



DEBATES

OF THE

LEGISLATIVE ASSEMBLY

FOR THE

AUSTRALIAN CAPITAL TERRITORY

HANSARD

19 September 1995

Tuesday, 19 September 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.

DEATH OF DAME PATTIE MENZIES, GBE

MRS CARNELL (Chief Minister): Mr Speaker, I move:

That the Assembly expresses its deep regret at the death of Dame Pattie Menzies, who was an active resident and promoter of Canberra, and tenders its profound sympathy to her daughter, Heather, and her family in their bereavement.

Mr Speaker, it was with much sadness that I learned of the recent death of Dame Pattie Menzies at the grand old age of 96. Dame Pattie earned the admiration of all Australians for her dedication, grace and eloquence. She was a remarkable Australian and the wife of a great Prime Minister.

Born in Alexandra, Victoria, in 1899, Dame Pattie was the eldest daughter of John Leckie, who was to become a senator for Victoria. She met Robert Menzies, an up-and-coming barrister, in early 1919 and they were married on 27 September 1920. This tremendous partnership lasted for 58 years and ended with the death of her husband in 1978. Dame Pattie was a no-nonsense person and a tireless worker on behalf of her fellow citizens. As the wife and confidant of the Prime Minister, Dame Pattie stood by Sir Robert through many politically difficult times. She did not become involved in politics herself, but she was very quick to sum up the character and mettle of a person and often was more accurate in this regard than her husband. Sir Robert recognised this and other aspects of her character which supported him in his role as leader. In fact, Sir Robert once observed, "When people meet with her they think rather better of me ...".

She tirelessly carried out her duties associated with being the wife of the Prime Minister while at the same time supporting charitable work whenever she could. She also made a home for her family and raised her children, providing the backbone for the family's life. Many women in our community today will readily relate to the juggling that must have been needed for Dame Pattie to balance these important responsibilities. She had great concerns for her fellow citizens, particularly for women. She was mindful of the importance of recognising the role of women in the development of the nation. On one occasion she was opening a power station for the Snowy Mountains Authority. In her address, she made sure that she celebrated the role of the women in what was then still a quite isolated area of our nation.

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The citation conferring the Dame Grand Cross of the Order of the British Empire on Mrs R.G. Menzies in 1954 read in part:

In recognition of years of incessant and unselfish performance of public duty in hospital work, in visiting, addressing and encouraging many thousands of women in every State of Australia ...

This honour was conferred nine years before her husband received his knighthood, and it recognised her work in her own right. While Dame Pattie believed that she should not be involved in politics, her influence on Sir Robert did result in policies and tangible outcomes. Sir Robert, in his book *The Measure of the Years*, recalled that Dame Pattie had made a remark which took root in his mind. She had said that, while there was a great deal of talk about rates of pensions, she believed that the greatest social need for the elderly was housing. She asked whether there could not be some scheme under which the Government could assist in this area. Sir Robert followed up this remark, and the result was legislation to provide for that need.

Dame Pattie lived most of her life in Melbourne and is well known for her work there. The Children's Hospital in Melbourne, the Women's Hospital and the Royal Melbourne Hospital all benefited from her work on their behalf. But Dame Pattie maintained strong links with Canberra from the time in 1939 when she first moved to the national capital and to her home in the Lodge as the wife of the Prime Minister. Because of these links, her death was a sad event for Canberra as well as for the nation. Dame Pattie, with her love for people, ran the Lodge as a generously hospitable place. She entertained parliamentary colleagues and, whenever possible, their wives, public servants and the diplomatic community. Family friends were included in the gatherings, which were informal and lively.

This was not always an easy task, as the nation faced restrictions because of the Second World War. Dame Pattie could be seen at times doing her shopping on a bicycle and carrying out her domestic duties in an apron. In fact, one of the more amusing stories that I heard Dame Pattie tell a couple of years ago was the story of how, during the war, she grew vegetables at the Lodge and had bantam chooks for eggs. They became fully self-sufficient. But when she had some left over she did not feel that she could really set up a stall outside. It is hard to believe, with the way the Lodge looks now.

While Sir Robert may have put names on the guest list for political reasons or for reasons of government, Dame Pattie made sure that the conversation was lively, enjoyable and certainly informal. Dame Pattie excelled at making people feel at ease and was at home talking to people from all walks of life. She supported community work here in Canberra. I am sure that many former girl guides and brownies who grew up in Canberra remember cleaning the silver at the Lodge for Dame Pattie as part of Bob-a-Job Week. She was an advocate for Canberra as a place to live. She believed that Canberra was one of the most beautiful cities in the world. Dame Pattie helped arouse the interest of her husband in Canberra in the 1950s when she drew his attention to the lack of footpaths for mums pushing prams. This was the start of the Commonwealth Government's genuine commitment to the development of Canberra, not just as a national capital but also as a desirable place to live.

Speaking in 1979, Dame Pattie said that Canberra residents had an obligation to correct those who said that Canberra was a city without a soul. It was, she insisted, a beautiful city created by men and women who had laboured with love and care to build it, to make the lake, and to plant the gardens and the trees. We all know that this is so. She returned to Canberra from Melbourne in 1992 to be closer to her daughter and continued to play an active role in public life, including her participation in celebrations marking the fiftieth anniversary of the Liberal Party last year.

Dame Pattie's passing has left a mark on all of us. Her life was lived through two world wars, the Great Depression and the postwar reconstruction of Australia. Dame Pattie was known and admired by people from every age group. Just as we paused and reflected this year on the events celebrating "Australia Remembers", Dame Pattie's passing has also caused us to pause and reflect on the passage of our nation in this twentieth century and the legacy that one woman left.

After Dame Pattie's move back to Canberra, I was fortunate, as many of my colleagues were, to develop a personal friendship with her. I enjoyed her warmth and grace and admired her great wisdom. Aside from our politics and our personal rapport, we had another common link. When Sir Robert travelled, Dame Pattie accompanied him with a full bag of reliable Australian pharmaceuticals to cater for every possible malady or discomfort. I must say that I can relate to this aspect of her personality.

Dame Pattie outlived her husband, Sir Robert, and her two sons, Kenneth and Ian. She is survived by her daughter, Heather. Many tributes have been paid to Dame Pattie since her death on Wednesday, 30 August. On behalf of the ACT Government and the people of Canberra, I would like to acknowledge Dame Pattie's valuable contribution to her country, to its people and to our community here in the ACT. Mr Speaker, I am sure that all members join me in expressing our sympathy to Dame Pattie's family and friends.

MS FOLLETT (Leader of the Opposition): The Opposition supports the Government in this motion of condolence on the death of Dame Pattie Menzies. I need hardly point to the political and philosophical differences between my party and Dame Pattie. She was quite clearly a Liberal to her backbone and proud of it. She was, and was known to be, no great admirer of the Labor Party's policies or, indeed, representatives. But, those differences aside, like all Australians, I certainly found a great deal to like and admire about Dame Pattie Menzies. Growing up in Canberra in the 1950s and 1960s - the Menzies era, if you will - I saw a great deal of Dame Pattie in her public life and in some of her more private moments, as Canberra was a very small town in those days.

As we know, Dame Pattie was able to combine her twin roles with extraordinary success. She fulfilled her role as the wife of the Prime Minister of the day to the full, always with the utmost grace and dignity. She was a true adornment to Sir Robert Menzies. She combined that role with her role as a mother and as a leader within her own family. I believe that the success that she was able to demonstrate in those two roles probably would have earned her the respect, the admiration and the liking of a great many people. The fact that she was able to expand on those roles and also play a very active, dominant role in so many aspects of social welfare, I thought, was truly remarkable and the sign of a woman of quite extraordinary talent, energy, strength and determination.

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I make no bones about admiring that. Mr Speaker, I believe that in the way that she combined her many activities she was somewhat like the present Prime Minister's wife, Mrs Annita Keating. I have no doubt that Dame Pattie would turn in her grave if she could hear me say that.

I met Dame Pattie on just a few occasions. In doing so I was always struck by her warmth and the way that she could immediately strike up a rapport with anybody, regardless of their age, their background or their walk of life. She was a true citizen of the world. That is an extraordinary talent. Even as a very elderly lady she maintained her grasp on issues. She showed incredible lucidity, the ability to put an argument and the ability to conduct a conversation with anybody from any walk of life.

The last occasion on which I met Dame Pattie was only about three years ago, very shortly after she had moved back to Canberra in 1992. The occasion was the dedication of the stand at Manuka Oval. The Cricket Association was dedicating the stand to Sir Robert Menzies and to Mr Bob Hawke. Dame Pattie was present on that occasion. She was able to give everybody present the benefit of her wit and her wisdom. Whether they were on Bob Hawke's or Dame Pattie's political side, they were all made to feel that she had something to say to them, was very pleased to be there, and overwhelmingly was very pleased to be back in Canberra.

The aspect of Dame Pattie's character that I always admired the most, and I still do, was her dedication to the city of Canberra. From its earliest days she recognised that this was not just the seat of Federal Parliament. It was not just the city that so many politicians came to reluctantly to conduct essential political business and escaped from as soon as they decently could. Dame Pattie always recognised that Canberra was a city with its own community, that that community had very real needs and that the families which made up that community were every bit in need of effective government support for the services and facilities that they required as were the community of any other city. As well as that, I think she had a real affection for Canberra. I know that she liked the four seasons of Canberra; I know that she liked the planning of Canberra. I believe that Canberra owes a great deal to Dame Pattie.

In many ways Dame Pattie strikes a nostalgic chord with a lot of us because she is a reminder of a much gentler era, an era of greater certainty, an era of greater safety and an era when graciousness was expected and greatly admired in people in leadership positions. That era has long gone now and we live in much harsher times, much more combative times. Dame Pattie, even late in life, was able to remind us of that gentler era, so she is indeed a great loss.

Mr Speaker, the Opposition joins with the Government in this motion of condolence. We certainly extend our best wishes to Dame Pattie's daughter, Heather, and to her family in their loss. As the Chief Minister has said, the loss of Dame Pattie is also a very real loss for Canberra.

Question resolved in the affirmative, members standing in their places.

PETITIONS

The Clerk: The following petitions have been lodged for presentation:

By **Mr Hird** and **Mr Kaine**, from 28 and 64 residents, respectively, requesting that the prayer be restored to the opening of the Assembly's sittings.

By **Ms McRae** and **Mr Stefaniak**, from 120 and 98 residents, respectively, requesting that the lease and development application for the community sporting facilities in McKellar be approved.

The terms of these petitions will be recorded in *Hansard* and a copy referred to the appropriate Minister.

Legislative Assembly Prayer

The petition read as follows:

Petition to the ACT Legislative Assembly, through the Speaker, Mr Greg Cornwell MLA, seeking the restoration of prayers at the commencement of each session of the Legislative Assembly.

To the Speaker and Members of the A.C.T. Legislative Assembly in Parliament assembled:

The petition of the undersigned residents of the Australian Capital Territory respectfully notes that:

- (1) We are opposed to the abolition of the Legislative Assembly's opening prayer and replacement by 'silent reflection'.
- (2) We believe that, as the population of the Australian Capital Territory is at least 75% Christian (committed and nominal), the Legislative Assembly has ignored the greater majority of the residents of this territory.

We request that the Legislative Assembly recognise the Christian beliefs of the majority of A.C.T. residents, and to rescind the motion that abolished the opening prayer.

And your petitioners, as in duty bound, will ever pray.

Legislative Assembly Prayer

The petition read as follows:

To the Speaker and Members of the Legislative Assembly for the Australian Capital Territory:

The petition of certain residents of the Australian Capital Territory draws to the attention of the Assembly our deep concern with the decision to abandon the formal prayer at the beginning of each sitting day of the Legislative Assembly. We believe this goes far beyond a well held practice in all other Parliaments in the Australian Commonwealth and was made without proper consideration of the opinions of the people of the Australian Capital Territory. We believe that no Party or individual has a mandate to endorse this decision.

We request that the formal prayer for God's blessing on the Assembly be restored to its rightful place at the beginning of each sitting day.

Community Sporting Facilities, McKellar

The petition read as follows:

To the Speaker and Members of the Legislative Assembly for the Australian Capital Territory:

The petition of certain residents of the Australian Capital Territory draws to the attention of the Assembly that the undersigned residents living in the Belconnen community totally support the proposed development and provision of much needed community sporting facilities by the Belconnen Soccer Club initiated in 1985, at the intersection of Owen Dixon and William Slim Drives in McKellar.

Your petitioners therefore request the Assembly to approve the above lease and development application as soon as possible.

Petitions received.

SUSPENSION OF STANDING ORDERS

Motion (by **Mr Humphries**) agreed to, with the concurrence of an absolute majority:

That so much of the standing orders be suspended as would prevent:

- (1) any business before the Assembly at 3.00 pm this day being interrupted to allow the Treasurer to be called on forthwith to present the Appropriation Bill 1995-96;
- (2) (a) questions without notice concluding at the time of interruption; or
(b) debate on any motion before the Assembly at the time of interruption being adjourned until the question “That debate on the Appropriation Bill 1995-96 be adjourned and the resumption of the debate be made an order of the day for the next sitting” is agreed;
- (3) at 3.00 pm on Thursday, 21 September 1995, the order of the day for resumption of debate on the question “That the Appropriation Bill 1995-96 be agreed to in principle” being called on notwithstanding any business before the Assembly, and that the time limit on the speech of the Leader of the Opposition be equivalent to the time taken by the Treasurer in moving the motion “That the Bill be agreed to in principle”; and
- (4) (a) questions without notice concluding at the time of interruption; or
(b) debate on any motion before the Assembly at that time being adjourned until a later hour that day.

AUTHORITY TO RECORD, BROADCAST AND PHOTOGRAPH PROCEEDINGS

Motion (by **Mr Humphries**), by leave, agreed to:

That the Assembly authorises:

- (1) the recording on video tape without sound by the television networks of proceedings during questions without notice and the presentation of the Appropriation Bill 1995-96 today, Tuesday, 19 September 1995, and the Leader of the Opposition’s speech on the resumption of the debate on Thursday, 21 September 1995;

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- (2) the use by any television station of any part of the recorded proceedings in subsequent news, current affairs and documentary programs and not for the purposes of satire or ridicule; and
- (3) the taking of still photographs during questions without notice and the presentation of the Appropriation Bill 1995-96 today and the Leader of the Opposition's speech on the resumption of the debate on Thursday, 21 September 1995, and the use of such photographs in the print media generally.

FAIR TRADING (PETROLEUM RETAIL MARKETING) BILL 1995

MR HUMPHRIES (Attorney-General and Minister for Consumer Affairs) (10.49), by leave: Mr Speaker, I present the Fair Trading (Petroleum Retail Marketing) Bill 1995, together with the explanatory memorandum.

Title read by Clerk.

MR HUMPHRIES: I move:

That this Bill be agreed to in principle.

Mr Speaker, the Fair Trading (Petroleum Retail Marketing) Bill is part of this Government's commitment to promote a fair and competitive marketplace for business and consumers. This Bill is a major initiative to address competition issues in the retail petrol market in the ACT.

I announced on 17 August 1995 that from that day there would be a moratorium on multisite franchise agreements between oil companies and petrol retailers. Multisite franchising is a new marketing approach pioneered by Shell whereby a single person or company operates a number of retail petrol sites under franchise. I am advised that one such multisite operator in Brisbane operates some 20 sites. This approach has the potential to destroy one entire level of retailing in the petrol market - that of the single-site franchisee. This Bill will ensure that, for the time being, the single-site franchisee remains part of the ACT retail petrol industry, and honours another part of the Government's commitment to encourage the local small business community.

The Government has met with both Shell and Mobil recently, and we have heard their reasons for wanting to introduce multisite franchising. They argue that the petrol industry has in recent years suffered a period of low profitability, with returns on investments being as low as 6 per cent. They say that in corporate terms this is a poor result and they are looking for ways to increase their profitability and provide scope for future investment.

They see multisite franchising as a means to achieve economies of scale and produce a greater return. When I asked whether these savings would translate into cheaper petrol prices, they were prepared to say only that it will “reduce pressure on upward price movements”. It would seem, then, Mr Speaker, that if there were benefits from multisite franchising, which is itself to be proved, they would be for the oil companies only and not necessarily for the motoring public.

The primary objective of this Bill is to maintain competition in the ACT retail petrol market. The moratorium put in place by this Bill will be lifted only after an assessment by our Government of a report of an inquiry being conducted by the Trade Practices Commission into multisite franchise agreements or a demonstrable benefit to consumers arising out of these practices. By that I do not mean promises we have all heard before; I mean real, demonstrable and long-term benefits for consumers.

Mr Speaker, the Bill before the Assembly will limit the making of new franchise agreements for sites in the ACT in certain circumstances. The major oil companies will not be able to make new franchise agreements with a person, company or related body corporate where there is already another franchise in the ACT or elsewhere in Australia between the same parties. The Bill will also guard against any franchise sites reverting to commission agent sites if, during the operation of the proposed legislation, a franchise agreement expires. The proposed legislation will not affect franchise agreements in existence before 17 August and will not prevent existing owners from franchising sites in the future, provided it is not to a person or company which already has another franchise. Also, the Bill will not prevent oil companies from buying new sites or selling existing sites to independents.

I am disappointed that there has arisen a need to legislate to get a fair deal for the Canberra motorist, but the oil companies have left the Government with no choice. Until those companies can demonstrate that efficiencies gained will also be passed on to the consumer and that local business opportunities will not be adversely affected, such a further concentration of ownership through multisite franchising cannot be argued to be in the public interest.

Mr Speaker, I have circulated in the chamber amendments which the Government proposes to move when the Bill is debated. They make it clear that the assignment of a franchisee’s interest is also restricted by this legislation. I will be asking members to consider debating this Bill on Thursday of this week. The reason, Mr Speaker, is very simple. This Bill contains an element of retrospectivity until 17 August. As an Assembly we should limit the effect of that retrospectivity to the extent possible. Therefore, I will be asking that we debate this Bill in this sitting rather than wait until the October sitting. I commend the Fair Trading (Petroleum Retail Marketing) Bill to the Assembly.

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

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NATURE CONSERVATION (AMENDMENT) BILL 1995

Debate resumed from 24 August 1995, on motion by **Mr Humphries**:

That this Bill be agreed to in principle.

MR BERRY (10.54): Mr Speaker, I move:

That the debate be adjourned.

Mr Speaker, I seek leave to explain.

Leave granted.

MR BERRY: The Opposition is going to oppose some elements of this Bill. The problem is that parts of one of the proposed amendments we will agree to requires preparation of a proposal to deal with penalty units. I am not able to have it prepared in time to deal with it at this point, but I will have it later this day.

Question resolved in the affirmative.

PLANNING FOR THE NEXT GENERATION Ministerial Statement

Debate resumed from 22 June 1995, on motion by **Mr Humphries**:

That the Assembly takes note of the paper.

MS HORODNY (10.55): The ministerial statement touched on a range of issues which the ACT Greens consider to be of fundamental importance to the community. The survival of local and neighbourhood shops goes to the heart of our belief that small business needs support through good planning processes. We are very concerned that the Government has not committed itself fully to supporting the smaller shopping centres. There is still no commitment that the Tuggeranong Hyperdome extension will not go ahead. Moreover, it appears that a large national chain will be allowed to set up a supermarket of in excess of 3,500 square metres in Conder. Why not provide incentives and opportunities for small local business? The viability of small businesses has been under increasing pressure with the growth of the large shopping malls. They provide an opportunity for greater diversity of retailers, higher employment rates and a focus for essential community services. This is an issue which requires careful thought and action, proper planning, a commitment to challenging the shopping mall culture and much public debate.

The work that has been done to develop a regional strategic plan is encouraging. I recently had the opportunity to attend an interesting and informative public meeting where the draft ACT and subregion plan was presented for debate. The Greens believe that our society has tended to look at issues in isolation rather than on a broader level.

The strategic plans provide an exciting first step towards tackling planning issues on a broader regional basis. We have always been about supporting processes which recognise the interrelationship between the environment, development, social issues and quality of life. While I am concerned that some of the basic assumptions for the draft plans, such as the projections for population growth, appear almost to be taken as a *fait accompli*, I believe that the draft strategy is a good starting point.

It is also pleasing that the Government will work actively to develop a strategic plan for Canberra. A strategic plan would provide a vision of what we want for the ACT in the future. The current Territory Plan does not provide a vision for Canberra. It provides a detailed land use map. The strategic plan must include consideration of all the things which the draft ACT and subregion planning strategy has considered, and it must be developed through a process of extensive community consultation. Community consultation is not something that should be undertaken lightly. We already have far too much consultation which is used to shut people up and leads to unfulfilled expectations, lack of feedback, and disillusionment with government.

The introduction of local area planning advisory committees presents a great opportunity for a good ongoing healthy and constructive process. I should note that the Greens have welcomed this initiative despite the shortcomings that we, along with many others in the community, have pointed out. We believe that such a process, although flawed in many aspects in its present form, offers a real opportunity. Kerrie has had several meetings with Mr Humphries offering input into the process. I hope that he will take on board the suggestions, which were made seriously, including the suggestion that he seek input from the Community Development Network. Kerrie and I had the pleasure of being present at the first meetings of the LAPACs. It was encouraging to see the level of participation by the community in those meetings. However, I was concerned that it appeared that those communities which already have strong residents associations were well represented, whereas others were less so.

It appears to me that the LAPACs are a good idea. However, they have been rushed through with little thought. The purpose of the initial meetings was to elect members of the LAPACs. People were asked to nominate for a committee without any clear idea of the workload, what resources they would have at their disposal, how they would be expected to work with their community - in short, without any clear idea of what they were supposed to do. This uncertainty would most certainly have caused some reluctance by some people to nominate to become members. The size of the meeting and the way it was conducted may also have been intimidating for quite a number of potential candidates.

The Government expects the LAPACs to represent the community as a whole fairly. In one magic stroke those articulate, sufficiently self-confident and assertive individuals who decided to stand for election at the meetings are to represent a fair and balanced cross-section of the community. I have no reason to believe that those elected will not make every effort to be open and objective, but what resources will they have available to enable them to communicate with their communities? On the night of the meeting, the Planning Authority said that they probably will cover expenses for advertising meetings once a month as well as some administrative support. Hopefully, the advertisement will include place and time of meeting as well as the agenda.

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I wonder what resources will be made available to the LAPACs to distribute papers to local groups and interested members of the community. In all likelihood they will be very limited. On the night that I attended, the representative of the Planning Authority stated that we would have to trust the LAPACs to make decisions without reference to the community. The last thing the Government wants is another process which further slows down the development. This makes me wonder whether the committees have been set up to become a scapegoat when other consultation methods fail. Community consultation must be based on trust. Trust is developed through ongoing cooperative processes. The community must feel that they own the process. The community has been told what the LAPACs are before it has had a chance to provide input. It seems that the Government expects the LAPACs to be able to reflect community concerns to the planners. How they will achieve this remains to be seen.

The Government has said that the LAPACs in North Canberra are a trial. Who will evaluate their success? How will this be done? Will the broader community have input? Will it be the Planning Authority which makes the evaluation? Will the LAPACs evaluate themselves? Will the evaluation be conducted through an independent review? We have urged Mr Humphries to set up an evaluation process now rather than in 12 months. While the Greens sincerely applaud LAPACs as a move to improve planning processes, we believe that it all seems rather rushed and not terribly well thought through. We look forward to seeing what happens to them and wish all the newly elected representatives the best of luck.

On a final note, the ACT Greens have already notified the Government that we do not support the Land and Planning Appeals Board becoming a part of the Administrative Appeals Tribunal. We believe that it is important to maintain the relative informality of the board, due to the nature of the issues presented to it. We believe that the AAT has a culture which is too formal and would be unsuitable. We also believe that the board itself needs to be kept as it is, with its relatively diverse membership. However, we see some merit in moving it from the Environment and Land Bureau to the Attorney-General's Department. This may instil greater trust in the independence of the board, as the Environment and Land Bureau is obviously often a protagonist in matters before it. In addition, one would presume that the board would have easier access to legal advice where necessary.

MR WOOD (11.05): Mr Speaker, I seek leave to speak again.

Leave granted.

MR WOOD: Mr Speaker, Mr Humphries brought this ministerial statement down a little time ago. He concluded by saying that our planning was in a mess. I would acknowledge that it is certainly a matter of much disputation. Nevertheless, it has been a matter of broad agreement. Because of the involvement of this Assembly in developing the Territory Plan and the planning legislation, there was nothing done that was not passed through this Assembly and agreed to by this Assembly.

Mr Humphries: It has not solved the problems, though, has it?

MR WOOD: Everything that occurred in the planning area went through this Assembly with the agreement of this Assembly. That point cannot be emphasised too much. Additionally, we have a Planning and Environment Committee that reaches consensus. Nothing gets through this Assembly unless it has been agreed to in that committee. I think that is a fairly reasonable process. When Mr Humphries comes in here and says that planning is a mess, I remind him and his colleagues that they have had their hands on planning as much as anybody else in this Assembly over a long period. It is certainly the case that in the early days of self-government both the plan and the legislation were brought in under great pressure, in a great rush. The Minister of the day - namely, me - and members who nodded vigorously at the time agreed that we would have to review the provisions of the legislation and the plan in the light of experience. That happened and continues to happen. We have an inquiry into leasehold. Later this week the Minister will respond to the Planning Committee's report on the legislation.

Mr Humphries refers to a strategic plan but he does very little about it. The process of review, which incorporated the Lansdown review, has continued. I think that is very necessary. No aspect of life in Canberra arouses more interest than planning. As a former planning spokesperson, Mr Speaker, you would acknowledge that. It will continue to be a controversial, debatable issue. Mr Humphries, as I see in his statement, is generally continuing the former Government's policies. I do not see any great changes. But in 10 years' time planning will continue to be a part of the Canberra debate generally. Given that we have the best-planned city in Australia, that ought to be the case.

MR DE DOMENICO (Minister for Urban Services) (11.09): Mr Speaker, my comments are going to be very brief.

Mr Berry: Stand on your chair.

MR DE DOMENICO: I will stand on the chair in a minute, Mr Berry, if I have to - and you could stand on your head and we would have a great time.

Mr Hird: Play musical chairs.

MR DE DOMENICO: That is right. Ms Horodny mentioned a few things that I would like to comment on - two in particular. She said that there had been no commitment about the extension to the Tuggeranong Hyperdome. I am afraid that she is wrong on that. My understanding of the situation is that the Government has already rejected the original proposal put forward by Leda, the main reason being that it had no explanation as to the effect that it would have on existing small businesses. My further understanding is that we have not yet received another plan from Leda and therefore we do not know what Leda has in mind. It is very difficult to make decisions on plans that you have not seen. I mention that for the edification of Ms Horodny and anybody else who is interested.

Ms Horodny also mentioned the Government's decision, or words to that effect, to allow a 3,500-square-metre supermarket in the Conder area. That is not true either. My understanding is that the Minister's view and the Government's view is that the maximum size of any supermarket in any future Conder shops will be about 2,500 square metres. That being the case - and I am glad that the Minister is nodding -

the limited size would probably exclude one of the big chains from being part of that shopping centre. Those two things that Ms Horodny suggested are just not true. Ms Horodny also made the funny statement that there is far too much consultation and that sometimes it gets in the way. That seems a strange thing to say when people continually criticise governments for not consulting enough. I do not know what the Greens want. It is either too much or not enough. They are like Mr Connolly, who last year suggested a bit of this and a bit of that. That needs to be looked at as well.

I welcome Ms Horodny's agreement that local area planning advisory committees are a good thing. However, she said that she welcomes them despite their shortcomings. Once again that appears to be a "bob each way" attitude. We might have to become used to listening to that from people from time to time. Her comments on the Land and Planning Appeals Board are interesting as well. I, for one, as a member of the former Planning Committee, was incensed at the way that, notwithstanding what this Assembly might decide from time to time, another body could overrule that decision. That has to be a concern to all members of this Assembly. I know that the Minister is looking at ways of making sure that, notwithstanding that the Land and Planning Appeals Board mechanism has to be independent of government, ultimately this Assembly and this Assembly alone makes the final decision.

It was interesting that Mr Wood wanted to talk again on this issue. It would seem that perhaps Mr Wood should have remained seated and not had another go, because Mr Wood's speech, to me, gave an inkling that he felt sorry that he was not allowed to do what he wanted to do when he was Planning Minister - and he was Planning Minister for a long time. Mr Wood, I am afraid that, notwithstanding what you said, you could have done a lot of things but did not do them. Do not blame the rest of the members of this Assembly for your lack of activity. I do not know what went on in your caucus meetings or your party meetings that did not allow you to do what you wanted to do. You must have got rolled a lot. But do not come in here and say, "Everything I did had the approval of the Assembly". We are not concerned with what you did, Mr Wood. We are concerned with what you did not do. Mr Wood said that the Minister refers to a strategic plan but does little about it. Mr Wood, in the six months that we have been in government, Mr Humphries has done more to get planning right than you did in three years when you were in charge of it. You say that there have been no great changes. There are going to be great changes. Instead of sitting on our hands as you did, Mr Wood, we will do something.

Mr Berry: Cut it out, Tony. Tony, poke out your tongue. Let us have a look at your tongue.

MR DE DOMENICO: I notice the interjection from the Deputy Leader of the Opposition. He has been swanning round all the media making predictions about the budget, but he did not have enough time to get his own amendment ready this morning. Mr Berry, instead of interjecting, you should have done your homework and done your job a little bit better than you did this morning.

Mr Speaker, I make these comments to show that this Government will be doing something. We will not be blaming the Assembly for our shortcomings. We will get the job done in as apolitical manner as we can, to make sure that all in the community of Canberra have a say in the planning process. They might not all agree with the decisions that this Government makes, but at least this Government will not be criticised for not consulting with the community - and we will get things done.

MR KAINE (11.14): Mr Speaker, it seems that some people in the Assembly never see any good in anything. I must say that I found the Minister's comprehensive statement on planning for the Territory refreshing. It was a positive statement of what this Government intends to do over the next three years in this important area. Planning is one of the three issues that have been on the top of the agenda politically in the ACT since self-government, the other two being the budget and health.

I found the statement comprehensive and, as I said, I found it positive. It addressed a broad range of issues which face the Government, have faced previous governments and are of interest to the community. They range from the role of Canberra in the region to the very local issues of suburban shopping centres and local area planning. We went to the election six months ago - it seems longer, but it is only six months - and we presented to the electorate a very comprehensive planning policy called "Planning: A Question of Balance". It was a very comprehensive document that ranged across all of the things that the Minister spoke of, and indeed more. We made a wide range of commitments to this community as to what we would do to correct the planning mess that we inherited from the previous Government. I will come to Mr Wood's defence against that statement in a minute.

There is no question that by the time of the election this year this community was very concerned, putting it mildly, about the way the law and the plan relating to planning in this Territory were being administered. We gave a very significant statement that said that we would address planning in a wide-ranging and comprehensive way. The Government has already begun to do that. In the six months since the election the Government has already implemented many of the things that it said it would do. We have abolished the Department of the Environment, Land and Planning, as we said we would do. We have also separated the leasing and planning functions formerly carried on in that department. That is one of the things that we said we would do right up front. That has already been done. Leasing is now part of the Environment and Land Bureau in the Department of Urban Services, and the ACT Planning Authority is, as we said it would be, an independent unit but under the umbrella of the Attorney-General's Department.

It is also quite obvious to the community that the Minister has acted quickly and decisively to get LAPACs into place. It is all very well for Ms Horodny to complain. The LAPACs have not started yet, but she is already criticising. What does she want? She wants community consultation; she wants community participation in planning decisions that affect people. The Minister has set up the local area planning advisory committees, as he said he would. Yet already they have been criticised on the grounds that somehow they are not representative; that they cannot express a view to the Minister

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and reflect the opinion of the community that they represent. What does she want - a LAPAC of 40,000 people, so that we can be sure that everybody's voice is heard when the LAPAC comes to the Minister and gives him advice? They have to start somewhere. The Minister has set them up; they are beginning work. I suggest that Ms Horodny wait for a couple of months at least to see what happens before she begins to criticise them, particularly on the basis that they are not representative of the community.

Ms Horodny said that she went to some of the original meetings. She must know that the people there do represent their communities. I, for one, am prepared to wait and see what advice they provide to the Minister. I am sure that the Minister can then make a judgment as to whether that advice represents the collective opinion of the community or not. I am sure that if the Minister feels that it does not he will take further steps to get some input from the broader community. If we are not going to let the LAPACs work, why did we establish them in the first place? I think it is rather ridiculous at this stage of the game to be criticising such an initiative.

A key issue of the Minister's statement was a need for a strategic plan for Canberra. Some of us have been saying that for a long time. I give Mr Moore his due. The Minister has recognised the need for that strategic aspect to the plan. He intends to do something about it, and he intends to work through the Planning and Environment Committee of the Assembly, which is as representative of the members of this Assembly as any other committee, and perhaps more so. I welcome that initiative and, both as a member of that committee and as a member of the Liberal Government, I look forward to the development of a strategic plan.

The Minister talked about the role of Canberra in the region. I think it has long been recognised that Canberra is the centre of a region. It is closely integrated with the surrounding community through their use of our resources and vice versa. The border has long since ceased to have any significance, except for political purposes. The Minister has recognised that, and I am sure that he will carry on the work that has been going on for at least five years in order to benefit not only the ACT community but also the 2,000 or 3,000 people who live outside the border and see Canberra as their centre as well.

The Minister highlighted the need for a single planning authority. Some of us will remember that in 1988 the National Capital Development Commission was disestablished and there were established in its place two planning authorities. At the time some of us wondered how they would work. It seemed to be setting up the possibility of conflict and confrontation. It certainly set up the possibility of the national body overriding the local one on issues which perhaps are quite peripheral to their areas of interest. I think we have seen that happen. In my view, we have seen the National Capital Planning Authority intruding into local issues which they should leave well alone. I am sure that as long as the two planning authorities continue that will occur. The Minister has foreshadowed that something will be done about that, and I foreshadow that in the Assembly tomorrow I will be moving a motion urging the Government and urging the Minister to move rapidly to achieve at least negotiations with the Commonwealth on that issue.

The Minister talked about the needs of families in Canberra. He foreshadowed a variation to the Territory Plan to enable families in need of urgent accommodation for relatives to obtain quick approval for a transportable unit for a limited time. These are really grassroots issues and the Minister has dealt with them in his statement, as he has dealt with the broader strategic and tactical issues that he, as Minister and as a member of this Government, has to deal with.

Mr Speaker, I come to the question that Mr Wood raised. The Minister made the statement that he was going to correct the mess left by the previous Government. There is no doubt that a very large percentage of this community believes that planning is a mess. There is a high level of dissatisfaction with planning. I submit that there is not so much dissatisfaction with what is said in the legislation and in the plan as dissatisfaction with the way that the legislation has been administered. The plan was put in place only a few short years ago and it was intended, for example, to provide certainty in the planning process. Yet, in practice today, there is no more certainty either for the citizen or for the developer - the person who is putting his money and his resources into these developments - than there was five years ago. There is huge dissatisfaction on the part of the people who are putting their money and their resources into developing Canberra further and an enormous amount of dissatisfaction in the community at large.

We only have to look at what has happened with Tuggeranong Homestead, the North Watson development and the North Duffy development, all of which have been abandoned or are about to be. This raises the question of who is responsible. The former Minister says that the Assembly approved everything. I have to assert that the Assembly did not approve everything. The former Government's fifty-fifty infill policy was a government policy. It had nothing to do with this Assembly. The Assembly did not approve it; the Assembly did not endorse it. It proved to be a bust. The community did not accept it, and there has been nothing but dissatisfaction with that aspect of the Government's implementation of the law and the plan. It is not a question of the Assembly approving or disapproving. It is a matter of the former Government having its own planning policies which it implemented under the umbrella of the law and under the umbrella of the plan and a matter of the implementation being awful. That is what the community thinks of it. It is appropriate that the Minister take action to correct that, and he intends to do so. He intends, for example, to eliminate the delays month after month in trying to get any works project through the Planning Authority and the leasehold system. It is unnecessary but it is a fact of life.

The only other matter that I want to deal with briefly is the way the Land and Planning Appeals Board is to operate. It was clearly not functioning under its former arrangements. Something has to be done. The Minister has indicated that he intends to rectify that. I can only say in conclusion, Mr Speaker, that I thoroughly support the Minister. Planning is a matter that has been of great personal concern to me for some years. I personally support the Minister's initiatives in everything that he is attempting to do in the interests of this community. He made a comprehensive and positive statement. I would have thought that the members of this Assembly would have got behind that and said, "Yes, we support you". In my view, the Minister did not say anything that is reprehensible or that any member of this Assembly should not support. If they have any interest at all in the community's interest in this important subject, they should all support the Minister's statement and his initiative.

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MR HUMPHRIES (Attorney-General and Minister for the Environment, Land and Planning) (11.26), in reply: I am very flattered to be complimented in this way by Mr Kaine. Mr Kaine is a former Planning Minister. He knows what he is talking about and I find it very flattering to think that a - - -

Mr De Domenico: He made some decisions, too, as Planning Minister.

MR HUMPHRIES: Indeed. Of course, Mr Kaine was one of the early architects of the Territory Plan. He put a great deal of time and effort into getting that ready for the next Government to enact. There is some irony in the comments of Mr Wood. He said that the former Government did not have sole ownership of the problems in planning. That was a fairly extraordinary statement. I hope that it cuts both ways. I hope that if and when the Government gets into difficulty with planning issues - and I have to confess that I do not expect that we will not get into difficulty on some issues - Mr Wood will be as anxious to share ownership of those problems as he is to share ownership of his own problems.

Mr Speaker, let me, first of all, make a few points about comments made by Ms Horodny. I do not think she was listening when Mr De Domenico made them. I want to make them very clear. I would be grateful if she did not say some of the things she said in here out in the community, because they are quite untrue and, I think, would cause unnecessary alarm in some quarters. Mr Speaker, the first of those is that the Tuggeranong Hyperdome is certain to go ahead with a massive extension to provide for a very large number of new shops there. There is no such guarantee of that happening. Indeed, when this Government rejected the initial application by Leda Holdings to extend the Hyperdome - a proposal which, incidentally, was sponsored by the previous Government - we made it clear that there should not be extensions to the Hyperdome which would prejudice the operations of existing shops in the Tuggeranong Valley. We have made that perfectly clear. We know that the previous Government was dead keen on those extensions and had all but approved them. They had a very close relationship with Leda Holdings to get those things to happen. That is not the case with this Government. We have already given clear notice to other major shopping centres proposing extensions that they must justify their extensions in terms of the effect on existing small business in Canberra. That is a matter which the former Government had absolutely no regard for.

Mr Speaker, it was suggested that the supermarket at the Conder shops would be 3,500 square metres. That is totally false. I do not know whom Ms Horodny got the information from, but she should not say those things unless she checks them. That is not true. The Government will be approving - - -

Mr Berry: You should use the same caution, Minister. You do not use the same caution in your own statements in this debate.

MR HUMPHRIES: When we get to the budget today, we will see how much of what you have had to say about the budget during the last week is factual. According to you, we will be selling off the Namadgi National Park, selling the Street Theatre, selling the Canberra Theatre and putting tolls on Northbourne Avenue. We will see it all this afternoon. We will see who is accurate on statements about government policy.

I return to the issue at hand. The Conder shops supermarket will be 2,500 square metres maximum, with provision for extensions if future demand requires. We see that size as appropriate to preserve the value of existing small shops in the Tuggeranong Valley. That is the difference between this Government's policies and those of the previous Government. We will look at what is already taking place in the marketplace. Anybody observing the conduct of retailing in this town can see that small businesses are already under pressure. Many businesses are not viable because governments have been too free in pushing additional retail space into the marketplace. That was a major mistake of previous government policy. Despite what Mr Wood says, it was not a matter of agreement across the chamber. That has never been discussed on the floor of the chamber, to my knowledge. It is a question of government policy alone. This Government's policy will be to rein back the amount of space available in the marketplace.

We will be doing the same in respect of residential housing in the Territory. The previous Government pushed 4,000 new dwelling spaces into the housing market each year for the last few years. The result was a glutted market and declines in the value of Canberrans' housing in that period of time. That policy must end. This Government has announced that it will significantly reduce - in fact, halve - the amount of new land put into the marketplace in this financial year, in order to shore up the value of Canberrans' homes. That is particularly important for new home owners. New home owners go in with high costs. They suffer a heavy mortgage, as a general rule. The last thing they need to see is a decline in the value of their home as soon as they buy it. That means that the gap between their liabilities and their assets widens at the very point in time when they cannot afford that to happen. We want to make sure that that is not the trend of the future. We want to put some value back into Canberrans' housing.

I wish to talk briefly about LAPACs. I was also surprised, as was Mr Kaine, by the many criticisms from Ms Horodny about LAPACs. She says that the system has many flaws. I do not guarantee that we have LAPACs right, Ms Horodny. But let me say this: This is the first time in ACT planning history that we have asked the citizens of the Territory to be involved in the ongoing process of consultation about matters affecting their own communities directly. That is a step that has not been taken previously. We are pioneering it with LAPACs. There will be problems. Let me make that perfectly clear.

I hope that the Assembly will realise that it is in the interests of all of us to work on getting those issues right, not to harp on the sidelines about the mistakes, not to try to destroy the process of LAPAC decision-making. If we do that, Mr Speaker, we will end up with a system which does not deliver on the objective, which we all share, of community involvement in this process. We will go back to the days when the Canberra planning system was seen widely as a total and utter mess. We must avoid that regime returning. We believe that we should be doing that through this process. Let us work through the problems as they arise.

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Ms Horodny said that the resources for the LAPACs are inadequate. I again emphasise that it would be easy to fund the LAPACs heavily, to provide them with researchers and full-time paid employees and to give them extensive roles equating with the role of the Planning Authority, the Planning and Environment Committee of the Assembly or some other equivalent. They are not resources that this Territory can afford to provide across the board. They might be sustainable in respect of three LAPACs in North Canberra. They will not be sustainable if we have 20 LAPACs across the whole of the Territory. We have to ask people to do a job within the framework of the existing research and decision-making processes. That means sitting down with people like the Planning Authority, getting information from them about the way in which they collect information and do research on planning needs, and using that resource to form views about the way in which we should make planning decisions affecting local communities. That is much more sensible than trying to replicate that role, that level of decision-making, out in the community.

Mr Speaker, I was very surprised by Ms Horodny's comment that the whole process seemed rather rushed. Local area planning has been an issue on the agenda of this Territory for some time. We announced six months or more ago that we would introduce local area planning. We have worked through the issues carefully. I am being pressed by people to extend the concept to other areas and to give local areas more responsibility at this early stage. With respect, I cannot accommodate both those community concerns and Ms Horodny's concern that we are taking it too quickly. We have to work through this concept and try to deal with the issues in a proper timeframe.

Ms Horodny perhaps has not been involved with planning long enough to know that there are many serious problems with the way in which the Land and Planning Appeals Board has operated. Those problems have to be addressed, but they will not be addressed by throwing out the experience of existing members of the Land and Planning Appeals Board. It is the Government's intention to make all of those existing members of that board members of the Administrative Appeals Tribunal so that their experience in this area will be retained and built into the new model. I am very disappointed to hear Ms Horodny say that she thinks the AAT is too formal. The AAT is one of the least formal of our courts and tribunals in the Territory. It is important that we use that model, a model which provides a greater level of certainty to people who use it than we have had in the past.

Mr Speaker, I could talk about strategic planning that we are now getting under way, about limits to dwelling densities in the ACT, about having a strategy for local shops, about addressing the dual planning regime Mr Kaine spoke about, about improving design quality, about limiting land releases in the Territory. Those are all things this Government has put on the agenda in planning in the last little while. I do not have time to talk about those things. Let me say, though, that we in this Government take seriously the challenge of facing up to the many severe problems, at least in perception, on the part of the citizens of the Territory concerning planning in this town. People do not think the planning system has delivered for them a result that they like. It is this Government's lot to try to turn that perception around and build a much stronger system. We intend to do that job in this process.

Question resolved in the affirmative.

MR WOOD: Mr Speaker, I seek leave to make a personal explanation on the grounds that I have been misrepresented.

MR SPEAKER: Leave is granted to make a personal explanation under standing order 46.

MR WOOD: Mr Speaker, I was absolutely astounded to hear Mr Humphries say that I had a close association with Leda. That is an outrageous statement. It is simply not the case that I or my party had a close association with Leda. That is an unfortunate statement for Mr Humphries to make. It is completely wrong. He also said that we were about to approve Leda's application for an extension. He has been the Minister for six months and he still does not understand the planning process. I utterly reject those claims by Mr Humphries.

NATURE CONSERVATION (AMENDMENT) BILL 1995

Debate resumed.

MR BERRY (11.38): This matter seems to demonstrate that the Liberal Government opposite has no concern for the preservation of our native species, or inadequate concern at least. What occurred in relation to this legislation is that amendments were put in place which meant business for the preservation of our native species. In fact, it is in accordance with Labor's policy. In its landscape policy it states:

Labor will ... introduce legislation to protect the ACT's native trees outside of reserves, particularly those on residential blocks and verges.

That is why that legislation is in place, and it is most inappropriate now to move to deal with it in the way that is suggested by the Government. If you take a close look at the legislation as it stands, subsection 43(1) states:

A person shall not, without reasonable excuse -

and I underline that for the moment -

- (a) fell, or cause to be felled, standing native timber; or
- (b) damage, or cause to be damaged, standing native timber;

except in accordance with a licence.

The emphasis on the words "reasonable excuse" is one that members need to look at closely. Whilst the interpretation of what that means will be a matter for the courts, it is a matter of fact that it has not turned out to be a problem for the administration since these changes were introduced. Indeed, the legislation, in my view, would not turn out to

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be a problem because it does go to the protection of our native species. Yes, it is on leased suburban blocks, but I think the important feature of the legislation is that it does impose the requirement for people to have a reasonable excuse before they proceed to damage, fell, or cause to be felled, standing native timber in the backyard.

Other proposals have been put forward that would change the way the penalty units apply. The Opposition would have no difficulty with that, and I have circulated a proposed amendment that would change the penalty arrangements in the existing section 43 to provide for 50 penalty units, along with the proposals that have been put forward by the Government. In relation to subsection (3) of clause 43, the Opposition will also oppose the Government's proposed amendments to that clause because we feel that the reasonable excuse argument would stand the test of time. If you look at the proposal that was put forward in the original legislation, ACTEW, for example, are able, by means of exemption, to deal with trees that interfere with the provision of electricity. A reasonable excuse would be the removal of a tree that was causing some sort of hazard. I suspect that the courts would rule that the removal of a tree that was blocking one's northern sunlight would be a reasonable excuse; the removal of a tree that was damaging a house or part thereof would be regarded as a reasonable excuse. If there was any doubt in the mind of an occupier, they could go and get themselves a licence. I do not see this as a major problem. It has not been one that has led to a community outcry against the provisions.

Mr Humphries: Because it has not been used. It has been dormant.

MR BERRY: The legislation has been in place for some time and there has not been a community outcry about it. In the Opposition's view, there is no need to remove these provisions.

As I have said, we will support inclusion of the penalty units approach. In relation to clause 5, dealing with the review of the conservator's decisions, the Opposition will agree with that because we think it is sensible. However, we do not agree with the proposal to change the law in relation to leased land in a built-up area, because we think it is workable. It is consistent with our policy and, unlike you, Mr Humphries, we like to stick with our policies and promises.

Mr Humphries: It was not your policy.

MR BERRY: Mr Humphries interjects that it was not our policy. I read it out earlier, as follows:

Labor will ... introduce legislation to protect the ACT's native trees outside of reserves, particularly those on residential blocks and verges.

The policy is in place and, as far as we are concerned, it is reasonable legislation that the courts would interpret reasonably.

MS HORODNY (11.44): The Nature Conservation (Amendment) Bill, which was put forward by Mr Humphries, is supposed to remove limitations on protection of trees on urban leased land. I understand that this removes limitations that were apparently never intended to be in place. While the current legislation is not necessarily practical, I do believe that there is a need to ensure that there can be some scope to protect vegetation on private land, even in urban residential areas. While most people will attempt to ensure that their gardens are beautiful, with plenty of vegetation, it is often the older and not so aesthetically pleasing trees that are of greatest importance to the natural environment. It is the hollows in the old gum trees that provide the important habitat for our birds and animals, particularly the ones that are endangered, because the ones that can survive in our exotic species tend to be the ones that are not endangered in the first place. Other trees may represent the last remnants of the original natural vegetation.

People often choose to live in a certain place because of its natural beauty, and the trees on several adjoining properties can form a part of a landscape that has important aesthetic values. We have become increasingly aware of the impact of our individual lifestyles on others, and having complete and almost unrestricted freedom to remove native trees from urban leasehold land is as undesirable from a community point of view as removal of trees on rural and forest land. It is therefore important that we as a community can have some mechanism to ensure protection of trees, even in residential areas. It would have been most pleasing if the Government, instead of just removing an impractical mistake, had thought to bring in something that would have provided a creative and proactive solution.

MR MOORE (11.47): Mr Speaker, as I listen to each of the members debating this issue, I hear the main theme coming through that people wish to do whatever they possibly can to protect our native vegetation and, with it, our native species, and what we are trying to do is find the best possible way to do that. I see that coming through in Mr Humphries's introductory speech; I see that coming through the speech by Mr Berry and the speech by Ms Horodny.

To me, it splits into two possible categories: Either we do it by forcing people or we do it by encouraging people, and the time-honoured method in the ACT has been by encouraging people. It starts with giving people 50 or so shrubs and trees to plant on their urban lease and proceeds in a culture within the suburbs of changing trees. I remember when my next-door neighbour took a tree out of his home block before he planted five to replace it. Not only was I there asking him why he was doing it but also a whole series of other people in the neighbourhood were asking him why that was going on. There was a very satisfactory solution, as far as we were concerned. Similarly, talking about native vegetation, it is probably seven or eight years since I cut a Cootamundra wattle out of my front yard. It is native vegetation, but there are those who would argue that Cootamundra wattle in the ACT is an invasive plant. We have to be particularly careful.

I think this comes down to the issue Ms Horodny raised: If we are going to remove this provision, why do we not have a more practical solution? In other words, why do we not have specific legislation for specific trees? If Ms Horodny were to put up a motion to that effect, I could see my way clear to looking at it in a very positive way because I think there are times when the whole area is affected by a specific tree. I am still concerned

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about the overall notion of having in place a system of forcing people to justify how they handle the trees on their home block, on their lease, if there is another and better way to do it. Has it failed? As we fly into Canberra and look down, what do we normally see? We do not see, as you do in other cities, a whole row of tiled roofs, other than in the very newest of the neighbourhoods. Almost throughout Canberra, the overall impression as you look down is of trees. Canberra people are very keen to see that their homes are surrounded by vegetation, and in the vast majority of cases it is native vegetation.

It seems to me that this system was inadvertently put into the legislation. I say "inadvertently" because I read through the legislation when the Nature Conservation Bill was introduced and it was certainly my impression and my understanding that we were not doing this. I have said on a number of occasions that I do not support the notion of overall tree preservation orders, and that is what we are talking about. I think that what the Minister has brought back to the Assembly is a sensible amendment, because we can continue with the process of encouraging people.

Mr Berry, in concluding his remarks, talked about it being reasonable legislation which the courts will interpret well, and he was talking specifically about the words "without reasonable excuse". What it means is that anybody who decides that they are going to cut down a tree can be dragged off to court to explain whether or not they had a reasonable excuse; or they can get involved in a heap of bureaucracy about the way they control the trees on their own block. Do not forget, we are not talking about just a tree being cut down; we are talking about a tree being damaged or caused to be damaged. When I look at a couple of trees I have on my own lease that are under powerlines - I have powerlines running on either side of my lease - I have to determine how much I am going to cut them back. I might determine, for example, that the most convenient thing for me, provided it would leave me with a healthy tree, is to bring those trees back to two or three metres from the ground so that I do not have to get up there and cut them again in the next four or five years. It will give me that amount of time and it will provide for my children's safety, because of course there is a huge safety issue when we are talking about trees under powerlines. The particular trees I am talking about are not native trees, but the principle still remains that somebody deciding that that is an unreasonable act can then effectively seek to have me taken to court, and I have to justify what I have done.

Mr Speaker, we do not have a problem. It ain't broke. We ought not attempt to fix it.

Mr Berry: That is right, and the law should not be changed.

MR MOORE: You are also seeking to make an amendment to the law in a different way, so you are effectively accepting some change. The system, as far as every ordinary Canberran is concerned, is that there is no such thing as a tree preservation order in the ACT.

Mr Berry: Michael Moore goes with the Government against tree preservation. I have the press release on the way.

MR MOORE: No doubt Mr Berry will raise that. I am very happy to stand up and explain clearly why it is that I believe that we should achieve this by encouraging people, as we have effectively, instead of by using the approach we would expect from the hard-left wing of the Labor Party, who always want to have everything down in rules and regulations and have everybody forced to do what they want them to do. What we have here is a sensible approach that encourages people, an approach that has worked for a long time, and I certainly am prepared to support it, with the reservation that if Ms Horodny is prepared to introduce, as she says, a more practical solution for protecting specific trees that have a high conservation value, rather than all native trees, including the Cootamundra wattles and so forth, we will have a sensible piece of legislation that I would be prepared to look at carefully.

MR CONNOLLY (11.54): Mr Speaker, what an ironic day! On the day Mrs Carnell's axe is to fall on the budget, we have Michael Moore earning himself the name Michael the Axeman. A person who has for many years portrayed his environmental credentials to the Canberra community is now effectively voting for a provision that removes an existing protection for native timbers. This may not be a perfect provision, as Mr Berry acknowledged, and, as Ms Horodny suggested, there may be great merit in a better regime for protection of native trees. Nonetheless, it is there. Mr Moore, the Axeman, proposes two arguments against this. First, he says that it is outrageous that there is some bizarre Stalinist plot to say what you can or cannot do on your private property. I find that extraordinary for a person who properly, and we agree with him, is a great defender of the leasehold system. As Michael Moore has said repeatedly and properly, one of the great benefits of the leasehold system in the ACT is the ability it gives to control, in the public interest, what occurs on land in this Territory. So Michael's paeon of praise to the right of the individual to do what he likes in his suburban castle is totally inconsistent with his proper approach on planning.

I also find it ironic that Mr Moore is raising an in-principle objection to a law that interferes with what one does on one's property, because not only is he a strong supporter of leasehold but also he has been a strong and proper supporter of heritage legislation which says that, in certain areas of Canberra where there is significant heritage interest, what the individual does with his castle will be controlled by the state. Mr Moore says that it is outrageous that this bizarre leftist law prevents him from chopping down a gum tree, but he would properly say that there are laws that prevent him from chopping down his bathroom. He says that it is even worse because it prevents you from trimming the gum tree. It also prevents you from extending the bathroom.

Mr De Domenico: The bathroom does not grow.

Mr Moore: You listen to my debate. You are deliberately misrepresenting this.

Mr De Domenico: It is very hard to plant the bathroom.

MR CONNOLLY: Heritage protection for domestic architecture is a principle that Mr Moore not only supports, but in the past has enthused about.

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MR SPEAKER: Order! You are all beginning, by your interjections, to frighten the horses. Go on, Mr Connolly.

MR CONNOLLY: As long as we are not frightening the birds, Mr Speaker. If we were frightening the birds, they would be flying around looking for gum trees to land on, and when the Axeman is finished with the town there might not be too many trees left.

Mr Moore's objections in principle are clearly wrong because his objections in principle are inconsistent with his stance on both leasehold and heritage. This law may not be perfect, but it is an existing protection. If Mr Humphries is serious about concerns and faults in this regime, by all means let him bring before this Assembly legislation that provides different regimes for protection of trees; but do not just abolish it. If this law is passed, and perhaps it will be, with Mr Moore's enthusiastic axe sharpening, we will have an absurd situation in an area of new development. During the period of the development the trees will be protected, because it is a proud factor in the ACT that, when land is released for greenfields development, if, fortunately, there are old-growth gums in that area, the planning authorities and, generally, the building community will go to great lengths to protect those trees. There have been notorious failures where trees have been chopped down; but, by and large, the intention is to preserve those trees for the suburban development. But, once the development stage is finished and the land is sold, it is now, under Mr Moore's enthusiastic axe sharpening, perfectly appropriate for the private resident to go out and lay into those gum trees.

We would say that that is quite absurd. Why go to all the bother of protecting, as we all agree we should, those old-stand trees as new greenfields developments are released, only to get to that point as soon as the development is finished? It is obviously more expensive to develop around the trees. It would be far cheaper for the developers in greenfields developments in, say, Gungahlin if the first thing they did was put the bulldozer down, smash everything, and build.

Mr Moore: This still prevents it. Come on, Terry; stop misrepresenting the whole thing. We are talking about built-up areas.

MR CONNOLLY: Yes, absolutely, it prevents them from bulldozing them at the outset; but, as soon as the land is released and becomes private residential leases, under your enthusiastic support the individual lessee can go out and chop those trees down.

Mr Moore: After it is built.

MR CONNOLLY: Once the house is built. We go to enormous lengths and efforts to protect the gum tree during the development phase, only to have it totally vulnerable at the end of the phase. We are quite dismayed that someone who has had a reputation for sound environmental strategies and has taken a real interest in that is now the enthusiastic proponent of axing the existing protection for gum trees.

Mr Moore: On a point of order, Mr Speaker: I seek to clarify some issues under standing order 47.

MR SPEAKER: Yes, proceed.

Mr Berry: It is not a point of order. I raise a point of order. Can we wait until the debate is over?

Mr Moore: Learn the standing orders. You read standing order 47.

MR SPEAKER: It is under standing order 47, Mr Berry.

Mr Moore: You read the standing order and you will understand.

Mr Berry: If he wants to have two kicks at the tin, why does he not seek leave, like anybody else would have to do?

MR SPEAKER: Order! Standing order 47 says in part:

A Member who has spoken to a question may again be heard to explain where some material part of that Member's speech has been misquoted or misunderstood ...

I call Mr Moore.

Mr Moore: Mr Speaker, it is a pity that Mr Berry, who is the manager of Opposition business, does not understand the standing orders yet. No doubt he will read them and learn them, at some stage.

I have been misquoted and misrepresented in this, or misunderstood, perhaps I should say, by Mr Connolly, firstly, on the matter of leasehold, and, secondly, on the matter of heritage. Mr Connolly has suggested that in some way I advocate a particular stand on leasehold, and that that interferes with this stance. Nothing could be further from the truth. Mr Connolly has clearly misunderstood that. What is in my leasehold contract I would respect. In his enthusiasm for debating, at which he is so successful, he has also raised the issue of heritage and protection of trees. I was quite specific in my speech in saying that, where there are specific trees that need protection, I would be most enthusiastic about protecting them. I even invited Ms Horodny, or Mr Berry, if he wishes, to prepare an amendment to that effect. That is not what has been prepared, and that was a total misrepresentation of what I said, Mr Speaker.

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MR HUMPHRIES (Attorney-General and Minister for the Environment, Land and Planning) (12.02), in reply: Mr Speaker, I must say that I am absolutely flabbergasted that this kind of debate should be taking place at the moment in the ACT Assembly.

Mr Berry: You would not understand it.

MR HUMPHRIES: No, it is I who understands and you who do not understand what is going on here. Despite what Mr Berry has had to say here, the previous Government did not intend to enact an urban tree preservation scheme when it passed the Nature Conservation (Amendment) Bill late last year, and there are a number of pieces of evidence to point to that. First of all, Mr Wood, in introducing the Bill, did not announce that he was about to do that. I really would have thought that, if the Government was about to embark on a major change in ACT environment protection laws, namely, an urban tree preservation scheme, it would announce that it was going to do that. Does Mr Wood confess to having put in place a major preservation arrangement without telling people?

Mr Moore: And then putting in his policy, “We will do this later.”?

MR HUMPHRIES: That is the second thing. If the previous Government believed that it had put in place a tree preservation scheme, why did it announce in the election earlier this year, “We will do it in the future.”? The fact is that you did not do it; you did not intend to do it. The fact that it appears there is an oversight in the drafting of the legislation. That is the fact.

Mr Berry: Rubbish!

MR HUMPHRIES: Let me ask the question, then: Why was it not announced? Why did you not go out and tell people that they were now going to do this? Indeed, why did Mr Wood’s department not instruct its officers at the shop counters to start to issue licences for urban trees?

Mr Berry: Regulations; do the regulations then.

MR HUMPHRIES: The regulations were not required. The law had passed. The law was there. All it required was someone to start to issue the licences. It did not happen under your Government. Under the Labor Government there was no issuing of licences for urban trees. Anyone who asked for such a licence would have been told, “There is no need for an urban tree licence to cut down an urban tree”.

This Bill was tabled in August, almost a month ago. It explained clearly that the Government intended to correct an oversight. The morning on which the Bill is to be debated you come forward with an amendment and claim that you want to reject the Bill and effectively enact an urban tree preservation program.

Mr Berry: Of course, you have never done that!

MR HUMPHRIES: That is right, because it was never intended to be the case that there should be an urban tree preservation program. I would argue that there is no need for such an urban tree preservation program. There have been over two million trees planted in the ACT in the last 70 years, most of them probably native trees. At the present time there are 800,000 trees on private leases in the ACT, and that number is growing every year. The ACT's need to have a tree preservation program, I would argue, is the least of any place in Australia.

Let us, for argument's sake, say yes, we need to have a system to prevent some trees from being chopped down. Undoubtedly there are occasions when there is a need for particular trees to be protected. If we are going to have a system like this, let us tell the people of the ACT in advance that the ACT Legislative Assembly is about to enact a system for an urban tree preservation scheme. The fact of life is that if we want such a scheme we should tell people in advance that we are going to do it. All householders, as of today, believe that they do not have a requirement to advise the Government before they chop down a tree on their land. We are about to change the law right here and now in the Assembly without telling people of that fact, and that is wrong. We should not be doing that.

Mr Berry: Why did you not oppose the legislation when it was put up?

MR HUMPHRIES: Because it was not intended to cover urban trees. Mr Wood would have told the Assembly and he would have told the community, if he had intended to introduce an urban tree preservation program; but he did not. Mr De Domenico has drawn to my attention the words Mr Stefaniak used when he responded to the Bill that had been introduced last year by Mr Wood. He said:

This Bill amends the Nature Conservation Act 1980, the principal Act, which is the primary ACT legislation for the protection and handling of native plants and animals and the management of national parks and nature reserves.

It was clearly our expectation, abetted by the Minister's words in introducing the Bill, that this was about non-urban trees. Subsection (2) of section 43, which is to be amended by this Bill, talks about leased land outside the built-up area. It was clear in that part that we were talking about non-urban trees. It is quite dishonest to suggest that it was always the intention of the previous Government to do this. If that was the case, why does Mr Wood's former department know nothing about a scheme to have urban tree preservation? Did Mr Wood tell his officers? Whom did he tell that he wanted this to be an urban tree preservation program? Mr Wood looks away, rather than answering the question. He told nobody, because he was not intending to do that. He thought he was protecting non-urban trees.

There are arrangements in place already in the ACT for the protection of endangered trees in certain categories. It is possible for the heritage legislation to apply to trees in urban areas, and indeed it does apply to many trees in urban areas at the present time. That provides for protection for particular trees in particular places. Very often, large, well-established trees can be and are subject to the protection of the heritage legislation.

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That is some guarantee that major landmark trees will not be knocked down, if we use it properly. But to say to every individual who owns a block of land in the Territory, "No matter where your trees are, no matter how young they are, no matter what the density on the block, they are all protected and you have to get licences to knock them down" is not the intention of this legislation.

The other important consideration that members should think about is that there are not the resources available in the Parks and Conservation Service at the moment - - -

Mr Berry: On a point of order, Mr Speaker: Mr Humphries may have inadvertently misled the Assembly in relation to his - - -

MR HUMPHRIES: Mr Speaker, he can move a motion about that at the end of my speech if he wants to.

Mr Berry: You may have. I just thought I would bring it to your attention so that the truth will out. I need to see and hear the truth.

MR HUMPHRIES: Sit down. You would not know what the truth was if it hit you in the face, Mr Berry.

MR SPEAKER: Order! There is no point of order. Proceed, Mr Humphries.

MR HUMPHRIES: Mr Speaker, if this is to be done properly, there will need to - - -

Mr Connolly: Mr Speaker, I raise a point of order. Are you ruling on points of order or is the Minister? Mr Berry took a point of order and Mr Humphries told him to sit down.

MR SPEAKER: I have ruled on the point of order. I said that there was no point of order. Mr Humphries, proceed.

Mr Berry: I cannot hear you. What was it that you said? On a point of order, Mr Speaker: I cannot hear you.

MR SPEAKER: I said that I had ruled that there was no point of order. Mr Humphries, proceed.

MR HUMPHRIES: Mr Speaker, the resources are not available within the Parks and Conservation Service to establish an urban tree preservation program.

Mr Berry: No wonder! There is a Liberal government in power. What do you expect?

MR HUMPHRIES: And they were not available under the Labor Government either. If you were serious, you would point to where you put additional resources into this area to fund the urban tree preservation program. You have not done that. I am not against an urban tree preservation program, if it is done properly. Let us do it properly, though. Let us tell people in advance that we are going to do it. Let us not do it by stealth. I am not going to sneak out to the people of the ACT and say, "Yesterday we enacted an urban tree preservation program in the ACT. We did not tell you about it in advance.

I am sorry; but all of you people who are planning to knock down your tree next weekend to put in another tree, or because you wanted to put something else up, have to get a licence now. You cannot get a licence tomorrow because the forms have not been printed yet. There are no licences done, we do not have any criteria developed, and we do not have the officers to go out there and inspect your tree to see whether it should be knocked down”.

For goodness sake, this is stupidity on the part of the Opposition. I ask members of this chamber to think before they leap into this one. This is stupidity. We should think about what we are doing before we go into this course of action. Let us adjourn this Bill and let cooler tempers prevail.

Question resolved in the affirmative.

Bill agreed to in principle.

Detail Stage

Clauses 1 to 3, by leave, taken together, and agreed to.

Clause 4

MR BERRY (12.12): I want to deal with clause 4 and with some of the untruths that have been put in this place. The first one is Mr Humphries’s claim that this was not consistent with any policy of the Labor Party. Of course it was.

Mr Humphries: I did not say that.

MR BERRY: That was certainly the impression I thought you were trying to create. I withdraw that.

MR SPEAKER: You are moving your amendment?

MR BERRY: Yes, Mr Speaker. I move:

Page 2, line 6, paragraph (a), omit the paragraph and substitute the following paragraph:

“(a) by omitting the penalty provision at the foot of subsection (1) and substituting the following penalty provision:

‘Penalty: 50 penalty units.’”.

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The amendment deals with the penalty units that apply in relation to clause 4 of the Bill. It changes the penalty units regime in relation to the existing protection for trees in the urban environment. Those penalties need to be there because those trees need to be protected. This Opposition went to the people last time with a clear policy on the protection of urban native species, and we intend to stick with our policies in that respect. The Liberals, on the other hand, were very careful to keep quiet their policy of removing protection from our native species in the urban environment. They were going to keep that quiet because they knew what the reaction of the community would be. The people of the ACT are very firmly committed to the tree-lined reserves and the greenness of the Australian Capital Territory, and they would react badly to this chainsaw approach to the protection of trees in the urban area.

Mr Moore made a point about the - - -

Mr Moore: I made several.

MR BERRY: One that is worth talking about at this moment in relation to trees, and one which I think will come back to haunt him. He said a few words about how he and a few neighbours were concerned about a neighbour chopping down a tree, and they went and satisfied themselves that that was okay.

Mr Moore: In a neighbourly way.

MR BERRY: Who says that they were right? They could well have been wrong. What Mr Moore is proposing in supporting the Government on this issue is the very thing that we seek to prevent. Mature native species in backyards in the ACT, which contribute so much to this community, ought to be protected. By going with this, Mr Moore leaves open to a leaseholder the option to put the chainsaw into a mature tree which provides nesting places for our fauna - the large standing gum tree with a girth of a couple of metres and with nesting holes for native species. It does not hurt anybody, but it does help the environment in the ACT, of which we are all proud.

What you are supporting is an approach where, even though the tree has been protected right through the development phase, as soon as somebody has got hold of a lease they can pull out the chainsaw - borrow it from Gary Humphries, if you like - give it a kick-start and cut the tree off at the roots. Mr Moore thinks that is okay. We do not, and that is why we intend to make sure that the penalty sticks and the tree protection sticks. It is a law which is consistent - - -

Mr De Domenico: It is a silly amendment, Mr Berry.

MR BERRY: Your amendment is silly; I agree.

Mr De Domenico: No; yours is a silly amendment, Mr Berry.

MR BERRY: You want to read the amendment first.

Mr De Domenico: I have read it. It is silly.

Mr Connolly: Saving gum trees is silly!

MR BERRY: Saving gum trees is silly! Mr De Domenico claims to have read this, and he says that the amendment is silly. What it seeks to do is to change the penalty from \$5,000 to 50 penalty units. That is consistent with all of your other amendments, so do not make yourself look a fool. What we propose to do is to ensure that the preservation of trees, which is now inherent in the legislation and was intended to be there, will also have a penalty regime that is consistent with that part of the legislation.

Mr Osborne has not said anything to this point, so it seems that it all comes down to what Mr Osborne will do in relation to the preservation of gum trees. I think the Greens have appropriately stated their position. They are about protecting gum trees in the urban environment, and so they ought to be. What we are faced with here is the removal of any protection at all. If somebody else has a better regime, let them put it forward by way of amendments to the legislation; but do not take all the protection away. That is what is happening here. The Axeman over here, Mr Moore, and the Liberals are taking all the protection away from native species in the urban environment on leased land. The Liberals would think that is fine, it appears.

Mr Hird: You have not thought it through, Wayne.

MR BERRY: Listen to the old hollow vessels over here. We intend to stand by our guns on this issue. It is a sensible amendment that proposes to change the penalty regime. The amendment that has been put forward by the Government and supported by Mr Moore takes away the protection for native species in the ACT. If you think the protection for native species is inadequate or needs reform, you do not take away the protection, and that is what people are setting out to do. If you want to be lumbered with the responsibility for removing all the protection - - -

MR SPEAKER: A most unfortunate word, if I may say so, Mr Berry.

MR BERRY: Indeed. You were quick to pick that up, Mr Speaker. The Liberals have proved that they are barking up the wrong tree on this one. I think the Liberals are going to be facing the embarrassment of attempting to remove this protection, and they deserve it. Clearly, everybody who lives in this fair city has a soft spot for all of those trees.

Mr De Domenico: All the ones who prune their Cootamundra wattles are saying, "Thank you, Mr Berry, for stopping me from doing so".

Mr Kaine: Especially the big old gum tree that is about to fall on the house. It has been there for 50 years.

MR BERRY: Those people who prune their trees with reasonable excuse are perfectly entitled to do so, and if they need a licence they can go out and get one.

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MR MOORE (12.20): In many ways Mr Berry - let me see whether I can find the right word - presents badly the situation that is currently in place in the community. First of all, he takes on the responsibility of trying to tell the Assembly what I think. Mr Berry does not know and he certainly misrepresents regularly what it is that I think and how I view the situation. I view this situation as one where what we have in our community and what we have had for a long time is one of the best treed communities right across Australia, and one of the reasons for that is that people are encouraged to grow trees. They do not have a problem when they are thinking about whether they will put a tree here or there. If it goes wrong, if it gets too big, they know when they are planting the tree that they have the prerogative of modifying the tree or, if necessary, cutting it down.

Tree preservation orders would be introduced with this amendment by Labor, orders which they have not effectively introduced under previous circumstances. Certainly nobody in the ACT believes that there are tree preservation orders throughout the ACT, and it would be big news for them today to find out that that is the case. One of the great concerns is that it would be a discouragement for people to protect the environment because we would be discouraging them from growing trees. You have only to look at the communities where tree preservation orders apply to see that. I know from speaking to people who live in some of the treed areas in suburbs of Sydney, particularly St Ives and Turrumurra and places like that, that it is always a concern for them whether or not they should plant a tree. They might be caught out later and not be able to do anything about it if the tree is a concern in terms of the safety of their house or their children.

We do not have a problem in the ACT with trees generally, other than some specific rather large, rather significant trees. As Mr Humphries rightly points out, we have the prerogative of getting a heritage order on those trees, and my understanding is that there have been quite a number of trees to which that has applied, as well as stands of trees, if my memory serves me correctly. The notion that we can resolve the problem by putting up a law, when we have no bureaucracy to support it, and then take people to court is an extraordinarily crude mechanism on the part of the Labor Party that is destined not only to fail but also to make the situation worse. What you are doing is discouraging people from planting trees. Trying to take the high moral ground on this simply will not work. It will backfire in the same way as so many other things you have done previously have backfired.

We have a situation where, for a bit of politicking, Labor has decided to move this amendment, which is half baked, half thought through, which was not even ready this morning, and which has been roughly crafted, I imagine, looking at it, by Mr Berry. One wonders about even the drafting of the amendment. This is simply a grandstanding approach by Mr Berry, who has been so concerned over the last few months that it may well be that he has to prove Labor's environmental credentials in order to ensure that they can regain some of the green vote they lost at the last election and the election before. That is what it is really about. So we get a half-baked idea, half thought through, and something that will actually do much more damage than good. When he wants to put up some decent legislation that appropriately protects specific trees that need protecting, instead of protecting the Cootamundra wattles and other invasive plants at the same time, then we can look to having a sensible debate instead of this half-baked idea Mr Berry has now.

Question put:

That the amendment (**Mr Berry'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.

Clause agreed to.

Remainder of Bill, by leave, taken as a whole, and agreed to.

Question put:

That this Bill 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 agreed to.

Sitting suspended from 12.30 to 2.30 pm

QUESTIONS WITHOUT NOTICE

Health Consultancy

MS FOLLETT: Mr Speaker, I direct a question to Mrs Carnell in her capacity as Minister for Health. I refer Mrs Carnell to the Booz Allen and Hamilton consultancy report, which was described by a prominent Canberra doctor as superficial and misleading. Will the Minister table the terms of reference to Booz Allen and Hamilton, because they do not appear anywhere in the report?

MRS CARNELL: Booz Allen and Hamilton were asked by ACT Health and by me to come on board to have a look at ACT Health, particularly the hospital, but also the administration part of ACT Health, to benchmark the services that we are providing in the ACT against 12 other similar - - -

Mr Berry: Will you table the terms of reference? Table the terms of reference.

MRS CARNELL: I am just telling you what they did, because that is the issue here. They were asked to benchmark the services that were being provided at Woden Valley Hospital and some other places in ACT Health against 12 other similar teaching hospitals in Australia. That is all they have done.

Mr Berry: Table the terms of reference.

MRS CARNELL: That is what they have done. To get to that stage, as you would see from the report, they spoke to over 150 people; they had meetings with various members of staff; they spoke to all of the people at the grassroots to determine exactly what it is that we are doing in ACT Health.

Mr Berry: Is the answer yes or no?

MRS CARNELL: I have just told you what they have done. I thought it would be better if I told you what they have done.

Mr Berry: Is it yes or no? Will you table the terms of reference or not?

MR SPEAKER: Order! The Leader of the Opposition has asked a question. I think, Mr Berry, that your leader deserves an answer, and that can be given only if you stop interrupting.

MRS CARNELL: If Ms Follett would like me to give her a breakdown of the briefing that I gave the consultants in terms of what we wanted them to do, I am very happy to do that.

MS FOLLETT: I have a supplementary question, Mr Speaker, and I think it makes clear why I am so concerned about the terms of reference. I wanted to know from Mrs Carnell whether Dr Newcombe had been correct when he said that this so-called audit of hospital beds - I presume that the audit was a part of the terms of reference - which led to the conclusion that we have 20 per cent too many beds, so letting you off the hook on one of your election promises, was conducted on a single day, that day being the first day of the school holidays when leave arrangements and illness created a very misleading impression of operating theatre efficiency and of bed usage. Was Dr Newcombe correct about that?

MRS CARNELL: As Ms Follett would be aware, the efficiency audit was done on 4 July. I have spoken to Dr Newcombe since then and, as Ms Follett would be aware, as is often the case, he was quoted somewhat out of context. I think it is important to run through what the audit on 4 July showed. It showed that on that day there were 88 patients - 20 per cent of the total inpatients - who did not require acute hospital care at that time. Those people were waiting for a number of reasons. I think some 20 per cent or 19 per cent of the 88 were awaiting placement in nursing homes or hostels. One would have a lot of trouble seeing how that had anything to do with school holidays. There were also people who were receiving treatment that they could have been given as an outpatient or day patient. Again, it is very difficult to determine how that could have had anything to do with school holidays. That was 17 per cent of the total who could have been dealt with as outpatients. Another 3 per cent of those people could have been same day patients. There were people waiting for a medical consultation. That was 16 per cent who were just waiting in a bed for a doctor to come along. We simply have to change that.

There were 13 per cent who were ready to go home, but unfortunately they had not been discharged simply because our discharge system does not work as well as it should. Fascinatingly, only 30 per cent of patients at Woden Valley Hospital are discharged between 6.00 am and 12 noon. You need to discharge people between 6.00 am and 12 noon if you are going to ensure that that bed can be used properly the next day and, therefore, you can have more patients in your system. Therefore, you can use your beds more efficiently, which is exactly what they were talking about here. There were 13 per cent of patients who were ready to go home but simply had not been discharged. The people Dr Newcombe was talking about, people who were waiting for theatre time, were 7 per cent of the total.

Accrual Accounting

MR MOORE: Mr Speaker, my question is to Mrs Carnell as Chief Minister. I gave some notice that I would be asking a question of this nature. Will the Chief Minister concede that an open budget system would be greatly enhanced with a system of accrual accounting? Will she inform the Assembly of exactly when all ACT budget programs will be presented using the accrual accounting system?

MRS CARNELL: Accrual accounting will, of course, lead to a much more open government system. Members will see later on today - I suppose that they have already, on an embargoed basis - the change in the way this particular budget is formatted.

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Gone are the 26 programs, and we have 123 subprograms. All that will be reported on an accrual basis. All agencies will produce full accrual reports for the 1995-96 financial year. They will move to that by the end of this year. We are also particularly keen not just to have full accrual accounting, but also to have full accrual budgeting and management. That is what will happen, starting from now, but certainly in the next financial year. We will be able to see agencies reporting at a subprogram level on an accrual basis, regularly, in an open format, which will allow the members of this Assembly and the public generally to be able to see exactly what services cost and how their money is being spent. We think that is important.

On 19 June we commissioned Mr Don Nicholls, a former Victorian Under Treasurer and somebody who has done a lot of work for the New South Wales Government, for a couple of weeks to have a look at our process to see whether it is achievable, because this sort of timeframe is very tight. No other Australian government has done it in this sort of timeframe. He suggested in a report that he produced in five days, or seven days, that it was achievable; that it was ambitious, but it was a quantum leap forward in accountability.

MR MOORE: I have a supplementary question, Mr Speaker. On many occasions in this place questions have been answered in good faith and then Ministers, including the Chief Minister, have had to come back and say, "Unfortunately, we were not able to deliver because of a breakdown in the system", or because something had happened. Chief Minister, what penalties will you put in place for agency heads who do not deliver on an accrual accounting system for the next budget?

MRS CARNELL: All agency heads will be moved onto contracts with their Ministers in the next few months. Those contracts will include sticking to the timetable I have just set out. Under the contract system security of tenure is no longer there. The contracts will spell out quite definitely that this is what we require.

Mr Moore: And they will be fired if they do not.

MRS CARNELL: Their contracts will not be complied with if things are not achieved, obviously.

Hospital Beds

MR BERRY: Noting that the Chief Minister has refused to table the terms of reference to the Booz Allen consultants - - -

Mrs Carnell: No; I said that I would. That is fine.

MR BERRY: Not in your answer. All we wanted was a yes or a no. You are now saying that you will table them?

Mrs Carnell: Anything you want you can have.

MR BERRY: Okay. We want that one. You could have just said yes. Minister, you seem to have embraced with glee the Booz Allen recommendation that you abandon the promise to open 50 new beds at the hospital. Mind you, the hospital is described in the Booz Allen report as “Wooden Valley Hospital” - a quality report! Also, this is the report that describes the Clinical School as the “Clerical School”. They are on top of it, that lot!

MR SPEAKER: Mr Berry, I remind you that under standing order 117(b)(vi) ironic expressions are not allowed in questions. Would you mind going on.

MR BERRY: I note that you are now waxing lyrical about the real test of a hospital being efficiency, numbers of people treated and the like. I seem to recall you saying, “We treat people, not beds”. Given that you are now saying exactly the same thing as Labor Health Ministers, are you prepared to admit that your election claim about additional beds was just a plain fraud on the electorate?

MRS CARNELL: What the Booz Allen report says is that the proposed expansion of 50 acute care beds is probably not required, to quote them exactly, given better utilisation of current beds. What we have said quite categorically is that that does not mean that we will not open new beds. In fact we will, if that is what we need to see the 600 to 1,000 extra patients that we will see this year, unlike Mr Connolly and Mr Berry over the last three years. I will quote. Mr Berry in 1992-93 spent \$254m on health, treated 56,800 patients and had 1,879 people waiting on the waiting lists. By 1994-95 the amount of money had gone up by more than \$20m to \$276m, the number of patients treated had fallen to 55,957, and the number on the waiting lists had more than doubled to 4,416. That will not be what happens. We will be treating more patients - a minimum of 600 more this year. We are putting money aside, out of the savings that we plan to make in efficiencies, to treat more patients.

North Watson Development

MR KAINE: Mr Speaker, through you, I address a question to the Minister for the Environment, Land and Planning. Minister, can you tell us what is the current situation with regard to the projects in the ACT that are being funded under the Commonwealth's better cities program? Specifically, does the inclusion of infrastructure funding in this year's capital works program indicate that North Watson will be going ahead as planned?

MR HUMPHRIES: I thank Mr Kaine for that question. I also noticed some comments about this in the report on the capital works program released by the Planning and Environment Committee. Mr Speaker, it is no secret that this Government has been unhappy with the direction being taken by the North Watson development prior to recent events. We indicated that we were concerned about a number of aspects of that, including the question of providing for a large infusion of additional residential land in the ACT in North Watson. As a result, some time ago I wrote to the Minister for Housing and Regional Development in the Commonwealth Government and asked for some capacity to reconsider the element of Commonwealth contribution through the better cities program that committed the ACT to the North Watson development. I argued that

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there were better focused projects available in the ACT for better cities purposes than creating land we did not really need to develop at North Watson. Subsequent to that letter, my colleague Mr Stefaniak, as Minister for Housing, and I met with Mr Howe on 5 September this year, at which meeting we pressed our case for some reconsideration of the commitment of money through better cities to North Watson.

Mr Howe, to his credit, agreed that there were problems with the present arrangement and has agreed to consider alternative proposals for that better cities money in areas of the ACT where, hopefully, both the Commonwealth and ACT governments agree that that money would be better spent. There are some limits on that. There are some conditions that apply to that decision to potentially transfer the money. One is that it is not to be used for further studies of urban renewal or whatever it might be. Secondly, it is not to be used for greenfields areas. The result of that, Mr Speaker, is that it is not possible to use better cities money for the Gungahlin Town Centre, for example, which I think is a matter of some regret, perhaps, but it is certainly part of the Commonwealth's position. Officers are now discussing those issues with the Commonwealth.

However, I want to make it clear that if we are not able to substantiate appropriate alternative programs for the Commonwealth's benefit we will be committed to having to proceed with North Watson. That is why money appears in the capital works program for North Watson. It was the only responsible thing to do, in the absence of any clear decision from the Commonwealth, to put money in that program. North Watson will go ahead if it is not possible to identify appropriate alternative projects. One such project, Mr Speaker, would be redevelopment for public housing of some of the older blocks of public housing along Northbourne Avenue. Any member seeing those while driving up or down Northbourne Avenue would have to say that they are a rather poor introduction to Canberra and well worth considering for improvement, and a joint project between the ACT Government and better cities funding from the Commonwealth would be a very good way of spending that money.

Petrol Tax

MR CONNOLLY: My question is to Mr Humphries in his capacity as Minister for Consumer Affairs. I refer the Minister to his cynical dumping of a clear and repeated election promise to reduce petrol tax in the ACT by some 3c a litre. Is the Minister's position that, in order to allow the Government to carry out this promise, he would require written assurances from oil companies that they would guarantee a precise retail outcome involving a flow-on of any tax cut?

MR HUMPHRIES: Mr Speaker, the ACT Government wrote to the various oil companies - I am quite prepared to table the letters which they have all sent me in response to that request - and asked them to indicate their willingness to pass on the reduction in ACT government petrol franchise fees to the consumers, to the people for whom this money is intended. I imagined, perhaps naively, that, if the Government were

to provide for a reduction in the price of a particular commodity being sold by a particular retailer, at no cost to the retailer - that is, they are able to get their product on the market more cheaply without having to cut their own margins - they would be very happy to do that. Who would not want to make sure that their product was more competitively priced and therefore be able to increase the turnover of their product?

To my surprise, Mr Speaker, that was not the case. The major oil companies did not appear to be the least bit interested in providing a lower cost product for the consumers of their product. It was quite bizarre, if you ask me. I am very happy to table the letters I have received from the oil companies, including Shell, BP and Mobil. Mr Speaker, I want to quote one particular letter from a company called Burmah Fuels Australia. Members might recall that Burmah Fuels was the company introduced into the ACT market to be a price leader, to set the direction, to get pricing down, to force others to follow it down and to get lower petrol prices. The first paragraph of their letter in response to my request to pass on benefits to consumers reads as follows:

It is Burmah Fuels' policy to follow retail petrol price trends rather than take a position as market leader.

I checked that I had read it correctly. Was this a forgery? Was this the same Burmah Fuels that Mr Connolly introduced into the marketplace to bring the prices down, to set the trend towards lower prices? Something has happened. The rot has set in, Mr Speaker. Even Burmah Fuels has got the rot as well.

MR CONNOLLY: By way of a supplementary question: Given that any assurance by an oil company that it could set or influence retail prices would be an admission of an ability to fix retail prices, thus constituting a serious offence under the Trade Practices Act - a matter which you would know is currently under investigation by the Trade Practices Commission - would you agree that this whole exercise of writing to the oil companies seeking an assurance which you knew, if given, would be an unlawful assurance was a mere ploy to hoodwink this community?

MR HUMPHRIES: Mr Speaker, Mr Connolly has lectured this place in previous years about how the oil companies set prices for Canberra, about how the oil companies collude to make sure that Canberra motorists pay higher prices for their petrol.

Mr Connolly: Yes, I think they do, but I would never expect them to put it in writing.

MR HUMPHRIES: "I think they do", he says. Mr Speaker, if Mr Connolly thought he could change petrol pricing through his misguided measures, which cost small businesses in this Territory a great deal of money and were grossly unfair to them, I think it was fair enough for this Government to write to the same oil companies and ask them to do the right thing, as far as government taxes were concerned, and the reduction of those taxes, as far as benefit to the consumer was concerned. Mr Connolly knows full well that we were trying to find out the information that he himself has been trying for some time to get from those companies. This indicates, I think, Mr Speaker, what we all know about oil companies in this market, and that is that they are very unreasonable and treat the ACT very shabbily. Initiatives like the legislation I introduced this morning are designed to do something about that and make those companies stand up and pay attention to the ACT.

Bushfire Fuel Reduction Program

MS HORODNY: My question is to the Minister for the Environment, Land and Planning, Mr Humphries. As the Minister no doubt is aware, a program of fuel reduction burning has just commenced in Canberra's nature parks. Spring is the breeding period for many bird species, and many types of plants which are not adapted to a regular fire regime flower at this time of year. Will the burning-off program continue, despite concerns which have been raised by the community about its highly destructive environmental impact and the extensive damage that has been done already in Aranda's bushland areas?

MR HUMPHRIES: Mr Speaker, I thank Ms Horodny for the question. I sent Ms Horodny, as with the other members of this place, a copy of the report of the Glenn committee into bushfire fuel reduction management in the Territory. If she looks at that report she will realise that there is a very real question about how we manage large parts of the ACT which in some cases have accumulated a very significant build-up of combustible material which must be reduced if we are to assure citizens of this Territory that they are not in danger - - -

Mr Berry: Why now? Why do you pick spring?

MR HUMPHRIES: I have this amazing question from Mr Berry: "Why now?". It should have been a year ago, Mr Berry, but you suppressed the report which told you that there was a problem. You suppressed the report that told you that you should have been acting on this issue. We have been in office for just over six months. In those six months we have commissioned and obtained a comprehensive report from people, including local rural land managers and environmentalists, which considers the need and the manner of reducing bushfire material around the ACT. We have obtained that report. That report is on the table. You have received a copy of it.

Mr Berry: Why not autumn?

MR HUMPHRIES: It was autumn when we got the report. It was autumn when we got into government in this place and we started doing the work that you should have done years ago. That is why it was not last autumn. The report is now available. We have the blueprint for how to proceed with that matter. It should have been here a year ago, but it finally came, under this Government, about a month ago. We are now in the process of putting in place bushfire fuel management plans for the whole of the Territory. It is our ambition to put the whole of the Territory under such plans. That, Mr Speaker, is why we are undergoing the process of identifying what those areas are and how we reduce those bushfire management problems.

That we need to burn in order to be able to do that is a fact of life which the report which I referred to identified. I hope that Ms Horodny has bothered to read that report, because it makes it clear that sometimes we do need to burn. Ms Horodny will realise that that was not a position taken just by this Government or just by Parks and Conservation or Emergency Services. It was a position supported by representatives of organisations such as the Conservation Council.

In the case of the Aranda bushland, the report that I referred to identified concerns about lots of areas along the urban edge of Canberra, and Aranda is a particularly important part of that. It is part of the Canberra Nature Park. It is rated as having one of the highest levels of bushfire hazard in the Territory. The Aranda area that was burnt was a narrow strip comprising 10 out of a total of 93 hectares, and plants and animals will easily recolonise the burnt area. A wildfire which burnt the whole area would be far more damaging to that area and would put the residential area, as well, at jeopardy. Effective fuel reduction improves the chance of survival for wildlife and it is prudent to put those measures in place now, not wait until the summer.

Mr Speaker, there have been statements in the media that removing ground fuel is ineffective in reducing hazards to suburbs. That is just not true, to be quite frank. Firefighters say that the only way to prevent crown fires is to reduce ground fuels. This spring the Parks and Conservation Service plans to undertake further hazard reduction burns around the perimeter of the Australian National Botanical Gardens at Black Mountain, around the caravan park in O'Connor, and in two areas in the Namadgi National Park. Some experimental plots in grasslands will also be burnt for research purposes. I do not like having to authorise those burns either, but there simply is not an alternative way of managing those areas properly and appropriately. That is a position which the report clearly points up. If Ms Horodny is not happy with that I would very much like her to come back and talk to the people who drew up the report and tell them where they got it wrong. They seem to think that it is the right way to go.

Cultural and Heritage Centre

MR HIRD: Mr Speaker, I direct a question to the Minister for Arts and Heritage, Mr Gary Humphries. Why has the Government decided to review the location of the Cultural and Heritage Centre in Canberra?

MR HUMPHRIES: Mr Speaker, this Government remains committed to the idea of having a Cultural and Heritage Centre in the ACT. Money provided for that centre from the casino premium remains available to meet that need when it is required. We need to review, however, the location of that centre in light of indications - - -

Mr Berry: Who says?

Mr Moore: Who says?

MR HUMPHRIES: Members, do not dispute that fact. I am very happy to table the report of - - -

Ms Follett: Why did you not send it back to the Assembly committee? It is an Assembly decision, not a government decision.

MR SPEAKER: Proceed, Mr Humphries.

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MR HUMPHRIES: Mr Speaker, Renfree and Hanrahan Architects were commissioned by the former Government to advise it on the costs of proceeding with the Cultural and Heritage Centre in the North Building. That report indicated that the additional cost, on top of the \$6.9m put aside for the Cultural and Heritage Centre, of erecting the centre on that site would be in the order of between \$3m and \$5m. Mr Speaker, those are not my figures. That is from this report, and I table that report. I say to members: What does the Assembly expect the Government to do? We have the choice of taking that money off the \$6.9m put aside for the Cultural and Heritage Centre, which will make a centre that was far from being viable in the first place, or we have the choice of looking for an alternative venue for that centre.

Mr Speaker, I do not like having to say that the centre should not be in the North Building either. It is a very good location for the centre and I would like to see it continue there, but we do not have a spare \$3m to \$5m floating around in the coffers to put into a centre for which there is already a commitment of \$6.9m. I would say, Mr Speaker, that it is incumbent on us to use the money rationally. I have discussed this with a number of people, including the head of the Heritage Council and the Cultural and Heritage Centre Steering Committee and, regrettably, Mr Speaker, there is not an alternative that I can see or that those people can see to that process. We have to put other places on the agenda in order to be able to find a suitable location. I am happy to discuss where those locations could be. Members opposite know that there was a problem. They commissioned the report in the first place, and the report is very clear.

Ms McRae: But we did not get the report. It went to you, not to us.

MR HUMPHRIES: You have seen the report.

Ms Follett: No, we have not.

Ms McRae: We have not.

MR HUMPHRIES: One of your members has.

Mr Wood: No.

Ms McRae: No, he has not. Do not read people's minds again.

MR HUMPHRIES: I do not think Ms McRae should press that point too hard, Mr Speaker.

Ms McRae: I have asked him, Mr Humphries, which you have not.

MR HUMPHRIES: I do not think she should press that point too hard. I think she should have a little whisper next to her, Mr Speaker. The fact is that I do not see an alternative location, and I look forward to members cooperating and finding a place that we can afford to fund with our \$6.9m.

Health Consultancy

MRS CARNELL: Mr Speaker, I table the terms of reference for the Booz Allen report and the study objectives which were formulated after discussions with a number of interested parties.

MR SPEAKER: It being 3.00 pm, in accordance with the resolution agreed to earlier this day I call Mrs Carnell.

APPROPRIATION BILL 1995-96

MRS CARNELL (Chief Minister and Treasurer) (3.00): I present the Appropriation Bill 1995-96, together with the explanatory memorandum and associated budget papers.

Title read by Clerk.

MRS CARNELL: I move:

That this Bill be agreed to in principle.

The budget I present today is a first for ACT and Australian governments. It is an Australian first because we are releasing a realistic three-year budget. Gone are the simplistic forward estimates that have borne no relation to reality, as has been clearly demonstrated in previous years. In their place are real, achievable bottom lines that we will live within. It is an ACT first because there is now a government that can deliver a budget strategy to put the Territory back in the black. This budget has nothing to do with politics and everything to do with reality. It is a tough budget, but it is not a horror budget. It is about better management and about creating a can-do culture in the ACT. We were elected to do a job - to provide Canberrans with an open and accountable system of regional government, and to get on with making this city a better place to live in and to visit.

The budget I am outlining today will help us to do just that, using a three-year plan that provides signposts of our progress towards a balanced budget. Canberrans have enjoyed a good quality of life for many years now. We want to preserve that quality of life, but at a price that we can afford. It will require changes, it will require reform, and it will not be easy. If we do not change, it will mean more of the same, and more of the same will not reduce our record waiting lists for surgery. More of the same will not provide young Canberrans with long-term employment. More of the same will mean refusing to take the tough decisions that have to be taken. This budget sets about creating an environment that will allow Canberra to move ahead without leaving anybody behind. It also delivers on major commitments we gave during the election campaign - commitments in health, education, employment growth, business, the arts and community services.

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This three-year budget has four main elements. First, it is a strategy for sound financial management. We will turn around a deficit for 1995-96 of \$44m to a surplus of \$21m by the end of our third year, and this surplus will increase from there onwards. By 1997-98 we can begin putting aside real money to meet our long-term liabilities, and, when the Commonwealth's transitional funding runs out in three years, this Government will ensure that the ACT is able to stand on its own two feet.

Second, this budget delivers improved services to the Canberra community. In the lead-up to this year's election we stated that reform of our health system was our No. 1 priority. Labor spent more on health every year and Canberrans got less. Over the next three years Canberrans will get more services and Health will, in real terms, spend less. That means more operations for urgent cases on our waiting list, increased funding for disability and aged care services, and a range of new services. We also said that funding for education would be maintained in real terms. This budget delivers on that commitment. We have targeted the high cost of public transport. Over the next three years ACTION will become more efficient and the subsidy will be reduced by \$12m.

Third, we are committed to working closely with the private sector to achieve lasting growth through a real partnership that recognises just how important a strong economic climate is to Canberra's future. This budget provides a major boost to ACT businesses and reflects our determination to lead, not follow, other States in helping our local companies to expand. Over the next three years an increase in the payroll tax threshold will put us ahead of New South Wales and provide relief for more than 130 businesses, and \$10m has been set aside for increased promotion and marketing of Canberra as a business, tourism and sporting destination.

The fourth feature of this three-year program is that all agencies will be required to adopt better management practices and improve customer service. The focus of our public service will shift from what has been a miniature Commonwealth structure to a regional model of service delivery that puts customers first. Agencies will be accountable for the full cost of the goods and services they produce. Our financial management reforms will lead to the introduction of full accrual accounting and outcomes budgeting by 1 July 1996. This will place the ACT ahead of other Australian governments in financial accountability. We will attack the high cost of workers compensation, too, and try to resolve the cases of many hundreds of employees that the system seems to have forgotten.

This Government inherited an economy that reflected the previous Labor administration - one that was tired, deteriorating and without strategic direction. It is a legacy that saw the bottom fall out of the economy in the last 12 months of the Follett Government. Economic growth more than halved to just 2.5 per cent - significantly below the national rate of 4.5 per cent. Private investment in the ACT declined by 7.9 per cent compared with 12.8 per cent growth nationally. Employment growth slumped to just 700 new jobs in 1994-95, with no reduction in unemployment and declining participation rates. Population growth ground to a halt, with negative net interstate migration to Canberra during 1994-95. Residential building approvals plummeted, inflation was running above the national rate, and retail turnover was barely half the national growth rate.

All of this occurred against a background of strong growth in the national economy. Since this Government assumed office, some key economic indicators have shown a more positive outlook. There is renewed business and consumer confidence that this Government can turn the slump around. Total employment in the ACT has increased by almost 5,000 full-time and part-time jobs since March, in a stunning reversal of the downward trend that occurred during the last seven months of the Labor Government. Our participation rate is the highest on record. Retail spending has also turned around, evidenced by the fact that the ACT is now recording the largest growth in retail turnover of all States and Territories. Already spending is up by 4.5 per cent since February 1995. Despite these encouraging trends, the outlook for the housing and construction industry remains a concern. At best, the substantial decline in residential building activity is expected to level off, whereas activity in the non-residential construction sector is anticipated to remain at solid levels. Growth in the economy is therefore forecast to remain stable at 2.5 per cent during the next three years.

Employment prospects are anticipated to improve only marginally during 1995-96, with growth forecast to rise to 1.5 per cent. In line with national price pressures, inflation in the ACT is forecast to increase to 4 per cent this year but fall back to 3 per cent in later years. Population growth is estimated to remain at one per cent over the next three years, while housing approvals are expected to begin growing again by 1996-97. In summary, the economic outlook for the ACT is one of having to arrest a serious slide while seeking out opportunities for growth.

During this Government's first term we will be managing the final years of the ACT's transition to State-type financing. In recognition of this, at the 1995 Premiers Conference I sought from the Commonwealth a measured and sustainable funding strategy to assist the ACT in completing this very difficult task, a task which has seen a real reduction of 49 per cent in Commonwealth financial assistance since 1989-90. The ACT received special revenue assistance of \$15m this year. The end result is that we are faced with a reduction this year in Commonwealth total general revenue payments of \$35.3m. This is 11 per cent below the actual payments received in 1994-95 and is equivalent to a \$117 cut for each ACT resident in just one year. The transition may be harsh but it is nonetheless inevitable.

Together with the other States, the ACT was, however, able to reach agreement with the Commonwealth on the sharing of dividends from the national competition policy. For the Territory this represents, at today's values, an additional \$3.4m from 1997-98, rising to \$10.4m per annum from 2001-02. Payment is conditional upon the ACT implementing key financial reforms over the next three years, reforms that are already part of this Government's economic agenda.

Central to the framing of this budget has been the legacy of escalating deficits left to us, and to the Canberra community, by the Labor Government. Since 1989 the ACT Government has been running down its bank account. In the first year of self-government the general government sector budget had a surplus of \$70m.

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By 1993-94 this had been squandered away to a level of only \$14m. Under the final Labor budget this deteriorated to a deficit of \$32m. This represented a Consolidated Fund deficit of \$82m that had to be funded from borrowings and reserves. Mr Speaker, I was shocked to learn that earlier this year our bank balance actually hit zero for the first time as reserves were reduced to virtually nothing.

When we formed a new government in March we were faced with demands from agencies for additional expenditure of \$32m, in many cases arising from decisions made by Ministers, those opposite, just prior to the election. Had I not said no to these demands, the deficit would have been even greater. So, in April, I announced that we were deferring the proposed June budget. We did this so that we could produce a clear, detailed management plan for Canberra's future. As a result, we were able to use this extra time to stabilise and restrain expenditure in the final months of 1994-95 to an overall level of \$4m below Labor's budget estimate. Within this improved result we also managed to clear a \$3.3m debt arising from the VITAB fiasco that was crippling the viability of ACTTAB.

Perhaps the example that best sums up the attitude of the previous Government to funding its commitments was the problem of paying for furniture and fittings for the newly refurbished City Police Station. Somebody in this Assembly forgot to plug \$452,000 into the budget so that our police officers could have something to sit on and work with. We did not. Added to this, the previous Government deferred a \$6m bill for Comcare for 1994-95. Had that bill been paid when it was supposed to have been last year, there would have been no increase in the deficit in 1995-96.

Labor also embarked on a desperate industrial relations strategy in its last days in office. As a result, wage increases without productivity offsets for nurses and teachers have added a staggering \$9m to this budget. This budget also picks up the tab for those unfunded, big ticket promises that amount to millions of dollars, such as the Canberra Clinical School, \$1.2m, the bone marrow transplant program, \$400,000, and assistance for complex clients with disabilities, \$600,000. This Government will pay those bills.

Consolidated Fund receipts for 1994-95 were also \$20m below the budget estimate. The major shortfalls occurred in Health, where \$10m less than forecast was collected in cross-border payments by New South Wales.

Mr Connolly: But that will be paid, I presume.

MRS CARNELL: No, it will not be, Mr Connolly. Lease sales were \$15m below estimates. To offset this, there was an increase of only \$4m in taxation receipts. So, when my Government sat down to map out its three-year strategy, we were faced with a flat economy, local taxes and charges approaching State levels, a reduction of over \$30m in Commonwealth funding, a Consolidated Fund deficit in the previous year of \$82m, and more than \$10m in unfunded commitments or bills deferred by the previous Government.

The three-year budget strategy that I am announcing today will turn around our escalating debt. It demonstrates that we can regain control over our expenditure in a responsible, measured approach, without hurting small businesses or reducing levels of service to the community. Real reductions in outlays of 9 per cent by 1997-98 are a measured response to the imperatives of our financial and economic situation. Our first budget lays the groundwork for this gradual adjustment. It reduces current expenditures below Labor's published forward estimates, it increases capital outlays compared to the published forward estimates, and it will enable long-term liabilities such as superannuation to be funded in the future from real surpluses, placing borrowings on a more rational basis.

The Government's No. 1 commitment remains the delivery and expansion of quality health services at a more affordable cost. Successive reviews have shown that we are spending about \$30m a year more than national averages on hospitals, while other health services are funded at close to national averages. Two weeks ago I released the Booz Allen and Hamilton report. This has laid the foundation for our reforms. Over the next three years health costs will be reduced and savings will be reinvested to improve services and meet rising costs. Within two months of coming to government, I was able to reach agreement with visiting medical officers on new contracts, after more than two years of hostile negotiations with two previous Health Ministers. These contracts will deliver savings of close to \$3m a year.

Booz Allen and Hamilton's review will help us to build on these real savings without compromising patient care and with a real improvement in the continuity of care. A key objective will be to reduce the size of the corporate "head office" to a small strategic unit and focus more resources on delivering services to patients. This will require the creation of statutory authorities for our hospital and community health services from 1 July next year. These reforms will coincide with a concerted attack on the Territory's waiting lists for elective surgery.

I gave a commitment that I would not turn my back on the four-and-a-half-thousand Canberrans who are waiting for much needed operations. This commitment is reflected in the allocation of \$2m in additional funds this year to provide for more than 600 extra operations, targeting the most urgent cases. A total of \$500,000 has been set aside to provide for the initial set-up costs for a cardio-thoracic surgery unit at Woden Valley Hospital. The unit is expected to open - at long last, may I say - in late 1996. A total of \$1.2m has been allocated to our new Clinical School for the appointment of teaching positions in surgery, obstetrics and gynaecology, psychiatry and geriatric medicine. I can also advise that the opening of the adolescent ward at Woden Valley Hospital is scheduled for June 1996, and the Health Complaints Unit has now been properly resourced.

In recognition of the growing demand for services in Gungahlin, an additional \$100,000 will be injected into extra child and family health programs in that area. The Government has also delivered on its commitment to properly resource disability services. An extra \$500,000 will be allocated for additional individual support packages for people with disabilities who are currently in the care of their families. In line with the disability services development project, the Government has already made significant advances in reforming residential services. Our objective is to reform these services to better meet the needs not just of clients but also of their families and carers.

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In response to growing waiting lists for respite care and personal services for people with disabilities and the frail aged, an additional \$900,000 of ACT and Commonwealth funding has been made available this year. This represents a significant increase of 13 per cent. There is, as noted earlier, extra funding for the improved management of complex cases. These involve mainly children who have a range of complex intellectual, developmental, behavioural and physical disabilities.

In the area of mental health, which has been something of a black hole for successive governments, the implementation of the long overdue national mental health plan will accelerate. Total outlays will increase by 7 per cent compared with 1994-95, and this includes the appointment of a professor of psychiatry at the Clinical School. Specialist services to children and adolescents will increase with the appointment of a trainee child psychiatrist. Additional resources will also enable the intensive care rehabilitation team to provide intensive and individualised services to persons with serious mental illness. A pilot case management program will be undertaken to develop models that will improve continuity of care and access to resources across mental health services.

Mr Speaker, in health and community care, our commitment to reform will be reflected in more dollars reaching the sharp end. This can be achieved only if administration is reduced. To this end, we will be seeking expressions of interest for the sale or lease of Melba and Kippax health centres as going concerns, similar to the process that is occurring with the management of Upper Jindalee Nursing Home. Services at Melba Health Centre have been allowed to run down in the last three years to the point where the centre is almost empty. Consistent with the Assembly's decision to offer private general practitioners access to all community health centres on a bulk-billing basis, we believe that the health services offered by both Kippax and Melba in the future will actually expand, because they could not get less at Melba.

For the first time too in the ACT, the importance and value of improving the health of the community through the sponsorship of health promotion is to be enshrined. A new stand-alone Health Promotion Authority will begin operation following the passing of legislation later this year. By allocating 5 per cent of the tobacco franchise fee, a record \$2.1m will be set aside this year alone. Compared with funding of \$837,000 in the final year of the Labor Government, moneys available for the promotion of healthy lifestyles through sport, the arts and community activities will more than double.

Members will recall our election promise to maintain education funding in real terms over the next three years. That promise is translated into reality today with the allocation of an additional \$7.7m this year. While we have come under fire for this commitment, this Government recognises that education is probably one of the ACT's most precious social and economic assets. Within this framework, the Department of Education and Training will be addressing our commitment to improving literacy and numeracy standards, and the resourcing of a balanced sport and physical recreation program in the school curriculum. School-based management will also be strengthened to ensure that schools have the maximum possible control over the management of their resources.

Over the next three years the government school system will expand to cater for the growth of new areas in Canberra. A new primary school is to open in Nicholls next year, with another primary school in Ngunnawal and Nicholls High School due to open in 1997 and 1998 respectively. The new Lanyon High School will open in 1996. The challenge will be for our education strategy to accommodate these changes in resource demands. It is a challenge that I believe the department is well equipped to meet.

Funding for non-government schools will also increase by \$2.5m over the 1994-95 outcome. As well, a funding cut of one per cent applied in the 1993-94 budget has been reversed, fulfilling another election commitment. Additional student places for high-demand courses in tourism and hospitality, management and computing studies will be made available through the Canberra Institute of Technology. There is also a welcome increase in Commonwealth funding that will result in a massive boost in vocational training places under the auspices of the Australian National Training Authority.

For the first time in the ACT, a complex range of services for our children and youth have been brought together under one organisation. In line with the recommendations of the Assembly's Social Policy Committee, the Children's, Family and Youth Services Bureau was established by this Government. In response to community and union concerns about a lack of resourcing for child protection workers and increases in demand for services, additional funds have been made available to assist with caseloads. Outlays will increase as part of our commitment to maintain services at current levels for child protection workers and substitute care places, while preparations for the introduction of mandatory reporting will continue with funding for staff training.

The high cost of public transport has not escaped the notice of this Government. As I noted earlier, the subsidy to ACTION will be reduced by \$12m over the next three years. There will be a \$6m reduction in this year alone, which is a clear signal of the ability of this Government and ACTION staff to work together to improve the efficiency and customer focus of our bus system. Reducing ACTION's reliance on government subsidies will place our bus service on a more commercial footing. ACTION will operate on a fully commercial basis from 1 July 1996 to deliver better services to Canberrans at the best possible price. It is increased competitiveness that is one of the key messages of this three-year budget plan - the message that Canberra is open for business.

Two elements underpin the Government's strategy: Our determination to develop a partnership between the public sector, business and the community that is fundamental to sustained economic development, and our role in setting the broad economic direction and providing a competitive environment by aiding, rather than hindering, business growth. In line with our election promise, this year we have injected significant new funds into developing and marketing the Territory's tourism and business potential. We have established a new agency called CanTrade with a budget of \$1m to undertake more aggressive marketing of the Canberra region. It will bid for events that have significant business, cultural, sporting and tourism benefits. The University and Masters Games are examples of such events. Significant investment will also be made in

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developing Canberra's tourism infrastructure. Funding will be provided to initiate the development of the exciting Kingston foreshore as a tourism and cultural precinct. A total of \$1.85m has been directed into the upgrading of the Visitor Information Centre, while \$250,000 has been set aside for further investigation of transport options for the Sydney-Canberra corridor, including high speed rail.

Targeted industry assistance of \$850,000 will provide greater incentives for businesses seeking to relocate or expand in the ACT. A total of \$150,000 will go to the advanced technology industry to support its participation in the Gungahlin broadband project, while an additional \$125,000 has been allocated for continuing improvements in advisory and planning services for business, particularly small business. Priority has also been given to developing a conducive business environment through a systematic review of all legislation and regulations to ensure that no unnecessary burdens are placed on business.

In line with the forward estimates of the previous Labor Government, a total of \$1.6m has been allocated for labour market programs that focus on providing opportunities for the most disadvantaged in the ACT's employment market. I can also announce that a third open access centre for job seekers will open early next year in the Tuggeranong Valley. This will provide a major boost to unemployed persons in the valley and ensure that they have the same job search support as is currently available in Civic and Belconnen. Later I will detail important changes to payroll tax that will further enhance our competitiveness, foster employment growth, and reflect our support for a vibrant business sector.

The difficult economic and budgetary climate faced by this Government has certainly made the delivery of many of our election commitments a tough, but not impossible, task. Nowhere is this more evident than in our efforts to promote local arts and sport. I can announce today with great pleasure that an additional \$3m will be provided to the arts over the next three years. There will be an additional \$1m for cultural grants, and \$600,000 for art associated with major capital works projects that will give additional exposure to local artists. More than \$850,000 will also be injected into cultural activities through the expanded Health Promotion Fund, and \$500,000 will be provided for capital works funding for improvements to the Canberra Theatre.

The Government will build significantly on our reputation as a sport and recreation capital. Contrary to rumours - - -

Mr De Domenico: From whom?

MRS CARNELL: The clown opposite. Contrary to rumours, a capital grant of \$1.5m is being provided this year to assist with the construction of the long awaited Tuggeranong Indoor Sports Centre. Other major projects due for completion during the next three years are the refurbishment of the Erindale Leisure Centre and the construction of the Nicholls district playing fields. The sports loan interest subsidy scheme will also be increased from 1996-97 to assist sporting organisations to develop and manage new facilities. Funding of \$900,000 has also been injected into the ACT Academy of Sport to provide training centres for athletes aiming to compete at the Olympic level.

The budget for policing services has been maintained at current levels while significant restructuring of Australian Federal Police operations takes place. Already this has resulted in the redeployment of 24 extra police onto Canberra's streets. Further changes will be subject to discussion between the Minister for Police and the AFP. Coordination of emergency services, too, has been enhanced following our decision in March to transfer the ACT Ambulance Service out of the Health Department. The high standards of these services will be improved by this Government with increased funding to maintain Fire Brigade response times, and the construction of accommodation for a fifth ambulance crew at Fyshwick Fire Station. It is worth noting, too, that the Fire Brigade expects to install 15,000 smoke alarms this year alone, as part of our commitment to install alarms in all ACT Housing properties. The most significant development in this area over the next three years will, of course, be the provision of a medical rescue helicopter service, to be jointly funded by the ACT and New South Wales governments and the private sector.

The delivery of local government services to Canberra's 300,000 residents will also undergo significant change during this three-year budget framework. Consistent with our commitment to secure the best deal for taxpayers, the Department of Urban Services will separate its role as a purchaser of services from its role as a provider. Competitive tendering will enable the department to choose from a range of service providers, depending upon the quality of the service and the cost of that service. Major changes that will occur over the next three years include the amalgamation of City Parks with City Operations to deliver more efficient municipal services, the introduction of random vehicle inspections, resulting in savings from the closure of the Phillip Vehicle Testing Station, and the extension of the popular precinct management system to give local communities more input into strategies to revitalise their neighbourhood shopping centres.

Our budget strategy also incorporates initiatives to improve waste management with the long-term aim of reducing the amount of waste going to landfills by 50 per cent by the year 2000. One of these initiatives will be the provision of compost bins to Canberrans at cost price, for \$25 each. Backyard composting has the potential to substantially reduce the amount of waste going to landfills. Following the introduction of compost bins as part of our waste management strategy, an environmental charge will be levied on the disposal of residential waste at landfills to apply from 1 January 1996. The reduction in waste production will enable the closure of Ainslie Transfer Station, which will realise considerable savings.

This coming year will see the finalisation of a long awaited draft strategy for the promotion of the ACT's national parks, focusing on the potential for ecotourism. The Environment and Land Bureau will release draft integrated environment protection legislation and, with the assistance of additional funding, will also complete the assessment of all known sheep dip sites in residential areas that have the potential to affect housing.

I am pleased to report that about 100 hectares of primary native grassland will be added to the Territory's conservation reserves this year. This will be the first substantial area of grassland to be protected in this way in the ACT. Conservation areas will be established in Gungahlin for the endangered striped legless lizard, while research will be continued

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into its biology and habitat needs. Members will note that, in the capital works budget, more than \$1m has been allocated to commence work on the Gungahlin Town Centre. This work will commence before the end of 1995, as per the commitment we gave to Gungahlin earlier this year. Finally, a total of \$100,000 has been set aside to set up and provide support to the new local area planning advisory committees that have been established by the Government to improve consultation on planning and development issues.

One of the ways the previous Government kept some sort of lid on its growing deficit was to increase taxes and charges. Our revenues are now broadly equal to those of other States. This is, of course, of little comfort to ratepayers and it certainly has provided no competitive advantage to local businesses. This Government has limited the increase in our own-source revenue effort in 1995-96 to under 5 per cent. This effectively means that, despite the budget blow-out from Labor's legacy, taxes have barely increased in real terms. As promised, individual increases in residential and commercial rates have been held to the estimated movement in the rate of inflation. An independent review has also been commissioned to identify the most suitable rating and land valuation system for the Territory. We want to ensure that ratepayers are treated more equitably and are not unduly exposed to large rates variations from year to year.

The Government has also delivered on its commitment to change the focus of land tax to affect only income-producing properties. From 1 July 1995, if a property is not available for rental, there will be no land tax. This initiative will result in an annual revenue loss of \$2.1m, but it has addressed the inequities faced by many Canberrans. Later this year a new rate of gaming machine tax will be applied to some licensed clubs in the ACT. A one per cent levy will be imposed on large clubs with a monthly revenue in excess of \$25,000 from 1 November 1995. Following extensive discussions with the Licensed Clubs Association, the \$1m to be generated from the levy will be used this year to assist the ACT Academy of Sport's elite athlete program.

It is a fact of life that, as an island surrounded by New South Wales, the Territory's taxation policy must be responsive to moves in other States. This is to ensure that our businesses and taxpayers are not disadvantaged and that our tax base is protected. The budget therefore reflects that from 1 July 1995 the liquor franchise fee on low alcohol wine products has been abolished in line with New South Wales, the stamp duty on transfers of all listed marketable securities has been halved, from 0.6 per cent to 0.3 per cent, in line with all other States, and the tobacco franchise fee has been increased from 75 per cent to 100 per cent, in line with New South Wales.

Today I will outline major changes to payroll tax in the ACT that are designed to boost employment growth and improve the competitiveness of local businesses. Following amendments passed in the Assembly, a payroll tax exemption has been introduced to enhance job opportunities for long-term unemployed. From 1 July this year, Canberra firms that employ a person who has been out of work for at least 12 months will be entitled to a two-year exemption for that employee. From 1 January 1996, the payroll tax-free threshold will increase by \$50,000 to \$600,000, at an annual cost of \$1.8m. This will remove the payroll tax liability completely for at least 30 Canberra businesses and reduce the liability for all taxable businesses by \$3,500 per year.

A centrepiece of this three-year budget and a key election promise was a further significant reduction in the taxation burden on businesses. We will achieve this through a more substantial increase in the payroll tax threshold to \$800,000 from 1 January 1997. This is a \$13.5m benefit to local businesses. A further 130 small- and medium-sized businesses will no longer be liable for payroll tax. It means that companies can employ about 35 people before they begin to pay payroll tax, compared with about 25 employees at present. It signals to Canberra businesses, too, that this Government is prepared to play its part in helping to foster the right economic climate for expansion and growth.

It is the intention of this Government to improve the responsiveness and standards of service that are provided by the Territory's agencies. Over the next three years the public sector will undergo major reforms aimed at giving Canberrans a public service that reflects what the customer wants - less bureaucracy and red tape, faster turnaround times, more helpful service and greater job satisfaction for staff. It is part of creating a can-do culture that Canberra needs if we are to forge ahead as a modern, innovative city. Through a customer commitment program being driven from the Chief Minister's Department, all agencies will commit resources to training and improved management systems to better meet the needs of clients.

In the area of workers compensation, a special team will be established within the Chief Minister's Department that will report directly to the Chief Executive. It will be responsible for tackling the backlog of long-term compensation cases within the public service and ensuring that all agencies establish rehabilitation systems to prevent a recurrence of this situation. The team will have the full support and cooperation of Comcare. It should be noted that, of the more than 400 long-term cases identified, more than 30 have already been resolved in the last three months under our new approach to workers compensation issues.

The Government is committed to an ACT public service focused on delivering quality programs and services to Canberrans at the least possible cost. We have included in this budget a centralised amount of \$12m to fund voluntary and specifically targeted redundancies that may arise from changes to the way we operate. This compares with \$17m that was set aside by the previous Government in each of the last two years for untargeted redundancies. Our approach will be linked to the maintenance of the current freeze on recruitment to ensure that the full benefits of savings from redundancies are achieved. Mr Speaker, progress will continue to be made in the area of enterprise bargaining. The Government has put to the union movement an approach that involves agency-specific bargaining under a broad framework agreement. This will enhance the capacity of agencies to achieve improved productivity at the workplace level.

I have already outlined to this Assembly the financial reform program that we will undertake. It will place the ACT ahead of all other Australian governments, both in accountability and in management. By 1 July next year all agencies will know what they are producing and what the full accrued costs are. It will mean that our second budget will reflect the true cost of the goods and services we are buying from the public and private sectors. We will be able to focus more clearly on efficiency and effectiveness. This is hardly radical stuff. It is just better management.

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The next ACT budget will, however, look very different in its presentation. Although the level of expenditure will be the same as we currently show for the 1996-97 budget, superannuation, capital works, accommodation and other real costs will be fully presented for each class of goods and services. The first stage is demonstrated in the presentation of this year's budget details. Last year the budget contained financial information broken down to only 26 programs. This year details of all 123 subprograms are reported in the budget papers because we believe that our agencies and the moneys they spend should rightly be subject to close public scrutiny. For the first time, too, we have produced a special budget paper - this one here - that provides a clear and concise summary that sets out exactly where your money is spent and why, because, as a government, we start from the principle that the money we are spending is not ours; it belongs to Canberrans. It is yours, and we must be accountable for how it is spent.

In conclusion, this budget is based not on rubbery figures but on real outcomes. It is a three-year program that has as its underlying premise the need for the ACT to reduce spending to match its income. It is about change, but not for the sake of it. It is a blueprint that will enable resources to be directed to where they are most needed - in health, in education and in other essential services. It also puts paid to the pork barrel. This is the first time that a government has pre-empted its election year budget in its first year in office. There are no rash promises, either this year or in the future. All new initiatives will have to be funded within the bottom lines that agencies have been allocated today. Agencies will, however, be able to plan more efficiently because they now know what they have to deliver and what their budget will be for coming years. As well as eliminating borrowings, the budget strategy will hold taxes and charges to no more than New South Wales levels, maintain and improve services through greater efficiency and reduced duplication, retain our high credit rating and allow us to begin setting aside real provisions for future liabilities.

Whatever government is elected in just over two years' time, this budget strategy will ensure that it inherits a strong financial position. If that does not happen to be a Liberal government, we on this side of the Assembly will walk away in the knowledge that we changed Canberra from a city that always kept looking over its shoulder and avoiding hard decisions to a city that looked to the future. I commend this three-year budget to the Assembly.

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

STUDY TRIP Paper

MR SPEAKER: For the information of members, I present a report on a trip undertaken by Ms McRae, MLA, to Melbourne on 25 August 1995.

SUBORDINATE LEGISLATION AND COMMENCEMENT PROVISIONS
Papers

MR HUMPHRIES (Attorney-General): Pursuant to section 6 of the Subordinate Laws Act 1989, I present subordinate legislation in accordance with the schedule of gazettal notices for a declaration, determinations, an exemption and regulations. I also present commencement notices for the two Acts listed.

The schedule read as follows:

Boxing Control Act - Boxing Control Regulations (Amendment) - No. 32 of 1995 (S206, dated 18 August 1995).

Business Franchise (Tobacco and Petroleum Products) Act -

Business Franchise (Tobacco and Petroleum Products) Regulations (Amendment) - No. 35 of 1995 (S224, dated 31 August 1995).

Determination of value of tobacco sold or purchased - No. 125 of 1995 (S225, dated 31 August 1995).

Determination of quantity of tobacco - No. 126 of 1995 (S225, dated 31 August 1995).

Business Franchise (Tobacco and Petroleum Products) (Amendment) Act - Notice of commencement (30 August 1995) of sections 4 to 17 (S223, dated 31 August 1995).

Children's Services Act - Exemption - No. 122 of 1995 (S210, dated 24 August 1995).

Credit Act - Declaration - No. 123 of 1995 (S214, dated 28 August 1995).

Land (Planning and Environment) Act 1991 - Determination of fees - No. 124 of 1995 (S216, dated 29 August 1995).

Motor Traffic Act - Determination of Taxi Fares - No. 128 of 1995 (S235, dated 14 September 1995).

Periodic Detention Act -

Notice of commencement (1 September 1995) of uncommenced provisions (S222, dated 1 September 1995).

Periodic Detention Regulations - No. 34 of 1995 (S221, dated 1 September 1995).

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Public Health Act - Public Health (Cervical Cytology) Regulations
(Amendment) - No. 33 of 1995 (S217, dated 1 September 1995).

Physiotherapists Act - Determination of fees - No. 127 of 1995 (S231, dated
6 September 1995).

PAPERS

MR HUMPHRIES (Attorney-General and Minister for the Environment, Land and Planning):
I present the Woden Valley Hospital Information Bulletin relating to patient activity data for
July 1995. I also present the schedule of lease variations for the period 1 April to
30 June 1995.

LAND (PLANNING AND ENVIRONMENT) ACT LEASES

Paper

MR HUMPHRIES (Attorney-General and Minister for the Environment, Land and Planning):
Pursuant to the Land (Planning and Environment) Act 1991, I present the schedule of leases
granted in the quarter ended 30 June 1995.

PLANNING, DEVELOPMENT AND INFRASTRUCTURE - STANDING COMMITTEE

Report on Inquiry into Possible Changes to Planning Legislation - Government Response

MR HUMPHRIES (Attorney-General and Minister for the Environment, Land and Planning)
(3.51): Mr Speaker, for the information of members, I present the Government's response to
Report No. 35 of the Standing Committee on Planning, Development and Infrastructure
entitled "Inquiry into Possible Changes to Planning Legislation in the ACT", which was
presented to the Second Assembly on 7 December 1994. I move:

That the Assembly takes note of the paper.

On 18 June 1993 the former Standing Committee on Planning, Development and Infrastructure
initiated an inquiry into ACT planning legislation. The committee's terms of reference were to
inquire into and report on possible changes to the planning legislation in the ACT, taking into
account the comments contained in the Todd report and an undertaking by the Legislative
Assembly to review the legislation once it had been in operation for some time, and noting also
that the committee's report on the draft Territory Plan made reference to the need for such a
review. The committee received briefings on

the legislation by officials of the former Department of the Environment, Land and Planning, the Law Office and the Chief Planner. During the latter part of 1993 DELP progressed a number of amendments to the Land (Planning and Environment) Act to incorporate changes recommended in the report on the draft Territory Plan. During that time the committee was involved in a number of significant draft variations to the plan.

On 1 July 1994 the committee renewed its call for public submissions on the inquiry, and 73 submissions were received, many submitters requesting the opportunity to appear before the committee. Some of the submissions were also relevant to the inquiries to be conducted by Mr Robert Lansdown, and copies of relevant submissions were forwarded to him. The committee held its hearings over four days in September 1994. Submissions were heard from numerous individuals, business groups, the Housing Industry Association, the Planning Institute, the Law Society, the Heritage Council, conservation groups, community and residents groups, a local builder, the Land and Planning Appeals Board, DELP officials, and the Chief Planner.

The committee produced its report on 7 December 1994. The report contains 31 recommendations covering a wide range of planning and leasing issues. The Government response indicates agreements to the majority of the committee's recommendations. A number of recommendations are conditionally agreed on the basis that the particular issue is proposed to be dealt with in a manner which differs from that suggested. Ten recommendations are not agreed, either because the recommendation is inconsistent with Government policy or because Parliamentary Counsel has advised that the recommendation is inappropriate. Any recommendations flowing from the inquiry into leasehold which may impact on the committee's recommendations will be addressed by the Government when they become available.

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

HEALTH CONSULTANCY **Discussion of Matter of Public Importance**

MR SPEAKER: I have received a letter from Mr Connolly proposing that a matter of public importance be submitted to the Assembly for discussion, namely:

The need to abandon the second \$700,000 phase of the discredited Booz Allen health consultancy and so avoid wasting further resources.

MR CONNOLLY (3.55): It is perhaps unfortunate that today is budget day and, as a result, there is massive interest from the Government benches in this important issue, but it is too important not to raise it on the first day of sitting. This Liberal Government has announced that nearly \$1m is to be spent on consultancies to effectively gut the Canberra health system. We were critical of the need for any consultancy, given the long history of outside external reviews of ACT Health and, in particular, the very substantial task that was done only last year by Arthur Andersens, which benchmarked a whole range

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of services in ACT Health. That study was endorsed by both the then Labor Government and the then Liberal Opposition as the basis for forward planning in health. Indeed, it is ironic that, despite much of the rhetoric, and particularly the rhetoric in Booz Allen, the health budget as it has been tabled today seems to follow the plan set out in that Andersen consultancy.

We are very concerned that \$330,000 of public funds has already been expended on what appears to us to be a very poor product. The Booz Allen report has been condemned nearly universally from the trade union movement but also from senior doctors with no real history of getting involved in the politics of health in the ACT. What is of greatest concern to the Opposition about this report is the apparently very shallow and facile approach it takes to health. For \$330,000, we have a document that tells us that we spend some \$30m more than standardised expenditure on health. For that finding they source Peat Marwick's comparative data, which is already a public document, and the Andersen report - last year's work. Mrs Carnell in defending this report has been saying long and loudly, "But it only tells us what we already knew". Exactly, Mrs Carnell.

Mrs Carnell: It tells us how to do it.

MR CONNOLLY: I will come to that. If you think this tells you how to do it, I pity the health system. For \$330,000 we have been told what we already know, as Mrs Carnell acknowledges again today, and we have got a crude hit list of jobs to go in the health system. That is of great concern to the Opposition and members of the public on the basis that some of its targeting of areas will cause real chaos in our system. There is much rhetoric that we are really targeting clerical and administrative areas. That has been largely done in recent years, and the study that was published last year by Access Economics, of all people, in the *Advance Bank* magazine shows that over the period 1990 to 1994 there were some very dramatic reductions in staffing levels in health, particularly in the clerical and administrative areas.

I had some hope, having heard the budget speech, that much of the rhetoric of Booz Allen was being abandoned by the Government and that we might get a statement that they would not go ahead and throw good money after bad on the next \$700,000 phase of the consultancy, but I fear that I have been disabused of that by the fact that even now documents from management are circulating around Woden Valley Hospital clearly indicating that these staffing targets are very realistic. In the staff bulletin, the operational efficiency review put out by the department in September - that is, within very recent days - shows that the proposals for bottom line reductions in staff of between 72 and 85 on ward nursing and between 3.8 and 11 in emergency remain on the table as real proposals for very substantial job losses. That is a crude and simplistic approach to achieving savings targets. If the Government believes that it has got value for \$330,000 in producing a simplistic hit list of jobs to go, then this Government seems to have a very lackadaisical approach to the engagement of consultants.

That is a matter that raises a broad issue of concern to the Opposition, that is, how do we monitor whether we get value for money for consultants? The use of consultants has been a fairly standard process for governments, Labor and Liberal, in recent years in all parts of Australia, but it seems to be growing apace in the ACT. In this exercise we are locked in, it seems, although I hope to hear that we are not, for \$1m to the firm of

Booz Allen - to do what? To tell us, as Mrs Carnell says, what we already know; to give us a crude hit list of jobs to go, and, presumably, in the next \$700,000 phase, to embark upon actually delivering those massive job cuts. Booz Allen, it should be noted, has in other jurisdictions, particularly in the United States, been subject to some very adverse criticism by county officials for its charging practices. In Los Angeles, the city authorities were very critical of the way they were charged for a major piece of consultancy in relation to some transit issues. I would suggest that one of the things the Auditor-General may care to do is to look across the board, but in particular here, at whether the ACT taxpayer has got value for money in \$300,000 for this simplistic and facile report and whether it will continue to get value for money in \$700,000 additional public expenditure for more of the same.

Perhaps I have been too harsh, because there is one other recommendation that Booz Allen makes, and that is better coordination between Woden and Calvary hospitals. Again, that is a statement of the obvious, and something that one hardly needed to spend \$300,000 to obtain. Its recommendation that records systems between the two hospitals be coordinated is one the Opposition would endorse. Indeed, records management at Woden, which was itself fairly chaotic from the Canberra hospital-Woden hospital merger, was a very high priority for the Labor Government. Mr Berry some years ago allocated a substantial sum of money to build into the hospital redevelopment project an absolutely state-of-the-art electronic records management system. It is something this community should be rightly proud of. It is a very good system. Certainly all the information I had was that it was a very good system - I would assume that Mrs Carnell agrees with that - and it is the system that obviously Calvary should be integrated into. The priority was to get it up in the public hospital first and then extend it. We would agree that that is a sensible thing to do. I would seriously question whether we got value in spending \$300,000 to tell us such an obvious statement.

The report also suggests that there are areas where Woden and Calvary could further and better integrate services to achieve savings. One of its particular recommendations is that where Calvary outsources a number of services, in particular maintenance and repair-type services, it could work with Woden hospital and use the maintenance teams there. That is a sensible suggestion, but one that seems to be somewhat at odds with the report's recommendations that those very services at Woden hospital be poleaxed, with massive reductions in the number of people allocated to those repair and maintenance sections. I have had some very serious issues raised with me by unions representing those areas, who tell me that it is just simplistic to suggest that you can dramatically reduce the numbers of staff in those maintenance areas.

Mrs Carnell: Fifty-six tradespeople.

MR CONNOLLY: There are not 56 tradespeople, on the best information I have, and I will take you through them position by position, person by person, and name by name in the Estimates Committee. You will find that there is a substantial difference. Again, this shows the simplicity and the facile nature of the Booz Allen recommendation. For example, there are three positions there - they are tradespersons positions because they are certainly skilled positions - that relate to boiler attendants; but it is necessary to have a boiler attendant attending a boiler while the boiler is boiling. If you do not,

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you are in for a severe shock when the boiler overboils. These are people who must be there, standing by and monitoring. There are a whole range of positions like that. When you come down to the question of how many people are actually there for maintenance, it is a much smaller number.

There are specific reasons why you need expertise in a hospital situation. If something breaks, given the complex nature of the electricals, the hydraulics, the vacuum systems and the oxygen systems in a hospital, you need highly specialised tradespeople there, and you need them on a 24-hour basis. Those tradespeople are available on call at all hours of the day and night and they receive the appropriate allowance for the time they are on call, by the phone or the beeper. They do not leave Canberra, they refrain from alcohol - all the normal procedures that apply for on-call.

Mr Berry: Not as much as a VMO.

MR CONNOLLY: Although, as Mr Berry notes, their on-call allowances are nowhere near the on-call allowances for VMOs. So there is a good example, which we will highlight in the estimates process, where a simplistic finding is made: We have 56 tradesmen; we can get rid of a lot of them. First, that is factually wrong, and, secondly, it contradicts its own recommendation that it would make a lot of sense for Calvary and Woden to coordinate in those areas so that the Woden repair and maintenance people might be available for Calvary. Indeed, that is a commonsense solution and one that we would support, but hardly \$300,000 worth of value.

I hardly need point out again the obvious evidence in this document that it was a rushed and shoddy job. An amount of \$330,000 for a document that refers to "Wooden Valley Hospital" and the "Clerical School" is hardly the sort of thing that gives confidence that you have got value for money. I would ask the question: What are the criteria for obtaining value for money?

Mrs Carnell: Some \$20m for no more admissions - that was good!

MR CONNOLLY: Let us see, Mrs Carnell. As I said when you were out, the rhetoric in this document seems rather at odds with the rhetoric you are using in your budget papers, and your budget for health this year is really a continuation of last year's budget strategy and is essentially the implementation of what Arthur Andersens were recommending last year as the process to go forward in ACT Health. You should have, according to that analysis, which was accepted as a starting point by both of us, a period of financial consolidation, being the budget year just passed, and then a process of steady implementation of savings into enhancements. This document seems to recommend a very dramatic slash and burn approach and one which is premised, unfortunately, on achieving a high level of industrial dispute and chaos at the hospital. It is an abandonment of an enterprise bargaining approach in favour of a scorched earth approach.

Where are the criteria for value for money in a \$330,000 consultancy that, in the Chief Minister's own words, really does not tell us anything we did not already know, that is, that ACT Health does not spend its dollars as efficiently and effectively as it can, although there has been very significant improvement over recent years, and in which

its major findings were simply sourced to previous consultancies? We also get a crude hit list of jobs to go, which could have been compiled by anybody, I would suggest, in half an afternoon to add up to a bottom line that reflects about half of the dollars that need to be saved, according to that bottom line financial analysis.

There are some totally unexplained inconsistencies between this quite facile approach to where efficiencies can be found in the hospital and the considerably more detailed benchmark analysis that was contained in the Andersen exercise and some of the appendices thereto. In particular, I refer to the issue of the so-called hospitality services of the hospital, the food delivery service areas. That was an area where, on very extensive benchmarking studies last year, the ACT showed up as being in front of the game.

Mrs Carnell: We lose \$500,000 in the staff cafeteria.

MR CONNOLLY: It was about the only area where overall the ACT hospital system was operating at national efficiency, yet that is an area that is massively targeted. Mrs Carnell squawks about the staff cafeteria. There is a level of subsidy for the staff cafeteria, as there is and traditionally has been, in just about every major hospital staff facility. So there is a complete failure by this report to reconcile a finding of benchmark efficiency that was made by the Andersen consultancy exercise in relation to the same issue.

The other point that must be made is about this very shallow so-called audit of hospital beds on 4 July. Mrs Carnell says today, "That was a great exercise because it told us that there were so many people in the beds who should not have been in the beds". We interjected, "Who says?". What is the basis for this finding that those people should not have been in those beds? It is a dangerous and shallow recommendation, although one which no doubt gets Mrs Carnell off the electoral hook in so far as she is now able to abandon her more-beds promise. As Mr Berry pointed out in question time today, she is starting to sound more and more like Mr Berry and me in relation to the fundamentally correct statement that a measure of a hospital's efficiency is the number of patients treated and that a simple bed-counting exercise is pure, cheap partisan political rhetoric - something that Mrs Carnell was very good at - and that we treat patients, not beds. I am very concerned at basing a whole series of assumptions on this one day so-called audit of hospital beds. That is a very dangerous process for going forward on massive structural change to the health system.

In summary, we do not believe that we have got \$330,000 worth of value for this exercise, and I would recommend to the Government that the Auditor-General may decide in future to embark on reviewing some of these consultancies to see whether there has actually been value for dollar delivered. Having said that, to go ahead now and spend another \$700,000 or thereabouts - an all-up total of \$1m - on this form of consultancy is pure madness with taxpayers' money and will produce a result that will simply achieve chaos. The way forward in health reform, as has been shown in recent years, is sensible, staged reform.

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MR HUMPHRIES (Attorney-General) (4.11): May I, first of all, commend the Opposition on their stunning tactical sense in bringing on an MPI on a day like today. There is clearly a huge amount of public interest in this matter of public importance. This is the same tired old attack we have already seen on the part of this Opposition, desperately resisting the reality that I think anybody with half a brain who observes our health system realises we cannot long stave off. Anybody observing our system, particularly any of the former Health Ministers sitting around this place, knows in their heart of hearts that we as a community cannot afford to ignore the lessons this Booz Allen and Hamilton report entails for this community. The difference between us and our predecessors is that we are prepared to grasp the nettle of those important issues and attempt to deal with them.

The attack on this report has been so immensely shallow on the part of Mr Connolly that it is almost not worth getting up to rebut it.

Mr De Domenico: And when they could not do it properly, they had them making atom bombs or something.

MR HUMPHRIES: That is another little gem to come back to later. Here is the logic Mr Connolly used: Booz Allen and Hamilton refer to 56 tradespeople in the Woden Valley Hospital as being unnecessary - at least, the total number being unnecessary; that number includes three boiler attendants; boiler attendants are necessary, therefore Booz Allen and Hamilton's \$1m study is wrong; throw it out the window. When you are in a position like that of the Opposition, with your own health strategy in tatters after 3½ years of disgraceful performance in health, I suppose that it is not too bad to come up with logic like that. Let us face it; there is no-one here to hear you and laugh about it, so I suppose that we all make that kind of comment.

What the Opposition is doing is trying to dress up problems with the messenger as problems with the message. There is a fundamental issue. Let us forget about how this report was put together or what arms-dealing kinds of associates put it together, or what kinds of typographical errors there are in this report. Let us put all those things to one side for one instant and ask ourselves the fundamental question: Are they right in saying that we have a serious problem that we have to address? If they are right, as those opposite acknowledge by their comments, what are we going to do about it? How do we get to deal with this problem? We have put our cards on the table. We have called on one of the most professional, highly esteemed companies in the world in this area to give us advice about how to deal with this problem in our health system. We have put it on the table. We are going to pursue the avenues created in this, with appropriate consultation and appropriate sorting out of the issues that result from these decisions; but we will pursue it.

Those opposite had a report that also pointed to a \$30m overspend in our health system. They have not told the community how they were going to deal with it. Before they go any further in this debate, they owe it to the community to explain how they were going to do it.

Mr Connolly: We did. Last year's health budget was an implementation of the Andersen report.

MR HUMPHRIES: What you have said, and you have repeated it in this debate, Mr Connolly, is that we would gradually adjust over the next three years to the issue of the \$30m overspend. How do you gradually adjust \$30m in three years? That is \$10m a year. You would have brought your budget down three months ago, you claim. How would you have adjusted \$10m worth of savings in the hospital system in the space of one year?

Time is running out. You have only a few more minutes for interjection here.

Mr Berry: That would work well in a university debate.

Ms McRae: It came in on budget last year.

MR HUMPHRIES: No? They do not know, Mr Speaker. All of us who are honest enough to admit it know that the Territory is facing a shortfall in Commonwealth funding of about \$33.5m in this financial year - \$33.5m we have to start to adjust for right now; not in six months' time, not in the 1996-97 budget, not at some point when we have a few more consultants' reports. We need to make these adjustments now, and this Government has embarked on the process of doing it.

The operational efficiency review which Booz Allen and Hamilton have commissioned has been produced in the context of very extensive experience in these sorts of matters. Booz Allen and Hamilton is a worldwide management consulting firm. It has extensive experience in consulting in the areas of health care, having conducted studies in over a dozen major teaching hospitals within Australia and New Zealand. The first diagnostic phase of the review lasted nine to 10 weeks and was completed on 4 August. That phase entailed a consultancy project team gathering data and interviewing staff to assess potential opportunities for improvement. From my years of experience here, I know what those opposite would have said if we had produced this information without spending the money and taking the time to talk to staff in the system. I can list the questions now: Why did you not consult with so-and-so people and such-and-such a workplace? Why did you not talk to the workers about the changes imposed in this concept? Why did you not discuss these issues with the unions? Blah, blah, blah, blah! We know what those questions would have been. We know what the Opposition would have said about that.

This report represents an enormous amount of input by staff at Woden Valley Hospital and elsewhere in our public health system to establish what the problems were. This is not just Booz Allen and Hamilton pulling out the report they did for some hospital in the US, dusting it off and changing the names. No, it is about working through the problems that exist in our public hospital system; it is about our problems. When members of those unions in this area claimed - quite dishonestly, I might say - that they had not been consulted about these issues, they neglected to mention that they had been repeatedly invited to take part in this process. They, along with other staff, could have attended any one of, I think, 17 different seminars conducted by Booz Allen to

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talk through the issues. They could have seen the videotape produced of the seminar for members of the work force who could not get to those seminars to see what the issues were. They could have looked at any one of the many newsletters and briefing papers produced by the consultants to talk through the issues with the staff.

This is a document representing not just the experience of our consultants but also the combined experience of staff working in our public hospital system. Members opposite who dismiss it with a light brush of the hand, saying that it is not worth the paper it is written on, fail to acknowledge that that level of consultation and discussion which has been worked through with the staff is of great value and has not been done before, that I am aware of, at that level and deserves to be acted upon. I remind members that the redundancies this report generates and which the Government ultimately will put in place are to be voluntary redundancies. That means that the staff concerned have to want to take a redundancy before it can be effected, before a saving can be achieved. Members should be aware that there is considerable interest out in the community in those redundancies because people know that change is inevitable in the system and that the process being embarked upon is a process that any government worth its salt would have had to embark upon.

This is not just about making savings in the hospital system; it is about producing benefits for the people of Canberra. Only a few minutes ago the Chief Minister detailed some of those benefits to the people of Canberra, which we cannot achieve unless we bite the bullet by addressing the overstaffing and other problems in our public hospital system. We cannot justify an administrative staff of over 400 people for Woden Valley Hospital alone. We simply cannot do that. It is irresponsible to pretend to people in our community that we can sail along with this level of staffing and these ways of doing things, that nothing needs to change, that we can all be happy with the present arrangements.

Mr Berry: How many nurses are included in that?

MR HUMPHRIES: Mr Berry well knows that this report has identified for downsizing many more important areas than nursing. He well knows that, and he is very fond of scaremongering about the nurses. I do not see us mentioning anything about his downsizing of doctors. This is the old good worker-bad worker routine; within our public hospital system there are workers who are worth defending and there are workers who are not worth defending. I think that is a very unfortunate attitude. We, as the Government, are charged with the task of administering a system for all Canberrans, even for people outside the borders of the ACT. We need to have a mechanism for providing answers to those people's problems, for providing them with services.

We will, as a result of that demand, that challenge, be providing new services. There will be an additional \$2m provided to address the waiting lists for elective surgery; additional family services for people living in Gungahlin; the establishment costs of the cardio-thoracic unit at Woden Valley Hospital. This is not going to be just another report designed to employ consultants; this is the blueprint for delivering extra services to the people of Canberra. If those opposite do not think this is worth doing, they should say so. They should not perpetrate on the people of Canberra the deception that we do not really need to tighten our belts at all, that we can carry on as we have been carrying on for

the last four or five years, without any change, and everything will be all right. We do not believe in that kind of deception of the people of Canberra. We are prepared to embark upon a process that will not make us popular in the short term but, at the end of the day, will deliver benefits that all Canberrans will receive, and I think that is something worth fighting for.

MS HORODNY (4.23): This report is indicative of the way this Government and most governments around Australia evaluate outcomes on quantitative national benchmarks. It is also a good example of how governments, and the previous Government was no exception, focus the majority of the Territory's health resources in the hospital system. This report offers a largely quantitative analysis of certain areas of the hospital and its administration. Through this benchmarking exercise, Booz Allen and Hamilton illustrate areas where our services differ from national benchmarks in terms of the way we use resources in the hospital system and also identify so-called opportunities to examine these differentials in more detail. There are some big questions raised by this kind of methodology. Should we conceptualise the problem of health care in economic terms? Should we match resources against outcomes in a way that leads to a rational, quantitative outcome?

Mrs Carnell claims that this is the most detailed look at our health system ever conducted. After the number of reports into our health care system, you would want to be able to claim that. Unfortunately, most of the resources and focus in our health system is still on hospitals, the acute end of health care. In other words, we have a system that concentrates its resources on sickness rather than on keeping people healthy. The Greens believe that more resources should be spent in preventative health areas such as local health clinics and in areas that seek to care for those in greatest need in our community such as dementia care and respite care. This report is essentially about the hospital and administration of health and, although it does stress once again the need for better outcomes in terms of continuity of care, most of the claimed savings are going to be put back into big ticket items in the hospital. The opportunity costs of doing too little to prevent ill health are not factored into the Booz Allen analysis at all.

This study is, for the most part, quantitative. It includes very little methodology, and it fails to discuss quality of care in a comprehensive fashion or provide models for quality of care in other States as a measuring tool. Quantitative national benchmarks may or may not be relevant to the health situation in the ACT. In the areas of nutrition and occupational therapy, for example, the report notes that the ACT offers more service per patient but fails to provide significant analysis on the type of service that is offered or the outcomes of this service.

Mrs Carnell has also said that she plans to restructure the health administration along a purchaser-provider model. Once again, there has not been much detail, except that she will split the hospital and community health into two separate statutory authorities. What mechanisms will be put in place to ensure continuity between policy and planning, the hospital and community health? Clearly, in order to achieve the goal of a healthier ACT community, efficiency gains within the system are one aspect of many issues that must be addressed. While we believe that there are areas within the health service that need significant reform, we will not support actions that lead to a reduction in the quality of care. While we support the need to make significant changes to the health care system,

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we are opposed to the idea of imposing through the budget process change that is decided by expensive outside consultants and adopted by the Government as policy before any debate on those recommendations has occurred within the Assembly or within the community.

We believe that paying Booz Allen and Hamilton \$1m for this report and an implementation strategy is a gross waste of taxpayers' money. The Department of Health currently employs a gaggle of senior managers. Are they not up to implementing such a report and, if not, why not? The Greens believe that we should work towards the best outcomes for staff and patients through qualitative research, consultation, and the established EBA process. When and if staff go, who will suffer? Will it be the people at the bottom end of the salary spectrum or will it be the doctors, senior managers and executives who take the cuts? How much money is consumed by those at the top end of the salary spectrum in Health and those at the bottom end? Cuts per se do not necessarily create efficiency or more effective service delivery. The Booz Allen and Hamilton report is too much about accounting and not enough about quality. The Greens believe that \$1m is too much money to spend on a report that to date has not examined any of the qualitative indicators that determine what type of health system we really have.

MRS CARNELL (Chief Minister and Minister for Health and Community Care) (4.28): I agree with everybody. Mr Connolly is absolutely correct in that we did endorse Andersen, and we continue to endorse Andersen. In fact, the Andersen report brought down under Mr Connolly, which he claimed was his blueprint to reform health, actually has three phases: Phases 1, 2 and 3. Phase 1 was the part Mr Connolly did. About phase 2, interestingly, the report states:

An operations improvement process incorporating bottom-up identification of cost reduction opportunities, process redesign and implementation planning is recommended.

That is exactly what we have just done. It goes on to say, as all reports in health do:

We have identified that WVH's total cost per occupied bed day exceeds a representative group of NSW and Victorian teaching hospitals by some \$26.5m.

Of the total cost above the sample mean, they go on to identify VMOs - an area where we have already made savings - nursing, allied health professionals and so on, as the areas where, in macro terms, savings could be made. The report then says:

Beginning with these estimates as targets, an operations improvement process has been recommended to confirm the savings goals, to identify substantial efficiencies in the delivery of services and achieve significant savings in 1994-95 and succeeding years.

Unfortunately, Mr Connolly did not make any savings in 1994-95. It confirms:

These savings can be achieved -

wait for this -

by introducing efficiencies and reducing staff levels as a result of redesigned processes, changed procedures and new work practices ...

Again, that is exactly what we have done. It goes on to talk about the three-year strategy to bring down savings, in line with what we have done. It says:

Identification of performance improvement opportunities and implementation plans to achieve an appropriate benchmark operations cost (reduction in the order of \$25m) over a three-year period.

What have we done? Exactly that. We have identified benchmarks. We have identified a three-year program. Guess how many savings have been identified over the three years? Savings of \$25m - \$5m in the first year and \$10m in each of the two outyears, exactly what Mr Connolly's report recommends we do.

As part of phase 2, we have to work from the information in this document, which gives us macro figures on how much we could potentially save in areas such as nursing. The report says that nursing is \$8.7m above the mean and administrative and clerical costs are \$3.4m above the mean. What it does not tell us is exactly where those above the mean costs occur. We had to find out, and we got Booz Allen to help us find out exactly where in the area of nursing, the area of other costs, the area of clerical, there was overstaffing, because we did not know. We certainly know that there is understaffing in a large number of nursing areas. We certainly know anecdotally that nurses are run off their feet in a number of ward areas in the hospitals. So it is not as simple as saying, "Okay, there is \$8.7m too much spent on nursing. We will just go for the untargeted approach that the previous Government took on many occasions". Simply put, we would not target the areas where there were problems if we did that.

We brought Booz Allen in to look at the areas where there were problems, and that is what the report has done. It has taken the macro, across-the-board approach, that Andersen Consulting did for us and shown us exactly how to target those savings. It is interesting to note some of the things Booz Allen showed us that we did not know before. We did know that Woden Valley Hospital spent substantially more than national benchmarks. We did know that on nursing we spent more than national benchmarks. We did know that on VMOs we spent more than national benchmarks. We did know that we spent more on clerical. What we did not know was that one in every five patients at Woden Valley Hospital may have been there unnecessarily, for non-acute reasons such as waiting for nursing home beds.

One of the things Mr Connolly said is that all of this was somehow done on one day. What was done on one day was the bed audit. A bed audit has to be done on one day; you cannot do it on lots of days. You have to do it on one day, because you are assessing what the situation is in the hospital on one day. It stands to reason that you do it on

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one day. What they did not do, though, was use data for all of the back-up things they said about that one day from only one day. In terms of the number of people and how discharges work in the hospital, that was done over the whole month. What it showed was that only 30 per cent of people are discharged between 6.00 am and 12 noon; 60 per cent are discharged between lunchtime and 6.00 pm. How useless is that?

Ms McRae: That is because of the doctors. Get rid of the doctors.

MRS CARNELL: I fully agree. We have to make sure that we get the doctors doing ward rounds at a time of day that means that we can discharge patients. It also identifies very well where we have doctors in particular specialities who are bringing people in up to 2.5 days before their operations, simply to settle them in. We could pay for them to stay at the Hyatt for substantially less than it costs at Woden Valley Hospital. Those sorts of areas really allow us to target our problems in health.

I would like to quote a few of Mr Connolly's statements in the past. He said as recorded in *Hansard* on 19 May 1994:

The true position ... is that we are spending \$30m more than we should for the service that we are getting.

We had to find out where that \$30m was being spent. In referring to our hospital system, Mr Connolly said on ABC radio on 28 April 1994:

As a community, we really can't continue down the path of having Australia's most expensive system ... You can't keep throwing dollars at a system unless ACT residents want to pay ever-higher rates ... or unless the Government goes down the path of borrowings, and again, that's pretty foolish.

That is exactly what we agree with. So, rather than just spend more money every year on no extra patients, as Mr Connolly did, we have gone underneath the figures to find out where it is that we are spending that \$30m that Mr Connolly and Andersens and just about every other report said was too much. We are addressing that. Andersen says categorically that we will have to make those savings in areas such as staff numbers and efficiencies in procedures. That is exactly what Andersen shows. Those are the things that have to be addressed. I agree also with Ms Horodny, who has said that we should be concentrating on help outside the hospital, outside critical care; but the only way we can do that is to move money out of our critical system and into our community health system, and the only way we can do that is to determine why we are spending too much in our critical system.

MR WHITECROSS (4.37): This discussion this afternoon is about whether the ACT community is getting value for money out of the Booz Allen health consultancy. It is not about whether we could implement better practices in the ACT health system. It is not about whether there are efficiencies to be achieved. It is about whether Booz Allen is making a real contribution to that.

Mrs Carnell said some interesting things. For instance, she said that she did not know that there were people in the health system, in the hospital, lying in a bed because they could not get into a nursing home. Mrs Carnell did not know that. Everybody else did, Mrs Carnell. If you did not know that, I do not know why; but we did not have to pay someone \$300,000 to find that out. Mrs Carnell said that she did not know that people were admitted to hospital days before they actually had their operations. She may not have known that, but other people did.

Mrs Carnell: Why did you not change it?

MR WHITECROSS: That is exactly the point, Mrs Carnell. We do not need to spend \$1m on a consultant to tell us what the problems are that we already knew existed. What we need is for management to work in consultation with the unions in the hospitals, in the health system, in order to solve those problems the best way we can. I do not know how much money we would have to give Booz Allen to solve the problem of there not being enough nursing home places in the ACT.

Mr Connolly: Sell a few nursing homes.

MR WHITECROSS: We could sell some nursing homes; that might help. But we are not going to solve it by giving money to Booz Allen. I do not know how Mrs Carnell proposes to solve the problem of doctors having people admitted to hospital but then not operating on them for a couple of days; but I doubt that she is going to solve it by paying Booz Allen \$700,000, on top of the \$300,000 we have already paid. The point is that we are aware of the nature of the problems in the ACT health system.

Mrs Carnell: Why did you not do anything about them? You had four years.

MR WHITECROSS: We were doing something about them, Mrs Carnell. The point is that we need to have management addressing the problem, not an outside consultant, not someone outside the system. The management who are paid to run the system need to figure out how they are going to manage the hospital system, how they are going to work with the unions and the doctors and the staff in order to bring about efficiencies in the hospital system.

It is interesting that we have talked a lot about \$26m being saved. Mrs Carnell promised before the election that we were going to cut the health budget by \$26m, and we all saw the spreadsheet showing where that money was going to be spent. Booz Allen have dutifully drawn up a hit list - perhaps a bit arbitrary, perhaps not very well reasoned in places, but a hit list - of how to save \$26m, only to find that Mrs Carnell has decided that she does not want to save \$26m in the health system any more, she wants to spend the money in health. So we are not saving money in the health system any more; we are just recycling the money, and that is revealed in the budget she has brought down today. The three-year budget does not show savings in health; it does not show savings in the hospital system; it shows expenditure in the hospital system continuing at higher levels than in 1994-95.

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What is more, the only reason the numbers are even close to the numbers in 1994-95 is that Mrs Carnell has factored in an extra \$8m for cross-border health receipts. It is not because she has reduced the cost of running the hospital but because she has increased the amount of money she hopes we are going to get from New South Wales. That is a particularly interesting piece of figuring. Not very long ago she was telling us that we had a budget deficit blow-out because we would not get the money out of New South Wales; yet now we are being told that the panacea for our problem in the health system is that we are going to have additional money in cross-border payments. What was a budget blow-out last year is going to be the panacea for the Woden Valley Hospital budget this year. Similarly, in the overall health budget we see once again the same pattern of expenditures being stable across the years: \$255m in 1994-95, and at the end of 1997-98 there is still \$255m. How is this miracle being achieved of not actually reining in the expenditure but still having the bottom line the same as it was when Mrs Carnell arrived? By adding in our \$8m cross-border health receipts and by the sale of assets. We have a \$20m sale of assets in the health bottom line. The savings in the health system are in the sale of assets and in a rubbery figure about cross-border receipts, not in savings in the hospital system.

If the Treasury officials and the health officials whom Mrs Carnell is already paying spent more time figuring out how to get efficiencies in the hospital system and less time doctoring up the numbers with asset sales and cross-border health receipts figures in order to bring the bottom line down, perhaps we would be getting somewhere with the cost of the Woden Valley Hospital. Instead, we are going to spend another \$700,000, bringing to \$1m the total expenditure on consultants to fix up Woden Valley Hospital, and at the end of this process, at the end of this three years, the expenditure will have risen from \$171m to \$176m. So our \$1m outlay is yielding us an additional \$5m of expenditure - not a real triumph in terms of public sector accounting.

When Mrs Carnell commissioned Booz Allen to figure out how to save \$26m and now is saying that she does not want to cut the health budget at all, you have to ask whether she has given Booz Allen the right job to do in the first place. One cannot help feeling that Booz Allen might have been assisted in this task if they had been given the task of figuring out how to spend the existing budget differently, instead of being given the task of how to sack workers, how to reduce the number of people employed in the health system, only to be told by Mrs Carnell that that is not really what she wants to do. She wants to respend all the money she saves. We are spending \$1m to increase expenditure in the hospital system by \$5m - \$1m to get a health system where the only thing that is bringing the bottom line down is cross-border health payments and asset sales - and Mrs Carnell asks us to believe that this is good value for money. It seems to me, Mr Speaker, that we could make our most significant contribution to the bottom line in the health budget, not by spending another \$700,000 so that Booz Allen can come up with more recommendations to do things that Mrs Carnell has in the meantime decided we do not want to do, but by putting that \$700,000 back into the bottom line - we would at least be able to show for our efforts a \$700,000 saving in the health budget - and charging the management of the hospital, who are paid to manage the hospital, to work with the unions, the doctors and the staff in the hospital to bring about changes in work practices, as Labor was doing when it was in power.

MR SPEAKER: The discussion is concluded.

PUBLIC ACCOUNTS - STANDING COMMITTEE
Inquiry into Access to Cabinet and Other Deliberative Documents

MS FOLLETT (Leader of the Opposition): Mr Speaker, I wish to inform the Assembly, pursuant to standing order 246A, that on 28 August 1995 the Standing Committee on Public Accounts resolved to inquire into and report on the access to Cabinet and other deliberative documents of a previous government. This issue, members may recall, arose following the production by a Government Minister, Mr Humphries, of documents which were clearly documents of the previous Government. To refresh members' memories, one set of documents related to Gungahlin and to the construction of a government office building at Gungahlin. That was quite clearly a deliberative document. There was another set of documents relating to nursing home beds that was nothing more than an advice to me. It is my opinion that on both occasions those documents were misused, and for that reason the Public Accounts Committee has sought to follow up on the issue.

The Public Accounts Committee advised Mrs Carnell of our intention to take on this reference, and I inform the Assembly that Mrs Carnell has written back to me, as chair of the PAC, saying that she believes that this reference is beyond the PAC's charter. I would remind members that the Public Accounts Committee's terms of reference include, at (d):

inquire into and report on the implementation of the Public Sector Management Act 1994 with particular reference to:

- (i) the public interest; and
- (ii) any other related matter.

It seems to me that the conduct of public servants and others, following a change of government, is most certainly a related matter. Nevertheless, I should say that, as the PAC adopted this reference unanimously and is concerned about the issue and has done some work on the issue, we will be considering the content of Mrs Carnell's letter and discussing the issue further. In the meantime, Mrs Carnell has arranged for the Public Accounts Committee to meet with Mr Walker, the Head of Administration, to discuss the issue. I advise that we have taken on the reference and we will be considering our position on this matter further.

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

MR OSBORNE: I present Report No. 10 of 1995 of the Standing Committee on Scrutiny of Bills and Subordinate Legislation. I seek leave to make a brief statement on the report.

Leave granted.

MR OSBORNE: Report No. 10 of 1995, which I have just presented, was circulated when the Assembly was not sitting, on 30 August 1995, pursuant to the resolution of appointment of 9 March 1995. I commend the report to the Assembly.

ADJOURNMENT

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

That the Assembly do now adjourn.

Assembly adjourned at 4.49 pm