-owned company. We will, therefore, be supporting this amendment.

**MR BERRY (10.41):** Mr Speaker, it has just been drawn to my attention that I did not go into detail in relation to policy and procedure issues such as EEO, industrial democracy, OH and S and recruitment. Mr De Domenico said in his speech that they will continue to be implemented and maintained to the high standard and leading role that ACTEW has previously established. Why would you want to change it in relation to the provisions which apply generally? The Public Sector Management Act protects the whole range of these things. There is some extra verbiage which is unnecessary. Of course the OH and S provisions will apply. That is the law in the Territory. So, why put it in there? You are not kidding anybody. Nothing is going to change in relation to it.

**Mr De Domenico:** You want to take it out, do you?

**MR BERRY:** You can take it out, if you like. It does not mean anything, because the law will still apply. You talk about its being maintained to the high standard and leading role that ACTEW has previously established. What I say to you is that all of those standards are protected by the Public Sector Management Act. Those are the sorts of management roles which are set out in the Public Sector Management Act, and they are also in law.

**Mr De Domenico:** They are also in the enterprise agreement.

**MR BERRY:** The OH and S Act is not an enterprise agreement, so do not give me that stuff. If you want to interject, make sure that you know what you are talking about before you do it.

**Mr De Domenico:** I do, with a great deal of respect.

**MR SPEAKER:** Order! Interjections are out of order.

**MR BERRY:** If you want to talk about OH and S, you are talking to the right bloke. Do not interject unless you know something about it.

**MR SPEAKER:** "Do not interject at all", Mr Berry.

**MR BERRY:** I withdraw that, Mr Speaker.

**MR SPEAKER:** Thank you.

**MR BERRY:** I would not like to be seen to be inviting people to interject. Do not interject at all.

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The OH and S provisions are enshrined in law. This is about protecting all of those standards which apply right across the ACT Government Service. It is about protecting the management of them as well and providing proper resources to ensure that workers in the workplace are provided with those facilities at a consistent standard - not at a standard that would be interfered with by the profitability of the organisation, but at a standard which is proper. I go back to that point where the Government said that any changes to conditions of employment will be negotiated with all relevant parties through the enterprise bargaining process. I know that the debate in relation to the effective date of the legislation, where that was raised, has slipped past us now. This seems to say that the Government is not going to change anything and that workers have nothing to fear. If they do not have anything to fear, why not leave alone what they have, instead of stripping away the protections which are provided by way of the relevant legislation, which, in this case, is the Public Sector Management Act? At the risk of provoking a point of order from Mr Moore - thankfully, he is not listening - let me say that a committee did very closely - - -

**Mr Moore:** I do not want to interject, Mr Speaker, so I will not; but that is unfair.

**MR BERRY:** I withdraw any imputation.

**MR SPEAKER:** Against all members?

**MR BERRY:** No; just Mr Moore this time.

**MR SPEAKER:** As to whether or not they were listening, Mr Berry?

**Mr Moore:** Mr Berry, I am absolutely riveted by your enthusiasm.

**MR BERRY:** He ought to be riveted. Mr Moore was once in the type of employment that had the sort of protection which is provided by the Public Sector Management Act. He would know the value of that protection as it would apply to employees in the workplace. I was in a similar position, although again under a statutory authority - and I valued the sort of protection that was provided to me. To throw it open, I think, is an entirely dangerous move, an unwarranted one, and one which we will not be thanked for in the future.

**MR MOORE (10.47):** Mr Speaker, it seems that, fundamentally, this amendment, combined with a few of the other amendments of Mr Whitecross's, undoes what we have just agreed to do, which is to corporatise ACTEW and henceforth distance it somewhat from the Public Sector Management Act. It seems to me, therefore, that the appropriate thing to do with this amendment is to vote no, and that is what I shall do.

**MR WHITECROSS** (10.48): Mr Speaker - - -

**Mr Moore:** You have already spoken twice, Andrew.

**MR WHITECROSS:** I closed the debate, and then everybody spoke.

**MR SPEAKER:** You have spoken twice, Mr Whitecross.

**Mr Berry:** Yes; but he is closing it off now.

**MR SPEAKER:** Nobody is about to close the debate at all. There is no closing of a debate, because there is not a substantive motion. You can seek leave, if you wish. As Mr Moore has said repeatedly, you can do anything in the Assembly if you seek leave, unfortunately.

**MR WHITECROSS:** I seek leave to speak again.

Leave granted.

**MR WHITECROSS:** Mr Speaker, I just wanted to rise to respond to something Mr Moore said after I thought I had already finished off the debate. Mr Moore said that putting ACTEW back under the coverage of the Public Sector Management Act would undo what we have just done in corporatising ACTEW. It is very hard to understand what Mr Moore means by that, unless he means that the corporatisation of ACTEW is about altering, reducing and diminishing the terms and conditions of employment and the protections that are specified in the Public Sector Management Act for ACTEW employees. What other interpretation can we have of what Mr Moore said? No-one has been able to explain it differently to me, and Mr Moore seems to have just confirmed it. I understood from Mr Moore's speech in the in-principle stage that the corporatisation of ACTEW was about ephemeral things to do with management, such as the self-image of ACTEW employees and ACTEW management, their reinvigoration and the thrust forward into the new, glorious world of the national electricity grid. That was the sort of message I got from Mr Moore's discussion in the in-principle stage; but now Mr Moore is telling me that the essence of corporatisation is removing ACTEW workers from the coverage of the Public Sector Management Act so that they are not covered by the appeal, grievance and merit principles, the long service leave or maternity leave provisions or the general principles about conflicts of interest and not taking improper advantage of positions, et cetera, which are in the Public Sector Management Act. Mr Moore's speech confirms my misgivings about corporatisation, and it confirms my belief that the correct thing to do in this case is to vote for my amendment.

**MR MOORE** (10.50): Having spoken only once, Mr Speaker, I will not need to seek leave, as Mr Whitecross did, to point out to him that what he is practising is what is known as selective hearing. My children are particularly good at it, as most people's children are, and I have been known to practise it myself occasionally. In this case, I had said that that is, in part, what will be happening. If this were supported it would, in part, be undoing what we have just done, which is the corporatisation. I chose those words carefully. Your summary of what I said indicates that you did not listen to what I said, because it was certainly how I expressed myself earlier this evening.

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Question put:

That the amendment (**Mr Whitecross's**) be agreed to.

The Assembly voted -

*AYES, 8*

Mr Berry  
Mr Connolly  
Ms Follett  
Ms Horodny  
Ms McRae  
Ms Tucker  
Mr Whitecross  
Mr Wood

*NOES, 9*

Mrs Carnell  
Mr Cornwell  
Mr De Domenico  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mr Moore  
Mr Osborne  
Mr Stefaniak

Question so resolved in the negative.

Debate interrupted.

#### **SUSPENSION OF STANDING ORDER 76 - NEW BUSINESS**

**MR HUMPHRIES** (Attorney-General) (10.55): Mr Speaker, I move:

That standing order 76 be suspended for the remainder of this sitting.

**Mr Berry:** What is that?

**MR HUMPHRIES:** This is the standing order that prevents the introduction of new business after 11 o'clock at night. I am advised that, although we are having a cognate debate, the second of these two Bills will constitute new business, and therefore this procedural motion needs to be moved.

Question resolved in the affirmative, with the concurrence of an absolute majority.

**ELECTRICITY AND WATER (CORPORATISATION)  
(CONSEQUENTIAL PROVISIONS) BILL 1995  
Detail Stage**

Clause 7

Debate resumed.

**MR DE DOMENICO** (Minister for Urban Services) (10.56): Mr Speaker, I seek leave to move together the two amendments circulated in my name.

Leave granted.

**MR DE DOMENICO:** Mr Speaker, before I move any Government amendments, I would like to outline briefly to the Assembly the purpose of these amendments. These amendments will assist in giving effect to the Government's commitment to preserve existing terms and conditions of employment for ACTEW employees and to assist in maintaining a high level of accountability for the corporation. The amendments relate to the application to ACTEW Corporation of administrative law matters, such as FOI and Ombudsman, which I believe other Assembly members were particularly interested in. Other amendments provide specifically for the extension of reciprocal mobility arrangements between the ACT Government Service and the Australian Public Service. Such mobility arrangements will apply for a period of three years.

The first amendment - that the definition of "award" has the same meaning as in the Industrial Relations Act 1988 - has been included as this definition takes on a broader meaning, to include, for example, enterprise bargaining agreements. The second amendment, relating to the definition of "transferred employee", is a technical amendment which brings the language of the definition more closely into line with the terminology of subclause 7(2). I move:

Page 3, line 29, subclause (1), insert the following definition: " "award" has the same meaning as in the *Industrial Relations Act 1988* of the Commonwealth;"

Page 4, line 7, subclause (1) (definition of "transferred employee"), omit "taken to be".

**MR WHITECROSS** (10.57): Mr Speaker, the Opposition will be happy to support these amendments.

Amendments agreed to.

Clause, as amended, agreed to.

Remainder of Bill, by leave, taken as a whole, and agreed to.

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Question put:

That this Bill, as amended, be agreed to.

The Assembly voted -

*AYES, 9*

Mrs Carnell  
Mr Cornwell  
Mr De Domenico  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mr Moore  
Mr Osborne  
Mr Stefaniak

*NOES, 8*

Mr Berry  
Mr Connolly  
Ms Follett  
Ms Horodny  
Ms McRae  
Ms Tucker  
Mr Whitecross  
Mr Wood

Question so resolved in the affirmative.

Bill, as amended, agreed to.

**ELECTRICITY AND WATER (CORPORATISATION)  
(CONSEQUENTIAL AMENDMENTS) BILL 1995**

Debate resumed from 1 June 1995, on motion by **Mr Humphries**:

That this Bill be agreed to in principle.

Question put.

The Assembly voted -

*AYES, 9*

Mrs Carnell  
Mr Cornwell  
Mr De Domenico  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mr Moore  
Mr Osborne  
Mr Stefaniak

*NOES, 8*

Mr Berry  
Mr Connolly  
Ms Follett  
Ms Horodny  
Ms McRae  
Ms Tucker  
Mr Whitecross  
Mr Wood

Question so resolved in the affirmative.

Bill agreed to in principle.

### Detail Stage

Clauses 1 and 2, by leave, taken together, and agreed to.

Clause 3

**MR DE DOMENICO** (Minister for Urban Services) (11.04): Mr Speaker, after negotiations with other members of the Assembly, I would like to withdraw my circulated amendments Nos 1, 2 and 3. They related to clause 3, page 2, line 2; clause 3A, page 2, line 3; and the schedule, page 2, line 28.

Clause agreed to.

Clause 4

**MR WHITECROSS** (11.05): Mr Speaker, my amendments Nos 1 and 2 to this Bill were consequential on an amendment to the provisions Bill which was defeated; so I will not be moving those amendments.

Clause agreed to.

Schedule

**MR MOORE** (11.06): Mr Speaker, I seek leave to move together amendments Nos 1 and 2 circulated in my name.

Leave granted.

**MR MOORE**: I move:

Page 2, line 33, omit "electricity", substitute "energy".

Page 2, line 34, insert the following item:

**"Section 1 -**

Omit '*Electricity*', substitute '*Energy*'."

Mr Speaker, the purpose of these amendments is to change the wording of the name of ACTEW from "ACT Electricity and Water" to "ACT Energy and Water". I believe that that fits in with the principles that a number of the members of the Assembly are trying to achieve and it will fit in very neatly with the amendment that has been circulated by Ms Horodny.

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**MR WHITECROSS** (11.07): Mr Speaker, the Labor Party will be supporting these amendments. I agree with Mr Moore that, on their own, these amendments do not do anything; but they provide a symbolic change which perhaps matches up with the subject of Ms Horodny's foreshadowed amendment. So, we assume that Mr Moore will be supporting Ms Horodny's amendment as well. We would certainly like to see more effort in this direction. Mr Moore's amendments are a useful, if symbolic, contribution to that.

**MS HORODNY** (11.08): Mr Speaker, the Greens support these amendments, as we are wholly supportive of any moves towards making ACTEW an energy service provider. However, I hope that Mr Moore realises that the name is just the first step. We have to go beyond the rhetoric and ACTEW's name. This is exactly why the Greens argued for a select committee to look into how ACTEW could be improved, to become focused on providing "energy" and not "electricity". ACTEW has begun promoting energy-efficient houses, but there is so much more to do to make this organisation a genuine energy service provider. We have no guarantees under the legislation in question that this is what ACTEW will do.

There is a whole range of other activities that could be pursued more vigorously. ACTEW could also be given by this Assembly the mandate to vigorously promote alternative energies, to provide a comprehensive range of energy audit services, to finance schemes for water heaters and other energy-efficient appliances, to provide rebates for solar water heaters, and so on. It may be appropriate to set up an independent advisory service; but, at the moment, we are not being given the time to explore these ideas. We can call ACTEW "Energy and Water"; but, unless we look at ways of implementing the transition from ACTEW supplying electricity to ACTEW supplying energy services in the broader sense, it is meaningless.

It is up to the members of this Assembly as much as to the board of ACTEW to look at how we can put into action the objectives of turning ACTEW into one of the first genuine energy service providers in Australia. If Mr Moore were genuine in his concerns about ACTEW becoming an energy service provider, he would have supported a review of this legislation in a select committee so that we could look at the most appropriate structures and legislation in order to achieve these objectives.

**MR MOORE** (11.09): Mr Speaker, I hear people talking about who is genuine and who is not genuine. I remind Ms Horodny that the first initiatives taken in this area were by the Standing Committee on Conservation, Heritage and Environment, which looked at energy and co-generation of electricity. I also remind Ms Horodny that no Greens put any submissions to that committee at that time. To get up on your high horse and start talking about who is genuine and who is not genuine is just pushing the barrow a bit too hard.

Amendments agreed to.

**MR OSBORNE** (11.11): Mr Speaker, I move:

Page 3, line 14, insert the following items:

**“Section 48 -**

After subsection (1) insert the following subsection:

‘(1AA) For the purposes of subsection (1), charges shall be in accordance with any relevant direction given by a body referred to in section 49A.’.

**After section 49 -**

Insert the following section:

**Regulation of charges**

‘49A. The regulations may provide for -

- (a) the establishment of a body having the function of regulating charges for or in connection with the supply of electricity or water or the provision of sewerage services;
- (b) the giving of directions by that body to the Company for the purposes of subsection 48(1);
- (c) the membership, procedures and staffing of that body;
- (d) the matters that should be taken into account by that body in giving directions; and
- (e) other powers and functions of that body, including the conduct of investigations for the purpose of performing the function referred to in paragraph (a).’.”.

This amendment goes basically to the major concern that I had about ACTEW, and that was pricing and what sort of control we would have over it. By the setting up of this body, I feel that there would be an independent regulator of price so that ACTEW could not then put prices through the roof, which has been a major concern of mine.

**MR WHITECROSS** (11.11): Mr Speaker, the Labor Party will be supporting Mr Osborne's amendment. We think it is moving in a helpful direction. I might say that the Labor Party, while applauding the intentions of Mr Osborne in this matter, is disappointed by the lack of detail about the nature of this body and the extent of its powers to direct the company in one way or another in relation to charges. We think it might have been more helpful if these things had been spelt out. This is why we wanted to have a select committee, so that we could sort out some of these things.

**Mr Moore:** We still can.

**MR WHITECROSS:** Mr Moore says that we still can. Presumably, Mr Moore will then suggest that we change it later. I cannot see how that aids certainty in ACTEW. We still think it is heading in the right direction. Mr Speaker, I should say that, from the Labor Party's point of view, some external regulation of pricing is certainly important, because only recently Mr De Domenico allowed ACTEW to put up prices by amounts higher than ACTEW said, only last year in its financial plan, that it would put up prices.

**Mr De Domenico:** The CPI.

**MR WHITECROSS:** No; that is not what is in its financial plan, Mr De Domenico. The financial plan, which is less than a year old, I was told, is out of date, even though it is a five-year financial plan. The price increases projected in the financial plan as the maximum increases that ACTEW would bring forward were exceeded in relation to electricity and water, although not for sewerage, as I recall. So, we do have some concerns. We also have some concerns that, looking to the future, ACTEW seems intent on increasing its projected profitability and return on net assets, et cetera, and we are worried that that might be indicating price rises. So, some regulation of charges along the lines that Mr Osborne has suggested is certainly useful. We are heartened by his concern about this matter. It is a matter which is of deep concern to the Labor Party, and that is why we will be supporting the amendments.

**MS TUCKER (11.14):** Mr Speaker, the Greens are very sympathetic to the reasons why Mr Osborne has moved this amendment. The need for social justice, openness and equity in pricing is of fundamental importance. How can we trust monopoly business - which has as its major aim to make as much profit as possible - also to make socially responsible pricing decisions? The Bill, as it stands, leaves the judgment on pricing proposals from ACTEW to the responsible Minister. Quite clearly, being responsible for raising prices for services, even when such price increases are economically warranted, is not something that a politician would do lightly. I, therefore, believe that the idea of an independent pricing body is a good idea. However, what Mr Osborne's amendment lacks is clear guidelines for the pricing. On what basis is it suggested that prices be determined? Will pricing take into account the cost of externalities, such as the impact on greenhouse gases or an expressed need by the community for increasing expenditure on environmental controls? Will the pricing body take into account in its determinations the need to encourage conservation? Will it make recommendations about how social equity can be achieved through the pricing structure?

All of these major considerations, it appears to me, are left for the regulations. I am not suggesting that the legislation should contain very detailed guidelines about how the pricing body should go about its business. I merely suggest that it would be appropriate for the legislation to contain general guidelines stating its aims and objectives. These could be consideration of the impact of pricing on the environment and issues relating to social justice and equity. As the amendment stands, it is up to the Government to provide these guidelines through regulations. I, for one, would feel more comfortable

if they were included in the Bill. On the other hand, I believe that Mr Osborne has moved an amendment which, at least in part, may go towards addressing the concerns I have outlined. Given the short amount of time the Government has allowed the members of this Assembly to consider its Bills in relation to ACTEW, I suggest that the amendment does as much as we could hope for at this stage. I will, therefore, be supporting this amendment.

**MR DE DOMENICO** (Minister for Urban Services) (11.16): Mr Speaker, the Government, of course, will be supporting this amendment. It is one of those instances where commonsense prevails. Mr Osborne, obviously, is very concerned about something. He spoke to the Government. We think that what Mr Osborne is proposing is very sensible, and we are delighted to support it.

**MR CONNOLLY** (11.17): Mr Speaker, for the Opposition's part, I would like to reinforce a point that Ms Tucker made, which was that there is a bit of a problem here. We will be supporting this amendment. We understand why the amendment came up. Mr Osborne raised a concern, and the Government wanted to quickly address that. You wanted to get the Bill through tonight. You did not want to have a process of committee review or any further delay. So, we accept that this is the only mechanism, given that it would have been impossible to come up with the details of this review process in the period in which this arrangement has been brokered. But there is a real concern of principle, where you are creating a body with powers to monitor this corporation, which is a pretty powerful sort of a body, that you are doing it by regulation. Mr Osborne, wearing his hat of chair of the Scrutiny of Bills Committee, I am sure, would see the slightly odd nature of that.

I would also stress that, as you conceded, Mr De Domenico, the Essential Services Review Committee, which you intend should continue to have jurisdiction over ACTION - which was a very significant piece of social justice reform and the first such law put through an Australian parliament - has a statutory form. So, it is rather odd that you have the Review Committee, a creature of statute, and this more powerful committee, in the sense that it is going to review prices, by regulation. Once the Government has worked out the details of this, it may consider elevating the review body, or, indeed, it may be that private members will do that for the Government. So, we would point out that, while we support this, there is a real issue of principle in creating, by regulation, a review body with such powers.

**MR MOORE** (11.18): I support the amendment, Mr Speaker. I think that Mr Osborne, in moving this amendment, has put his finger on the nub of a great deal of concern in the community and has come up with a sensible way to deal with that concern. The issues raised by Mr Connolly are issues that we often face in a range of pieces of legislation where we are, effectively, trying something that has not been tried before. We will monitor it and see how it works. If there is a problem, no doubt, either the Government or some other member will bring it back to the Assembly.

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What Mr Connolly said is what I meant when I said publicly that it was appropriate for us to allow a select committee to have a look at the process that we have gone through - not to deal with whether or not to corporatise, but rather to deal with the more peripheral issues - but also to deal with more fundamental issues if the committee and the Assembly considered them appropriate. The question to corporatise or not to corporatise is the one that has been resolved, in principle, this evening, and now it is a matter of those details. So, Mr Speaker, I take pleasure in supporting this very sensible amendment.

Amendment agreed to.

**MS HORODNY (11.20):** I move:

Page 5, line 20, insert the following amendment:

***“Freedom of Information Act 1989***

**Subsection 4(1) (definition of ‘prescribed authority’, paragraph (c))**

-

Omit ‘or’ (last occurring).

**Subsection 4(1) (definition of ‘prescribed authority’, paragraph (d)) -**

Add at the end “or”.

**Subsection 4(1) (definition of ‘prescribed authority’) -**

Add at the end the following paragraph:

‘(e) ACTEW Corporation Limited;’.

**Subsection 4(1) (definition of ‘principal officer’, paragraph (a)) -**

Omit ‘or’.

**Subsection 4(1) (definition of ‘principal officer’, paragraph (b)) -**

After ‘prescribed authority’ insert ‘other than ACTEW Corporation Limited’.

**Subsection 4(1) (definition of ‘principal officer’, subparagraph (b)(ii)) -**

Add at the end ‘or’.

**Subsection 4(1) (definition of 'principal officer') -**

Add at the end the following paragraph:

- '(c) in relation to ACTEW Corporation Limited - the Chief Executive Officer of the Company;'.’

Mr Speaker, it is without question that the community considers freedom of access to information a fundamental right. This right has not always received the respect from legislators that it has deserved. Freedom of information legislation provides at least a basic level of protection. There are few people who will claim that the Freedom of Information Act has caused those bodies which it covers to be too open to the public. A large range of documents are exempt from coverage by the legislation. Significantly, this includes documents which are commercially sensitive.

Earlier, the Government sought to move an amendment which would limit the already restricted rights under freedom of information in respect of ACTEW. The amendment which the Greens are moving seeks to ensure that community access to information about ACTEW is at least as good as that afforded to it in relation to government entities through the Freedom of Information Act. ACTEW is an organisation which is of enormous importance to the community. Its decisions can affect the health and wellbeing of each and every member of the community. While many of ACTEW's actions become well known, as with all big organisations, it is often difficult to find the reasons why a decision was made. The Bills before us state that ACTEW will have five shareholders. However, those five individuals hold only the proxy votes of the community. Every resident of the ACT is a shareholder; every resident of the ACT has a right of access to information. Freedom of information is about accountability. The Government has frequently used the rhetoric of accountability, openness and consultation. How little we have seen of commitment! This rhetoric is fine, but it must be followed by action.

Like so many other things which are completely missing from the Bills which the Government has presented to us, freedom of information is just too important to leave for enactment through regulations. The amendment we are moving, therefore, will establish the coverage of the Freedom of Information Act in respect of ACTEW in its entirety. This provides a strong statement to the community of the commitment of this Assembly to work for open and transparent processes in the community. The majority of members of this Assembly are not part of the Government, but only the Government has the power to make and change regulations. The community needs to be assured that this Assembly is committed to ensuring that the agencies of the ACT Government are open and accountable. This amendment goes at least part of the way to showing this. Had the Government accepted the proposal to refer the corporatisation of ACTEW to a committee, as we had proposed, this would have been an even stronger signal to the community that the Government was committed to its own rhetoric.

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**MR DE DOMENICO** (Minister for Urban Services) (11.24): Ms Horodny must have written her speech prior to coming in here tonight; otherwise, she would have known that the Government has not moved any amendments along those lines. The Government intended to move amendments doing exactly the same thing as Ms Horodny's amendment will do. It was the case that the Government had preferred to change the regulations rather than change the Act. The Government can also count, and the Government is now prepared to support Ms Horodny's amendment, which shows our commitment to the very things that Ms Horodny suggested that we have not any commitment to. So, once again, when people stand up in this place and start talking about people's commitments one way or the other, they perhaps should wait and listen before they open their mouths. We are quite happy to support this amendment because it is, once again, one of those things on which we are prepared to compromise, and that is what it is all about.

**MR WHITECROSS** (11.25): Mr Speaker, we are happy to support Ms Horodny's amendment. The principles of accountability that Ms Horodny has talked about, which the Freedom of Information Act encapsulates, are ones which the Labor Party is strongly committed to. We are pleased that there is such widespread agreement in the chamber - and I acknowledge the commitment of the Government on this matter - to putting ACTEW back into the purview of the Freedom of Information Act. It perhaps illustrates the difficulties that can arise when legislation is introduced hastily and rushed through. Things like falling out of the coverage of the Freedom of Information Act and the Ombudsman Act can somehow or other get past us. But I acknowledge that, as Mr De Domenico said, having had it pointed out to him, he was intending to move an amendment to fix it. We are pleased to support it.

**Mr Berry:** What else is wrong with it?

**MR WHITECROSS:** As Mr Berry interjects, it does make you wonder what else we might have missed. The fact that we have picked this up shows the benefit of consultation and openness in decision-making. We wish that there were more of it.

**MR MOORE** (11.26): Mr Speaker, in rising to support this amendment, I find it curious that some members are suggesting that, because it has been rushed through, we are lucky that we did not miss it. The process that we have used has ensured that freedom of information is included and it is always part and parcel of the way we debate legislation. The very existence of this amendment and the series of other amendments has shown that members have been active enough to be conscious of certain circumstances and, where the Government has failed to consider all the ramifications and the appropriate aspects of education, other members have put them forward. I look forward to moving what I consider to be a complementary amendment to this one.

Amendment agreed to.

**MR MOORE** (11.27): Mr Speaker, I move:

Page 5, line 20, insert the following amendment:

*“Ombudsman Act 1989*

**Subsection 3(1) (definition of ‘prescribed authority’, paragraph (c))**

-

Omit ‘or’ (last occurring).

**Subsection 3(1)(definition of ‘prescribed authority’, paragraph (d)) -**

Add at the end ‘or’.

**Subsection 3(1) (definition of ‘prescribed authority’) -**

Add at the end the following paragraph:

‘(e) ACTEW Corporation Limited;’.

This amendment is to ensure that, in the same way as the Freedom of Information Act is to apply, arising from the previous amendment, the Ombudsman Act will apply. The Ombudsman, being approached in dealing with any government body, should have the right to investigate in the normal way, and that is what my amendment provides for.

**MR WHITECROSS** (11.28): Mr Speaker, as I foreshadowed, the Labor Party will be supporting this amendment. As I said just a moment ago in relation to the Freedom of Information Act, it shows the benefit of giving time for people to consider these things. We have picked up some of these amendments, and I applaud Mr Moore for picking up this one; but it does leave me wondering what other angles which we have not instantly thought of are out there that we should have picked up. It is good that we have picked up this one. The opportunity for people to complain to the Ombudsman is an important and long-held right, and I am pleased that it is a right that we are going to restore in relation to ACTEW.

**MR DE DOMENICO** (Minister for Urban Services)(11.29): Mr Speaker, the Government will be supporting Mr Moore's amendment. I reiterate what Mr Moore said. For those people who have not been here long enough to realise it, this is what democracy and debating legislation is all about.

**Mr Berry:** Go away!

**MR DE DOMENICO:** Mr Berry says, “Go on!”.

**Mr Berry:** No; I said, “Go away!”.

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**MR DE DOMENICO:** I can recall many times over the past three years, when Mr Berry was sitting on this side of the house, that members of the Opposition and crossbenchers happened to pick up little deficiencies that governments, from time to time, do not think about. So, Mr Berry, once again, I will take on that interjection. This Government is always prepared to sit down and listen to commonsense amendments. This is one of those instances, and we are quite happy to support it.

Amendment agreed to.

**MR SPEAKER:** Mr Whitecross, I think we are not proceeding with your red sheet amendment.

**MR WHITECROSS (11.30):** On the contrary, Mr Speaker, we are.

**Mr Moore:** It is a very good amendment.

**MR WHITECROSS:** Thank you, Mr Moore. I move:

Page 5, lines 21 to 27, proposed amendments to the *Public Interest Disclosure Act 1994*, omit the items.

Mr Speaker, my amendment is to delete the reference on page 5 to the Public Interest Disclosure Act. The effect of the provision is to create a power for the Government to exempt government corporations from the Public Interest Disclosure Act - which is the whistleblower legislation that Mrs Carnell introduced when she was in opposition. The effect of the amendment is to ensure that there is no possibility that, down the track, we are going to have an argument that ACTEW should not be subject to the Public Interest Disclosure Act and that employees of ACTEW who are concerned about things going on in the organisation which are not being properly addressed within ACTEW should not be able to seek the protection of the Public Interest Disclosure Act, as provided for in that Act. I might say, Mr Speaker, that I was rather alarmed that the Attorney-General of the ACT, in some earlier remarks he made, told us that my amendment was unnecessary because the Public Interest Disclosure Act was in here. What alarmed me was the quality of his ability to read a Bill. He misread it; but, fortunately, I picked it up for him. I think the Bill will be the better for not having the capacity for ACTEW to be exempted from the Public Interest Disclosure Act. I commend the amendment to the house.

**MR MOORE (11.31):** In supporting this amendment, I think it important to point out - and Mr Whitecross worded his comments very carefully and accurately - that it was the case that, under the legislation, it may well have been that the Public Interest Disclosure Act would still have applied unless it was exempted under the power provided in the Bill. It states that the Minister may, by notice in the *Gazette* - and I presume, therefore, a disallowable instrument - declare that a specified body is basically exempt from the Public Interest Disclosure Act. I wonder what possessed them to put this in here. I grant that we would have had the power to move disallowance. Nevertheless, we would have had to make sure that we had gone through the *Gazette* and picked up this one or looked at subordinate legislation when it was tabled. Anyway, I am surprised that it did get into the Act.

I wondered whether other people had read it in the same way as Mr Humphries had read it, according to his remarks in the in-principle stage of the debate. I must say, Mr Speaker, that when I read the Bill I read it in that way as well. It was only when Mr Whitecross drew it to my attention that I said, "No, I do not think that is right. I would like to take some advice on that". We consulted Mr Hunt, who went through it with us, and found that Mr Whitecross was absolutely right in this. We now have the opportunity, through Mr Whitecross's care, to ensure that the Public Interest Disclosure Act does apply to ACTEW, as it should, and as the current Chief Minister, in introducing that legislation last year, certainly intended it to apply. So, this sort of legislation in one form or another was unanimously accepted by the Assembly last year, and I think it is important that it apply.

Amendment agreed to.

**MR SPEAKER:** Where are we now, Mr Whitecross? Are we moving on to your amendments on the yellow sheet?

**MR WHITECROSS (11.33):** Mr Speaker, my amendments on the yellow sheet, excellent though they are, were consequential on an amendment that was defeated earlier.

**MR DE DOMENICO (Minister for Urban Services) (11.34):** Mr Speaker, I move:

Page 5, line 33, insert the following items:

**“Subsection 3(1) (definition of ‘officer’, paragraph (b)) -**

Omit ‘or’ (last occurring).

**“Subsection 3(1) (definition of ‘officer’, paragraph (c)) -**

Add at the end ‘or’.

**Subsection 3(1) (definition of ‘officer’) -**

Add at the end the following paragraph:

‘(d) a person who is to be taken to be an officer in accordance with section 115A;’.”.

I table supplementary explanatory memorandums for the amendments I moved previously and for those relating to this Bill. My amendment expands the definition of “officer” in the Act consequential upon the insertion of a new section 115A into the Act. This new section preserves existing mobility arrangements between ACTEW and the Australian Public Service for existing employees following corporatisation on 1 July 1995.

We listened to Mr Berry talk about Liberal governments and corporatisation and how they are not going to look after the workers or what have you. I note that Mrs Carnell wrote to Mr Gary Johns, the Assistant Minister for Industrial Relations, seeking his

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agreement to ensuring that for three years after 1 July existing mobility arrangements be offered to ACTEW employees. I would like to read from a letter from Mr Johns to Mrs Carnell, received on 19 June - only yesterday - which is why we needed to move this amendment. The letter stated:

Dear Chief Minister

Your letter of 30 May sought my assistance in extending the current reciprocal mobility arrangements between the ACT Government Service ... and the APS to members of the ACT Electricity and Water Authority ... when it is corporatised on 1 July 1995.

Mr Johns was perhaps pre-empting the vote of this Assembly. He continued:

I have considered your proposal, taking into account both the overall purpose of reciprocal mobility arrangements in facilitating movement between similar public sector organisations and the current entitlements of ACTEW staff employed under the *Public Sector Management Act* ... I am agreeable to an arrangement which would maintain the current reciprocal provisions for existing officers of the ACTEW at the date of corporatisation, for a period of three years from that date. I understand that our officers have been in contact in regard to the legislative arrangements which would be necessary to effect this.

Yours sincerely,

Gary Johns.

Once again, that proves our commitment to making sure that people working at ACTEW lose none of their entitlements from 1 July 1995. I commend the amendment to the house.

Amendment agreed to.

**MR DE DOMENICO** (Minister for Urban Services) (11.37), by leave: I move:

Page 7, line 9, insert the following item:

**“After section 115 -**

Insert the following section:

**Mobility rights of certain persons**

‘115A. (1) Notwithstanding subsection 7(2) of the *Electricity and Water (Corporatisation) (Consequential Provisions) Act 1995*, the following provisions have effect in relation to employees of the Company.

‘(2) A transferred employee of the Company shall, within a period of 3 years commencing on the relevant day, be taken to be an officer within the meaning of this Act for the purposes of the *Australian Capital Territory Government Service (Consequential Provisions) Act 1994* of the Commonwealth.

‘(3) For the purposes of transfer or promotion to an office in the Service in accordance with this Part, an employee of the Company shall be taken to be an officer within the meaning of this Act.

‘(4) Unless the contrary intention appears, an expression used in this section has the same meaning as in section 7 of the *Electricity and Water (Corporatisation) (Consequential Provisions) Act 1995*.’.

Page 7, line 9, insert the following amendment:

***“Public Sector Management (Consequential and  
Transitional Provisions) Act 1994***

**Section 15 -**

Add at the end the following subsection:

‘(2) Where a person to whom subsection (1) applies becomes a transferred employee within the meaning of section 7 of the *Electricity and Water (Corporatisation) (Consequential Provisions) Act 1995*, the subsection shall continue to apply in relation to that person.’.”.

The first amendment inserts a new section 115A into the Act. The effect of this amendment is to preserve existing mobility arrangements between the former authority and the Australian Public Service for the benefit of transferred employees for a three-year period after corporatisation. This is achieved by treating the transferred employees as ACT Government Service officers for mobility purposes.

The second amendment amends section 15 of the Public Sector Management (Consequential and Transitional Provisions) Act 1994. Section 15 preserves mobility rights of officers under Part 4 of the Public Service Act 1992 of the Commonwealth where the officer's last office in the Australian Public Service related wholly or substantially to matters now in the responsibility of the ACT Government Service. This amendment preserves rights under section 15, notwithstanding the corporatisation of the authority, so that transferred employees with the authority who currently have rights of return to an area in the ACT Government Service continue to retain those rights after corporatisation.

**MR WHITECROSS** (11.38): Mr Speaker, we are happy to support these amendments. The view of the Labor Party is that providing the maximum mobility rights for employees between Commonwealth and ACT government employment is in the public interest and is in the best interests of ensuring the most efficient disposition of staff across the ACT and Commonwealth governments. We are happy to support the amendments for this reason. We are sorry that the mobility arrangements could not be more long lasting and more extensive, although I understand the reasons for that.

Amendments agreed to.

**MS TUCKER** (11.39): This amendment was circulated in the name of Lucy Horodny. I move:

Page 8, line 11, insert the following clause:

**“Substitution of section 7**

- 1A.** Section 7 is to be taken to be replaced by the following section:

**Principal objectives of Company**

- ‘7. (1) The principal objectives of the Company are to -
- (a) operate at least as efficiently as any comparable business;
  - (b) maximise the sustainable return to the Territory on its investment in the company in accordance with the performance targets contained in the latest statement of corporate intent of the Company;
  - (c) exhibit a sense of social responsibility by having regard to the interests of the community in which it operates; and
  - (d) where its activities affect the environment - conduct its operations in compliance with the principles of ecologically sustainable development.

‘(2) For the purposes of paragraph (1)(d), ecologically sustainable development is to be taken to require the effective integration of economic and environmental considerations in decision-making processes and to be achievable through implementation of the following principles:

- (a) the precautionary principle, namely, that if there is a threat of serious or irreversible environmental damage, a lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation;

- (b) the inter-generational equity principle, namely, that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations;
- (c) conservation of biological diversity and ecological integrity;
- (d) improved valuation and pricing of environmental resources.

‘(3) The principal objectives of the Company are of equal importance.’”.

In moving the amendment, I would like to add that having sound objectives is only one aspect of meeting social and environmental objectives. As we stated this morning in moving the motion to set up a select committee, there were several amendments we have not been able to have drafted and which we feel should be in these pieces of legislation. These include entrenchment of consumer rights, setting environmental targets, community consultation processes, and assurances that ACTEW will get involved in providing energy services in the broader sense. I heard Mr De Domenico and Mr Moore say that they were pleased with the process here and that, as people new to the Assembly, we should be reassured that things are done well. I am sorry, but it just does not look that way to us. Maybe because we are new to this place we have a fresh picture of this. It may seem fine to you, but I can assure you that it does not look fine to us. There is a lot more work that should have been done on this Bill before it got anywhere near this point of debate.

Much of the basic motivation behind corporatisation is to involve the ACT in the Hilmer competition reforms, which focus on economic efficiency, including competitive changes to government-owned enterprises. However, there has been widespread community concern about the competition reforms, particularly on social and environmental grounds - we have mentioned this several times today - and the Greens share that concern. While we accept the need for and opportunities that arise from improved operational efficiency, we do not accept an obsession with predominantly commercial objectives above all else. Water, in particular, should be managed as a natural system and not as a marketplace.

The Greens constantly call for social and environmental obligations to be given equal weighting with economic efficiency concerns, and this is no different in the case of ACTEW. This amendment, in conjunction with the amendment regarding environmental, social justice and employee representatives on the board, goes part way to ensuring that these concerns are given the weight they deserve in the decisions of ACTEW. It would be desirable that the legislation go one step further and set specific targets and processes for meeting these objectives. Revenue capping, for example, is one way of ensuring that ACTEW does not have any incentive to increase profit by increasing the amount of electricity sold; but it does not discourage the company from investing in energy efficiency services for its customers. This would also address social equity concerns.

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There is much that it would be desirable to include in the legislation. However, as has been said before, and I will say it again, two weeks is not sufficient time to develop the substantial amendments we would like to have moved. We have been approached by a large number of people suggesting amendments to ensure that ACTEW is a socially and environmentally sound company. The amendments we have tabled manage to bring only a fraction of these suggestions to this Assembly for debate. The amendment, however, provides a clear statement of the objectives this Assembly wants ACTEW to follow. It is an improvement on what the Government has offered.

**MR DE DOMENICO** (Minister for Urban Services) (11.43): The Government is not 100 per cent happy with the way this amendment is worded; but, once again, after talking to the other members of the Assembly, we realise that it is something we are not going to die in a ditch over. The Government will be supporting this amendment.

**MR WHITECROSS** (11.43): Mr Speaker, we are supporting this amendment. Like Mr De Domenico, we could probably play around with the words and we would have liked that opportunity, as I am sure the Greens would have. That is the benefit of having a select committee. However, we have not got that, so we are happy to support - - -

**Mr Moore:** On a point of order, Mr Speaker: I think we have been relaxed with reference to standing order 52 today - reflection upon votes. There has been repeated reflection upon the vote of the Assembly with reference to the select committee. We have been particularly tolerant, but it is incorrect, Mr Speaker.

**MR SPEAKER:** Mr Moore, I will uphold your point of order. I have noticed that several members tonight have made reference to matters that have already been debated and voted on in this house.

**Mr Berry:** Mr Speaker, speaking to the point of order: There is an issue of people being a bit precious about decisions in the past. When they are held responsible for the decisions and mentioned with some derision, even though it might be only slight derision, we get some of the petals around the place leaping to their feet over the matter. The green book describes this sort of stuff as somewhat outdated. Arguing that you cannot criticise an earlier decision of the Assembly just because somebody gets a little bit upset by it, I think, is outrageous.

**MR SPEAKER:** I cannot uphold your point of order, Mr Berry, simply because standing order 52 is quite clear. It reads:

A Member may not reflect upon any vote of the Assembly, except upon a motion that such vote be rescinded.

If it is the view of the Assembly that that particular standing order needs to be amended, then we will have to take appropriate action; but I cannot ignore a standing order that exists. If it is drawn to my attention, as Mr Moore did, all I can do is to uphold it.

**Mr Connolly:** On the point of order: I think it is a question of what “reflect” means. If you look to the green book, simply saying that we would have liked to have a select committee is not reflecting. To go into an extended diatribe about the motives of members and why they voted that way is a reflection. If, Mr Speaker, you would care to look at that for future debates, you may be able to provide better guidance for us.

**MR SPEAKER:** In the interests of expediting this long debate, I shall be happy to take that on board, Mr Connolly.

**MR WHITECROSS:** Mr Speaker, I think I have made the substantial point I wanted to make, which is that we would welcome the opportunity for the Minister to offer us more time to consider this matter. If, as I suspect, the Minister is not offering us more time to consider it, this is better than nothing. We will continue to consider this in the future. Maybe we will introduce another Bill in private members business and fix it up.

**MR MOORE (11.47):** Mr Speaker, I am delighted to support this amendment. As I indicated earlier when I put an amendment of my own, I think it enhances ACTEW and will help guide the new corporatised body in the sort of thinking they have been coming towards for some years. I think it is a credit to Ms Horodny and Ms Tucker that they have put this amendment tonight.

Amendment agreed to.

**MS HORODNY (11.48):** I move:

Page 8, line 11, insert the following clause:

**“Substitution of section 12**

**1B.** Section 12 is to be taken to be replaced by the following section:

**Directors**

‘12. (1) The directors of the Company shall include -

- (a) a director with industrial relations experience;
- (b) a director with experience in environmental or conservation matters; and
- (c) a director with experience in consumer or social welfare matters.

‘(2) A director referred to in subsection (1) shall be selected by selection committee from a panel of 3 persons nominated by the relevant body.

- ‘(3) The selection committee shall consist of -
- (a) the chairperson of the board of the Company, or, if that position is vacant, a person nominated by the voting shareholders;
  - (b) 2 persons nominated by the relevant body; and
  - (c) 2 other persons nominated by the voting shareholders.
- ‘(4) Subject to this section, the procedures for -
- (a) nominating and selecting a director referred to in subsection (1); and
  - (b) constituting the selection committee for the appointment of that director;

shall be as determined by the voting shareholders.

‘(5) The other directors shall be persons who, in the opinion of the voting shareholders, have the expertise or skills necessary to assist the corporation to achieve its principal objectives.

‘(6) In this section -

“relevant body” means -

- (a) in relation to a director referred to in paragraph (1)(a) - the ACT Trades and Labour Council Incorporated;
- (b) in relation to a director referred to in paragraph (1)(b) - the Conservation Council of the South East Region and Canberra Incorporated; and
- (c) in relation to a director referred to in paragraph (1)(c) - the Australian Capital Territory Council of Social Service Incorporated.’”.

Mr Speaker, the board of directors of any corporation has the prime responsibility for the operation of the business. One of the main reasons why corporatisation is proposed as a good idea is that the board is held legally responsible for its decisions. The board, not the Government, will be responsible for irresponsible actions taken by the corporation as a result of their decisions.

The prime aim of a business is to generate profit. Good business practice also imposes some degree of social and environmental obligation on business. However, the degree to which the business will pursue this is limited to where it sees an opportunity for economic gain. ACTEW is not an ordinary business. It is now and is likely to continue to be a monopoly provider of water, sewerage and electricity for the residents of the ACT. For the community, there is much more at stake than just dollars. All residents of the ACT are shareholders in ACTEW. We must ensure that those things that do not make an immediate contribution towards the bottom line are not neglected. We must also make every effort to ensure that those activities that in themselves may not be costly to ACTEW but have significant impact on the community and the environment are not neglected.

It is a requirement that the boards of statutory authorities be appointed by a Minister through a disallowable instrument of appointment. That means that there is at least some degree of accountability to the Assembly with respect to who sits on the board of a statutory authority. However, a corporatised ACTEW will not be a statutory authority; it will be an independent entity where the Government, holding the voting shares, will be able to appoint anybody they care to appoint to the board of directors. This may be news to some members of this Assembly. It means that appointments to the board of directors of ACTEW will not be subject to disallowance by the Assembly. We, the members of this Assembly, will find it very difficult to have any influence on the appointment process. That gives this amendment added importance. Through this amendment we can at least do something to ensure that not all the members of the board will be hand-picked by the Government to suit its own personal political agenda.

Requirements for the members of the board are not only a sound knowledge of business and an understanding of the community the corporation serves; creativity and openness to approaching new ideas are also essential. Creativity is gained through a diversity of opinions. This is a fundamental of the success of democracy. This amendment seeks to ensure that a diversity of opinions and representatives who are knowledgeable about basic community needs and concerns are represented on the board of ACTEW. Opinions are generated through individual experiences. A person who has worked all their life in the corporate world is not going to be as aware of those in need as a person who has worked with, for example, the Salvation Army or a welfare rights group. Sometimes these skills and knowledge overlap; often they do not.

No person can reasonably say that, because they have read about social concerns and donated money to a charitable organisation, they have a true understanding of the basic social needs of the less fortunate members of the community, those members of the community who are not in the position to give money to a charity but rather are in need of the support of these charities. According to a report given to me recently, charities in Victoria pay an estimated \$7m each year to that State's power, water and gas companies on behalf of people in need. The precious resources of the charities are being spent to make up for the socially irresponsible actions of the utilities. Our amendment alone will not ensure that similar things will not occur in the ACT. It does ensure that those in need will have on the board a person who is at least aware of their needs and who can work to respond to them.

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As has been stated many times during the past weeks, the Government wants to make ACTEW a better, more profitable organisation through corporatisation. But at what cost profit? What cost will the community have to pay if ACTEW promotes the use of electricity as a way of increasing its profits? It may make perfect business sense to promote consumption, but it makes no sense at all from an environmental point of view. Every activity ACTEW undertakes has an impact on the environment. Experience in environmental management and conservation issues provides a person with a special passion to ensure that our environment is cared for. Our amendment seeks to ensure that community concerns about the environment are represented on the board. The amendment also seeks to include on the board a person with industrial relations experience. We seek to do this to provide a mechanism that will help empower the staff and engender in them a sense of responsibility in relation to their workplace. This is not a radical idea. In fact, it is a practice of many successful international corporations. A happy workplace is an integral part of gaining efficiency.

The Greens do not seek to limit the range of experience and knowledge on the board. On the contrary, we seek to expand it. We seek to extend it through providing for individuals who may provide the board with a wider range of knowledge and experience than might otherwise have been the case. In addition, this amendment will assure the community that concerns that might not otherwise have been heard by ACTEW will be taken on board and considered seriously.

**MRS CARNELL** (Chief Minister) (11.55): Mr Speaker, we will be opposing this amendment, and for very good reasons. The directors of this company need to be people who understand about running a multimillion dollar company first and foremost. That is the bottom line. Quite simply, we have heard talk about profit and these sorts of things all the way through this debate, but it is the people of Canberra who own this company. There is nobody who is likely to profit by any unusual actions of ACTEW. The only people who can profit are the people of Canberra, and community service obligations and the expectations of this Assembly and the people of Canberra will determine how the company operates. The most important thing is that we need a board of directors who know how to run a company. That is the bottom line.

If we start putting on the board directors who do not have this expertise, they are likely to end up in gaol. In this day and age, requirements of directors are quite dramatic. Your house is on the line when you take on the directorship of a company, and this is a multimillion dollar exercise. The bottom line for us is that we must have people who do understand about multimillion dollar companies and who know how to run them properly. Running them properly is not necessarily about extracting the last dollar. It is about happy workplaces and people who want to work there. First and foremost in this whole debate, this is about having ACTEW as a company that has a real corporate identity, a company where people want to work - they do now, but that will become even better under this new approach.

We believe strongly that the directors, with their CVs, should be run past this Assembly, and we undertake to do so, simply because ACTEW is very important to the people of the ACT and the people on the board obviously are of interest to this Assembly. I can guarantee that we will not be recommending people to be directors of ACTEW for political reasons. We will be putting on here people who can run the company.

Mr Osborne earlier spoke about Mr De Domenico giving him an undertaking that there will be somebody from an organisation such as the Smith Family. I have no doubt that they have people who both understand the requirements of people on lower incomes in our society and also have business expertise. Let us be fair: Organisations such as the Salvation Army and the Smith Family are almost as big as ACTEW, and are probably bigger on a nationwide basis. They know that they have to run their entities efficiently if they are to service their clients, and that is really what this is about.

We will be opposing the amendment, but we are saying quite categorically that there will be on the board somebody who represents an organisation that looks after people on lower incomes, people who are socially disadvantaged. We also undertake to run the names of the directors and their CVs past this Assembly or, alternatively, the appropriate committee.

**MR WHITECROSS (11.58):** The Labor Party will be supporting Ms Horodny's amendment. In indicating the Government's opposition, the Chief Minister has given us - I am lost for words - a load of nonsense. Having had her Minister happily promise one of the positions to an organisation from the welfare sector or someone connected with the welfare sector, such as the Smith Family or the Salvation Army, it does not seem to me that she is in a position to say that it is impossible to find someone who knows something about the environment who could be qualified to be on the board of directors or someone with industrial relations experience who could be on the board of directors, which rather gives the lie to the nonsense Mrs Carnell talks. To suggest that there cannot be on the board of directors of ACTEW someone who will not end up in gaol and who has industrial relations experience, or who will not end up in gaol and who has environmental or conservation understanding, is just a nonsense.

I point out to the house and to Mrs Carnell that the selection committee for these positions includes the chairperson of the board or another person nominated by the voting shareholders, two further people nominated by the voting shareholders, and two persons nominated by a relevant body that understands these issues. This means that, effectively, the voting shareholders have the numbers on the selection committee but they have on the selection committee a minority of people who can give them good advice about the qualifications of people in industrial relations or environmental concerns or social welfare concerns in order to ensure that there is the right blend of experience on the board.

Quite frankly, I would have thought that the kind of company that I am sure ACTEW will be and that the Government assures us ACTEW will be is the kind of company that would benefit greatly by having on its board someone with industrial relations experience and someone with an understanding of the environment. To suggest that this proposal is some sort of nightmare that is going to result in a raft of incompetents being appointed to the board just does not hold water. The practice of having on the board of directors of a company someone who is a representative of the staff is quite common. It is particularly common in the public sector. There seems to be no reason why someone nominated with the input of the Trades and Labour Council, perhaps a representative of one of the staff associations, but certainly someone with the expertise necessary both to be a director and to have an understanding of industrial relations, would not make a useful contribution. It is done in lots of places, and there is no reason why it should not be done here.

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Mrs Carnell's objections to this simply do not hold water. It is a good amendment. It is not an amendment that is going to bog them down. It is not an amendment that is going to cause lots of incompetent people to be left in charge of ACT Electricity and Water. It is going to ensure that the board of directors have a breadth of experience and understanding along the lines Mr Osborne talked about earlier in the night in relation to lower income people, a depth of understanding to ensure that ACTEW is a good corporate citizen, that it understands all the things it needs to understand to be a responsible part of the community.

I am sure that ACTEW management would not find this requirement onerous. I am sure that ACTEW management would welcome the notion that among its directors were people who understood environmental matters, people who understood industrial relations matters, people who understood that some of their clients cannot just dash off a cheque whenever they get a bill, that they can get into financial difficulty, and people who do have consumer concerns and other things. I cannot see any reason from a public interest point of view, from a practical point of view, why we would not want to support this. All it is doing is giving to the community some assurance that our board of directors will have what I consider to be an appropriate breadth of experience.

I am interested in Mrs Carnell's commitment to run past the Assembly the names of the directors of the company and their CVs. I do not quite understand what "run past" means. I do not quite understand how that is going to work. There was some story running around before that somehow or other the directors of the company were going to be able to be disallowed by the Assembly under statute law. That is simply not the case because they are not appointed under a statute. This process, I think, gets the right balance. Obviously, the requirements of the Companies Act will have to be taken into account in appointing board members, and there is no reason why these other concerns should not be taken into account as well.

**Wednesday, 21 June 1995**

**MS HORODNY** (12.04 am): There is ample room on the board for people with financial management skills as well as people who can balance the debate on economics and environmental, social and industrial relations concerns. Having a board with directors who have management skills alone, at the expense of other concerns, does not ensure that the corporation will do well. The history books are full of corporations that have gone under, even with so-called financial whiz-kids on the board. The argument that putting on the board individuals with more diverse skills and expertise somehow makes the board a mickey mouse arrangement is an insult to community representatives who have skills in environmental, social and industrial relations areas and does not value those important considerations in this new and high-flying ACTEW.

**MR BERRY** (12.06 am): I remember that some time ago - dare I be accused of reflecting on a decision of the Assembly, though a former one - there was much ado about how it was a requirement, in the interests of the future of the Territory, that this Assembly should, through its committee process, screen the people who were appointed by the Government to positions on statutory authorities and so on. There was a long debate about how necessary it was, and Mr Moore was one of the avid supporters of that process. It was Mr Moore's legislation. What I am trying to do is expose a little bit of the hypocrisy that is floating around here today.

**Mr Moore:** It was legislation that you resisted, speaking of hypocrisy.

**MR BERRY:** For good reason. Mr Moore interjects that it was legislation we opposed. Yes, we did oppose it, for good reason. What I am pointing out to the Assembly now is that in those days Mr Moore and the Liberals argued that it was not possible to do the job properly unless you had floated past a committee of this Assembly the names of all the people who were going to be managing our enterprises. We heard somewhat emotional arguments about these issues; but now we see that they are largely abandoned, by the Liberals in particular. The Liberals are not prepared to support something which ensures that people with particular areas of expertise are appointed to the board.

As has been made clear, the selection panel would consist of the chair of the board or company, a couple of persons nominated by the relevant bodies - those three bodies nominated in the legislation - as well as two other persons nominated by the voting shareholders. It is not as if the relevant bodies have the numbers on this. This goes again to that issue of proper and fair consultation about what ought to happen with our organisations. The Government would say, "No, this is a corporate body, and the relevant shareholders ought to be making the appointments. That way we can do it in-house. It has nothing really to do with you because, with all the freedom and flexibility they are going to have, they cannot help but succeed". I am afraid not. As has been said, in the greedy 1980s, with all the greedy whiz-kids around the country, those who were alleged to be so good at their jobs, we got into all sorts of bother.

I think what has been proposed by Ms Horodny is reasonable. It guarantees access to three relevant bodies and representatives from those relevant bodies with particular qualifications, but not only those qualifications. Mr Moore gives me some hope. He says that I have not heard him speak yet in relation to this issue. If he were to support something along the lines of this amendment, I would take back everything I thought or said about him.

**Mr Moore:** That is a strong motivator.

**MR BERRY:** What I thought I said about you today. It will all be forgotten tomorrow anyway. As far as the Government is concerned, I think they have demonstrated that they are prepared to be branded as hypocrites on this issue. In the past they have avidly supported an open process of appointing people. On this occasion, they are not prepared to offer the same sort of freedom and flexibility in appointments to these important positions.

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**MR MOORE** (12.11 am): Mr Speaker, despite all Mr Berry's rhetoric, he thinks that perhaps he ought to support an open process now that he is not in government. Now that he is not in government he easily casts around the word "hypocrisy". The irony in that is not to be missed. The difficulty in comparing this amendment to the legislation that was passed last year, the Statutory Appointments Act, is that the process is very different. The process in the Statutory Appointments Act still leaves in the hands of the Minister a power to make the decision about whom he is going to appoint. The appointment is made only after a process of consultation has been gone through. This is a very different exercise.

It is interesting that the Greens have spent so much of tonight talking about consultation and how many people they have consulted. They met with me only yesterday morning for the first time on this legislation; whereas I certainly had made it my business to meet with quite a number of people on the issues that I wanted to raise. I accept that there was a relatively short time for us to get together and work our way through this legislation.

One of the difficulties in applying the Statutory Appointments Act to this particular corporatised body is that the corporatisation takes effect under a piece of Federal legislation. Mr Hunt informs me that there is some question as to exactly how you would apply the Statutory Appointments Act. It is something that does need to be pursued. In the interim, the Chief Minister has indicated that she will follow those general processes in so far as it is possible. I accept that commitment. The Chief Minister has delivered on the commitments that she has given me on previous occasions. That is why I accept that commitment. I believe that the consultation will occur.

This amendment with its, I must say, unusual way of appointing directors is not the way that I like to go about these things. That does not make it wrong. I accept the intention of the amendment. The intention of the amendment is to ensure a more controlled process. What I am really seeking, Mr Speaker, is a more open process.

**MS TUCKER** (12.14 am): Mr Moore, I am not quite sure why you think that we did not have time to talk to you. The first time that we contacted you, you said that your position on it was set; so, we did not actually spend a lot of time meeting with you straightaway. But we did talk to you more than once. We attempted to talk to you and were told that you were too busy. We did try.

**Mr Moore:** I do not believe that that is true. I just do not believe that that is true. I did not tell you that I was too busy. It is just not true, Kerrie.

**MS TUCKER:** The membership of the board is a very important principle. Mr Osborne has said that he is happy because he has had an assurance that he can nominate someone with a social welfare background.

**Mr De Domenico:** No; he has not said that.

**MS TUCKER:** He just said that to me then, actually.

**Mrs Carnell:** He did not say that he was going to nominate someone.

**MS TUCKER:** I do not understand why he said that then, but that was the impression that I was definitely given quite clearly. He felt that if he got what he wanted, which was to get on the board one person with a social welfare background, that was fine. There is nothing in writing to say that. There has just been a verbal agreement made - and that is not good enough - in terms of the make-up of a board.

**Mr Moore:** It is not good enough for you, but it is good enough for some of us.

**MS TUCKER:** Maybe, it is good enough for some people; it is certainly not good enough for us. We just stress, once again, that, if you are going to have a balanced corporation, you need to address these concerns. I recommend, once again, that the Public Interest Advocacy Centre's publication, which is full of detail on all the concerns that it has about accountability and equity, needs to be read before you look any more at this legislation.

**MS McRAE (12.16 am):** I realise that it is late at night and a lot of people are starting to lose the plot, but we somehow got off the main point of what this amendment is all about. I would like to add my support to this amendment. This is a socially progressive amendment. This looks at business in the modern world. What has been shown over and over again is that a diversity of culture produces a far better outcome than a clone does. What we have found in the public sector or in the private sector is that, if you have a diversity of input, you are going to have a far better output.

We are talking about one of the most important corporations to the ACT. We are talking about efficiency. You cannot produce efficiency; you cannot produce the outcomes that are the best things for the people of the ACT if you do not have input from the full range of interests. Your economic output will actually be improved by the addition of clear-headed, green thinking or clear-headed social policy. People on low incomes want to pay their bills. People on low incomes want their services. The people who run ACTCOSS or social welfare organisations know best how to meet those needs. They do not want to end up with an organisation that wastes time and money cutting off electricity and putting it on again; or cutting off water and putting it on again. If they understand how the social welfare sector works, then you get a more efficient outcome for the business. It is the same with the green issues. If you put on the board directors who understand the green issues, you get input at the point of management of those issues; rather than trying to go back, five years later, and rectify the errors because people on the board of management - the directors - did not understand the issues in the first place, and made decisions that they thought were the best for the bottom line, for the profit, and all the other nonsense that is spouted at us. Then we find that we have to pick up the pieces a good deal later.

This is a progressive way to manage any organisation; it is adhering to principles of modern management which decry the replication of clones. We have seen throughout the public sector that, the greater diversity you get, the better the outcome of policy. We have seen in the progressive businesses around the world that, the greater diversity of people you have managing the business, the better the profit. We have seen it at every other level of life. The minute that we get women involved in public life and in business as directors, we get a far better output; not because we are women, but because women bring to the circumstances a far wider experience of life than men who normally get into the public sector, public political life, or the private sector. It is the same model as what this amendment attempts to do. It is acting in the best possible interests of the people of the ACT.

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This is a basic service to the people of the ACT, and it is absolutely crucial that the people who have the broadest possible interest in making this organisation work properly - the people who are involved with low income earners, the people who are involved with the green movement, the people who are involved with industrial relations - are there at the very top influencing decisions in a preventive way rather than having to deal with the mess that single-minded profit-makers have made of many a company already in Australia and for which, across Australia, we are still paying the consequences. I would argue that, in most of the situations where these failures have ensued, it has been because of the exclusion of the diversity of thinking that is exactly embedded in this amendment that is being put before us today. I commend the amendment.

Question put:

That the amendment (**Ms Horodny's**) be agreed to.

The Assembly voted -

*AYES, 8*

Mr Berry  
Mr Connolly  
Ms Follett  
Ms Horodny  
Ms McRae  
Ms Tucker  
Mr Whitecross  
Mr Wood

*NOES, 9*

Mrs Carnell  
Mr Cornwell  
Mr De Domenico  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mr Moore  
Mr Osborne  
Mr Stefaniak

Question so resolved in the negative.

**MS TUCKER** (12.25 am): I move:

Page 8, line 11, insert the following clause:

**“Operation of section 13**

**1A.** Section 13 applies as if the following subsections were added:

‘(6) The Chief Minister shall not give an authorisation under subsection (1) or a direction under subsection (3) the effect of which would be that a share would not be held on trust for the Territory unless an inquiry is held under the *Inquiries Act 1991* as modified in accordance with subsection (7).

‘(7) For the purposes of subsection (6), the *Inquiries Act 1991* applies as if -

- (a) the following definition were inserted in subsection 3(1) after the definition of “premises”:

“Speaker” means the Speaker of the Legislative Assembly.”;

- (b) section 5 were omitted and the following sections substituted:

### **Appointment**

‘5. (1) The Board of Inquiry shall consist of no less than 5 members of the Legislative Assembly appointed by the Speaker.

‘(2) In appointing a member for the purposes of subsection (1), the Speaker shall ensure that, as far as practicable, the political affiliation of the members fairly reflects the political composition of the Legislative Assembly.

### **Subject matter of inquiry**

‘5A. The Board of Inquiry shall inquire into the potential social, environmental and economic impacts resulting from a share in ACTEW Corporation Limited not being held in trust for the Territory.’;

- (c) subsection 6(1) were omitted and the following subsection substituted:

‘(1) The members of the Board of Inquiry shall appoint 1 of their number to be Chairperson.’;

- (d) ‘the Executive’ were omitted from subsection (3) and ‘the remaining members of the Board of Inquiry’ were substituted;

- (e) sections 7 and 8 were omitted;

- (f) ‘to the Chief Minister’ were omitted from section 9;

- (g) section 10 were omitted and the following section substituted:

**Resignation**

‘10. A member of the Board of Inquiry may resign as a member or as the Chairperson by writing signed by him or her and delivered to the Speaker.’;

- (h) section 11 were omitted and the following section substituted:

**Termination of appointment**

‘11. A member of the Board of Inquiry ceases to be a member on ceasing to be a member of the Legislative Assembly.’;

- (j) section 14 were omitted and the following section substituted:

**Report of Board**

‘14. (1) After completing the inquiry, a Board shall prepare a report of the inquiry.

‘(2) A member of the Board of Inquiry shall lay a copy of the report before the Legislative Assembly.

‘(3) As soon as practicable after laying the report before the Legislative Assembly, the Board of Inquiry shall commit any documents and things then in its possession to the custody of the Speaker for safe-keeping.’; and

- (k) ‘the Chief Minister’ were omitted from section 37 and ‘the Speaker’ were substituted.”.

ACTEW is the single largest business entity in the ACT. It represents a huge investment to the community. It includes the dams, water pipes, electricity lines, buildings, sewerage works, intellectual property and so on. ACTEW's cumulative assets have huge value. If the ACT were ever to relinquish its ownership and control of the resources and assets which constitute ACTEW, it must be for very compelling reasons - reasons which the community as a whole have had a chance to comment on.

This amendment seeks to ensure that a fully informed debate can take place in the community before any action to privatise ACTEW is taken by the Executive and this Assembly. We consider this an issue of the utmost importance. It is for this reason that we have sought to ensure that, should a government seek to privatise ACTEW, a public inquiry into the social, environmental and economic impacts of privatisation of ACTEW will be mandatory before taking any legislative or Executive action. An inquiry will have access to all the information it desires and it will be able to fully report to the community on any privatisation plan. The inquiry committee will reflect the composition of the Assembly and derive its path from the ACT Inquiries Act. As the Government has said on many occasions, it has no plans to privatise ACTEW. Therefore, we hope that it will be happy to support this amendment.

**MR DE DOMENICO** (Minister for Urban Services) (12.27 am): Mr Speaker, the Government will not be supporting this amendment; and it will not be supporting this amendment quite simply because, first of all, the Government has no plans whatsoever to privatise. Even if it did, before it could do anything it would have to come to this Assembly with legislation. It would be up to the members of this Assembly either to accept or to reject that. That is why I think that the amendment is superfluous and we will not be supporting it.

**MR WHITECROSS** (12.27 am): Mr Speaker, the Labor Party will be supporting the amendment. I accept Mr De Domenico's assurance that the Carnell Government does not have any current intention to privatise ACTEW. I have no reason to doubt Mr De Domenico's word on this or Mrs Carnell's word on this, but what we are talking about here is legislation. Governments come and go, but legislation goes on forever. It does not seem to me that there is anything wrong with ensuring that there is an inquiry before that happens.

Mr De Domenico has made a claim about the need to come back with legislation, but he has not explained the logic of that to me. So, in the absence of that logic I am happy to support Ms Tucker's amendment.

**Mr De Domenico:** Because you would need an Act of parliament to do it; and the only place where you can do it is in here.

**MR WHITECROSS:** You are claiming that; but there is a provision in subsection (6), Mr De Domenico, which suggests a method by which it might be able to be done other than that.

**Mr De Domenico:** How?

**MR WHITECROSS:** It is there in subsection (6), Mr De Domenico. If it can be contemplated by the drafters of the amendment, then I would have thought that it should be contemplated seriously by us. This mechanism provides a way forward. If, as Mr De Domenico argues, a future government brings forward legislation, then - - -

**Mr De Domenico:** It has to.

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**MR WHITECROSS:** Mr De Domenico, let me finish my point. If, as Mr De Domenico argues, a future government brings forward legislation to privatise ACTEW, then this would resolve the problem of this provision. But I would rather be sure that we were going to have an inquiry before we ended up with a privatised body than take Mr De Domenico's word for it at half past 12 in the morning, when he has not explained to me, or to the house for that matter, how his explanation works and why the amendment is not necessary. So, I would support Ms Tucker's amendment.

Question put:

That the amendment (**Ms Tucker's**) be agreed to.

The Assembly voted -

*AYES, 8*

*NOES, 9*

Mr Berry  
Mr Connolly  
Ms Follett  
Ms Horodny  
Ms McRae  
Ms Tucker  
Mr Whitecross  
Mr Wood

Mrs Carnell  
Mr Cornwell  
Mr De Domenico  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mr Moore  
Mr Osborne  
Mr Stefaniak

Question so resolved in the negative.

Schedule, as amended, agreed to.

Title agreed to.

Bill, as amended, agreed to.

## **ADJOURNMENT**

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

That the Assembly do now adjourn.

**Assembly adjourned at 12.34 am (Wednesday)**

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