



DEBATES

OF THE

LEGISLATIVE ASSEMBLY

FOR THE

AUSTRALIAN CAPITAL TERRITORY

HANSARD

25 July 1989

Tuesday, 25 July 1989

Petitions:

ACT Casino Control Act	833
Taverns near schools	833

Leave of absence to member	834
----------------------------------	-----

Ministerial arrangements	834
--------------------------------	-----

Questions without notice:

Housing policy review	834
-----------------------------	-----

Virus affecting children	834
--------------------------------	-----

Assembly sittings	835
-------------------------	-----

Guardianship	836
--------------------	-----

Deportation of minor.....	837
---------------------------	-----

Stop-work rally	837
-----------------------	-----

Broadcasting of proceedings	838
-----------------------------------	-----

Community medical practitioner	838
--------------------------------------	-----

Environment education	838
-----------------------------	-----

Bus service.....	839
------------------	-----

Taverns near schools	840
----------------------------	-----

Use of rainforest timbers	841
---------------------------------	-----

Environment	841
-------------------	-----

Cost of visit to Wentworth	843
----------------------------------	-----

Bruce Stadium	843
---------------------	-----

Personal explanations	845
-----------------------------	-----

Budget 1989-90 (Ministerial statement)	850
--	-----

Establishment of a casino	861
---------------------------------	-----

Mortgage interest (Matter of public importance)	864
---	-----

Police Offences (Amendment) Bill 1989	883
---	-----

Pesticides Bill 1989	896
----------------------------	-----

Adjournment.....	909
------------------	-----

Pesticides Bill 1989	909
----------------------------	-----

Suspension of standing orders	920
-------------------------------------	-----

Police Offences (Amendment) Bill 1989	920
---	-----

Adjournment: Film classification legislation	921
--	-----

Answers to questions:

Tuggeranong bus service (Question No 8).....	922
--	-----

25 July 1989

Tuesday, 25 July 1989

MR SPEAKER (Mr Prowse) took the chair at 2.30 pm and read the prayer.

PETITIONS

The Acting Clerk: The following petitions have been lodged for presentation, and copies will be referred to the appropriate Ministers:

ACT Casino Control Act

To the Presiding Officer and members of the Legislative Assembly for the Australian Capital Territory assembled.

The humble petition of the undersigned citizens of the Australian Capital Territory respectfully sheweth that your petitioners most humbly request the Legislative Assembly for the Australian Capital Territory to repeal the Australian Capital Territory Casino Control Act 1988.

by **Dr Kinloch** (from 1,084 citizens).

Taverns Near Schools

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:

Their objection to the operation of a tavern at Isabella Plains, block 4, section 883 due to the close vicinity of the Isabella Plains primary school and preschool.

Your petitioners therefore request the Assembly that no more taverns are allowed to commence operation within the immediate vicinity of the schools.

by **Mr Jensen** (from 67 citizens).

Petitions received.

25 July 1989

LEAVE OF ABSENCE TO MEMBER

Motion (by **Ms Follett**) agreed to:

That leave of absence until 6 August 1989 be given to Mrs Grassby on the grounds of private business overseas.

MINISTERIAL ARRANGEMENTS

MS FOLLETT (Chief Minister): I inform the Assembly that during the absence overseas of Mrs Grassby I will act as Minister for Housing and Urban Services.

QUESTIONS WITHOUT NOTICE

Housing Policy Review

MR KAINE: I direct a question to the acting Minister for Housing and Urban Services. On 25 May, the Minister for Housing and Urban Services announced an ACT housing policy review. Since some time has now elapsed, could the Minister tell the Assembly: Which people are conducting this review? By what date is it to be completed? Is it the intention that their report will be tabled in the Assembly?

MS FOLLETT: I thank Mr Kaine for the question. There is indeed a housing review being conducted. It is being conducted in-house, so it is largely being done within Mrs Grassby's portfolio. The intention is that the review, which is to cover a very broad range of topics - not just public housing but a whole range of housing issues, including particularly the impact of current housing problems on women, low income earners and people who might be disadvantaged in the housing market at the moment - will be reporting progressively. I believe that the first report is due in September and that there will be a final report in December.

Virus Affecting Children

MR WOOD: I direct a question to the Minister for Community Services and Health. I am sure he is aware of a virus that is causing illness in young children in the Territory. Because of the concern, can he give me any information about that virus and its treatment?

MR BERRY: I thank Mr Wood for that question. The particular virus, which received some attention in the media recently, is an infection that occurs in winter in every country in the Western world, according to my advice.

25 July 1989

Mr Kaine: Not in the Eastern world?

MR BERRY: Maybe my advisers are not familiar with that neck of the woods. It is, at the moment, occurring all over Australia. The media, including print, radio and television, have been provided with information for the public to alert them of the situation and the appropriate measures which might be taken if any children are afflicted by that virus.

Medical facilities are required for about one per cent or less of infected infants, and they might need hospitalisation. The problem has occurred, as expected, in the recent few weeks, with an increase in the last week. However, these cases are improving with standard treatment, and the infants are being discharged from hospital when their condition has sufficiently improved. It is quite a regular event at this time of the year.

Assembly Sittings

MR COLLAERY: My question is directed to the Deputy Chief Minister. Will he confirm that he and the Liberal leader have agreed to close the Assembly sittings from this Thursday until the end of August, then to sit three days in September, resuming in mid-October? If so, will the Government give a public explanation for this extraordinary decision? Will the announcement include details of the apparent formal alliance between Labor and Liberal in this Assembly?

MS FOLLETT: Mr Speaker, it is probably more appropriate if I respond to Mr Collaery's question, as I have recently written to Mr Kaine about the Assembly's sitting pattern. In answer to Mr Collaery's question, I think he would be aware that I intend to make a budget statement today and that this statement will be followed by quite an intensive consultative period, until September, when the budget is brought into the Assembly. I am hoping that the consultation process will include the other parties in the Assembly.

In addition to the fact that Ministers would have only limited time to devote to that public consultation process if the Assembly were sitting, I believe that a slight delay in the sitting at the moment will allow all Ministers to involve themselves very closely in the Government's legislation program for the remainder of the year.

I should also point out that the Commonwealth budget, which I think has been of concern to Mr Collaery and which will be presented in August, is not a matter that requires an immediate response from the ACT Legislative Assembly, although it is, of course, a matter which we would need to take into account in our consideration of our ACT budget.

25 July 1989

It is appropriate, I believe, that it be taken into account during that consultation phase.

I believe, Mr Speaker, that it is true to say that the volume of legislation to come into the Assembly will be heaviest later in the year, particularly in October, November and December. Bearing all those factors in mind, the Government has proposed a sitting pattern, as Mr Collaery suggests, that would mean that the house will rise this week, not meet again until late in August, sit for a week in September and then sit quite intensively through October, November and December.

I believe that sitting pattern is consistent with the activity levels in State legislatures and I think that it also meets the particular needs of a body like ours, which is very new and which in some ways has to build up a head of steam on legislation.

MR COLLAERY: I wish to ask a supplementary question, Mr Speaker. Does the Chief Minister acknowledge, in response to that question, that the Federal budget period will be when this Assembly is not sitting?

MS FOLLETT: Indeed, Mr Speaker, I think I have made it clear that this Assembly will not be sitting when the Federal budget is brought into the Federal Parliament but, as I have said, that is a matter which does not require an immediate response from this Assembly, but it is one that is required to be taken into account in our deliberations on our ACT budget.

I hope that there will be ample opportunity for that to happen. I do not believe that the Assembly, as a legislature, is in any way disadvantaged by the fact that we will not be sitting at that time.

Guardianship

MS MAHER: My question is directed to the Minister for Community Services and Health. Yesterday the Law Reform Commission had public hearings at the ANU on the subject of guardianship. Is it proposed that guardianship legislation for people with disabilities and mental illness will be introduced in the ACT?

MR BERRY: I thank Ms Maher for the question. The matter of guardianship legislation for people with intellectual disability or mental illness is, as she has said, presently before the Law Reform Commission. A discussion paper has been released recently for community comment, and as a result of that discussion paper further submissions on all aspects of guardianship have been invited.

It is expected that once the submissions have been received from the Australian Law Reform Commission new legislation

25 July 1989

will be drafted on the issue for further comment. I understand that the necessary steps in the lengthy process of drafting legislation will involve the Law Office, which is monitoring progress on the matter and which will submit legislation, based on the commission findings, to Cabinet in due course.

Deportation of Minor

MR MOORE: My question is directed to the Minister for Industry, Employment and Education. I refer to the Canberra Times report last Sunday on the deportation of a minor from Canberra. Considering this Government's commitment to the rights of children, as expressed in comments supporting the Burdekin report, is the Minister prepared to intercede on behalf of Canberra student Janice Thorpe to prevent her outrageous expulsion within the next few days?

MR WHALAN: I thank Mr Moore for the question. I did see the news report. It is essentially a matter for Commonwealth Government immigration policy, which is very complex, and I certainly will have my department inquire of the Commonwealth to ensure that the welfare of those children is appropriately considered. But ultimately it is a problem for the Commonwealth Government to address.

Stop-work Rally

MR STEFANIAK: My question is addressed to the Chief Minister. Does she condone the compulsory stop-work meeting which is to be held here tomorrow at 10.00 am and which has been authorised by the BWIU, the Federated Engine Drivers and Firemen's Association and several other unions, including the Amalgamated Metal Workers Union? Secondly, will she do anything to protect those workers who may be victimised for disobeying this compulsory stop-work rally which is due to protest about jobs for Canberra, police powers and occupational health and safety?

MS FOLLETT: I do not believe that it is my place to condone or otherwise a stop-work meeting that has been called. I am not aware of this particular stop-work meeting, and my views or approval were not sought and have certainly not been given. It is a matter in which I have not been involved, so, no, I am not prepared to condone it, as it does not appear that it is either necessary or appropriate that I should do so.

As to the second half of the question, I think that is a matter which really needs to be dealt with by the industrial unions involved, in negotiation with management. It is a question that presupposes that the events Mr Stefaniak has outlined will occur. We have no such indication that they will. So it is rather a theoretical

25 July 1989

question, Mr Speaker, and I am afraid I really cannot respond any more convincingly than that. It is not a question that involves me at all.

Broadcasting of Proceedings

DR KINLOCH: Mr Speaker, may I address this question to you. The Chief Minister has often stated, and rightly so, her proper commitment to open government, and we thank her for that. Can you, sir, state when you, in consultation with the Chief Minister, will allow the broadcasting of the Assembly's proceedings, particularly question time, which is obviously of peak interest to the public?

MR SPEAKER: I thank you for that question, Dr Kinloch. The issue of broadcasting, televising, et cetera, of all of the Assembly's business is being looked at currently, and a paper has been raised by the Acting Clerk on this issue. As soon as we get the facts together we will present it to all members and come back to the Standing Committee on Administration and Procedures on that.

Community Medical Practitioner

MR KAINE: I direct a question to the Minister for Community Services and Health. It has been brought to my notice that in May, just before self-government, the then Minister for Territories, Mr Holding, appointed a community medical practitioner for the Phillip Health Centre.

Can the Minister tell me: What was the degree of urgency that warranted the appointment of such an officer on the eve of self-government? What duties is this medical practitioner supposed to perform? What are the terms of contract under which he or she has been appointed, such as the term of the appointment and the remuneration that that person is to receive, and whether or not that medical practitioner is to engage in patient care or whether he or she is perhaps an adviser of some kind rather than a medical practitioner?

MR BERRY: I thank Mr Kaine. I am not familiar with the circumstances which Mr Kaine has brought before the house, but I will certainly look into the matter and bring a reply back in due course.

Environment Education

MR WOOD: I direct a question to the Minister for Industry, Employment and Education who, I know, is interested in the environment. Indeed, I think he was attending to it in his neighbourhood early this morning. In view of the Prime

25 July 1989

Minister's interests and steps in the matter of environment - and I guess it is pretty much across all parties - can the Minister inform the Assembly the priority that the Schools Office gives to the teaching of the care of the environment and perhaps indicate the special teaching facilities, curriculum and guidance, and professional development opportunities which are available to schools and teachers to support that priority?

MR WHALAN: I thank Mr Wood. The ACT schools system is one which places a considerable amount of emphasis on environment and the teaching of aspects of the environment in the education process. I have embarked on a program of visits to schools, and in every school, without fail, whether it be a primary or a high school or a secondary college, there is considerable evidence throughout the school and throughout the classrooms of the interest in and concern about the environment. Indeed, there is evidence of quite a sophisticated knowledge about some of the more complex aspects of the environment that confront us today.

The ACT Schools Office provides curriculum frameworks to assist teachers and schools to develop their programs. The environment is a major scene in three separate curriculum frameworks - social education, science and technology. Many schools and colleges also have innovative extracurricular activities, such as the waste watch project in north Belconnen schools, and the Children of the Green Earth Club at Hughes Primary School.

Some schools have developed their own environmental and recycling centres. In addition, both the Birrigai Outdoor School and the Dairy Flat education centre offer special environmental programs - sunship earth and earthkeepers at Birrigai, and environmental farming practice at the Dairy Flat centre. The ACT Schools Office recently formed an environmental education working party to promote environmental awareness and encourage all schools and the office to take an active part in conserving the environment. The Schools Office is also participating in national environmental programs.

Bus Service

MRS NOLAN: My question is directed to the Chief Minister deputising for the Minister for Housing and Urban Services who has announced that in August a trial of automatic ticketing equipment for ACTION buses will commence. What is the cost of the trial? What is the cost of introducing a replacement system for ACTION's existing system?

MS FOLLETT: I thank Mrs Nolan for the question, and I will certainly do my best to answer it. The current ACTION ticketing arrangement, of course, as you would know, has the advantage that it is low cost and it lets people board the buses very rapidly, but it does, in many ways, fail to

25 July 1989

meet the demands of a transport system that is increasing in its complexity and also increasing quite rapidly in size. In particular, it does not provide for receipting of all the passengers, which you might regard as increasing opportunities for fare evasion, and it also does not permit a very informed level of information on the revenue analysis and the patronage statistics on the use of ACTION buses. So there clearly is a need to take some action on it, if you will pardon the pun.

ACTION is preparing to trial some equipment during August, to test passenger and driver reactions to alternative automated ticketing systems. These systems are being progressively introduced in other Australian capital cities. The equipment, I believe, has been provided at no cost to ACTION for the period of the trial, and it will result in a detailed cost-benefit analysis which, of course, will be undertaken before there is any commitment to use that kind of equipment.

Taverns Near Schools

MR JENSEN: My question is directed to the Chief Minister in her capacity as Minister responsible for planning. I refer to the petition to this Assembly by the residents of the Isabella Plains area in relation to the now abandoned proposal to build a tavern close to the Isabella Plains Primary School. As the decision not to proceed with the tavern rests for the moment with the developer of the site, will the Minister give her assurance that planning guidelines will be put in place as soon as possible to prevent taverns being established within at least one kilometre of any school?

MS FOLLETT: I thank Mr Jensen for the question. Just to clear up the question of the Isabella Plains tavern, I might advise the Assembly that the lease for block 4, section 883, Isabella Plains, which is the site for the Isabella Plains shopping centre, was sold at auction on 15 December 1988, and the original purpose clause for the lease is to use the premises only for the purpose of retail shops and a supermarket. Building plans were submitted for a restaurant and a takeaway facility in the area. The takeaway facility, I am advised, would be approved, but a variation of the purpose clause would be required to allow a restaurant to be built. Legal advice that has been sought indicates that the definition of a restaurant does not include a tavern, and therefore it would be necessary to get a change of lease purpose clause to allow for use as a tavern in that restaurant. If there were to be such a request it would, of course, be referred to the Interim Territory Planning Authority to seek such approval.

I think the situation here is that there has been an idea floated that there would be a tavern, but the person proposing that has not proceeded very far with such an

25 July 1989

application, and I think that it is clearly not permitted by the lease purpose as it exists at the moment. I am not aware that there is any idea of a general review of leases to exclude the building of taverns in an area near schools, but that is a matter perhaps on which I should seek some further advice and come back to the Assembly.

Use of Rainforest Timbers

MR DUBY: My question is addressed to the Minister for Industry, Employment and Education. Given the Minister's stated concern for the environment today, what action has he taken to limit the use of Australian and imported rainforest timbers in the ACT?

MR WHALAN: I am well aware of Mr DUBY's concern about the environment.

Mr Collaery interjected.

MR WHALAN: And indeed of Mr Collaery's concern and Mr Humphries' concern. It is an interesting issue and question, Mr Speaker, because late last month I had the opportunity to attend in Canberra the sixth meeting of Ministers and officials involved in construction throughout Australia and New Zealand. One of the major issues on the discussion paper was the subject of the growing environmental concern over the depletion of the world's rainforests. The Commonwealth Government has instigated studies which will assist in understanding the implications of using rainforest timbers, with a firm aim that severe limitation be put in place as soon as possible on Commonwealth construction projects.

It is considered that this issue is an important part of the ACT Government's environmental policy and that the studies, when they are completed, will provide assistance in developing our policies in this area.

Environment

MR HUMPHRIES: My question is also on the environment, and it is addressed to the Chief Minister. Given that she was present last week when the Prime Minister and his mate, Senator Richardson, muddied their shoes in Wentworth, New South Wales, to announce that they, Richo and Bob, have single-handedly devised a plan to save Australia from environmental destruction, can she advise the Assembly what money out of this considerable sum to be spent on the environment is to be spent by the Federal Government on improving the ACT's environmental picture?

MS FOLLETT: Yes, it was my privilege to be in Wentworth at the time that the Prime Minister made his statement on the

25 July 1989

environment. I believe that it was a very significant statement and I endorse it totally. It was a statement which embraced a great many of the very critical aspects of environment which I believe the Federal Labor Government has addressed extremely well, and it is the only possible government at the Federal level which could have done as much on the environment. The Prime Minister's announcement, as Mr Humphries indicated, embraced a very large sum of money - I think it is over \$500m - to be spent on environment projects, and they varied greatly. As you probably know, the major thrust of that environment statement was looking at the Murray-Darling river system and at the problems of salination that have occurred in that system.

A great deal of the effort in the Prime Minister's current environment strategy is aimed at addressing the problems of soil degradation and salination in that area of Australia. Where his statement was extremely significant, it seemed to me, was that it had the support of the Premiers of South Australia, New South Wales and Victoria, all of whose States are affected by that Murray-Darling system and the soil degradation and salination problems.

It might be of interest to members to note that the ACT, I believe, is the largest population centre within the Murray-Darling Basin, which is quite a large geographic area but mainly a rural one. This is the biggest population centre, so I believe it is up to us to protect that river system in every way that we can. Indeed, we are doing that by looking after the Murrumbidgee River and by ensuring that we do not in any way destroy that river or its banks and so add to the problems in the Murray-Darling area.

The ACT, of course, will benefit by the broader issues that the Prime Minister's environment package includes - for instance, the reforestation program, the research that is to be undertaken into the greenhouse effect and so on. They will all be of great importance to the ACT in our broader concerns with the environment. So, as such, there is no financial package in it for us. But I think there is a great deal for us to learn from it, and we will certainly be taking advantage of all of the information and all of the experience that flows from this very major strategy being undertaken by the Federal Government.

MR HUMPHRIES: I wish to ask a supplementary question. Do I understand the Chief Minister to be saying that the package entails no expenditure at all on the ACT?

MS FOLLETT: Not as far as I am aware, Mr Speaker. I thought I had made it clear that there is no financial package as such in it for the ACT, but of course we will benefit, as we do, from the Federal Government's initiatives in the environment area. I think what is of major concern here is that the Federal Government's environment strategy has the endorsement of three other

25 July 1989

States; it has the endorsement indeed of the ACT Government. I think that the Federal Government, in wanting to take an overview like that, is performing a very great service, so I expect that we will benefit from that strategy but not in a direct financial grant way.

Cost of Visit to Wentworth

MR COLLAERY: My question is directed to the Chief Minister. In view of her response to the supplementary question of my colleague Mr Humphries, will she advise whether the ACT ratepayers bore the cost of her trip by private aircraft to the Bullamakanka launch? If so, will she confirm that she has now added a stunt pilot to her expanding entourage?

Mr Berry: We have got a stunt pilot here, Bernard.

MS FOLLETT: I think we have a couple in here, actually. I thank Mr Collaery for the question, and I can assure him that I attended the events in Wentworth as a guest of the Prime Minister, and I travelled to Wentworth and back again on the Prime Minister's aircraft. So, as far as I am aware, no expense at all was incurred to the ACT ratepayer.

Mr Kaine: Was the pilot a stunt pilot?

MS FOLLETT: He was an excellent pilot.

Bruce Stadium

MR STEFANIAK: My question is directed to the Minister for Industry, Employment and Education. Which other sports will use the Bruce Stadium when the Raiders move there, given that the specifications of the ground will be inadequate for top-class VFL teams and also baseball teams in the proposed Claxton Shield that he suggests is to be played there and given that no sporting bodies yet know the cost of using the ground and that many touted to use it are already committed to other grounds - namely, the VFL to Football Park and the cricket to Manuka Oval?

MR WHALAN: I thank Mr Stefaniak for the question. Members will be aware that the Government is committed to the redevelopment of Bruce Stadium as a multipurpose sporting venue, and to that end it has entered into consultations with all the major sporting groups.

A member: Ball playing?

MR WHALAN: That is probably something in which Bill specialises. One group has finalised an arrangement with the ACT Government in relation to the use of Bruce Stadium, and that is the Canberra Raiders, so it has a commitment to

25 July 1989

play there. Shortly a trust to manage the facility will be announced. One of the principal and early functions of that trust will be to continue the negotiations which have been already initiated with the various sporting codes in relation to the use of the facility.

The various codes with which negotiations have already commenced include rugby union, which has shown considerable interest - I hope I do not talk for as long as you do about it - in the venue, particularly for these international matches. They are talking about having two matches there next year. The actual charging in relation to, say, the rugby union will be a matter for negotiation between the trust and the rugby union.

The other codes include VFL football. Last Friday I had the pleasure of visiting Bruce Stadium with Alan Schwab, who is the VFL executive commissioner, and he was accompanied by Mr Hassett of the ACT Australian football league. Both of these gentlemen were extraordinarily enthusiastic about the prospects of Bruce Stadium for its future use in the presentation of Australian football. Mr Schwab left there, indicating quite clearly his hopes to stage various types of matches there, including evening matches in the trial period and evening matches for the Panasonic competition. Also he mentioned the possibility of staging one or two VFL competition games there, and he mentioned the program that they are examining of creating a gap in the season, about July, to have a program of State of origin matches at various locations throughout Australia, and that would include Canberra and, in the case of Canberra, the Bruce Stadium. So a whole range of options is being considered by the VFL.

In relation to the size of the stadium as it relates to being appropriate for the playing of Australian football, both the ACTAFL representative and Mr Schwab indicated that there would be no problems staging VFL matches at the Bruce Stadium. I am surprised to hear the reference by Mr Stefaniak that it might not be appropriate for VFL games because I do not think that we could get a higher authority than Mr Schwab, one of whose functions is to promote the growth of Australian football league nationally.

Other codes whose representatives we have spoken to include soccer. They would have a problem with the playing surface, but not with anything other than that. They feel that a particular period of preparation of the ground could be negotiated. They require a much superior quality surface than do the more vulgar codes of rugby union and Australian rules football; they require a much smoother surface so that the ball runs true. They believe that that could be achieved if there were a period of a week or 10 days before a match was played. So they would see the possibility of international matches, such as those that were played here in recent years. Much to their surprise, one recent international match played in the ACT, for example, drew a crowd of 15,000. That is the sort of match that they would see being played there.

25 July 1989

There have been some preliminary negotiations about baseball, but I am not quite sure how far they have gone. I am satisfied that there will be plenty of opportunity for various football codes to play there, and there will be enthusiasm on their part to play.

PERSONAL EXPLANATIONS

MR KAINE (Leader of the Opposition): Having been misrepresented, I seek leave to make a personal explanation.

MR SPEAKER: Proceed, Mr Kaine.

MR KAINE: I refer to a question asked during question time, Mr Speaker, when the leader of the Residents Rally stated bluntly that there had been some kind of conspiracy between me and the Deputy Chief Minister over meeting times of this Assembly. Mr Speaker, Mr Collaery has a propensity for making remarks like this, imputing ulterior and base motives to others, and very often, as in this case, it is his own fault if he appears to have been left out of discussions.

I think that the facts of the matter ought to be on the record. The facts of the matter are, Mr Speaker, that three weeks ago, having been unable to get agreement to a meeting schedule for the Assembly for the rest of the year, I had a discussion with Mr Collaery about it. We roughly agreed on some dates which would be acceptable to the Rally and to the Liberals for the rest of this meeting year. On the basis of that discussion, I wrote to the Chief Minister and suggested a meeting schedule. I sent a copy of that, Mr Speaker, to you; I sent a copy to Mr Collaery; I sent a copy to Mr Duby; and I sent a copy to Mr Stevenson, so that everybody in the Assembly would know what my proposals were.

After a lapse of nearly three weeks the Chief Minister responded, and she suggested a slightly different meeting schedule. She sent a copy of that letter to you, Mr Speaker; she sent a copy to Mr Collaery, a copy to Mr Duby and a copy to Mr Stevenson. During that three-week period Mr Collaery made no approach to me to suggest that the dates that I had suggested were unacceptable, and after a lapse of three days from the time that I got the Chief Minister's letter, since it was a response to me, I then engaged in discussions with the Deputy Chief Minister to reach an acceptable meeting schedule.

At no time did Mr Collaery express to me any concern that the Chief Minister's proposal was unacceptable or, as I have said, that mine was. To come in now and to imply that there was some kind of collusion or conspiracy between the Deputy Chief Minister and me, simply because Mr Collaery

25 July 1989

failed to take any part whatsoever in the discussions, even though the original proposal flowed from discussions that I had with him, I think, Mr Speaker, is unreasonable; it does him no credit, and I think in all sincerity, Mr Speaker, he should be asked to withdraw that imputation of impropriety.

MR COLLAERY: I wish to make a personal explanation. I claim to have been misrepresented by the Liberal leader.

MR SPEAKER: Please proceed, Mr Collaery.

MR COLLAERY: Did you say, "Please be seated", Mr Speaker?

MR SPEAKER: Please proceed.

MR COLLAERY: Thank you, Mr Speaker. I thought I had missed my chance. The Liberal leader has imputed a number of factors; he has quoted wildly dates and meetings, none of which we can confirm in this Assembly this afternoon.

Mr Kaine: I just gave the facts, Mr Speaker.

MR COLLAERY: The facts of the matter are - - -

Mr Kaine: I rise on a point of order, Mr Speaker. My personal explanation was on the basis of having been misrepresented. I will not sit here and again be misrepresented by this member. I think that he has to be called to order, and he has to be asked to justify himself.

MR COLLAERY: I rise to justify myself, and I appreciate the invitation from the Liberal leader. Mr Speaker, I was sitting with one of the Liberal leader's team yesterday when we found we will not sit for a month - a month when there are some important Bills before this Assembly.

Mr Whalan: I rise on a point of order. The point on which Mr Collaery has risen is in relation to misrepresentation. He is now seeking to debate once again the issue which he raised during question time. Mr Speaker, I would ask you - plead with you - to call this man to order.

MR SPEAKER: Mr Collaery, please stick to the point to which you rose to speak.

MR COLLAERY: Thank you, Mr Speaker. I take the points raised by Mr Kaine and Mr Whalan on this issue, and I address my comments to both of them, of course, and to the house generally. Mr Speaker, I claim to have been misrepresented in that Mr Kaine has suggested that I agreed, either by default or by tacit consent, to a sitting schedule about which the Rally found out only yesterday.

Mr Kaine: I rise on a point of order, Mr Speaker. That is an outright lie, that he found out about it only yesterday. He has the exchange of letters between the Chief Minister and me. It is simply untrue for him to say that he found out about it only yesterday. I simply do not believe it,

25 July 1989

and I suspect, Mr Speaker, he is again distorting the truth for his own ends.

MR SPEAKER: Mr Kaine, I ask you to withdraw the word "lie" used against Mr Collaery.

Mr Kaine: Mr Speaker, with due respect, if the member is going to tell lies he has to expect to be told that he is doing so.

MR COLLAERY: Mr Speaker, Mr Kaine is becoming overexcited again. He is using his questions to say that I am telling lies.

Mr Kaine: You are.

MR COLLAERY: He is doing it again, Mr Speaker.

MR SPEAKER: Mr Kaine, please refrain from accusing Mr Collaery in your representation of what he believes is the truth. I ask you to withdraw that. Mr Collaery, I ask you to do some research because I also have seen the letters so presented, and I assume that you received them, and I believe Mr Kaine is assuming likewise. Would you please withdraw, Mr Kaine?

Mr Kaine: Mr Speaker, I withdraw the imputation that he bends the truth.

Mr Jensen: With incredible respect, Mr Speaker, that is a qualified withdrawal, and I would suggest it is not appropriate.

MR SPEAKER: It was only a turn of phrase, Mr Jensen. There is no point of order.

MR COLLAERY: Mr Speaker, I wish to clear the air. I have asked my colleague Mr Jensen when my mail arrived on this issue, but the fact remains that Mr Jensen and I were told yesterday by the Deputy Chief Minister that "Trevor and I have agreed" - or words to that effect - to a sitting schedule that neither Mr - - -

Mr Whalan: I rise on a point of order, Mr Speaker. This does not relate to the misrepresentation. Mr Collaery is trying to save his own skin by raising this issue, which is quite irrelevant to his claims about misrepresentation. I again plead with you to call the man to order.

MR SPEAKER: Objection overruled. Mr Collaery, please get to the point.

MR COLLAERY: Mr Speaker, I simply rise to say that, regardless of any correspondence flowing in this Assembly, Mr Kaine is on the same floor as I am and, if he is imputing that he consulted me or that I had the opportunity to comment on these things, he is forgetting the fact that I wrote to the Chief Minister on 11 July 1989 saying that I

25 July 1989

agreed with Mr Kaine's earlier memorandum on this topic. That was the first suggested schedule by the Chief Minister. I understand there was a second suggested schedule - - -

Mrs Nolan: There was only one.

MR COLLAERY: I hear an interjection to suggest there was only one schedule. So I am not sure what Mr Kaine is referring to. I did receive a letter from the Chief Minister on 20 July, indicating that she had sent an alternative suggestion to Mr Kaine. That letter was received in my office and seen by me on or about that day.

Mr Speaker, to answer the serious allegation by Mr Kaine, it appears from the documentation available to me that there has been no further correspondence on the issue since that time. So the real point of the question being asked was to indicate very clearly to this house that the Rally did not believe that at the second stage of this negotiation it had been adequately consulted, and finding out last night from Mr Whalan, and my coming down to an Assembly room to tell one of Mr Kaine's colleagues what the sitting schedule was, prompted me to ask the question.

Mr Speaker, if I am imputing any dishonesty or any cupidity on Mr Kaine's part, I withdraw any such imputation.

Mr Kaine: "Conspiracy" was the word.

MR COLLAERY: The word "conspiracy" was not even used or implied. Mr Kaine is very, very sensitive to that word; I do not know why, Mr Speaker. The fact is that it was a simple question of the Deputy Chief Minister as to whether there had been an agreement between him and Mr Kaine, of which the Rally had not known when it could have been invited to any such meeting.

MR WHALAN (Deputy Chief Minister): I claim to have been misrepresented, Mr Speaker.

MR SPEAKER: Proceed.

MR WHALAN: Again, it is based on the way in which Mr Collaery deals with the truth. Mr Collaery and I had a discussion yesterday, as we normally do at the beginning of a sitting week, and we discussed the program.

Mr Collaery: I bring a witness.

MR WHALAN: I have made it a point, Mr Speaker. Mr Collaery has just interjected and said that he makes sure he brings a witness. I have three witnesses to the conversation, and they include Mr Jensen.

Mr Jensen: Two actually, Paul. Well, three.

MR WHALAN: You are the third one, Mr Jensen.

25 July 1989

Mr Jensen: Okay, all right; you can count me in.

MR WHALAN: You are the third one, Mr Jensen.

Mr Collaery: He is not on your side.

MR WHALAN: He probably would not tell lies like you do, Bernard.

Mr Jensen: I rise on a point of order, Mr Speaker. The Deputy Chief Minister has once again accused Mr Collaery of lying, and I request that you seek the withdrawal of that word.

MR SPEAKER: Deputy Chief Minister, would you please withdraw it.

MR WHALAN: I withdraw. The point was, Mr Speaker, that what we discussed was next week, not the sitting pattern. The point which I discussed with Mr Collaery was next week. Mr Collaery said, "I understand that you have a proposal to sit next week". There was no discussion at all about the sitting pattern for the rest of the year. There was no discussion whatsoever - - -

Mr Collaery: Mr Speaker, I rise on a point of order. Mr Whalan is pointing his finger at me, and I would ask our colleague Mr Stefaniak to move him on to the subject.

MR SPEAKER: That is a frivolous comment, Mr Collaery. Please resume your seat.

MR WHALAN: I acknowledge that in my discussions during a day such as that I, as manager of government business, and for the information of the house, would normally have discussions with the Leader of the Opposition, Mr Kaine, the leader of the Residents Rally party, Mr Collaery, and the leader of the No Self Government Party, Mr Duby. I had those discussions, as usual, yesterday; there was nothing unusual about it.

In the discussions with Mr Collaery, he raised with me the question of sitting next week. He said, "I understand that there is a proposal to sit next week". There was no discussion at all about sitting for the rest of the year. I explained to him that this had been discussed in the earlier meeting that I had with Mr Kaine. Mr Kaine had expressed concern that the issues which we had to raise this week could not be fitted into the program this week. I went through, in considerable detail, our expectation as to how business could be managed this week, and Mr Kaine said, "I believe, on the basis of that, that it can fit in". That was the extent of our discussions, and to suggest that those discussions were about the sitting pattern for the rest of the year is a misrepresentation.

25 July 1989

BUDGET 1989-90
Ministerial Statement and Paper

MS FOLLETT (Treasurer), by leave: Today I would like to present an initial statement on the Government's first budget for the Australian Capital Territory. This is an historic occasion for the ACT, being the first ever budget statement to be released by an ACT government. The statement will indicate to the people of the ACT that the Government is more than equal to the difficult task of framing the budget. The statement provides a firm strategy for us to deliver a soundly based, fair ACT budget in September.

Our approach to the budget is based on the development of a sound economic base for the ACT through the implementation of policies firmly grounded on the principles of social justice. Economic development will mean creating more jobs and more fulfilling jobs. By giving impetus to the private sector, and especially small business, we will broaden the range of employment in the ACT and create a more stable future for our community. On the social justice side, our commitment to a fairer and more equitable ACT community is not negotiable.

With the public release of this statement, the Government is honouring its election campaign promise to operate an open and accessible government. The citizens of the ACT, for the first time ever, will have a direct involvement in the process of determining the budget. Mr Speaker, it is very important to the Government that all citizens in the ACT know that their views will be heard and that account will be taken of their opinions. So the Government will now begin a process of consultation on the statement with the community, business groups and the unions.

To facilitate these consultations, the Government will establish a budget consultation committee. Details of the committee will be released soon. Community groups, the private sector and the union movement will be represented. I invite the leaders of the parties represented here in the Assembly also to participate. As well, I would like to invite all those who are not directly represented to provide their views to the committee, either by direct correspondence or to individual members. In this way, the committee will take all points of view into consideration during its deliberations.

The committee will be able to examine the fundamental issues impacting on the ACT budget: the ACT's economic future, the income available to the Government, the constraints imposed by existing expenditure patterns, and the areas of highest priority for additional funding. Then, after considering the implications of the Federal budget in August, we will have a comprehensive budget to present in September to this Assembly and to the citizens of the ACT.

25 July 1989

In the meantime, the business of government must proceed. In recognition of this, as indicated in this statement, we will be progressively implementing some essential proposals.

Mr Speaker, before going further, I would like to outline the impact of the Commonwealth Government's policies on the ACT. We recognise the substantial influence the Commonwealth Government has on our economy and on our budget. The Commonwealth is the ACT's biggest employer. No growth is expected in the Commonwealth sector in 1989-90.

In addition, Commonwealth government economic policy in 1989-90 will have a constraining effect on the ACT economy. The direct and major influence of Commonwealth spending restraint on the ACT will always be greater than the impact felt nationally. The "soft landing" predicted for the national economy will be harder to achieve in the ACT.

Most significantly perhaps, the ACT Government's revenue is directly constrained by the Commonwealth's expenditure tightening. With grants cut by 4.4 per cent and borrowing limits reduced in line with the other States, the ACT Government alone cannot offset the effects of Commonwealth policies.

Fluctuations in Commonwealth capital works have already had, and will continue to have, a significant effect on the construction industry in the ACT. In the wake of the downturn resulting from the completion of Parliament House, the Government welcomes the Commonwealth's decision to go ahead with the a \$105m office complex at Tuggeranong.

As identified in our pre-election commitments, we are negotiating with the Commonwealth to ensure that the ACT taxpayer is protected from both the direct and indirect cost of national capital functions and past Commonwealth decisions.

The ACT is also facing a significant adjustment to its funding as a result of the Commonwealth Grants Commission finding that the ACT is better funded by the Commonwealth than the States. At the same time, I have the Prime Minister's assurance that the Commonwealth will make funds available from the special ACT transitional funding trust account it has established. This will assist the ACT to implement major adjustments needed to move to State-like funding arrangements.

Mr Speaker, the economic outlook facing the ACT community in 1989-90 is fundamental to the Government's budget strategy. The budget must meet future need, and not simply respond to past pressures.

The ACT economy has experienced major changes over the last year, and the outlook is for further significant change in 1989-90. Although the ACT has the lowest overall rate of

25 July 1989

unemployment in Australia, employment growth is below the national average, and the actual number of unemployed people in the ACT has increased compared with a fall Australia-wide. In addition, our rate of youth unemployment is significantly higher than the national rate.

Population growth in the ACT is higher than in almost all other States, but it has slowed considerably in the last couple of years. This slower rate of growth, in conjunction with high interest rates, has been a contributing factor to the decline in dwelling approvals experienced in the first three months of 1989. In the same period, retail sales also declined, earlier than the general Australian downturn.

Demographic changes within the ACT population are also working to increase the pressures on the budget. The population over 65 years of age is increasing rapidly each year, resulting in higher demands for specialised government services. Further, the size of the 15 to 25 years age group will be at an historically high level until 1992.

The Government recognises that the expansion of jobs is fundamental to Canberra's economic growth. The private sector has a vital role to play in broadening our industry base and in generating increased employment. Clearly we cannot continue to rely on a narrow public sector base if we are to build a strong and healthy economic environment in the ACT.

The impact of the tourism industry on the growth of the ACT economy has been particularly significant. The outlook remains good. This initial budget statement contains specific proposals to assist in promoting the ACT as a place to visit.

Mr Speaker, working within this economic environment, the Government has developed a strategy which we believe will provide major positive benefits for the ACT. It is the economic strategy on which we campaigned in the election. We intend to implement the vast majority of our election commitments in this, our first budget.

As I have already indicated, this strategy is based on encouraging sound economic development through policies which are firmly based on the principles of social justice. We will ensure the creation of valuable job opportunities in the ACT through the development and encouragement of industry. In particular, we will target the construction and related industries and the tourism industry. At the same time, we will begin to establish policies that will result in a fairer ACT community.

With this strategy, the Government will address both the shorter and longer term adjustments required to balance the ACT recurrent budget. We will also ensure that a high standard of government services is maintained.

25 July 1989

The Government has had some very hard issues to face. The forward estimates process indicated a shortfall of nearly \$21m in the recurrent budget. As well, we know that the ACT must take action, over a three-year period, towards meeting the overfunding identified by the Grants Commission.

To avoid the need for massive and disruptive structural adjustments to "balance the books" in the future, we have decided to act now. We have not shirked that responsibility. We have avoided the easy option of simply lifting taxes across the board. Our election commitment that individual household taxation would not rise will be met. I am happy to note at this point the announcement that energy prices for both electricity and gas have been contained below the CPI.

The Government has carefully examined each spending and revenue raising area to seek maximum performance in service delivery. We believe the adjustment load has been fairly shared over all sectors of government activity. We have taken great care to ensure that those disadvantaged in our society will be shielded from further burden, and we have guaranteed that there will be a more equitable distribution of public resources.

We know the importance to community groups of the grants funded through the community development fund and the important work these groups do in developing a range of services that complement government activities. In that light, we will be maintaining our commitment to these groups by indexing the funds available.

We are taking initiatives to enhance services for the aged. Fifty new aged persons units will be provided by the Housing Trust this year. The whole array of concessions offered by government is being reviewed to see where improvements should be made. Extra funds have been allocated for health and community services in recognition of the increasing needs of the aged. And we want to cooperate with the Commonwealth to help the aged stay in their own homes wherever feasible.

We are acting to protect and enhance the unique ACT environment. Canberra must be maintained as a desirable place to live as well as a continuing attraction for visitors.

We will also act to protect the interests of ACT government employees. We are providing funds to meet wage movements in the public employment sectors. We will provide enhanced legislation and resources for occupational health and safety initiatives, as well as funds to encourage rehabilitation of injured ACT government workers.

Mr Speaker, I wish to turn now to the particulars of the ACT's recurrent budget. Members have seen the forward

25 July 1989

estimates report for the three years 1989-90 to 1991-92, which the Government released on 9 June. In view of the changes to organisational structures which have taken place since the Government took office, I am now releasing that report again, in a format consistent with proposed budget documentation. The forward estimates report revealed that the ACT would face a serious shortfall in the funds required to carry out the ongoing functions of government, had there been no change to existing policies.

The shortfall identified was \$20.9m in 1989-90. This would have risen to \$36.5m in 1990-91, assuming no further real cuts in Commonwealth grants to the ACT. Decisions announced earlier, such as the adjustment to motor vehicle charges, as well as some variations to the forward estimates, have reduced the deficit to \$10.5m.

In addition to meeting this shortfall, however, there is the task of aligning the ACT with the Commonwealth's funding to the States. As a first step, the Government has sought not only to address the deficit but also to achieve an additional \$10m reduction in recurrent outlays in 1989-90. Our total objective is therefore in the order of \$20.5m.

The outcome of last year's budget indicates that there will be no surplus funds available to help this process. The outcome was substantially as estimated. Provision had to be made to pay \$68m to the Commonwealth for serviced land and \$12m for our 1989-90 asbestos liability.

The Government has developed a package of measures which will help to balance the budget to reduce the recurrent expenditure by a total of \$13m in 1989-90. The major savings result from changes designed to reduce administrative costs by eliminating duplication, improving service delivery and reducing discretionary expenditure.

The proposals in health and education primarily respond to the forces of overfunding identified by the Grants Commission. The Government remains committed to a high standard of health and education in the ACT. Addressing these components now, in the manner proposed, without affecting those standards, will realise substantial savings in future years. In the short term it will enable high priority needy areas to be enhanced.

Specific proposals in the health area include the rationalisation of nursing shift arrangements at Royal Canberra Hospital to eliminate excessive overlap, the coordination of staff days off to align elective services with staff availability and the aligning of ambulance financing arrangements with those in New South Wales by introducing a health fund levy.

We will undertake some rationalisation of welfare grants and concessions, including grants to a few non-government organisations, to ensure more effective and appropriate use of welfare expenditure, including adequate accountability.

25 July 1989

The recommendations of the Chase report into ACT preschools will be implemented, including amalgamation of some part-time preschools, rationalisation of the use of resources and the introduction of new approaches to teaching. In addition, area preschools will be absorbed into the regional schools structure. These changes will allow us to honour our election commitment to maintain high quality preschool education in the ACT, without charge.

Savings in the schools area will be realised in part by addressing the funding imbalance which has built up between primary and high schools and the college sector. Staffing levels in secondary colleges will be adjusted to reflect actual enrolment patterns during the school year.

We will also invest \$1.7m in classroom equipment in government schools. This will provide much-needed computer equipment and industrial arts machinery to assist in the education of our young people, and will permit better teacher utilisation.

Other proposals involve aligning hours worked with hours paid for new non-teaching staff in schools, reducing the cost of school buses by phased adjustment to starting and finishing times for government and non-government high schools and colleges, and making progress towards full cost recovery for community use of school facilities.

In respect of TAFE, specific savings will be found by changing some work practices relating to support staff, staff for evening classes and teachers in administrative positions. In addition, TAFE will cease offering the New South Wales higher school certificate and will adopt the ACT year 12 certificate for its daytime courses. Year 12 evening classes will be run by the ACT Schools Office under its existing program, thus eliminating the current duplication of services.

Mr Speaker, I now wish to outline the Government's new policy proposals. The hard decisions we have faced in the recurrent budget have given us scope to channel limited resources into high-priority areas. This is in keeping with our overall budget strategy for economic development linked with social justice. In some cases we intend to enhance programs already in operation. In other cases we will implement new programs. In total we have made available more than \$5m for these initiatives.

In the area of economic development \$2m has been allocated. Specific proposals include the implementation of our election commitment to provide an additional \$1m for enhancement of tourism promotion and the provision of additional resources amounting to \$400,000 in 1989-90 for the new TAFE tourism and hospitality facility opening in February 1990. We will also establish an industry assistance scheme and quickstart scheme to attract and assist new investment in employment generating industry in

25 July 1989

the ACT and to provide training assistance to new businesses.

Environmental initiatives totalling \$800,000 are also proposed. These include the funding of the task force established to undertake a review of heritage sites; a community based tree planting campaign to promote better soil management and environmental benefits; strengthened controls in relation to hazardous chemicals, pesticides, noise, water pollution and the disposal of clinical waste; and improved water containment measures on landfill sites.

In addressing social justice concerns a wide range of initiatives is proposed, amounting to \$2.5m in 1989-90. Issues relating to women, youth and community health are specifically addressed. Measures include the establishment of a social justice and women's affairs unit, assistance in anti-discrimination activities to complement the establishment of an ACT office of the Human Rights Commission and the provision of establishment grants under a new women's business enterprise program to assist women to undertake business ventures. We will also establish an additional domestic violence refuge and extend the women's health service.

In response to the Burdekin report on youth homelessness we will implement a number of proposals to address some of the shortfalls in existing services available to young people. In particular, we intend to establish a youth outreach worker program to provide information, support and job planning services to long-term unemployed teenagers. We will employ nine school liaison officers to assist in the prevention and minimisation of youth homelessness, and we will also strengthen the child abuse assessment clinic. Financial support will be provided for the Conflict Resolution Service which began in March on a volunteer basis.

Community health initiatives include improving care for the acute psychiatrically ill, provision of a 24-hour direct access mental health service at Woden Valley Hospital, upgrading the migrant health service and introducing a 24-hour needle collection service, including the installation of disposal units in public toilets.

Other initiatives include improved accommodation and employment support for people with intellectual disabilities and establishment of occasional child-care facilities at Dickson Neighbourhood Centre. A compulsory motorcycle rider training scheme will provide training for all learner motorcycle riders, and a school based driver education program will be introduced. We will also integrate ACT vehicle information with the New South Wales register of encumbered vehicles so that consumers can check whether vehicles are free of debt before purchase.

In addition to these initiatives, I am pleased to announce that the Government will channel an additional \$5m into

25 July 1989

repairs and maintenance of government buildings and engineering facilities. This money will help to make up for inadequate funding in the past. As Canberra has grown, so has the cost of maintaining our ageing and increasing assets. We must act now to make up for past neglect. The injection of this \$5m will be of direct benefit to the local construction industry. The majority of the work will be undertaken by the private sector, and employment opportunities will increase.

Mr Speaker, I would like now to discuss the capital works budget. The Government is very conscious of the importance of expenditure on capital works, both to provide necessary public facilities and as a major source of economic activity. Expenditure by the ACT Government on infrastructure development currently covers about a quarter of total construction activity in the Territory. Altogether, expenditure on construction by the ACT government sector is expected to increase by \$20m, or 10.8 per cent on 1988-89. When added to the further \$5m being made available for repairs and maintenance, these programs will assist in stabilising activity and employment in the construction industry. Proposed new works include significant improvements to facilities for education and training. Construction will begin on a new nurse education building at the Canberra College of Advanced Education, at an estimated cost of \$4.4m. This will provide the ACT with an upgraded facility, as well as meeting Commonwealth requirements in this area.

New automotive painting and panel beating workshops for TAFE will be constructed at Fyshwick. These facilities, which are estimated to cost \$7.3m, will replace leased accommodation that does not meet industrial or health and safety guidelines. We will undertake a major upgrading, estimated to cost \$7.7m, of the former Woden Valley High School to replace the current unsatisfactory TAFE campus at Callam Street, Woden.

Construction will also begin on a new school and preschool at Theodore, to open in January 1991 to meet the projected enrolments in that developing suburb. The estimated cost of this project is \$4.8m.

In the transport area the program provides for works totalling \$36.3m, including extension of the Eastern Parkway to Morshead Drive. This will provide significant benefit to residents of Tuggeranong who work in the central area of Canberra. It will also enhance the residential amenity of south Canberra by reducing the volume of through traffic.

Works totalling \$10.4m are planned in the environment and recreation area, as well as the construction of a new fire station at Greenway to serve the developing Tuggeranong town centre. The Government will be seeking the Assembly's agreement to refer these works to the Standing Committee of the Assembly on Planning, Development and Infrastructure for consideration and report by mid-September 1989.

25 July 1989

In addition, the ACT Housing Trust expects to start construction of 194 new dwellings, commence major upgrades of five of the trust's flat complexes, continue the redevelopment of Ainslie Village and upgrade 120 rental dwellings. This program, along with the completion of houses under construction and the spot purchase program, will add an additional 280 dwellings to the housing stock in 1989-90.

The Government also plans to redevelop the Melba Flats over a four-year period, commencing in 1989-90. This will involve the demolition of the existing flats and redevelopment of the site for new housing and the construction or acquisition of further public housing to replace Melba Flats.

Details of the redevelopment of Melba Flats will be provided in the budget in September, following further consultation with the Commonwealth and with the existing tenants.

Major plant and equipment for budget dependent agencies is also funded from the capital budget. A significant increase in funding is to be provided to the ACT Community and Health Service to assist in overcoming past neglect in the replacement and upgrading of outdated equipment.

Funding will also be made available to permit ACTION to take delivery of 49 buses in 1989-90. These will replace part of its older stock and help meet the demands for services in new suburbs.

Mr Speaker, I would like now to outline the Government's plans to seek release of the estimated \$22.7m which the Commonwealth is placing in the ACT transitional funding trust account. The Government has identified a number of proposals which we intend to put to the Commonwealth for release of this money.

In keeping with the agreement I negotiated with the Prime Minister, each of these initiatives have been developed with the aim of restructuring our services to reduce recurrent spending in the future. The proposals cover the areas of education, health and urban services.

Specific education proposals include the introduction of new technology worth \$1.5m in TAFE classrooms to promote efficiency and learning. It is also proposed to relocate TAFE's electrical school from Benjamin Way to new premises on the Bruce campus as part of TAFE's campus restructuring program.

In the health area we are proposing the overhaul of food production methods in ACT hospitals to achieve more efficient food preparation as well as the elimination of overproduction and waste.

25 July 1989

The urban services proposals include a feasibility study to consider office accommodation requirements of the ACT Government and the most cost-effective way of achieving these requirements. We also plan to upgrade existing irrigation systems in ACT parks and reserves to eliminate overwatering and achieve better resource management. I have written to the Prime Minister today outlining these proposals. One further major restructuring proposal is the long overdue redevelopment of Canberra's hospitals. At this stage, however, the principal hospital steering committee is yet to finalise its advice to the Government. I look forward to making a statement to the Assembly on this matter once the committee's report has been received and analysed by the Government.

Finally, I would like to discuss the revenue area. The Government has put together a revenue package which matches our economic and social objectives. We have adhered to our election commitment not to increase rates and taxes in real terms on individual citizens and households. The focus of our revenue measures has been to place the ACT's revenue raising capacity on a more comparable basis to that of the States and to redress existing anomalies in the areas of collection and compliance.

Ratepayers will be aware that land valuations have been reassessed in accordance with the triennial statutory requirement, to reflect land values as at 1 January 1988. The municipal general rate will be set at 1.125c in the dollar, compared with 1.18c in 1988-89. This rate provides for an average residential rate increase in line with CPI which honours our commitment in this area. Discounts will be introduced to encourage rate payments in one payment, and there will be penalties for the late payment of rates. Because of the timing of rate payments, I shall be introducing legislation to give effect to these arrangements during these sittings.

In the area of payroll tax, the threshold for the payment of payroll tax will be raised from \$400,000 to \$432,000 from 1 July 1989. The threshold will be indexed in future in line with New South Wales practice. This will provide security for ACT small businesses. The Government will also provide an amnesty for employers in breach of their payroll tax obligations. For a two-month period from 1 August 1989 no penalties will be imposed on employers who come forward and pay outstanding payroll tax.

Other amendments to the Payroll Tax Act, to be introduced from 1 November 1989, will extend coverage to eliminate anomalies and close off avenues of avoidance. Similarly, two taxation measures in the stamp duty area will take effect from today to close off avenues of taxation avoidance.

The first of these measures relates to stamp duty liability on the acquisition of interests in ACT land. From today duty will be payable on any acquisition of an interest in

25 July 1989

private companies or unlisted unit trusts owning land in the ACT. This will affect acquisitions regardless of the means by which the interest was obtained or where the transaction occurred.

The second measure is designed to prevent the value of certain shares and units being artificially lowered in order to reduce stamp duty. A tax of 20 per cent will be introduced on the sale and hire of X-rated videos from 1 November 1989. Penalties for unlicensed trading will be severe. In conjunction with these arrangements, discussions will be held with the Australian Federal Police to ensure that laws limiting access to X-rated material are adequate and enforced.

The tobacco licence fee will be increased from 30 per cent to 35 per cent with effect from 1 August 1989. Increased health promotion programs will be funded out of this revenue, in line with arrangements introduced in several States. TAB turnover tax will increase to 6 per cent to match that applicable in New South Wales and Victoria and a graduated scheme of taxation will be introduced on takings from gaming machines. A scheme will be introduced to ensure the collection of unpaid parking fines at the time of annual vehicle registration.

In addition, public hospital accommodation for private patients will be raised to \$160 per day to match New South Wales charges. Fees and charges applying to other services in the ACT have generally been maintained at current real levels. However, the Government feels that, in some cases, the introduction of a user pays principle is more appropriate. Charges have not been increased where this would impose undue hardship on needy sections of the community. The timing of these changes will vary, with some commencing immediately.

In conclusion, Mr Speaker, I wish to stress again that this Government is committed to encouraging economic development hand in hand with social justice. At the same time we are committed to achieving a balanced budget for the ACT in 1989-90. The Government will continue to work towards these objectives.

As you can see, we have put forward strong, positive measures to encourage the development of industry in order to create jobs in the ACT. We want to continue to review all areas of government activities. We will seek to utilise fully the funds available through the Commonwealth trust account to restructure the ACT budget.

This statement sets out the framework of the Government's budget. It is now time to undertake the consultation process I have previously discussed. I urge all interested people to become involved in this process. When the process is finished I will present the first ever ACT budget to this Assembly in September.

25 July 1989

Mr Speaker, I present the following paper:

1989-90 Budget - Initial Statement - Ministerial statement, 25 July 1989, together with appendices.

I move:

That the Assembly takes note of the paper.

Mr Kaine: Mr Speaker, in the interests of an informed debate I move:

That the debate be now adjourned.

Question resolved in the affirmative.

ESTABLISHMENT OF A CASINO Statement and Paper

MR HUMPHRIES, by leave: I present a paper supporting the establishment of a casino on section 19 in Civic. I thank the house for the leave it has given me. This paper is a petition which does not comply with the terms of the standing orders; therefore it has been necessary for me to present it as a paper. It has been signed by 199 petitioners - - -

Dr Kinloch: I rise on a point of order, Mr Speaker. We had petition time, I believe, earlier in the session.

MR SPEAKER: You are out order, Dr Kinloch. Leave has been granted.

Dr Kinloch: Mr Speaker, could I ask you to spell out for me why this is allowed at this time?

MR SPEAKER: We can debate that later, if you do not mind, Dr Kinloch. The position is that Mr Humphries has been granted leave.

Dr Kinloch: I rise on a point of order. Mr Humphries asked for leave to make a statement or present a paper. We did not know the nature of it, and I wish now to say, "No, I do not grant him leave".

MR SPEAKER: I overrule your objection. I take your point, however. Proceed, Mr Humphries.

MR HUMPHRIES: Thank you, Mr Speaker. I will speak very briefly to this.

Mr Moore: I rise on a point of order, Mr Speaker. He had leave to present a paper, not to present a petition.

MR SPEAKER: This is in the form of a paper. Please proceed, Mr Humphries.

25 July 1989

MR HUMPHRIES: Thank you, Mr Speaker. I will speak very briefly to this paper. It was forwarded to me by Mr Eric Koundouris, and I want to quote, very briefly, from his letter in which he discusses the terms of the paper which includes the signatures of 199 - - -

Dr Kinloch: Mr Speaker, I rise on a point of order. I am holding in my hand the daily program for Tuesday, 25 July 1989. I do not see this matter on this green paper.

MR SPEAKER: I will take advice on that matter.

Mr Berry: We gave him leave.

MR SPEAKER: The point is that leave has been granted to make a statement. This can be asked for at any stage during the sitting by any member. Please proceed, Mr Humphries.

MR HUMPHRIES: Thank you, Mr Speaker. Mr Koundouris writes:

The loss or removal of the casino from section 19 location will have an enormous negative impact on local Civic traders. We are greatly concerned that every effort is put into ensuring that the number of visitors to the centre of Canberra is increased and that the opportunity is taken now to offer new facilities - - -

Mr Collaery: I rise on a point of order, Mr Speaker. This is not a statement by Mr Humphries; this is a statement by someone else which is being read into the record. Mr Speaker, the rules for the presentation of petitions have been laid down by time-honoured procedures in the House of Representatives. This is an attempt to slip in a petition under the guise of a statement by Mr Humphries. I ask Mr Humphries, through you, Mr Speaker, with respect, to make his statement on the casino, if he wishes, now.

MR SPEAKER: The petition was presented in a form that is unacceptable to this house. It was at my suggestion that Mr Humphries proceed in this manner. He has been given leave to present this to the house. Please proceed, Mr Humphries.

MR HUMPHRIES: Thank you, Mr Speaker. I will continue from where I left off:

We are greatly concerned that every effort is put into ensuring that the number of visitors to the centre of Canberra is increased and that the opportunity is taken now to offer new facilities, including the casino, to attract them.

My conviction that a casino must remain on section 19 and be constructed as soon as possible is supported by

25 July 1989

the majority of retailers in the Civic area. These people have signed the attached petition verifying that support.

Mr Speaker, I present the following paper:

Expression of support for the establishment of a casino on section 19, Canberra City.

Mr Whalan: I move that it be incorporated in Hansard.

MR SPEAKER: Thank you, Deputy Chief Minister.

Mr Jensen: Mr Speaker, I rise on a point of order in relation to the incorporating of that document in Hansard. I presume it is in accordance with the guidelines that you have put forward in relation to the incorporating of documents in Hansard.

Mr Collaery: Mr Speaker, I rise on a further point of order. I draw your attention to the book that is well known to all members of this Assembly, the House of Representatives Practice. I point out to the house that an abuse of the rights of petition may be treated by this house as a breach of privilege and that includes, amongst other things, Mr Speaker, causing a petition ---

MR SPEAKER: Mr Collaery, are you wishing to make a point of order or are you wishing to make a statement? If it is the latter, you will require the leave of the Assembly.

Mr Collaery: Mr Speaker, I rise to take a point of order, which is that Mr Humphries is presenting a petition out of form to this Assembly. He has not had to abide by the usual rules relating to petitions as to whether the signatures thereon are false or fictitious, and this, I submit, Mr Speaker, is a breach of the rules of the house.

MR SPEAKER: Having taken advice on that matter, I will address Mr Collaery's point of order. I have the advice to hand that it is now common practice within the House of Representatives, from which we gain our direction, that petitions which are out of order are presented in bulk in a manner similar to that which happened today. With respect to the matter of the petition as presented being acceptable for input to Hansard, I will rule on that outside of this sitting.

Mr Jensen: Mr Speaker, I wish to draw your attention to a factor in relation to that document. A copy of part of that document was tabled during the deliberations of the select committee, and I would request that you take some advice as to whether, since that document or part thereof was tabled in that select committee, it is appropriate to table it in the house before the casino select committee report is brought forward.

25 July 1989

MR SPEAKER: I will take advice on that issue. I take Mr Jensen's point. I was not aware that this had been presented as evidence to the committee.

Mr Humphries: I rise on a point of order, Mr Speaker. That is not the case. There was no document tabled or presented in evidence before the committee. On receiving the paper that I have tabled today I brought a copy of one page of that paper to the Assembly committee, to show it to members of that committee. It was not tabled; it was not presented as evidence; no formal note was taken of that paper. It was simply a piece of information that was presented to people in an informal fashion. I submit that it does not in any way breach any standing order or any practice of this place or any other place.

Mr Jensen: Mr Speaker, I claim to have been misrepresented. I do not believe I said it was tabled as evidence in the committee. I said it was tabled during committee discussions. I have never said it was tabled during evidence. There is a subtle difference, I would suggest.

MR SPEAKER: No; I agree entirely.

A member: It has not been tabled.

MR SPEAKER: Thank you. Members, I will draw this debate to a close, and I will look at the matter and report back.

MORTGAGE INTEREST **Discussion of Matter of Public Importance**

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

The effect of the mortgage interest crisis on the Canberra community.

MR STEFANIAK (4.01): It is interesting, Mr Speaker, that the Chief Minister, in her initial statement on the budget which she has just directed to the Assembly, indicated in point 3:

Population growth in the ACT is higher than almost all other States, but it has slowed considerably in the last couple of years. This slower rate of growth, in conjunction with high interest rates, has been a contributing factor to the decline in dwelling approvals experienced in the first three months of 1989. In the same period, retail sales also declined, earlier than the general Australian downturn.

Mr Speaker, the Federal Labor Government and, to a lesser extent because it has been here for less time, the local

25 July 1989

Labor Government are to blame for the hardships being experienced by the ACT as a result of increasing interest rates. Families in the ACT are suffering the financial burden of increased interest rates as a direct result of Labor Party policies.

This Government is neglecting the community in not attending to their needs. The problems that are arising are not singular issues but are a series of complex social concerns that could have great effects on the ACT community. Never before have interest rates had such devastating effects, Mr Speaker.

CARE, the credit and debt counselling service, is the only community financial counselling service in the ACT, and as such is at the forefront of dealing with the effects of financial hardship on individuals, families and the community. CARE has stated that there is already an acknowledged serious overcommitment problem in our community. This is especially evident when you consider the eight to ten weeks waiting time that exists at CARE for first appointments. The financial burden on the individual is indeed a heavy weight to carry.

Mr Speaker, it must not be forgotten by the Labor Government that the cost of financial failure transfers private costs between individuals and a profit motivated industry to public costs, putting pressure on an already overburdened court, health and welfare system. These concerns are likely to affect all of the ACT community if the Labor Government lets interests rates continue at their high level and the ACT Government persists in not addressing the problems involved.

I would like to know, Mr Speaker, what the Labor Government proposes to do to alleviate these growing concerns in Canberra. The ACT community is particularly vulnerable. One needs only to look at past booms and busts in our building industry and associated industries to appreciate this.

The current interest rate crisis may well make any previous busts appear insignificant. The Labor imposed interest rate crisis affects home owners directly, especially first home buyers on the rental treadmill. These people are simply no longer able to buy a home of their own. The percentage of first home buyers in the market is 5 per cent, a far cry from the usual 30 per cent.

Today the prerequisite for home purchase for first home buyers is dual income and no children. A report recently in a Sydney newspaper said:

High mortgage rates are forcing increasing numbers of married women to have abortions because they cannot afford to bear children and keep a roof over their heads...Married women, who may once have elected to carry an unplanned pregnancy to full term, are turning

25 July 1989

to abortion clinics because they cannot afford to meet both home loan repayments and the financial commitment of bringing up a child.

The newspaper report stated that some abortion clinics have warned that the Labor Government "may 'price reproduction out of the market' forcing another decline in Australia's sub-zero birth rate if the cost of living and interest rate spiral is not curbed".

The stark reality under the Labor Government is: children or a mortgage. That is a totally unacceptable situation. Those who do not fulfil this criterion have little hope of owning a home of their own.

Mr Speaker, the hardest hit by these high interest rates are those people who purchased three to four years ago and whose current housing loan repayments do not cover their interest bills, so a shortfall exists. The obvious result of this is that such home owners, instead of paying off their debts, are slowly sinking into them. Is it any wonder that people are finding it hard to keep their heads above water?

Mr Speaker, interest rates are at their highest levels in a decade, and the home repayments have risen from 19.2 per cent of a householder's real disposable income in March 1983 to 30 per cent today.

The social questions for the community which is suffering from these intolerable interest rates are also a major point of concern. Many are being forced to live in unexpected hardship. Many others will be forced to sell their family homes. Some cannot sell, as this would leave them still in debt. Only this morning I spoke to a friend who has had a flat. He has a wife and two small children, and his wife is not able to work because she has to look after the children. He bought a small 11-square house in Tuggeranong, after selling his flat because the family was getting too big. He works in three jobs to pay off the interest rate. The strain the Labor Government is imposing on the family unit in such circumstances must be immense.

The Domestic Violence Crisis Service cannot give any definite figures on causation and domestic violence but was sure that interest rates and financial pressure were affecting the family unit and increasing the amount of calls it received. The inability to purchase a home, as shown by the Australian Bankers Association's quote that the Trends estimate for February, March and April shows a continued decline in demand for housing finance throughout the period is not news to anyone.

The direct effects of the interest rate increases on the individual have been well documented, but what are the wider social and economic consequences for the ACT? Firstly, there is the problem of home rental. The situation exists, Mr Speaker, and it will become worse, of

25 July 1989

people wanting to rent instead of purchasing a home. Therefore, demand in the rental market will increase, resulting in higher rents. This will severely disadvantage low income earners who will be pushed out of the market, and this in turn will see the welfare housing trust, already overburdened, faced with more clients banging at its doors.

Is it any sort of policy that sees an increase in public housing when home ownership should be the aim of all governments? This problem will be exacerbated for the real estate industry, with a 30 per cent drop in inquiries for first homes. Obviously, real estate agents are selling less to first home buyers. However, the investment market is rife with investors, especially from Sydney, buying at the top end of the market. Rental prices will be pushed through the roof once again, driving low income earners out of the market and stressing the ACT Housing Trust.

The ACT building, finance and associated industries will also suffer from the debilitating interest rates imposed by the Labor Government. These industries, combined with the multiplier effect, are a major source of employment in the ACT. At present, 1,500 jobs within the industry are at risk. As each job in the construction industry creates 0.8 of another job through the multiplier effect, the resulting unemployment problem will have damning effects on the ACT economy. These industries are being doubly squeezed by record high interest rates - firstly, from reduced demand due to higher home interest rates and, secondly, from higher operating costs due to increased commercial interest rates.

Home lending, business commencements and housing sales have all decreased dramatically over the past few months. The number of houses being built in Canberra this year, for example, will be reduced from 2,900 to 2,200. The difference of 700 houses represents \$50m to the construction industry. Can the ACT afford the large loss of revenue and associated benefit it would bring? Retail sales have also decreased, and a continued downturn in these industries in the ACT will be devastating for the ACT community as a whole. Already the building and construction industries are beginning to slow. They will slow even further tomorrow, Mr Speaker, when they have the compulsory stop-work meeting to protest about three pieces of legislation before this Assembly - surely not a time for such action when we have the crisis we have present in that industry.

The building industry, as Mike Crowe of the Housing Industry Association has said, will be the first to go in a major recession. It is already experiencing hard times. Apprentices are already out of work or at risk of losing their positions, and young people's opportunities to move into the building industry are severely limited. The Master Builders Association of the ACT is in fear at present that it may not be able to maintain its group

25 July 1989

apprenticeship scheme, which could see 115 apprentices out of work.

The problems involved in this very serious issue are complex. At present, the interest rate issue is not being adequately addressed by the Labor Government, federally or locally. That is one of the most urgent concerns this Assembly and Australia must face - the Labor governments' inactivity is quite frightening and shameful. Mr Speaker, my colleague Mrs Nolan will talk to you of what this Government, and indeed this Assembly, can do and should be doing to help solve this crisis in Canberra.

MR COLLAERY (4.11): Mr Speaker, given Mr Stefaniak's commitment to this issue - and that is obviously genuine and very, very sincere, and we can all endorse much of what he says - it seems strange that the Liberal Party gave up the chance of government in the ACT and did not take the opportunity to correct all those ills that my friend addressed. Mr Speaker, what are required are tinkack solutions, at both Federal and Territory-State level.

The base causes of the current mortgage crisis lie with Mr Keating and his decision to deliberately increase interest rates and deliberately inflict this trauma upon the community out of a desire to do some balancing of his books, in a short-term attempt to ensure that the economy looked a little better and that inflation rates looked a little better so that his own image, taken by Moodys, as a Treasurer was preserved and that the great trading partners of the Australian Labor Party in federal office were looked after by virtue of those economic measures.

Mr Speaker, the much broader requirements of the nation lie in the dollar value, with the questions as to whether the dollar should remain floating and there should not be some partial weighting. One will recall that on a morning radio program recently the Chief Minister's personal chief adviser, Mr Webb, proposed such a measure. When you have so much dissension amongst the young minds and brains of the Labor Party, you can imagine the confusion at the top on the other hill at the moment.

That confusion in that headlong decision to embark upon a suppressing cycle on interest rates, and an anti-inflationary process which impacted on those paying mortgage loans, will obviously throw the Australian Labor Party out of office at the next election. What we need to hear from Mr Stefaniak is that concrete measures will be put forward by the possible alternative Federal government for mortgage interest rates. That is the overall wide stage, Mr Speaker, for interest rates within the ACT.

At Federal level we have not heard Mr Peacock come forward with his answer to Mr Keating's deliberate trauma forced upon the home mortgage payers of this community. Mr Speaker, the trauma extends now, through mismanagement, to the retail business sector, and some of the big fellows are

25 July 1989

falling as well. Really what started as a tactical interest rate depression manoeuvre has snowballed and got out of control. Mr Keating could well end up being the most lampooned and the most unpopular Treasurer this country has ever had. That depends, regrettably, on the extent of the recession into which we are obviously slowly moving.

Mr Speaker, there are some concrete measures that both the Liberal and Labor parties could take. The first one is: Would they not seek the clearest advice from their own legal advisers, in government and out of government, as to whether the percentage variations on mortgage rates being imposed, at times unilaterally by the banking quarter, are lawful?

We have heard in recent days of the foreign currency loans that were hawked all around this country, including to decent graziers here. We have heard particularly of the activities of several of the banks in the Harden-Murrumburrah area, where large numbers of longstanding family landowners have been forced off the land in the last two years because of disgraceful mismanagement of foreign currency loans and failure to give proper advice on a basis of fiduciary duty to those farmers.

Of course, neither of the major Federal parties has said a peep on those things, as the great landowners, the graziers of this country, the good landowners have been forced off their blocks because of inequitable, one-sided, non-fiduciary, non-disclosed foreign currency loans. That has extended to the offer of finance and the entreaties.

Despite the economic woes that we are in and the level of unemployment, we continue to see widespread advertising for people to take up high-interest personal loans. Those advertisements, done with all the great skills of the advertising world, are inducing people who would otherwise not probably approach the banks for loans to increase their personal loan indebtedness. I do not recall whether my friend Mr Stefaniak referred to that, but it is an important aspect of the overall mortgage crisis; that is, that many young couples have bankcarded and have taken out cocktail loans to get into and meet their Australian dream.

Mr Speaker, what is required is a very statesmanlike approach at the helm, and at the helm of the Federal Opposition parties, to ask the banks to look very carefully at their advertising on personal loan schemes and cocktail loans to those people who are seduced and under the sway of the great Australian dream - the house in the suburbs.

Mr Speaker, nowhere in this budget which has just been presented can I find - my colleague Mr Kaine might be able to find it but I cannot - the abolition of stamp duty for first home buyers. That is a fundamental plank in decreasing the in-costs to get into housing in the ACT, and we do not appear to have that in this budget. That really

25 July 1989

is a good indicator; it is a litmus test of this Government's resolve, really, to return to its Labor Party grassroots, its real function and duty to the community. The Keating move to suppress and oppress the home-owning people in this community owes a lot to the departure from the grassroots of the Australian Labor Party. In this Assembly now we see no abolition - if I have read the budget statement correctly - of stamp duty for first home buyers. That is a fundamental plank in any community response to home buying.

Mr Speaker, I have referred to the fact that the banks are encouraging unreal expectations amongst many people, and I now reserve my further remarks for the state of the business community. Many retailers in this city have mortgaged their homes as security and collateral for their businesses. When those businesses - shoe shops and small trading enterprises - crash in and around this Assembly, and as they will increasingly fall over in the suburbs, what we do not know is the horror and the pain that this is inflicting on those people who are losing their homes as well when their collateral mortgages are called up.

So we are not talking about just the normal suburban dweller, the PAYE earner; there is a much more bitter element, and a much more bitter pill to swallow from Mr Keating for many people. They, ironically, are the business people who look so much to Mr Keating. They are losing not only their businesses but also their collateral securities because the mixture of loans that they took out included their homes. Mr Speaker, we need, very clearly, a task force formed - if the Federal Government fails us - by this Labor minority Government in the ACT, to determine the legality of the interest rate variations being forced upon the many mortgaged home buyers in the Australian Capital Territory.

We have banks that now concede that a number of their procedures are such that they no longer wish to go to litigation, that they are willing to settle claims - and this has occurred throughout most of the superior courts in this country, starting with foreign currency loans but including the fiduciary duty of banks to give good advice and to ensure that people taking loans understand the full implications.

One of the double-barrelled effects at the moment, Mr Speaker, is from the easy-start loans that became fashionable in about 1983-84 in this town. I speak as a conveyancer and a solicitor who has seen many hundreds, perhaps thousands, of those mortgages go past me. In many instances, the borrower does not fully appreciate the potential for the interest rate creep to become non-sustainable.

The fact is that the great gambling instinct of the Australian people reflects itself in our mortgage practices. People are willing to sign on the square in the

25 July 1989

hope that the interest rates will not go beyond their purse, and that is just a simple gamble. Many mortgages these days do not contain a provision relating to the mortgage interest rate. They do not have on their face the mortgage rate.

Mortgages prepared by cooperative societies rarely contain the mortgage rate on their face. You sign a mortgage, and the interest rate is set from time to time under the rules of the society. There are good reasons why this Government in the ACT should be examining all the fine print, all the legalities of those situations, because courts normally construe mortgage documentation strictly, and strictly very often in favour of the borrower where the terms of the mortgage are ambiguous or unclear.

I enjoin the Labor Government - the two remaining members in the chamber at the moment during this important debate - here today to look very carefully at using the legal skills available to it to provide good counselling advice to persons who are receiving notices from banks as to interest rate hikes. In justice and fairness to the banks, there are very few foreclosures in the ACT, because banks have a policy of extending terms and working out other measures to ensure that that catastrophe does not visit both the homeowners and, of course, the banks.

I remember once in Paris having a long talk with a great Australian, Wilfred Burchett, about the experiences he had as a young person in Victoria when the State Bank of Victoria set about its foreclosures. They were awful days in Australia, with the bank foreclosures. I recall Mr Burchett telling me of the arrival of persons, in the form of the State Bank of Victoria, in that regard, and of course those persons who conducted those mortgage foreclosures bear that from the 1930s on their conscience.

There is at least one leading Australian in this city who had a prime role in the mortgage foreclosure movement of the State Bank of Victoria. That person went on to become a very great Australian and a great public servant, but I well recall that name being mentioned to me as one of the clerks involved during the mortgage foreclosure campaign in the 1930s in Victoria.

The fact is the banks are there to make a profit. They are doing their best at the moment to bring money on market and add a minimal margin, consistent with their own operations, and that is another factor that we need to look at. We need to ask the banks whether they need the splendiferous premises that they are building around this country and whether the administrative overheads that add the extra points in their loans over and above that at which they bring the money on the market really achieve the best deal for the mortgage borrowers.

We know that the home mortgage market is now a relatively small component of overall banking.
In the overall banking

25 July 1989

context it is a great shame to see the great corporations of Australia still getting loans at relatively low rates because they are monster loans. They come out, when one goes through all of the fine print, according to some of the best monetary journals, at 12 and 13 per cent loans still. If you want to borrow a lot of money you can still get a low interest loan. Who is subsidising all that?

We have heard Mr Langmore, the member for Fraser, speak often on that subject. One would think that the Chief Minister could listen to Mr Langmore, her party colleague, and see what we can do in terms of concrete measures to assist the people in strife at the moment.

One hopes the housing review being undertaken by Minister Grassby's ministry will get bipartisan support in terms of its recommendations to ease the burden and to introduce a progressive equity purchasing scheme for a number of families which can no longer handle home ownership and which have to go back into the tenancy market.

As well, the Government needs to look very carefully at its capacity to refinance a number of the high interest loans before those people become welfare casualties at large in the community. Mr Speaker, I welcome the statement made by Mr Stefaniak and regret that we cannot go further with concrete measures.

MR BERRY (Minister for Community Services and Health) (4.26): Firstly, Mr Speaker, I must express some regret about the level to which debate has sunk on this issue of interest rates, in particular from the first speaker, and I will get to the second speaker later. Members in the chamber, however few, were unable to hear any great solutions to all of the problems which Mr Stefaniak attempted to identify in his opening remarks. One thing that I noticed Mr Stefaniak did not blame on the interest rate policies of the Federal Government was the quality of the weather somewhere or other, although I must admit after listening to the tenor of his remarks for a while I somewhat expected it.

In relation to Mr Collaery, I would have to say that he is up to his usual standard, and capably spoke for the required time but it was a bit low on content as usual. I must say the rhetoric which I heard was very similar to that which I heard in the Joh for Canberra campaign, when every negative aspect of anything that was likely to happen in the future was seized upon. I must say that a good member of the Residents Rally party, Ms Katharine West, headed that campaign.

However, Mr Speaker, I am quite happy to register my concern at the current high level of interest rates. In particular, I would like to point out that the Federal Government's monetary policy cannot have regard to differences in levels of activity, economic conditions and rates of growth between regions. Given that some reduction

25 July 1989

in ACT growth could be expected following the very high growth in the past, the continuation of high interest rates is likely to have a disproportionate effect on the ACT economy, and that is a matter about which we are all concerned.

The level of interest rates is, however, a matter for the Federal Government. Whilst it might be appropriate for various political parties in this place to attack the Federal Labor Government in the lead-up to a Federal election, it is, nevertheless, a Federal matter and pretty much out of the control of this house.

The effects of interest rates, however, are of great concern to the ACT community. Most important is the impact of high mortgage rates on those people currently buying homes. The rise in interest rates has increased the average home repayment by about \$200 a month, and this is an increase of around 25 per cent. That would be a shock to any family, whether it is in the ACT or otherwise. I do not believe that these circumstances are acceptable, and of course we all have to work to do something about them. Having said that, I think there is little the ACT Government can do about interest rates directly.

I believe that there are a number of ways in which we can act, however, to reduce the impact of high housing costs. The first major initiative of our Government was to announce a broad-ranging review of housing policy. It will, among other things, address measures which can be introduced to minimise the cost of housing to ACT residents. Specifically, the review will address the possible introduction of new housing finance methods.

It is also our desire to ensure that the public housing system operates in the most efficient and effective way possible. Mr Speaker, an important aspect of housing prices is the cost of land. This is a matter over which we in the ACT Government have some control, and we will be acting to ensure that land costs are kept as low as possible. Not only will we be acting to keep land development costs low but also we will be attempting to ensure the supply of sufficient land. That is one of the great benefits of our leasehold system.

As members will be aware, the Chief Minister approached the Federal Government over the release of Commonwealth land such as the Belconnen naval station. We hope that these prime residential sites will be made available for housing as soon as possible. I say this notwithstanding the revelation that the Belconnen naval station has been used as a dumping ground for toxic material. We believe that this matter should be resolved whether or not the land is released for housing, because it is a matter which impacts on the whole of the ACT. Toxic material should not be allowed to remain there, and the land should be released for housing. The Chief Minister has recently written to the Prime Minister on this matter.

25 July 1989

There are many other proposals which the Government is considering to assist home buyers facing financial difficulty. We are investigating the current practice of the imposing of mortgage payout fees. Members may be aware that some banks charge up to three months' interest if a borrower pays out a loan rather than letting it run its course. This practice acts as a market distortion and prevents borrowers from taking advantage of more competitive offers from other lenders.

But the effect of high mortgage interest rates is not simply on home buyers. We are now starting to feel the effects on the ACT housing construction industry. Figures now coming to light suggest that housing construction is slowing significantly. In the March quarter of 1989, dwelling approvals were 17 per cent below those of last year, whereas nationally they increased by 13 per cent.

I should add that the ACT and Tasmania were the only States or territories to record a fall in approvals over this period. Further statistical data relating to the December quarter 1988 for residential, as opposed to non-residential, construction activity illustrated that the increase in the value of residential activity in the ACT was less than half the rate of increase for Australia as a whole. Nationally the value of new dwellings increased by 47 per cent and other dwellings by 24 per cent, as opposed to the figures for the ACT of 20 per cent and 10 per cent respectively. These indicators are of great concern to the Government.

This industry alone is a significant employer of both skilled and unskilled workers, making up some 40 per cent of total ACT construction employment, and it accounts for approximately 30 per cent of the value of construction work in the Territory. A significant decline in the industry, therefore, will have a substantial effect on the ACT economy, particularly on the ability of our young people to gain apprenticeships and for unskilled youth to find gainful employment.

I believe that the capital work program for 1989-90, announced this afternoon by the Chief Minister, will go a long way towards stabilising the construction industry. Of particular relevance here is the fact that we are proposing to increase spending on public housing from \$34.6m last year to \$46.3m in 1989-90, an increase of 33 per cent. A major component of this expenditure is our proposal to replace the Melba flats. This project by itself is estimated to create 550 jobs over the next four years. Overall, ACT government expenditure on construction is expected to increase by 10.8 per cent in 1989-90.

Mr Speaker, it will be the challenge of our Government and indeed the Assembly as a whole to ensure that we are able to address adequately the economic difficulties facing the ACT in a progressive and equitable manner.

25 July 1989

MRS NOLAN (4.35): I am disappointed today that Mrs Grassby is not in the chamber but, unfortunately, it cannot be helped that this matter came up on this day.

Mr Speaker, my colleague Mr Stefaniak has told us just how hard interest rates are hurting. As he so correctly pointed out, they are placing an immense economic burden on those attempting to buy homes. They are placing incredible pressure on many families both financially and emotionally and, as Mr Stefaniak has made clear, are severely affecting the real estate, building, welfare and employment sectors of our economy.

Mr Speaker, Mr Stefaniak has explained to us the crisis that the Labor Party's high interest rate policy is causing our community. As a continuation of what he has said, I would like now to bring to attention some of the aspects of this crisis. It would then be appropriate, Mr Speaker, to outline some of the solutions to the crisis. Of course, unfortunately, the major solutions are out of our control. The Federal Labor Government clearly needs to change its policy direction. The solutions of which I will speak today should be considered by this Government as a matter of urgency.

Of dramatic importance to our community is the effect that interest rates are now having on our building industry. The signs for building look very ominous indeed. Current figures on the building industry do not indicate the enormity of the problem; anything being quoted is two or three months old. Thus, I stress that statistics do not truly paint the picture. It would seem to an observer that the building sector is in a fairly stable position, but such an observation is a delusion. It is a delusion because of the changes that are about to happen.

Construction in Canberra, unlike that in Sydney, did not experience boom levels of activity in 1987-88, nor did Canberra have a shortage of residential land. For these reasons, Canberra can expect a softer landing than most other Australian capital cities, because it has not come off the end of a housing boom. Nevertheless, a potentially dangerous downturn in construction is about to occur because interest rates are high. Presently in Canberra building activity is at a good level, but that is because it is coping with a backlog of work that the industry has experienced due to the long stretch of bad weather earlier this year, but this backlog of work is nearly completed. This leaves the building industry with nowhere to go.

As Mr Berry has already said, approvals for the first two quarters of this year already indicate that a downturn in building will occur. The figures from the March quarter show a decrease of 17 per cent compared with the same quarter for last year. The inquiry rate for new homes has decreased; the level of purchases of new homes has decreased; the number of starts for new construction has

25 July 1989

decreased. Why have they decreased? It is because of high interest rates. Where does this leave the builders? It leaves them nowhere. This is already evidenced by the diminishing willingness of banks to maintain the credit line for builders. The effects will be significant, as 12 per cent of Canberra's work force is dependent on the construction industry for its employment.

Indicators suggest that interest rates are going to significantly affect real estate sales. In Canberra, as elsewhere, property titles have to be searched before properties can be sold. To do this, more than 60 firms of solicitors use a system known as Dial-a-search. Because Dial-a-search is so widely used, it perhaps can be given as a strong measure of real estate activity in the ACT. In June there was a 13 per cent decline in property title searches through Dial-a-search when compared with the level in May. This demonstrates that the real estate market is slowing.

But, Mr Speaker, aside from the immediate effects of high interest rates in regard to builders, home buyers and home owners, there will be other problems. As a result of the downturn in building activity, jobs will be lost. Already there are fears that the employment of more than 100 apprentices in the ACT building industry may be lost.

Because interest rates will cause financial failure, there will be increased pressure on our already overburdened court, health and welfare systems. This will increase substantially the demand for public housing and Housing Trust assistance such as rent and mortgage relief, and there will be added pressures on the family structure for both established and planned families. Already it has been quoted that nationally 20 per cent of all home mortgages are now behind in their repayments.

Mr Speaker, obviously the question is: What can we do about it? What can we do about the problems derived from the Federal Labor Government's insistence on high interest rates? The ACT Labor Government should do all within its power to persuade the Federal Government to change its economic direction, but at present it is not applying this pressure. At present the Federal Government is not being pushed by the ACT Government to reduce interest rates and provide greater assistance to those in need. This is because the ACT Government does not want to upset its mates in the Federal sphere. In doing this, it is not adequately representing the people of the ACT.

Nevertheless, I am sure that this Assembly will at least examine the possibility of implementing a short-term relief program. Such programs exist in all States in Australia, and they are designed to assist those who have been unfortunate enough to be caught in the interest rate hike. This Government would not have to reinvent the wheel; other schemes are in place in other States. The schemes offered by State governments provide mortgage relief in the

25 July 1989

form of short-term, interest-free loans that are paid directly into the home loan account.

In New South Wales, for instance, a relief loan can be paid back over whatever period the borrower decides. In Victoria loans of up to \$4,000 are made for a period of up to one year. In Queensland reduced loans are provided, and in South Australia relief of up to \$50 a week is given through an interest-free loan. In Tasmania the development authority provides loans as low as 10 per cent, and the State bank of Tasmania has released money to borrowers at 15 per cent. In Western Australia the Government runs a home buyers guarantee scheme in conjunction with lending institutions. This scheme freezes repayments for three years for those who qualify.

A short-term relief scheme is a necessity for the ACT, given the current problems that home owners face due to high interest rates, and because these problems will worsen if interest rates remain high.

By introducing policy changes we can amend the impending crisis. In this light the Labor Government of the ACT must change its policy attitude to home owners and buyers. There are several things that the ACT Labor Government can do. Labor can reassess its Legislative Assembly election proposal to change the method of charging for headwork services for homes. This involves charging fully for the initial costs of providing electricity, stormwater and sewerage headworks, and would add a further \$8,000 to the cost of an average block of land. Surely, to help in the problems caused by high interest rates, headwork charges should not be included in land prices.

Labor should override its policy of not bringing the ACT into line with most other States in Australia by not providing stamp duty concessions for first home buyers. Introducing legislation to provide stamp duty concessions for first home buyers could cut the \$1,600 that the average first home buyer currently has to pay in stamp duty. By changing these two directions alone, the Labor Government could start to help the victims of the interest rate hike.

There are other ways in which it could help. Although it has announced a total review of the Housing Trust's operations, the ACT Government should be more specific in matters of those review operations. I am pleased to see that earlier today, in question time, we found out how long the review will take and that is of more than just public sector housing. A total review of the ACT Housing Trust operations would ensure that the correct administrative procedures are followed. In doing so, the most efficient and effective methods of providing housing assistance to those in need could be sought.

In regard to the threatened apprenticeship levels that the high interest rates impose, the suggestion of the Master Builders Construction and Housing Association of the ACT is

25 July 1989

one that should be investigated. It is proposed that it and the Housing Trust might enter into a joint venture that supports apprenticeship training. The Master Builders ACT group apprenticeship scheme employs over 115 apprentices and covers most building trades, but with any downturn in activity individual employers tend to reduce the number of apprentices they carry. This puts pressure on the group apprenticeship scheme to take over the existing apprentices. With interest rates as high as they are, building activity in the ACT will face a downturn, thus increased pressure will be put on the group apprenticeship scheme. By entering into a joint venture with the Housing Trust, the Master Builders Association could expand its group apprenticeship scheme. This would allow it to alleviate some of that high interest rate pressure that is happening out there in the community.

MR WOOD (4.45): Mr Speaker, it is one thing to talk about a problem; it is another to make firm suggestions about how to handle that problem. I listened to Mr Stefaniak when he introduced the matter of public importance, and he proposed no positive measures at all to deal with the problem. I must compliment his colleague Mrs Nolan who, in the course of her speech, came down with a number of suggestions that seem to me worthy of consideration.

Mr Stefaniak: It was a team effort, Bill.

MR WOOD: It was a rather unbalanced team effort, in that case. It is easy to talk about the problem, but let us see what we can do about it. It is my firm contention that the Government in the ACT, within its limitations of territorial powers, is doing a great deal about the problem of housing. It is committed to improving the housing assistance available to our community. There is a limit to what the ACT or any State can do, but this Government has acted.

The Federal Government, to state the obvious, is responsible for national economic policy, and has given repeated assurances that interest rates will not remain high any longer than is essential for the economic well-being of the country. We are all conscious of the effect of high interest rates on housing and of the additional burden they place on public housing. I am sure that all members in this chamber have experienced that problem as we have coped with high mortgages ourselves.

As soon as this Government was elected to office the Chief Minister announced a comprehensive housing policy review which has been established to examine, among other things, the forms of assistance currently available and to develop new initiatives to help those in need. I would point out that that was one of the first acts of this Government.

While the housing policy review will produce better initiatives to help people in need, I must point out that in the ACT we already have a number of measures which

25 July 1989

provide some relief against high interest rates, and I am sure Mrs Nolan is aware of them. In particular, Mr Speaker, the ACT Housing Trust can provide short- and long-term mortgage relief to eligible home owners. It also has a scheme to help low to middle income earners acquire home ownership. I am sure the review will look at some expansion of that.

People in difficulty with mortgage repayments, subject to an income limit, may obtain either an interest-free loan or a grant under the mortgage relief scheme. This is aimed at helping people experiencing short-term hardship and is basically a temporary measure. Should the situation deteriorate and a person be faced with loss of his or her home, assistance under the Commissioner for Housing loans scheme can be sought. Under this scheme a bank or building society loan may be totally refinanced, with repayments limited to 25 per cent of gross income. As with the mortgage relief scheme, an income limit applies to the loans scheme to ensure that assistance goes to those most in need. The Commissioner for Housing loans scheme also provides loans at 13.5 per cent to low and medium income earners to build or buy their homes.

All in this Assembly share with the community a desire for lower interest rates and look to the Federal Government to continue efforts on economic policy to bring about a reduction in interest rates at the earliest possible time. I am sure that the ACT community recognises that, with the current mortgage relief and refinancing assistance available and the high priority we have given to the housing policy review, the ACT Government is doing everything it can within budgetary limits to help home owners and those wanting to build or buy homes. The evidence is on the record.

You have just heard in the announcements made by the Chief Minister that the Government has taken several steps to improve both access to, and the quality of, public housing in the ACT. Let me pick out some of those matters that were contained in the Chief Minister's budget speech.

In 1989-90 the public housing stock of rental dwellings will be increased by 280, through a combination of construction and purchases. It will increase the stock of aged persons units, with an additional 56 units approved for commencement in that year. Major upgrades of five of the trust's older large flat complexes will be commenced, redevelopment of Ainslie Village will be continued, and a further 120 substandard rental dwellings will be upgraded. The Government is acting in the area of housing.

In addition, the Government has decided that Melba flats will be replaced over four years, commencing in 1989-90. Some \$7.35m will be spent on this project in that year. Ninety-five replacement dwellings will be acquired as a first stage by the Housing Trust, in addition to the 280 projected increase already in the public housing stock.

25 July 1989

These decisions of the Government amount to a major step towards achieving the Government's objectives and its commitment to social justice.

I conclude, Mr Speaker, by stressing the need for community participation. Their involvement is critical to finding the right solutions to meet their needs. I would look forward to a positive contribution to that review from Mr Stefaniak, in the form of a submission to the housing policy review. I am sure it would be valued. Since he is so interested in Federal policies that certainly have the major impact on this matter, he may even come down with a list of the Liberal Party's Federal policies that it would claim would alleviate the position; we have not seen those yet. It may be that they will not be presented to the review, while we would all be looking for the alternatives.

MR JENSEN (4.52): Mr Speaker, I know time is running away, so I will attempt to be as brief as possible.

Mr Wood: I gave you a couple of minutes.

MR JENSEN: Thanks, Bill. Such dramatic rises in interest rates for home buyers are unprecedented in this country. In fact, I recall some years ago that we were complaining about 13.5 per cent being very high. Now we are up over 17 per cent, with threats of 18 per cent.

There is a particular strain on single-income families, which has been enormous and which shows no sign of abating in the future. It is hard for those in decision making positions in our society and political life and in financial institutions to appreciate just how desperate the financial situation has become for many families in our outer suburbs - families that not only can no longer afford to eat meat but regard the provision of the roof over their heads as their number one priority.

But the costs, financial and emotional, are becoming frightening. I think all of us here have had people with those sorts of problems coming to us at some stage during our period in this Assembly. For many families, the only way out of this situation is to seek a second income. Many full-time home makers and mothers have no choice but to seek employment, which they are reluctant to undertake because of their commitment to stable family life and their problems of obtaining reliable child-care. It would be appropriate, Mr Speaker, for this house to give some priority to the increasing provisions of full- and part-time child-care facilities for these situations and actively encouraging the public and private sectors to provide more part-time, casual and job-sharing work.

However, it is not just the home market, Mr Speaker, that is affected by this massive increase in interest rates afflicted on our community by the Federal Labor Government, bereft of any real compassion for the effects of its discredited economic policies. The world's greatest

25 July 1989

Treasurer is seen for what he is - a fraud - and it is this fraud that has been effected not only on those buying their homes but also on those small businesses that are seeking funds to keep operating in an incredibly depressed market.

As my colleague Mr Stefaniak has said, it is the building industry and the whole economy that is affected by this bankrupt policy of the Federal Labor Government, and this industry provides the litmus test, if you like, for the strength of our economy. It is always the first to go; it is always the first to get into problems; and it is always the first to show that there are major problems in our economy.

When this industry falters, the small business operators find their businesses falling, as people lose their jobs or find the interest rate rise squeezing them out of consumer spending. The business operators are fighting even higher interest rates over and above those being paid by the long-suffering home owners. Rates such as 23 per cent are being sought by banks to enable businesses to continue operations.

It is a particular problem for those businesses struggling to establish themselves in Tuggeranong - or elsewhere in Canberra, for that matter. It is a problem particularly in Tuggeranong, because that is a developing area at the moment. It is unlikely that a new business, as we know, would be able to operate without some costs during its initial setting-up period. Put the high interest rates on top of this initial problem and you have a major concern. You have businesses going to the wall, as my colleague Mr Collaery has said - businesses being forced out of operations because of the high interest rates.

The suburbs of Tuggeranong are also the battleground for home owners struggling not only with high mortgage rates and monthly repayments but also with the cost of travel. Those of us who live in Tuggeranong know that all sorts of promises and suggestions of jobs that were part of the Federal Labor Government's ideas are not being made available to enable part-time work close to homes to be provided if families must send the wives out to work for that second income and, in the case of single-parent families, for the first income as well.

We in the Tuggeranong Valley are well aware that with the recent announcement of the office building and computer centre for the Department of Social Security it was the third time that Minister Kelly had announced the location of these new government offices. Hopefully it will be third time lucky. I am sure that those people out there who are looking for jobs in the construction industry and who seek to work in that area will see that is the case as well.

25 July 1989

The same Minister also announced, during the opening of a centre out there, that it was a suggestion that one of the elements of her defence department would probably be taking up space in the new office block at the churches centre. What has happened, Mr Speaker? I will tell you what has happened. Work on that office block has now stopped because this wink-wink-nudge-nudge suggestion has not been able to be followed through by the honourable member for Canberra.

We must ask, Mr Speaker, what effect this move has had on families that may have committed themselves to mortgages when jobs started on that project. Think about that, for example. I am sure that the honourable member for Canberra did not think of that when she made those announcements on the day the sign for the churches centre was unveiled.

One has to hope that they are not like the family in Calwell which, after being in a house for only six months, has seen its repayments go up to over \$1,000 per month. That is an increase, Mr Speaker, of \$250 in a month. Meat is no longer on the family menu. The second child that was planned is no longer a possibility. A family just cannot afford it. The MPI asked us to speak on the effect of the mortgage interest rate crisis in Canberra. The stories which are printed in the papers or which come to our office are dramatic.

Mr Speaker, I would like to close by commenting very briefly on one initiative that we in the Residents Rally are proposing, and that is the progressive equity participation, or PEP, program which will enable public sector tenants to take up some of the equity in their homes.

The proposal allows for Housing Trust tenants to purchase shares in units of 20 per cent of the current market value, to a limit of 60 per cent. The remaining 40 per cent for a particular facility would eventually be bought in one major purchase. We hope that banks and building societies eventually would be able to come to that.

The benefits of this scheme, Mr Speaker, are that tenants can bridge the deposit gap by progressively taking up small shares in their home as circumstances permit, with smaller deposits and repayments than would be necessary to purchase a home outright. Tenants would have a vested interest in maintaining their homes and would directly benefit from any improvements they make as well as from the capital appreciation. The Housing Trust would have some of its capital investment freed up to provide other housing, and it would be able to direct its maintenance and supervisory resources to other areas of need.

It is hoped that all members of the Assembly would support this type of long-term measure to help alleviate the current housing crisis. We understand that the Housing Trust is currently seriously looking at this proposal. Mr

25 July 1989

Speaker, I think that is just about the end of my time, and I conclude my remarks on that positive note.

MR SPEAKER: The time for this discussion has concluded.

Sitting suspended from 5.00 to 8.00 pm

**POLICE OFFENCES (AMENDMENT) BILL 1989 - SELECT COMMITTEE
Report**

MR STEFANIAK (8.00): Mr Speaker, I present the report of the Select Committee on the Police Offences (Amendment) Bill 1989, together with copies of the minutes of proceedings of the committee and copies of the transcript of evidence.

Let me take a slightly novel stance to start with and actually thank some of the people involved before I go into the substantive report. This committee had about 21 days to report. With a lot of reports in this Assembly there has been a fairly short time frame. I want to particularly thank our committee secretary, Karin Malmberg, for her efforts and also the other staff here who were involved in the photocopying and collating of the report. Karin especially was a very dutiful and helpful secretary in a rather difficult area with a fairly difficult committee. There were a number of problems such as photocopiers going down at the last minute. A lot of work was put into this report in the time allotted, especially by Karin Malmberg. On behalf of my colleagues, Mr Collaery and Carmel Maher, I would like to express appreciation for the effort she put in.

Mr Collaery: Hear, hear!

Ms Maher: Hear, hear!

MR STEFANIAK: Mr Speaker, once upon a time Canberra was a very quiet, sleepy little country town and a lot safer than it is now. I suppose I can speak from experience in relation to move-on powers, apart from my experience in the law. When I was a young 16-year-old, I was moved on by the local ACT police force.

Mr Stevenson: Was that under the Gaming Act?

MR STEFANIAK: I am not too sure what Act it was, but I obeyed, so I did not get arrested. The brief history in relation to this is that since the formation of the Territory there have been move-on powers in the ACT up until 1987. Early in that year, section 19A - the last remaining move-on power, which was a very general one, under the Gaming and Betting Act in its application to the Territory - was repealed, along with other sections in that particular Act.

25 July 1989

Since that date, the Australian Federal Police and the Australian Federal Police Association have been very keen to get these powers back. There have been several reports, including one to the Federal Parliament last year - I think to Senator Tate's office - which members of the Assembly had as a result of some issues I brought up in the consultative committee stage in late April. Members are probably aware that, in the last series of papers Mr Holding gave us prior to the Assembly being sworn in, that discussion paper was there.

As a private members Bill, I introduced on 28 June 1989 to this Assembly the Police Offences (Amendment) Bill 1989. This Bill put before the house a provision enabling the police to move on persons effectively loitering in a public place in certain specific circumstances.

The following Wednesday, a select committee was set up to inquire into and report on this Bill. That inquiry was to invite submissions relating to the Bill itself and also to public behaviour. The Bill was formally referred to the select committee on the same day and that committee was required to report today.

The committee also circulated amendments proposed by me to all interested persons in relation to the initial Bill proposed on 28 June. Those amendments effectively inserted a subsection (3) which excluded demonstrations, pickets and certain other activities from the legislation, together with one further suggested amendment.

An inquiry was commenced. A large number of submissions were received, both from private individuals and from groups and organisations. There were two days of public hearings last Tuesday and Thursday. The committee examined some 23 witnesses representing a number of organisations and individuals.

The committee also went out last Friday with the Australian Federal Police. It was a very cold night and the committee members had the benefit of talking to the police sergeant, an experienced officer in this area, who took us around, and observing what occurred at the police station. However, it was a fairly quiet night; there were not many people about and I do not think we got quite the action you saw, Mr Speaker, when you went out.

The committee, after hearing submissions and considering a large number of written submissions - the last one of which was received yesterday - came up with this report. A number of points were looked at by the committee.

First, as the proponent, I stated that the Bill was introduced as a private members Bill in response to concerns expressed by large sections of the Canberra community regarding public safety and the increasing level of street crime. The powers of the Australian Federal

25 July 1989

Police in relation to street crime are limited to them acting only after a crime has been committed, rather than having the discretion to act in a preventive role. The Australian Federal Police and their association, together with the Victims of Crime Assistance League and the majority of individual submissions to the inquiry, very much supported what is colloquially known as the "move-on" power.

Perhaps I should briefly read the AFP's view and the report by the assistant commissioner, which states:

At the outset, let me say from the Australian Federal Police point of view that we believe that the move-on power is an important preventive tool which has the capacity to negate antisocial behaviour before it arises.

Many of the individual submissions the committee received commented on the fear and intimidation experienced as a result of the behaviour of other persons, either singly or in groups. There are other submissions and oral evidence, such as that from the Victims of Crime Assistance League, which referred to experiences of physical violence that, from the victim's point of view, could have been prevented by giving police the powers proposed in the Bill.

Current legislation was looked at. The committee certainly considered the question that police did not have sufficient powers to cover all situations and to carry out their normal and appropriate day-to-day activities. It became apparent to the committee during the consideration period that there were various views within the Canberra community regarding the provision of move-on powers. The question of civil liberties was raised by a number - perhaps the majority - of those providing evidence to the committee. The question of whose civil liberties were at risk was not easily answered by all of the witnesses. The committee accepted the genuine concerns expressed by many organisations who were worried about the effect of the proposed legislation on the young, the unemployed and the homeless.

The committee, after a lot of deliberation, recommended that the new Bill be amended to cover only crimes of violence, intimidation of a person, fighting in a public place, or damage to property. That is taken from recommendation 35(1) in appendix 4 at the back of the report, the majority report. The committee also recommended that the term "loitering" be replaced in the new Bill with "a direction to leave", and terms such as "leave the vicinity of the area".

Problems identified by those in favour of increasing police powers included swearing in public, drunkenness in public, impeding of way on footpaths, vandalism, harassment, particularly of women of all ages, and fighting in public. The Small Business Association was one organisation in

25 July 1989

support of the Bill as an important factor in crime prevention. In addition, two Canberra retailers gave oral evidence concerning public behaviour at Melba, Rivett, Cooleman Court and shopping centres in Civic, and expressed support for the Bill.

The main concerns of those retailers were the number of persons, some consuming alcohol, congregating around the shops; groups of youths causing difficulties for customers; and vandalism. The safety of local shopping centres, particularly for young children on their own, was of particular concern to a number of witnesses.

One retailer presented to the committee a very useful survey. He presented the results he had personally carried out at several Canberra shopping centres in an effort to determine a small business response to the Bill. At three different shopping centres he found the following: At Rivett, all shops were asked and all were in favour of the Bill; at Cooleman Court he went to all shops and 36 out of the 43 were in favour, the remainder being unable to comment because either the manager or the owner was not available; in Civic, he went to 45 shops and all were in favour of the Bill.

We also heard evidence in relation to problems, not only regarding moving on but also regarding the lack of police presence in Tuggeranong. The chairman of the Tuggeranong Community Council was very much in favour of the proposed legislation. He also talked on a number of other issues, including the lack of police at Tuggeranong.

The committee recommended, as a result, that the Chief Minister urgently make representations to the Commonwealth Minister for Justice regarding improving the police presence in Canberra and particularly in Tuggeranong. It is probably common knowledge that there are only two police cars available at night-time for Tuggeranong, an area of 60,000 people.

There were a number of underlying causes also looked at by the committee. Some of those causes could indeed be looked at by the Standing Committee on Social Policy as part of its terms of reference, especially the public behaviour aspect. One of the common threads running through the misbehaviour was the evidence of alcohol and its ill-effects. A number of recommendations were made as a result by the committee. The committee recommended amendments to the Liquor Act and suggested it be made to better regulate the granting of liquor licences, the hours of trading, consumption of liquor in public places, consumption of liquor in licensed premises, and the serving of liquor in licensed premises.

As I think I indicated publicly when I first proposed this particular Bill and indeed when I first raised the topic in a consultative committee before Mr Holding in April, there is a need to amend the Liquor Act. Accordingly, I have

25 July 1989

circulated to all members of this Assembly proposed amendments to that Act on which I would like their comments within the next few days or so, if possible.

We also had the advantage of securing the views, through the Chief Minister, of the President of the Law Reform Commission of Australia and the local criminal consultative committee. Those views were looked at. Some further recommendations were arrived at. One was that the new Police Offences (Amendment) Act, in the form recommended by the committee, have a sunset clause of two years.

The committee also recommended that a committee be formed to monitor, at six-month intervals, the effect of the legislation and prior to the cessation of section 35 of the Police Offences Act the need for the sunset provision to be re-examined. It was suggested by the committee that membership should be the members of the current committee. The matters to be monitored include the number of arrests for failing to leave an area as directed by a police officer and the number of complaints to both IID and the Ombudsman regarding any abuse of the complaints.

I should add, of course, that no witness, during the course of the committee hearing, gave any evidence of any actual complaints of abuse of legislation of this type in Canberra when it had been operating prior to 1987. Of course, there were other complaints in relation to other abuses which have been detailed in the report. Two witnesses gave evidence in relation to other matters where they alleged abuse of powers by police.

A number of other recommendations were made in relation to community education programs and areas ancillary to public behaviour. The potential for misuse and abuse was very much in the minds of the committee, and committee members looked long and hard at that and various allegations and suggestions.

The committee was also fortunate to have the Ombudsman, Professor Pearce, appear. He and his staff gave a detailed expose of instances and results of alleged abuse by police in relation to other legislation. They indicated there had been no increase in the allegations of abuse and provided some statistics in relation to the Ombudsman's clear-up rate. The Ombudsman also indicated that they have a very good relationship with the police internal affairs division. He explained to the committee how that division operated and how the Ombudsman's office operates as a check to any abuses of power in the area of policing.

The committee looked at penalties. One of the criticisms of this Bill - I personally feel it is a misguided criticism - was the question of penalties. The Bill, as proposed by me, contained the penalty as applicable in the South Australian legislation, a paltry \$1,000 or imprisonment for three months being the maximum penalty. However, the majority of the committee felt that that

25 July 1989

penalty was not appropriate and, after due consideration of the penalty and what we were really aiming at in relation to this type of legislation, recommended that the penalty for contravening a direction given to leave an area be \$200 or 24 hours' community service. The committee also recommended that the new Bill include a provision to allow persons to provide a reasonable excuse for not moving on, after considering Justice Elizabeth Evatt's recommendations.

Our conclusion is on page 13, Mr Speaker. The committee recommended that the Police Offences (Amendment) Bill 1989 be withdrawn and that I be ordered to prepare and present a Bill in accordance with the recommendations of this committee. That is the first recommendation - indeed, the main recommendation - of the committee. The draftsman has been instructed to prepare a Bill in those terms. The terms, as agreed to by the committee, are attached at appendix 4.

I have made a couple of additional comments myself, and dissenting comments. I feel that my original Bill, incorporating its amendments, is a preferable and simpler type of legislation, and easier to administer than what has been proposed by the committee. However, I was overruled on that. The committee's submission has been communicated to the legislative draftsman.

I formally present the following documents:

Police Offences (Amendment) Bill 1989 - Select Committee - Report, dated 25 July 1989.
Evidence received by the committee.
Minutes of proceedings.

I move:

That the recommendations be agreed to.

MS MAHER (8.17): The Bill proposed by Mr Stefaniak on 28 June 1989 has been very controversial. It has also become a matter of great community concern. Members of the community have become alarmed at the increase in the number of assaults, break and enters, vandalism, and drinking in public, especially those involving young people.

Many individuals and community groups believe that the Bill, in its original form, granting police practically unlimited additional powers to move people on, would be the answer to curbing these types of unacceptable behaviour. Many others believe that just expanding police powers will not solve the problem of antisocial behaviour. In fact, some consider that the passage of the Bill would cause a big rift in the already strained relationship between police and young people.

The committee was set up to determine whether the proposed legislation was the most appropriate way to deal with the

25 July 1989

social problems identified. The time frame in which the committee was given to report was extremely short and the committee received a number of complaints to that effect. I believe the quality of submissions and the concerns expressed were such that the committee received a broad cross-section of community views. If the reporting time had been extended, the additional submissions received would mostly have repeated those basic concerns already submitted and considered.

Numerous community groups and individuals have shown concern with regard to the broad implications of the Bill in its original form. As a result, the committee has recommended that the scope of the Bill be narrowed down to four particular types of offences. I and others also have difficulty with the words "if the police officer has reasonable grounds for believing". My concern is whether police officers have, or will have, adequate training to use these discretionary powers. Will they be able to accurately guess what will happen in the future, predict other people's motives and predetermine the results of certain behaviour?

I also have concerns with regard to police misconduct and the abuse of those discretionary powers, especially in light of the evidence given by witnesses to the committee and of statements made in recent court hearings. As a result of these concerns, the committee at my suggestion has recommended that clause 2 of the Bill be amended.

In the original Bill, a police officer was able to move people on without asking why they were there or what they were doing. The amendment, as suggested in the submission from the ACT Law Reform Commission, will give people the opportunity to state their reasons for being in a particular place at a particular time.

The committee has also recommended that if the Bill is passed it should contain a two-year sunset clause so that the Assembly may monitor the manner in which the law is being applied during that time. This includes monitoring the number of arrests and complaints associated with the legislation. A two-year period has been suggested by the Ombudsman as the time in which some cases - presuming there are cases - will be fully investigated and finalised. I should point out that in many of the submissions received the general conduct of the Australian Federal Police was praised.

With regard to section 2.11 of the committee's report, written and verbal submissions were received from VOCAL - Victims of Crimes Assistance League - and persons with similar experiences. They stated that crimes against themselves and others could have been prevented if the police had possessed move-on powers. I beg to differ. Many of those crimes would have still been committed whether the police had had move-on powers or not, because at the time of the offence the police were not in the vicinity.

25 July 1989

Mr Speaker, that brings me to the committee's recommendation that perhaps there needs to be a review of staffing levels of the Australian Federal Police and of the number and types of patrols available at a given time.

It was suggested in a submission and also in a letter received by the committee from the Chief Minister, dated 19 July 1989, that the number of foot patrols in and around town and city suburbs should be increased. Many people are of the opinion that the visible presence of a police officer reassures them of their safety and is a deterrent to the commission of offences, and I agree. In addition, the number of police available in the Tuggeranong area needs to be closely examined. At present there are only two police officers for 60,000 people, and the police station closes at 11.00 pm. After that time the area is patrolled from the Civic police station.

The committee had two submissions from David Read of the Tuggeranong Community Council, who said that young people are committing acts of vandalism throughout the area. I believe that, if police officers were seen to be on the beat, these instances of vandalism would diminish.

It was made very clear, Mr Speaker, from the public hearings and from the submissions received that one of the major concerns, especially of those in favour of the Bill, was the consumption of alcohol and related antisocial behaviour. The committee is of the opinion that this issue needs to be addressed urgently by this Assembly and that appropriate amendments to the legislation should be adopted.

There also needs to be more stringent policing of the current legislation with regard to under-age drinking, drinking in public, trading hours, and the licensing of premises. Furthermore, there needs to be an investigation into the procedure for the granting and retaining of liquor licences.

Mrs Rosemary Cameron writes in her submission to the committee:

My husband recently retired after 25 years in the ACT and Federal Police, all of it in this city. He has noticed an enormous decline in the general behaviour upon our streets, especially since the policing of the Liquor Ordinance was removed from the police 11 or 12 years ago. He often commented that some reasonable laws to supervise the public consumption of alcohol, drugs and powers to defuse potentially unruly situations were sorely needed.

It is also the committee's recommendation that the Australian Federal Police guidelines or instructions in relation to the implementation of the proposed Bill be published and the police have, in their submissions, agreed

25 July 1989

to this. I would like to have access to those guidelines before I am required to vote on this Bill.

In addition, I would like to see an extension of police education programs in schools, especially in high schools and colleges. It was also suggested that police officers receive training from youth workers and be given training placements within appropriate community agencies. This should go some way to improving the already strained relationship between young people and the police.

That brings me to the South Australian cautionary diversion program. Mr Nathan Stirling, as part of his submission, submitted operational policy and procedures for the South Australian pilot project, cautionary diversion program. This same program received favourable mention in other verbal and written submissions. Supposedly, one of the underlying reasons for introducing this Bill is to reduce the increasing number of young people appearing before our courts. This is what the South Australian program is about. The committee recommends that the program should be investigated and, if found appropriate, should be implemented as soon as possible.

The Chief Minister, in her letter to the committee on 19 July 1989, stated that her Government would support the opening of additional youth centres such as the one in Woden, would examine measures to deal with homelessness, and would investigate training and employment opportunities for young people. I believe that the implementation of the South Australian program deserves just as much support as these other worthwhile initiatives. The program should be established as a joint venture by the police, community services and other related groups. Regional offices should be set up in close proximity to police stations or in already established youth centres.

In conclusion, I would like to say that all the written and verbal submissions both for and against the Bill have demonstrated many genuine concerns within the community. But I truly believe that the answer is much more complex than just passing the Police Offences (Amendment) Bill 1989.

This Assembly and the community at large need to have a good, hard look at the recommendations of this committee. I believe that these recommendations should be implemented immediately, regardless of the outcome of Mr Stefaniak's proposed legislation. I would also like to take this opportunity to personally thank the committee's hardworking secretary, Ms Karin Malmberg, who has been most efficient and supportive throughout the inquiry.

MR COLLAERY (8.27): I would like to begin by saying that the committee contains two lawyers. I have opposed Mr Stefaniak on occasion in the local courts, he as crown prosecutor and I as lawyer for the defendant. I would also like to say that that is reflected in tonight's

25 July 1989

proceedings. The statement just read to you and the speech just made by my colleague Carmel Maher were very eloquent. I thought, "There is a lay person speaking about the exact concerns in the community". It was a speech reflecting her own views; the views that she stuck to very solidly, very persuasively and forcefully throughout the life of this short committee. If anyone is to be complimented, apart from the committee staff, I would like to compliment my colleague Carmel Maher for putting up with the detail, the "lawyerisation" and the conflicting pushes and pulls of this committee.

Mr Speaker, this committee and the history of this Bill exemplify very clearly why from day one we should have had a legal and constitutional subcommittee advising this Assembly. This Bill has been pushed and pulled around in the public domain. There have been some very learned submissions and I compliment the ACT Bar Association; the Australian Labor Party, with its very able submission done by my friend Bill Redpath; the Hon. Justice Elizabeth Evatt, President of the Law Reform Commission of Australia; the very quick and well-thought-out submission by the Trades and Labour Council forwarded to us by David Ritchie; the submissions forwarded by the many lay persons and other professionals; and the oral submissions made at short notice by such parties as the Civil Liberties Council.

Mr Speaker, much of that learned information and learned argument was, regrettably, based on what was already shifting sand. The Bill was not what we were written to about. That, once again, exemplifies why we do need a legal screening committee of this Assembly. The suggestions made, for example, by the Hon. Justice Elizabeth Evatt, a great lawyer in this country, went wider than what I would countenance and were based on concepts of Mr Stefaniak's proposal which he had already conceded, under pressure, would change. Similarly, the submission by the Australian Labor Party branch, probably the most learned submission of all to be put to us, graphically illustrated the failure of communication between what would have been a legal and constitutional subcommittee of this Assembly and the legal advisers to the Chief Minister, who, we must concede, is without legal assistance in her ventures.

Mr Berry: We are lucky.

MR COLLAERY: Mr Speaker, Mr Berry says we are lucky. The only difference, of course, is that firemen are paid more than lawyers in this town. The ALP's submission dealt with a number of issues which had already been knocked solidly on the head by me and my colleague Ms Maher. I am sure Mr Stefaniak, who respects above all numbers in this life, would have conceded that at the start.

So really there has been a lot of pointless debate. There has been a lot of breast-beating about the civil liberties issues. I would remind members of the Assembly that the

25 July 1989

Human Rights and Equal Opportunity Commission has amongst its functions the power to examine enactments to see if they are inconsistent with, or contrary to, any human right and enactments and treaties that Australia, as a country with international standing, supports.

Two of the articles of the international covenant on civil and political rights are well known to many people, and the right of peaceful assembly. Of course, that was shortened by the BWIU to "the right of assembly". The right, recognised in international law and supported by this Government and in particular the Australian Labor Party in its federal sphere, is the right of peaceful assembly. Of course, everyone has the right of freedom of association. That includes the provisions of this Bill, which gives the right to picket areas and all those other things, within peaceful constraints. That is the international standard. It is the standard accepted by the Australian Labor Party at its federal level and it is the standard that will be policed by the Human Rights and Equal Opportunity Commission.

If the commission finds that this proposed Bill is inconsistent with those rights, it can come in very hard on this Government and it can ensure that those rights are preserved and corrected. So there are guarantees and back-up mechanisms to ensure that we do not go off the rails in this Assembly, even though we sometimes pass legislation with alacrity.

Mr Speaker, one other issue that became apparent to me and concerned me - and I am speaking as a person, as a member of the committee, not as the leader of the Residents Rally - was the extent of inconsistency in our current legislation in the ACT. Just a few minutes ago I pulled out one of the volumes that we have of local legislation; I presume it is still law. I noticed that, amongst other things, in the Public Baths and Public Bathing Ordinance - I direct this comment to my friend Mr Berry who likes to spend some time in the bath - it is provided that "a person shall not loiter in a public bathing convenience unless he has a reasonable excuse for so doing". It seems that that only applies to one gender. Nevertheless, that provides for a penalty for loitering in a bath. Mr Speaker, the fact is that I can point out to you the many inconsistencies in legislation. I am sure we are not going to see demonstrations about the invasions of civil rights to do with loitering in a public bath.

Mr Speaker, the fact is that the Federal Government proposed to put forward an Australian bill of rights in 1985 and, as quickly, withdrew it. There are many arguments about bills of rights, whether they do not make rights simply confined, prescriptive, and you cannot get out of those and create new rights, but I will not enter that debate. Article 10 of that proposed Australian bill of rights was that every person have the right of peaceful assembly. Australia was going to adopt its obligations in

25 July 1989

international law. That did not go ahead. It would ill behove the Chief Minister, as the Australian Labor Party representative here, to cane the committee of which I was a member for intruding upon rights that the federal sphere had been unable to enshrine in domestic legislation.

Mr Speaker, the Residents Rally had, in its justice policy, the following statement:

The Residents Rally will support the framing of a Constitution embracing accepted concepts of civil and political justice. We believe that some common law "rights", eg, freedom of assembly [amongst others] have become persuasive, rather than prescriptive.

In my contribution to this committee, I have taken the view that the very great objective before this Assembly is to make the law-making of this Territory exemplary, forerunning and vital in terms of the dynamics of society available to us now. One of the regrettable dynamics of society in the ACT is the maladministration apparent to all who sat on that committee and heard the evidence of the liquor ordinance in the ACT. Consequently, my colleague Ms Maher made very clear that she would support this Bill, that there be a sunset clause and that the ACT Administration, and in fact this Government and this Assembly, get their act together and clean that area up and see if we need this Bill after that.

I do ask and I do point out, as a person who above all in this Assembly has been involved in civil rights issues for many years, that a Bill such as this puts civil libertarians on the rack. Of course there may be short-term political advantages to both the Liberal and the Labor Party to see the Rally squirming, but the fact is, Mr Speaker, that no witnesses to the committee were able to give me or my colleague Carmel Maher an answer to a couple of very important questions relating to the safety of women in refuges in particular and a number of other matters. I leave that to persons who will no doubt peruse the report and, I hope, the transcript of the proceedings of the Assembly.

Mr Speaker, one hopes the Bill will not become a cause celebre for the ALP to run an ideological line about freedoms. The Residents Rally claims to hold that beacon anyway and we will compete, for that matter. We will compete with you to say that, far from denying freedoms, we are increasing the right of freedoms in this community. (Extension of time granted)

I was saying that one aspect of the matter was that the prospects for law reform in the ACT will be enhanced if the party sitting opposite me, the Australian Labor Party, looks very carefully at the recommendations of the committee, reads between the lines and understands that from the evidence before the committee - and taking away the hyperbole of some of the advice given to the Chief

25 July 1989

Minister by some of my learned legal colleagues in this town - there is very little threat proposed by a Bill which strikes at three, perhaps four, very defined public acts in defined areas, in circumstances where, for example, there can be a mixture of an objective and subjective test by the constable responsible for breaking up the situation.

Mr Speaker, at my invitation, a witness gave evidence which suggested that he would not have been charged and ultimately convicted of offensive behaviour if he had been asked to move on. In that respect, I could not personally agree at all with the Law Reform Commission proposal to mount this offensive that had to be put forward under section 546A of the Crimes Act.

If any provision has been misused in this town over the years - and I say that respectfully, but having regard to personal experience - it has been that noxious provision that deals with riotous, indecent and offensive behaviour and the like. The police have used that to bring people into custody when they have lacked powers to do anything else with a cheeky, obstreperous youngster who has been happily watching a brawl.

The move-on power in that circumstance might well lessen the incidence of the misuse of that power. I trust that the AFP will take note of my remarks as a committee member. Mr Speaker, I ask that the Australian Labor Party not rush to prejudgment on this Bill; that it not issue any dramatic press release to further excite misinformed opinion in the community about this Bill.

Whatever Mr Stefaniak set out to do, whatever his real motives are - and there is an imputation in the submission by the ALP - I have seen no evidence that Mr Stefaniak was seeking to make political capital in his proposal and it seems to me, having known Mr Stefaniak as an honourable person for many years, that he has a genuine concern for these issues he has put forward. I ultimately differed personally with the structure, although I encouraged him initially and I am happy to be on record as saying that.

Mr Speaker, the crime statistics in the ACT Economic Report, page 27, indicate that crime has not particularly increased over the last three years in the area of offences, including sexual offences. Some of the hyperbole about the increasing rate of crime, of course, is just that. But the fact remains that there are unprotected elements in the community. The shopkeepers at Melba and Rivett said very eloquently that there was a mixed alcohol based problem in their shopping areas.

In the interim, here is a Bill which, ultimately corrected by the parliamentary draftsman and corrected possibly by any other informed advice, can contain the situation until this Government gets control of the Liquor Ordinance and can properly police a number of aspects of the legislation.

25 July 1989

In 1972, I personally refused to continue the instructions from the then Attorney-General, Mr Murphy, to continue a series of raids and gross intrusions on personal liberties and civil liberties in this country. The fact of the matter is that we are increasing, through the efforts of individuals who want to stand up for civil liberties - - -

Mr Berry: Was that when you were in ASIO?

MR COLLAERY: Mr Speaker, I wish to make a personal explanation in relation to that interjection. I have never been a member of the Australian Security Intelligence Organisation. The fact of the matter is that, when individuals come forward in relation to civil rights, the right to shop freely without having to be tripped up and abused by drunks, that is a civil liberty, to be equally protected as the right of unionists to gather outside this Assembly and throw their hard hats at anyone whose speech they do not like.

Mr Speaker, the fundamentals in society are that there must be, at some stage, some compromise between differing factions and this is one such compromise.

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

PESTICIDES BILL 1989

Debate resumed from 29 June 1989, on motion by **Mrs Grassby**:

That this Bill be agreed to in principle.

MR HUMPHRIES (8.43): Mr Speaker, we come now to talk about pests, and I for the time being am the Liberal Party's expert on pests, but I think that all of us in the Assembly have some expertise in this area.

Mr Speaker, the Liberals do not oppose this legislation, the Pesticides Bill. It is quite an important piece of legislation. I think it is timely and appropriate that it now comes before this place, given the emphasis we have put on environmental matters in recent weeks and the importance that it embodies for having a comprehensive and detailed structure in the ACT to prevent the random use of pesticides which are dangerous.

We welcome the general aims of the Bill; that is, to generally regulate the potentially dangerous chemicals of the Territory. We have a number of concerns, however, Mr Speaker, and as a consequence I foreshadow that I will be moving a number of amendments during the detail stage of this Bill.

The Bill sets up a register of pesticides and makes it an offence to sell, supply, use, transport, process or dispose

25 July 1989

of unregistered pesticides. I note that the registrar will be able to issue permits so that pesticides may be used for emergencies or for research. The legislation will allow the registration of pesticides on the basis that they are registered in New South Wales and Victoria.

The Liberal Party's approach to the control of potentially dangerous chemicals and chemical pollution is clear. In the detailed policy statement produced by my party during the recent election - or not so recent election - we said we would give a high priority to controlling the transportation, storage and disposal of dangerous substances. Federally, the Liberal Party pledged to give its full support to the further development and implementation of the national chemicals notification and assessment scheme, which of course has to be backed up by an effective system of sanctions.

We realise that there is in Australia a multiplicity of standards and regulations relating to the use and disposal of dangerous chemicals and pollutants. As I mentioned in an earlier speech on water pollution, the tough anti-pollution legislation of the New South Wales Liberal Government should be seen as a model for this Government to pursue. Indeed, the emphasis of all legislation of this kind should be towards providing uniformity so that people who have, or wish to dispose of, dangerous chemicals cannot do so by moving them from one jurisdiction to another.

I heard stories on the weekend of how United States chemical companies used to dump - and perhaps still do, unfortunately - large quantities of dangerous chemicals which have been banned by the generally more progressive US regulators onto the Australian market because no other market was readily available and unfortunately Australia came to mind. I note that the Minister for Housing and Urban Services, who I regret is not here tonight, has said that the Government has collected potentially dangerous chemicals from the community and will provide for their ultimate safe disposal. I am not sure exactly how that would occur. The Minister is not present, but I hope that the Minister acting in her stead will be able to say exactly how these chemicals are to be disposed of. It is an issue of some concern, needless to say. The disposal of toxic wastes is already causing concern in other States. I applaud the decision of my party federally to meet the establishment costs of a high-temperature toxic waste incinerator on the eastern seaboard.

Mr Speaker, the Bill before the Assembly will effectively allow the use of pesticides in the ACT only on the ground that those pesticides are registered for use in Victoria and/or New South Wales. I understand from the Minister's office that all organochlorides are to be excluded from the register of chemicals; in other words, they will not be lawfully registered. This effectively means that all pest control companies in the ACT will not be able to use organochlorides unless they obtain a special permit.

25 July 1989

The Minister said in her presentation speech, as we call it here:

The registrar will be able to issue permits so that pesticides may be used in emergencies or for research.

There appears to be some conflict here between what she said in that speech and my understanding of the way the Bill will operate. A further complication came with the report in the Canberra Times on 1 July. In that report the author quotes the Minister as saying:

The ACT is the only place in Australia where chemicals like DDT, Chlordane and Dieldrin are allowed...This Bill will bring the ACT into line with the States and remove the risks to our community.

I understand that organochlorides are still used in New South Wales to control termites. I further understand that there are no serious alternatives to the use of organochlorides for termite control and that the so-called alternatives simply do not provide adequate protection against termites. I will quote later from a report that brings that point home. I am sure the Minister, in the paper on that subject, was confusing the issue of controlling pest control companies with the issue of controlling pesticides themselves, and there is a difference.

I have consulted with the Australian Environmental Pests Managers Association on this legislation. That apparently is more than the Minister has done, if her answer on 5 July to a question from Mrs Nolan is any indication. The association has informed me that it is basically happy with the Bill. Therefore, so am I. The Bill reflects, more or less, the New South Wales Pesticides and Allied Chemicals Act of 1978, which appears to be working satisfactorily. However, the association has a concern that the ACT could bring in a blanket ban on organochloride pesticides. This, as I have pointed out, would lead to an unworkable situation, particularly in the case of termite attack.

There was a workshop conducted by the National Health and Medical Research Council on 8 March this year. I am not sure what I was doing, but I do not think any of us were terribly interested in anything other than sleep at that time of the year. Various issues relating to the use of termiticides in Australia were discussed at the workshop, and a number of papers were presented, one by a Mr R. Blackmore of a firm called Velsicol Australia. He pointed out that the use of new alternative termiticides in the USA had led to a six-fold increase in call-backs following application and presumably indications of a control failure. Factors such as soil type formulation, building debris and spillage can significantly influence the rate of such failure.

25 July 1989

Another report, by Dr Watson of the CSIRO, stated:

...the development of alternative termiticides is slow. None of the alternative termiticides for which full evaluation is available offers long-term protection comparable to that given by cyclodines...

Cyclodines include such things as Aldrin, dieldrin, chlordane and heptachlor, which are chemicals I understand it is proposed should be banned under this legislation.

The Minister, as I have said, gave some confusing indications. In her presentation speech she caused unnecessary concern by omitting to mention that pest control companies can indeed get licences to use organochlorides to control termites. Secondly, we find the Minister being quoted in the Canberra Times on 1 July in the way I have indicated, stating that organochlorides would be banned under the legislation. There was no mention made there of the fact that pesticide companies would be permitted to use organochlorides.

Finally, the Minister informed the Assembly, in the answer to the question by Mrs Nolan which I mentioned before, that pest control companies were to be exempt from the provisions of the Bill. I will quote what she said. She was asked by Mrs Nolan:

Why has the Minister failed to consult with the Environmental and Pest Managers Association of the ACT over its proposed pesticides legislation? Does the Minister not realise that this organisation represents many, if not all, the pest control companies in the ACT and that these companies are amongst the biggest users of pesticides in the ACT?

The Minister's reply was:

Mrs Nolan was not at the briefing. If she had heard the briefing, she would have been told that they are exempt from the Bill.

Her words were "exempt from the Bill". She further said, "They are not in this particular Bill".

That is clearly not true. This Bill goes to the use of pesticides - all pesticides - in the ACT. It is simply untrue to say that there is no application or effect on pest control companies when their product, or the product they use principally, is affected by legislation such as this. That is totally preposterous, with respect. No products other than organochlorides are registered in Australian States for controlling termites in building under construction. In spite of our cold climate, apparently termite activity in the ACT is severe. That is one of the reasons why the major centre in Australia for termite control is found at the CSIRO establishment at Black Mountain.

25 July 1989

I note that the association I have referred to requests the sighting of any proposed regulations covering pesticide use before they are implemented. The Minister is not in the chamber tonight, nor is her substitute, but I request him or her - perhaps he or she is listening - to make an undertaking to provide that consultation with that organisation and any other relevant organisations before those regulations are put in place.

I want to make a few brief comments in the time left to me about some aspects and details of the legislation. As I have said, I will be moving amendments later. Clause 7 of the Bill provides for the appointment of a registrar of pesticides. Members would note in looking at that, that there are no qualifications attaching to the position of registrar of pesticides. That is a somewhat surprising omission, I would have thought. The Minister appoints that person and that person may indeed have to from time to time make some very technical evaluations. Clause 28(3)(b) of the legislation, for example, refers to the assessment by the registrar of "whether the research could effectively be carried out without dealing with a specified pesticide".

Clause 7 requires that a public servant must fill the position of registrar of pesticides. I would hardly imagine that a person who is merely a public servant - with respect to public servants - would be able to form judgments of that kind. It may be that there will have to be some reference to people with qualifications to make those decisions. I do not understand why, if that is the case, persons of such qualifications could not themselves be appointed as registrar of pesticides.

Clause 14 is a matter of concern. Members will note, in clause 14(i), that it is an offence not to notify when a person discovers that a detail on the register is not accurate in a material respect. There is a penalty of \$1,000 for failure to do so. I will make comment on that particular provision later, by comparison with the police powers Bill which was discussed earlier tonight. Yet, later, in subclause (ii), the notice that a person is compelled to provide, it says "or must be accompanied by the determined fee".

So there is a penalty for not complying with a requirement that you notify the registrar of changes or inaccuracies in the specification of pesticides but, when you do so, you have to pay a fee. I hardly think that providing for penalties if people comply with legislation is a terribly good idea. I note, Mr Speaker, that clauses 64 and 65, which provide for the appointment of inspectors and analysts, again have no technical requirement. Anybody at all could be appointed. I could be appointed; the Minister could be appointed; and neither of us has any qualifications for performing those roles. That is a matter of some concern.

25 July 1989

Briefly, search warrants are provided for in clause 70. I am a little perplexed by the way that particular clause is worded. It states:

Where an inspector suspects on reasonable grounds that there may be, or that within the next following 28 days there may be, on any premises, a thing of a particular kind connected with a particular defined offence, the inspector may...apply for the issue of a warrant to search the premises for things of that kind.

What is the point of applying for a warrant for things which the inspector does not yet believe exist, or does not believe exist on those premises? That is only a small point, and I will not press that.

Mr Speaker, as I mentioned, there are other amendments I would like to move in the detail stage of this Bill. They relate to matters of some significance, but I will refer to those when we come to that stage of the debate.

MR BERRY (Minister for Community Services and Health) (8.58): First, I wish to congratulate Minister Grassby for her prompt action, and the action of her department, in bringing this legislation to the Assembly. The legislation clearly demonstrates the determination of this Government to protect the environment. I think members would agree with that, because here we are, in the very early days of this Government, with a significant piece of environmental protection legislation before the Assembly.

Members, I am sure, would also agree with the observation that it is deplorable that such legislation has been so long in coming. The ACT has long been the only territory or State in Australia without legislative control over pesticides. Considerable criticism has been directed at the Territory because of this. Clearly, that criticism has been warranted, and I think this is another of the great benefits demonstrated by the introduction of this Government to the Territory. It is significant that the first Government of the Territory has brought very important environmental protection legislation to the Assembly. But the most important thing about this legislation is that it will bring the ACT into line with the States. There can no longer be any further criticism about the way we manage the environment in this Territory in relation to the control of pesticides.

By enacting this legislation, the Minister would be able to introduce badly needed controls over the use, storage and disposal of pesticides in the Territory, because it has been Rafferty's rules to date. Of course, the significant dangers to our environment are well known. The television show talked about by the earlier speaker demonstrated clearly the flow of very dangerous pesticides outside the United States, significantly to Australia, requiring strict

25 July 1989

controls over them if the environment is to be protected. By enforcing these controls, this Government would be able to remove the potential danger to public health and the environment.

I will now go to a point raised by the previous speaker in relation to the users of these pesticides. The Act will not directly control the commercial application of pesticides by pest control operators; that is clearly not the case. It talks about storage, and those sorts of things, but it does not talk about the application of the pesticides.

The direct control will be covered by separate legislation, which will be administered under my portfolio and ACT Community Services and Health. This Act, this legislation which I have referred to under the ACT Community and Health Service, will affect the way in which pest control operators function. Those operators will only be able to use registered pesticides, the use of which will have to be strictly in accordance with the approval label or the conditions endorsed on any restricted permit.

I think members would agree that the implementation of strict legislation of that order would ensure that there were no unsafe practices. One would be where an untrained or perhaps unqualified operator sprayed very dangerous chemicals in windy conditions, having no regard to passers-by and to the environment generally.

The storage of pesticides will only be approved under the legislation before the Assembly in approved facilities. This will mean that commercial quantities will not be stored in residential areas. I think that is a very important issue, because residential garages can become cluttered with all sorts of nasty chemicals, pesticides and garden materials, which can be a hazard over a long period.

My former employ, which Mr Collaery assures me was better paid than that of the legal profession, put me in a situation, at times, where I was exposed to these sorts of pesticides.

I can assure the Assembly that even though it was alleged to be highly paid, at those times the payment did not seem enough. In any event, the ad hoc storage of pesticides and dangerous chemicals in household garages is an area of concern. This legislation will tidy up that aspect.

The Act will also require that the disposal of surplus pesticides and used containers be carried out in an approved manner which is environmentally safe. I think that deals with the question the previous speaker raised during his speech. The Act does require the safe disposal of pesticides and used containers in an environmentally safe way.

25 July 1989

I am sure that this Act will be welcomed by reputable professionals in the pest control area, many of whom have made representation for such controls to be introduced. I think this will be welcomed by those professionals and by the members of the ACT community. In particular it will be welcomed by those members of the community who are sensitive about environmental issues, as we all should be. Mr Speaker, I urge the passage of the Bill without amendments.

MR MOORE (9.06): It was great to hear Mr Berry's more voluminous speech after he got fired up. The environmental issues coming with this Pesticides Bill are, of course, particularly important to the Rally and they should be important to each member of this Assembly. To have chemicals of the type discussed earlier used freely within the ACT can only, in the long term and the short term, damage our environment.

It is very important that we have the ability to control the pesticides and the types of chemicals being used to control pests. It is equally important that, when these pests need control, we have access to those pesticides and chemicals for emergency situations or for research. This Pesticides Bill provides for those particular situations.

I notice that each member who has spoken on the Bill tonight has an hirsute face. I presume the reason for that is that they have probably had trouble with pests under these sorts of circumstances. It is an offence under this Bill to store, supply, dispose of, or use any of the particular substances put on the register except with a permit. It is that permit we may have some concern with and we will be very interested to see how that permit situation works.

It is for that reason that we have become concerned with the reporting of the registrar. I draw attention to the amendment that I have proposed to the Bill and foreshadow that amendment so that there is a requirement to report annually and so that the report can be monitored by this Assembly. It is perfectly satisfactory for that report - which I have suggested should go to the Minister - to be part of another report going to the Assembly from the same department. Nevertheless, it is important that there be a requirement that the registrar report to this Assembly about the amount of pesticides being used in the ACT.

We will have a very good control mechanism. We will know how much pesticides are being used, the sorts of areas in which they are used, the methods of use, and the reasons for their use. It is appropriate that the elected representatives of the people make a judgment as to whether or not pesticides are being used appropriately and advise the registrar accordingly.

It is particularly important that the ACT align initially with the nearby States so that we do not become a centre

25 July 1989

for the procurement of pesticides that are not being used in other States. It is heartening to see that the Minister has put forward this Bill in order to achieve that goal. It is also heartening to see that the whole approach of the Bill is to ensure that it is cost-effective or self-funding. The Rally is particularly pleased to see that it is being done this way and that the proposed registrar is actually a public servant who already has other duties. He will therefore be able to carry out these duties in addition to his own at no extra cost to the community. At the same time, there will be a particularly big saving to the community in terms of the environment and the sustainability of our ecosystems. Within the limitations of that amendment which we will propose at that stage of the Bill, the Rally is quite prepared to support the Pesticides Bill 1989.

MR WOOD (9.11): Mr Speaker, I join my colleagues in the Assembly in rising to support this Bill. The Australian Capital Territory has, for too long, been the only State or territory without such legislation. Quite properly, the provisions of this Bill are strong. They will ensure that, in future, the ACT will not be in a position, through misuse of the provisions, to see a repeat of a not too recent scare regarding pesticide residues in meat when the USA stopped importing our meat.

The point has been made that the ACT has been a loophole through which it has been possible for people in other States to buy pesticides they could not legally acquire in their own area. So this legislation is very valuable now that that loophole is being closed. It is not just primary producers or other people who can misuse chemicals. I guess, as a gardener, I have misused chemicals in years gone by. I have been a little more careful, I think, in recent years. But whether you are on the land or in your back garden there is sometimes a willingness to use materials that perhaps we do not know enough about. I am not trained in chemistry. I can read information on labels and it does not mean a thing to me. So dangerous chemicals ought to be kept well out of my hands.

I think there is also a tendency for people, from time to time, to overuse even safe chemicals and to put in a little bit for good measure. I may have been tempted in the past to do that with the paspalum on my front lawn, but I am sure it has not done an extra thing; it is still there. It is true that we have to be extraordinarily careful with the chemicals we use, even those deemed to be safe.

To put this effective legislation into place, the Bill allows for a registrar who, presumably, if not qualified precisely in that area, will be capable of taking very good advice. He or she will be appointed to carry out the provisions of the Act. There will also be inspectors who will be well-placed and well-qualified to enforce the Act.

25 July 1989

To date in the ACT the environmental protection section has made residents aware of the environmental dangers of pesticides banned in other States for some time now. Substantial amounts of those chemicals have been handed in on a voluntary basis and we well remember those various campaigns. The officers involved in this work will now have the backing of law. That is necessary. I am sure that most people will want to comply with the provisions. They will be concerned to protect their environment and to protect themselves and their families, because we can all be affected.

It is the nature of life that measures of policing are inevitably necessary, and this Bill has those measures. Members will note from the legislation that for pesticides banned in New South Wales or Victoria there will be a period of 21 days in which it will be advertised before the relevant sections of this Act become operational. This period will give an opportunity for the remainder of the chemicals in Canberra to be handed in within that time frame.

I am informed that chemicals surrendered voluntarily during this period will not require compensation, but returns made under directions subsequently will attract compensation. The legislation proposes that the assessment of the amount of that compensation will be quite strict but just. I expect, however, that since these chemicals will have been banned or restricted elsewhere they will not now have a high commercial value.

The legislation aims to see that chemicals are handed in and not used, tipped down the drain, or dumped. We must be sure that these dangerous chemicals are taken out of the system for the long-term protection of the environment. It would be quite disastrous if some of these very toxic chemicals were not properly disposed of. Again, I expect that people will want to do that in a voluntary way.

Most of the chemicals expected to be collected will be organochlorines or arsenic compounds. We know that, at present, there are no appropriate facilities in Australia for disposing of these. We note the comments that have been made about the provision of a high-temperature incinerator to dispose of such chemicals. I guess there would be considerable difficulty in finding a site for such an incinerator. I understand that, in the meantime, the registrar of pesticides will arrange for safe storage of the chemicals whilst awaiting the provision of that incinerator.

In order to ensure that pesticides are properly assessed, it is a condition that they be registered in New South Wales or Victoria before they can be included in the ACT register. That is a very sensible idea; it means that amongst other things, we are not involved in any expensive mechanism for evaluating those chemicals. I know that the Government will continue to be represented on the

25 July 1989

appropriate national technical committee on agricultural chemicals which provides a coordinated forum for continued assessment of new and old pesticides. Mr Speaker, I am happy to have been in this chamber and to have played some role in the passing of this legislation.

MR COLLAERY (9.19): Mr Speaker, I wish to make two brief comments. Clearly, the registrar must be enjoined by this Assembly to keep his or her information register up to date with the latest information from overseas in relation to the chemical properties of substances. One presumes that this Government is not going to create this position without ensuring that the person who is to carry out the duties does not have the fullest library and the fullest abilities to ensure that noxious substances and all those other matters are brought quickly to the attention of the ACT public.

Mr Speaker, section 72 of this Bill provides that:

Where a sample of pesticide is taken under section 71, the Territory shall -

that is mandatory -

compensate the owner.

I simply draw attention to that provision and question why, when there is a malefactor, a person with a pesticide that is prescribed, which may have been lawfully brought to the Territory but which is not lawfully here, the Territory is obliged, from public revenue, to compensate the owner of that forbidden substance. Admittedly it may not be known to be forbidden at the time of the taking of the sample. Why are we obliged to give compensation? Should that provision not have been worded to provide that compensation shall be payable upon request?

It would be unlikely that an owner who is likely to face prosecution would be requesting at the same time compensation for the cost of the sample that is going to be tendered in evidence against him. It seems bizarre, Mr Speaker but, given the fact that we have only just noticed that this evening, I will not press for any amendment at this stage.

Questioned resolved in the affirmative.

Bill agreed to in principle.

Detail Stage

Clauses 1 to 18, by leave, taken together, and agreed to.

Clause 19 (Grant)

25 July 1989

MR HUMPHRIES (9.22): I have amendments to move to clauses 19 and 28 which are similar. Firstly, I move in relation to clause 19:

Page 11, omit paragraph (3)(c).

These parts of these clauses require that, in order to obtain permits - in one case, a research permit and, in another case, a permit to use unregistered pesticides - a person has to satisfy a number of conditions. One of those conditions is that he or she is, in the opinion of a public servant, "a fit and proper person to hold a restricted permit" or "a research permit", as the case may be.

The term "a fit and proper person" causes the Opposition some concern. Is it meant that the person has had some previous experience with pesticides? Is it intended that he or she has some particular qualifications before coming to use those particular pesticides? Is it meant that, if the public servant concerned is not particularly friendly or does not like the look of the face of the person concerned, a person is not a fit and proper person?

I can see no reason, Mr Speaker, why this Bill should endow a public servant with the capacity to decide, on a very nebulous basis, that a person is not a fit and proper person to hold a restricted permit. Rather, I would say that the Government should produce conditions within this clause which clearly set out the grounds on which it wishes to refuse an application for a permit.

I have had some possible situations put to me; for example, the person concerned does not understand the full nature of the pesticide he or she is going to use; the person concerned is feeble-minded; the person concerned is a notorious breacher of equivalent legislation in other States.

If the Government is concerned about these things it should say so expressly. It should not provide to a public servant a blanket right to say, "You, sir" or "You, madam, are not a fit and proper person to hold a permit of this kind". It is simply too vague. As I understand it, the Senate Standing Committee on Scrutiny of Bills is attempting to weed out these sorts of blanket administrative discretions and I see no reason why a discretion of that kind should be administered in the ACT. I do not believe that people should have to run the gauntlet of the whims of a public servant in order to be able to obtain what, in some cases, will be necessary to carry out their livelihood under this Act.

There are other provisions within these clauses that impose heavy restrictions on people making applications. I see no reason why they should not be similarly set out in the case of other conditions that might apply to a person who wishes to apply.

25 July 1989

MR WHALAN (Minister for Industry, Employment and Education) (9.25): Mr Speaker, these two amendments are not acceptable to the Government. We will be voting against them and urging other members of the Assembly to support the Government in this particular matter. I am sure, Bernard, if you had an open mind on the matter, I would be able to convince you and I shall try to do so.

Mr Collaery: I am all ears.

MR WHALAN: I have heard that about you, too. The fact of the matter is that the two sections relate to two quite important areas of this legislation. Clause 19 relates to a special permit - usually in a commercial situation - to use a chemical. In most cases, that would be a chemical which was established in use, but on the register of - - -

A member: No, it is not on the register. It would be unregistered chemicals.

MR WHALAN: Sorry; or it might be unregistered. Definitionally, we would expect that that would be extremely toxic and it would have a lasting effect on human health and/or the environment. So, in the circumstances where we are dealing with dangerous chemicals which are acknowledged as such, it is not unreasonable, and the Government urges that it is not unreasonable, to have the registrar consider whether the applicant is a fit and proper person.

Notwithstanding what the Senate Regulations and Ordinances Committee might think about these sorts of things, I think it is appropriate in these circumstances. So, under a restricted permit, the registrar should consider whether the person had previous convictions under this legislation or under similar legislation; whether the applicant has a history of mental instability, for example; and whether or not the person is competent to handle or to use the pesticides in a responsible and safe manner. Those are all elements which would go towards establishing whether that person was fit and proper.

Clause 28 would apply to a scientific application. It is clear that these are new chemicals and there would be very little historical information. Earlier, Mr Collaery referred to the registrar being a person who would have a vast library of information and all resources at his disposal but, of course, in the case of new chemicals these would be untested. For that reason, with the lack of historical information, it would be quite likely, and indeed probable, that such chemicals would be likely to be toxic. We would have no idea of the long-term effects on human beings, animals or the environment. In those circumstances, yet again it would be appropriate that the registrar be entitled to apply the same tests in relation to "fit and proper person" as we mentioned in relation to clause 19.

25 July 1989

MR COLLAERY (9.29): Mr Speaker, the Rally believes it is completely open-minded on whether the registrar should be a 'he' or a 'she' and I assume that was a slip by the Deputy Chief Minister.

The Rally takes the view that the concerns raised by Mr Humphries exemplify the need for a legal and constitutional screening of Bills before they come before this Assembly. The concerns that Mr Humphries raises, in the Rally's view, are correct. The Administrative Review Council of this country has said, time and time again in recent years, that broad discretions must be - - -

Debate interrupted.

ADJOURNMENT

MR SPEAKER: Order! It being 9.30 pm, I propose the question:

That the Assembly do now adjourn.

Mr Whalan: I require that the question be put forthwith without debate.

Question resolved in the negative.

PESTICIDES BILL 1989

Debate resumed.

MR COLLAERY: The Deputy Chief Minister has indicated that the Government opposes the amendments principally because of the importance of the provisions and presumably because of the importance of ensuring, as my colleague Mr Moore has pointed out, that someone who has been convicted and dealt with under similar legislation interstate cannot simply come here and set up shop. We saw that occur with 'Fluffy Harry', or whatever his name was, and the asbestos activity.

Mr Speaker, the Rally endorses what Mr Humphries has said but, given the importance of the legislation and the undesirability of leaving a gap in the law in that crucial area, will oppose that amendment. However, it points out again to the Government and to this Assembly, with respect, the need for legal pre-screening of these Bills and the need for the draftsmen of these Bills to have due regard for the recommendations of the Administrative Review Council and the other body in the other house in terms of the granting of untrammelled discretions to discretionary holders, particularly single public servants.

25 July 1989

Finally, the Rally is aware that there is provision for administrative review in clauses 80 and 81 of the Bill. Therefore, in the absence of any proper criterion to be laid down by the draftsman, one hopes, regrettably, that if there is an appeal or request for review under that provision or under clause 28, the ground rules will be laid down, at considerable cost to the community, by a probably unnecessary hearing before the Administrative Appeals Tribunal. Such a hearing may not have been necessary if the draftsman had put in the clear guidelines sought by my colleague Mr Humphries.

Amendment negatived.

Clause agreed to.

Clauses 20 to 27, by leave, taken together, and agreed to.

Clause 28 (Grant)

MR HUMPHRIES (9.34): I move:

Page 14, omit paragraph (3)(c).

Amendment negatived.

Clause agreed to.

Clauses 29 to 76, by leave, taken together, and agreed to.

Clause 77 (Certificate evidence)

MR HUMPHRIES (9.35): I move:

Page 33, line 15, subclause 77(1), after "is" insert "prima facie".

The intention of this amendment is to provide further protection for people who may be facing proceedings under the Pesticides Act, as it then will be. In particular, members will note the addition of the words "prima facie" before the words "evidence" where they appear in subclauses (1) and (2).

The effect of that amendment is, Mr Speaker, that it puts beyond any doubt that where a person is facing proceedings in a court and the registrar produces a certificate saying that, for example, certain chemicals are as labelled - that is, that they are dangerous chemicals which have not been registered under the Act - the person concerned does have the right to challenge that evidence in court if he or she believes it is appropriate.

This is not meant to open up great volumes of litigation or to otherwise slow down the process of dealing legitimately with people who have breached the provisions of this Act. It is meant to provide a clear protection for people who might, in certain circumstances, be the victims of a

25 July 1989

mistake on the part of a public servant. It is possible sometimes that the registrar will make mistakes; we all make mistakes. It is possible that if this occurs here and the registrar signs a certificate which is inaccurate, without a provision such as this it might be the case that some courts would say, "I have no power to review this evidence. I must accept this evidence and therefore I will not provide any challenge to this evidence".

Subclauses (5) and (6), which I have put forward here to add to that clause, amplify that protection. I am aware of advice from the Minister's advisers - and I thank them for their helpful assistance today - that provisions of this kind are not necessary; they can be read into the clause, or similar provisions can be assumed into the clause. I accept that there is a view that that is the case. I have not seen any conclusive evidence that that is the case, that there is irrefutable legal or common law opinion that this should be the case. In the absence of any such evidence, I urge the Assembly to consider whether it should not make it clear in the legislation at the outset, and make clear that citizens who face prosecutions in these circumstances have certain rights to prove that certain chemicals are not as the registrar claims they are. It does not mean that the citizen's word is taken over that of the registrar; it simply means that the issue is opened up for a legitimate contest in a court of law, which is to date our best means of determining issues of this kind.

MR WHALAN (Minister for Industry, Employment and Education) (9.37): Mr Speaker, the Government opposes the amendments. The proposed amendments to subclause 77(1) and (2) to include the words "prima facie" we would suggest are unnecessary as the words add nothing to the provision. With or without the phrase, the evidence would be given, whatever probative value a court chooses to attribute to it, and it may be rebutted by contrary evidence the court found more persuasive. In order for evidence to be conclusive, a provision must make express reference to the evidence being conclusive. We urge the Assembly to oppose the amendment.

MR COLLAERY (9.38): Mr Speaker, the Rally does not support the amendment. In discussion with my colleague Mr Moore, he has informed me of the comments that the Deputy Chief Minister has just made. The Rally takes the view that to import the words "prima facie" may extend litigation unnecessarily. The magistrate or the judge has an inherent jurisdiction to ensure that there is no miscarriage of justice. They have always had that, as my colleague Mr Humphries will concede. To create a lesser standard of proof in a matter that is merely dealing with the certification of documents would create a situation which one could parallel by example. In the magistrates court, as my colleague Mr Stefaniak well knows, certificates are tendered constantly as to the readings on breathalyser machines. If we interpreted "prima facie" before the relevant clause, as my colleague Mr Stefaniak knows, we could lengthen quite a bit of litigation in this city.

25 July 1989

So the Rally does not support it. It supports the comments of the Deputy Chief Minister and adds that no real purpose would be served, other than to present lawyers with a possible ability to extend defences in unmeritorious cases.

Amendment negatived.

MR HUMPHRIES (9.40): I move:

Page 33, line 31, subclause 77(2), after "is" insert "prima facie".

Amendment negatived.

MR WHALAN (Minister for Industry, Employment and Education) (9.41): I move:

Page 33, line 33, after "Subsection" insert "(1) or".

The words were omitted during the drafting, and we would seek the indulgence of the house to have inserted before the word "(2)" the words "(1) or". So it would read "Subsection (1) or (2) only applies if a copy of the certificate".

MR HUMPHRIES (9.42): Mr Speaker, I have been convinced by the eloquence of the Minister's remarks, and the Opposition will support this amendment.

Amendment agreed to.

MR HUMPHRIES (9.43): Mr Speaker, I move:

Page 33, at the end of the clause add the following subclauses -

"(5) Subject to subsection (6), where under subsection (1) or (2), a certificate of the Registrar or an analyst, as the case requires, is admitted in evidence in a proceeding for a defined offence, the person charged with the offence may require the Registrar or analyst, as the case requires, to be called as a witness for the prosecution and the Registrar or analyst may be cross-examined as if he or she had given evidence of the matters stated in the certificate.

"(6) Subsection (5) does not entitle a person to require the Registrar or analyst, as the case requires, to be called as a witness for the prosecution unless -

- (a) the prosecutor has been given at least four days notice of the person's intention to require the Registrar or analyst to be called; or
- (b) the Court, or order, allows the person to require the Registrar or analyst to be so called."

25 July 1989

The amendment amplifies the comments I made earlier about prima facie evidence. It sets out, in fairly succinct terms, the circumstances and the rights that a citizen facing a prosecution of this kind would enjoy. I think that it makes it clear beyond any doubt that a person facing prosecution can call the registrar or an analyst, as the case requires, to the witness box and can cross-examine him or her on the evidence that he or she has put forward. In all the circumstances, I think it only provides for a better circumstance where the information that has been contested in the court can be properly brought to light, properly argued over and properly adjudicated on by the court. I think anything less than that is a dangerous dereliction of our duty to people who face prosecutions of this kind.

MR WHALAN (Minister for Industry, Employment and Education) (9.44): Mr Speaker, the Government opposes this amendment. I refer the members of Assembly to subclauses 77(1) and 77(2). These subclauses provide that the certificate, in the first case signed by the registrar, and in the second case signed by an analyst, shall be evidence of the matters that are contained within the certificate. So it is a categorical statement that the certificate is the evidence that is contained within the certificate.

Now to proceed with this particular provision negates the provisions of subclauses 77(1) and 77(2). We would submit that it removes the discretion of the magistrate or the judge in relation to the way in which he wishes the case to proceed. It might even be suggested that it presumes that the analyst and the registrar may not be appropriately skilled, so we would urge that the amendment be rejected.

MR COLLAERY (9.45): It is breathtaking, Mr Speaker, to hear the Deputy Chief Minister talk about removing discretions and liberties, having regard to debate earlier in the chamber. The Rally supports the amendment proposed by Mr Humphries. The Rally takes the view that that amendment cures and achieves what Mr Humphries was seeking with his earlier amendments because the power to cross-examine is unlimited in amplitude and of course the cross-examining attorney can ask the registrar what he or she likes about how the registrar is discharging his or her duties, the accuracy of certificates, and the like. So, Mr Speaker, the provision is only fair. It gives you the chance to have before you in the box to be cross-examined your accuser. It is quite fundamental and it is a proper amendment, in the Rally's view.

Amendment agreed to.

Clause, as amended, agreed to.

Clauses 78 to 81, by leave, taken together, and agreed to.

Proposed new clause.

25 July 1989

MR MOORE (9.46): Mr Speaker, I move:

That the following new clause be inserted in Part X of the Bill:

Annual report

"81A.(1) The Registrar shall furnish to the Minister for presentation to the Legislative Assembly a report relating to the activities of the Registrar during each financial year.

(2) The report in respect of a financial year shall be furnished to the Minister within 3 months after the end of that year.

(3) The Minister shall present a copy of each report to the Legislative Assembly within 6 sitting days of the Assembly after the day on which the Minister receives the report."

The clause is with reference to reporting. I believe it is important that, whenever we have a Bill passed, reporting to this Assembly be a compulsory and important part of the particular task of the Bill. In the case of the Pesticides Bill, I think it is important for the elected representatives of the people to ensure that they know exactly to what extent dangerous chemicals are being used and the costs that have been involved in their restrictions and their use.

I hasten to add that this does not suggest that there be a separate report to the Minister or the Assembly. I quite accept that it could well be done as part of another report - for example, to the Office of City Management. It could be done as a subsection of a report like that. I believe that it is important that this Assembly put a requirement on officers who are in charge of important areas to report, and to report within a reasonable time so that the report is not old hat by the time we have it. For that reason we have suggested the amendment that members have in front of them.

MR WHALAN (Minister for Industry, Employment and Education) (9.47): Mr Speaker, the Government would put to Mr Moore that we do not necessarily wish to oppose this proposal, because it is a matter which is under review by the Government at this point of time - it is a question of reporting. We would like to put to Mr Moore, through you, Mr Speaker, the proposition that he consider withdrawing his amendment temporarily, and the Government would undertake to support this matter being considered at a later time. The reason we do that is that we presently have under consideration a very similar amendment in the recommendations of the Select Committee on Occupational Health and Safety. The Government has its report under active consideration, and it wishes to determine - - -

Mr Kaine: Under active consideration? That means it is in the bottom drawer, not underneath the carpet.

25 July 1989

MR WHALAN: It is under active consideration, Mr Leader of the Opposition. The sorts of things that we will take into account, of course, in the question of reporting are that we cannot ignore the fact that once you put in a provision to report you will find that the registrar will look at it and decide he has to prepare a report - - -

Ms Follett: He or she.

MR WHALAN: Sorry; he or she. Thank you, Chief Minister. It is very late, and it has been a long day. He or she will decide that there will have to be a glossy report, but it all takes time and it all takes money. I think it would be far better to have a firm policy. We would like to consider it as part of our general examination of the annual reporting issue, and this exercise would include examination of the need to complement the existing annual reporting provisions contained in the Audit Act with legislation covering Executive departments and non-corporate Territory authorities. We are appealing to Mr Moore, and if he will consider withdrawing it we will give a firm, unequivocal guarantee that we will support the matter being raised again, once we have reported on the general question of reporting.

MR HUMPHRIES (9.50): Mr Speaker, I am very pleased to see that the Minister for Industry, Employment and Education has this matter under active consideration; that is a good sign. But I have to say that, if in doubt, we should err on the side of providing for full accountability; that the registrar, being the holder of a statutory office, ought to be accountable to people in a public fashion for the way in which he discharges his duties, particularly duties of the kind set out in this Bill, which affect the lives and the livelihoods of farmers and people who run businesses dealing with pests. For those reasons, he ought to be accountable and ought to be publishing an annual report indicating how his activities have affected the lives of those people.

Maybe we will have to come back at some later stage and go through the burdensome process, at some other late night session, of removing this provision because some alternative method of reporting has been arranged, but I will be happy to do that because I believe in the meantime the people of the ACT should have the protection of annual reports.

MR JENSEN (9.51): Mr Speaker, I would just like to pick up one point raised by the Minister for Industry, Employment and Education in relation to the glossy reports and the cost of reporting. I would suggest in cases like this and other cases it is not necessary to have glossy, expensive reports to enable the matter to be raised. In view of the Chief Minister's policy - and I do not wish to be flippant in relation to this - I am sure it will be appropriate for the type of report which is required and which will get the message across to be provided in a non-glossy form and preferably on recycled paper.

25 July 1989

Proposed new clause agreed to.

Clause 82 (Power of Minister to determine fees)

MR HUMPHRIES (9.52): I move:

Page 36, at the end of the clause add the following subclause:

"(2) At the same time the Minister causes the tabling in the Assembly of any determination of fees made pursuant to this section, the Minister shall also table -

- (a) a document itemising each of the costs which the Minister estimates will be incurred in carrying out or giving effect to this Act, during the financial year in which the determination is made, and the next succeeding financial year; and
- (b) an estimate by the Minister as to the amount that will be collected during the financial year in which the particular fee is determined, and the following financial year."

This provides for certain provisions that deal with the costs incurred each year in the operation of this legislation and the registrar's activities, and the amount collected by the Government each year from the fees referred to in clause 82.

I am sure that the Government will warmly embrace this amendment as a step in the direction of open and consultative government. It provides that the Assembly and the public in general should have the capacity to monitor the extent to which the Government is keeping to undertakings it makes - in this case, that it will use the fees referred to and determined by the Minister under clause 82 only to recover the costs of administering the legislation, and nothing more.

If it were the case that the Government had a change of heart, which of course is entirely hypothetical, and decided not to tell us that it was going to collect fees at such a level as to raise general revenue from them, we would not know about that because nowhere in the budget papers - and I am sure my colleague Mr Kaine will confirm this - does it tell us exactly how much money will be raised by the collection of fees under the Pesticides Act. Nor is there any line item which says how much it will cost to administer the Pesticides Act or how much money is to be spent on the activities exclusively of the registrar of pesticides and the analysts and inspectors appointed under him.

It follows that we just do not know whether the Government is keeping to its undertaking to use only fees which it collects to pay the costs of this Bill, and nothing more. This amendment merely adds a new subclause which requires the Minister to table a document setting out, not in any

25 July 1989

great detail, not in any great authoritative and definitive fashion, approximately how much it costs to provide the services of the legislation each year and, alternatively, how much money is raised from it each year, so that the Assembly and the public can assess whether a linking up of the two has occurred and whether the user pays principle is being applied or whether the Government is generally using such provision to raise additional revenue without telling people.

MR WHALAN (Minister for Industry, Employment and Education) (9.55): Mr Speaker, I would like to take the Assembly back to the previous amendment which was adopted, and that related to the question of reporting. In discussions with Mr Moore earlier, he indicated that it was his intention to ensure, wherever possible, that every piece of legislation incorporated a section which provided for reporting and that this was part of the process of open government. We in the Government probably could not object to the principle that underlies that sort of approach, but we would dispute the practicality of it.

There is a certain relevance to this proposal, as there was to that previous one, because one wonders whether, if we are to include this sort of provision in this piece of legislation, we are to do it in relation to every other piece of legislation which comes before the Assembly or, indeed, which is amended through the Assembly in the course of its business.

What clearly is the intention of the Government in relation to these sorts of charges? There is no intention by this Government to levy charges under this legislation to do more than recover the costs of implementing its provisions. To suggest that this sort of legislation would be used as a general revenue measure is quite bizarre. These charges fall into the category of a series of charges which applies in a whole range of legislation.

So the amendment is opposed as a matter of principle. It effectively hypothecates revenue raised under the Bill to cover expenses incurred in its operations. As I said, such an approach could be applied to any amount of legislation and thus would constrain governments in the way they apply their revenue. This would be completely unacceptable, and for that reason the amendment cannot be agreed to.

MR COLLAERY (9.57): Mr Speaker, the Residents Rally supports the amendment proposed, on the basis that it adds to open government. The Rally believes that the provisions of this amendment will enforce upon a Minister before he or she imposes a cost, and upon his or her advisers, the intellectual exercise of ensuring that it will not cost more to collect a fee, as we saw with the preschool fee, than it would to impose it or vice versa.

Mr Speaker, the Rally interprets broadly the wording of paragraph (a) of subclause (2), "a document itemising each

25 July 1989

of the costs", to mean - and I say this on the record in terms of the extrinsic value available to someone interpreting this in the future - a document identifying the costs which the Minister estimates will be incurred. It is not suggested, the Rally presumes, that the Minister be a clairvoyant and work out what all the individual possible costs would be, in itemised form, of carrying out or giving effect to the Act, such as the use of cars to go out and inspect premises, the amount of petrol consumed and all the rest.

The words "itemising each of", the Rally believes, could be better served by a document identifying the costs, but it is up to the mover of this amendment to decide whether that is appropriate. As for paragraph (b), Mr Speaker, it is proper, given the experience with the preschool fee, that a Minister puts his or her mind to the amount that could prospectively be gained out of establishing a new fee regime, to be administered, obviously, by more public servants.

MR BERRY (Minister for Community Services and Health) (9.59): Mr Speaker, I rise just to draw to the attention of members, who will shortly vote on this amendment, an issue, and I do it with some trepidation because I do not want to tangle with those on the other side who describe themselves as learned colleagues. In the first place Mr Moore moved, and successfully had included, an amendment which required an annual report to be submitted to the Assembly, which, of course, one would expect to deal with costs and so on and the activities of the organisation structured under the legislation. Then Mr Humphries moved to include a further new reporting mechanism about fees and costs. It strikes me that in both of those reports there will be an element describing the costs of the double-up on reporting processes required under the legislation.

A member: They will have to itemise the costs of itemising the costs!

MR BERRY: Indeed. It just seems to be doubling up on the reporting process. One can accept that there is a need for reporting, but even in the interests of open government there is a limit to the amount of reporting one needs in order to have it properly found to be open.

MR HUMPHRIES (10.01): Mr Speaker, I do not know that this is entirely regular and, if it is not, I seek leave to do it, but I indicated that I would make a small amendment to this clause as it appears printed, and I would also like to make a couple of other amendments at the same time, one of which I think will please the Government. In the third line of the amendment I propose to delete the word "also"; I understand it is redundant in the circumstances. The next two paragraphs should be numbered, to be consistent, (a) and (b), not (i) and (ii), and I will make those amendments.

25 July 1989

Ms Follett: Well, that changes everything!

MR HUMPHRIES: Sarcasm is the lowest form of humour, Chief Minister. The third amendment is in the first line of paragraph (a). I propose to put the word "approximating" rather than "itemising" following "a document". I hope that will please the Government a little.

MR SPEAKER: Is leave granted to amend the amendment?

Mr Moore: No.

MR HUMPHRIES: Mr Speaker, another amendment has been suggested to me by my colleague Mr Duby - - -

Mr Moore: Sorry; we have denied leave.

Leave not granted.

Suspension of Standing Orders

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

That so much of the standing orders be suspended as would prevent Mr Humphries from amending the amendment.

Mr Whalan: Are we entitled to have these in writing, Mr Speaker?

MR SPEAKER: You certainly are. Mr Humphries, would you like to provide same in writing?

MR HUMPHRIES: Certainly, Mr Speaker.

MR SPEAKER: Time has been granted to allow that to occur.

MR HUMPHRIES: Having put this in writing, Mr Speaker, I might just indicate clearly to you what it is. The amendment proposed is:

- (a) delete "also"; and
- (b) omit "itemising each of", substitute "approximating".

Question resolved in the affirmative.

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

- (a) delete "also"; and
- (b) omit "itemising each of", substitute "approximating".

Amendments to amendment agreed to.

Amendment, as amended, agreed to.

25 July 1989

Clause, as amended, agreed to.

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

Bill, as amended, agreed to.

SUSPENSION OF STANDING ORDERS

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

That so much of the standing orders be suspended as would prevent the resumption of the debate being called on forthwith on the motion of Mr Stefaniak:

That the recommendation of the Select Committee on the Police Offences (Amendment) Bill 1989 be agreed to.

POLICE OFFENCES (AMENDMENT) BILL 1989 - SELECT COMMITTEE Report

Debate resumed, on motion by **Mr Stefaniak**:

That the recommendations be agreed to.

Recommendations 1 to 16 postponed.

Recommendation 17.

MR STEFANIAK (10.07): I move:

That recommendation 17 be agreed to.

This is so that the necessary administrative arrangements can be made.

Recommendation agreed to.

Debate adjourned.

ADJOURNMENT

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

That the Assembly do now adjourn.

25 July 1989

Film Classification Legislation

DR KINLOCH (10.09): Could I just draw the attention of the members to the fact that the Film Classification (Amendment) Bill has now been put off and put off and put off and put off and put off.

Mr Whalan: Well, let us debate it tonight.

Ms Follett: Vote against this.

Mr Whalan: Vote against this, Hector. Vote against this motion, and we will go straight on to it. Get your colleagues to vote against it, and we will support you. Get your colleagues to vote against it; we will support you, and we will go straight on to the debate.

MR SPEAKER: The question is that the Assembly do now adjourn. Those of that opinion - - -

Dr Kinloch: Mr Speaker, I understand there is a personal matter related here, and I withdraw my comments.

Question resolved in the affirmative.

Assembly adjourned at 10.10 pm

25 July 1989

ANSWERS TO QUESTIONS

The following answer to a question was provided:

Tuggeranong Bus Service (Question No. 8)

Mr Jensen asked the Minister for Housing and Urban Services, upon notice, on 27 June 1989:

When will a direct bus service from Tuggeranong to Civic be introduced.

Mrs Grassby: ACTION has provided the following answer to Mr Jensen's question:

ACTION proposes to extend the direct town centre to town centre express route 333 to the Tuggeranong town centre in September 1989. This service will operate initially Monday to Friday 7.00 am to 6.30 pm at approximately 15-minute intervals during peak periods and 30-minute intervals during the off-peak period. A number of details are still to be resolved but when this is done the new service will be widely publicised.

The route 333 extension will operate via Hindmarsh Drive and the Tuggeranong Parkway to maximise service reliability during the peak periods.

After ACTION's bus depot and bus station in the Tuggeranong town centre are completed next year, the Tuggeranong Valley route network will be upgraded to provide integrated services to the town centre and the rest of Canberra. Proposals will be released for public comment later this year.