



DEBATES

OF THE

LEGISLATIVE ASSEMBLY

FOR THE

AUSTRALIAN CAPITAL TERRITORY

HANSARD

11 September 1990

Tuesday, 11 September 1990

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

SUSPENSION OF STANDING AND TEMPORARY ORDERS

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

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

(a) any business before the Assembly at 3.00 pm this day being interrupted to allow the Chief Minister to be called on forthwith to present the Appropriation Bill 1990-91;

(b) debate on any motion before the Assembly at the time of interruption being adjourned until the question - "That debate on the Appropriation Bill 1990-91 be adjourned and the resumption of the debate be made an order of the day for the next sitting" is agreed; and

(c) at 3.00 pm on Thursday 13 September, the Order of the Day for resumption of debate on the question "That the Appropriation Bill 1990-91 be agreed to in principle", being called on notwithstanding any business before the Assembly and debate on any motion before the Assembly at that time being adjourned until a later hour that day.

QUESTIONS WITHOUT NOTICE

Budget Decisions

MS FOLLETT: My question is to Mr Kaine, the Treasurer. I refer to the statement made by the Minister for Finance, Mr Duby, on the Channel 10 news last night. He said, "Cigarettes and beer will not be raised in the budget". I ask the Treasurer: is it now policy for Ministers in the Alliance Government to announce budget decisions prior to the Treasurer's speech? If not, what action does the Chief Minister intend to take to discipline his Minister for Finance?

MR KAINE: It is an interesting question, Mr Speaker. I think I would be hard pressed to discipline anybody for talking about what is not in the budget. If Mr Duby had

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gone on television or radio last night and started to talk about what was in the budget, then I certainly would have considered some disciplinary measure. But, as I understand it, that was not what he did. Therefore the question, of course, is merely of academic interest.

School Closures - Transitional Committees

MR MOORE: Mr Speaker, my question is directed to Mr Humphries, as Minister for Education. Under section 38 of the Schools Authority Act 1976, the functions of school boards include responsibilities for expenditure of funds, educational policies and relationships between schools and communities. My question deals with the transitional committees which have been set up by the Ministry of Education and which use people from the closing schools and the receiving schools. Their tasks include those which have been assigned by the Act to boards. Under what Act or regulation have they been established or, if they have no function under law, what legal protection do the members of the transitional committees have? For example, what protection do they have against being personally sued for negligence, should their actions be at odds with the legally constituted school boards? Basically, have you purposely put people in this predicament, or does this just reflect the same incompetence that has been demonstrated so often in your handling of the school closures issue?

MR SPEAKER: Order! I ask you to withdraw that, please, Mr Moore.

MR MOORE: What?

MR SPEAKER: It is an imputation against a Minister. Just withdraw the last - - -

MR MOORE: Mr Speaker, it is generally accepted by the vast majority of the community that the school closures have been incompetently handled. No reflection is intended.

MR SPEAKER: Order! I think it was a general imputation.

MR MOORE: I shall withdraw, Mr Speaker, in the interests of keeping the proceedings moving.

MR HUMPHRIES: Mr Speaker, I thank Mr Moore for his question. I am not aware of any lack of authority on the part of officers of my department to conduct work connected with the schools reshaping plan. I am certainly aware of the responsibility placed on school boards, under section 38, but I cannot say on what basis Mr Moore's advice has been given to him. I assume it has been given to him by somebody and that there is an original basis for that kind of action. I will happily take advice on the matter and get back to Mr Moore.

MR MOORE: I have a supplementary question. My question was about the transitional committees, not about your officers. It was about the transitional committees that have been established and that have some people - - -

Mr Jensen: This happened in 1988, Michael.

MR SPEAKER: Order!

MR MOORE: I do not care what happened then. If they did it badly, that does not mean you have to. The transitional committees are made up from people from both schools - the closing school and the school that will be the receiving school. This is what I was referring to.

MR HUMPHRIES: I think I have answered the question, Mr Speaker. I will get back to Mr Moore with advice.

Breast Cancer Screening

MRS NOLAN: Mr Speaker, my question is to Mr Humphries in his capacity, this time, as Minister for Health. Will the ACT participate in the national program for the early detection of breast cancer?

MR HUMPHRIES: Mr Speaker, I thank Mrs Nolan for her question. A report on the national pilot mammography screening program was tabled at the meeting of all Commonwealth, State and Territory Health Ministers in June of this year which I attended in Brisbane. It recommended a national program for the early detection of breast cancer on the basis that, done properly, and with a very high take-up rate, the death rates from breast cancer could be reduced by some 16 per cent nationally.

The ACT, along with Tasmania and the Northern Territory, did not participate in the pilot scheme and does not have the necessary infrastructure in place to participate immediately. Whilst it is important that women in the ACT have access to breast screening to detect cancers early, it is also important that there be appropriate treatment facilities, with counselling and other support mechanisms in place. The considerable costs of an early detection program alone need to be accurately assessed, particularly in the light of the ACT budgetary situation.

However, I am pleased to advise the Assembly that the Government has decided, in principle, to participate in the program. We will be undertaking considerable planning to determine the best way to implement the program in the ACT, and a small working party has been set up within the ACT Community Health Service to look into all these factors. Negotiations will be taking place with the Commonwealth over the next six weeks.

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Budget Decisions

MR BERRY: My question is directed to the Treasurer, Mr Kaine. Mr Kaine, I, too, refer to a news report on Channel 10 last night where the Minister for Finance, Mr Duby, said that there would be no increases in taxes on alcohol and cigarettes in today's budget because, and I quote Mr Duby, "I drink and smoke". Has the Treasurer's first budget been framed according to the personal vices of his Minister for Finance, and does it therefore follow that the reason there will be an increase in petrol taxes in today's budget is that the courts have decided that Mr Duby, the Minister for Finance, should not drive?

MR KAINE: I must say that the Opposition has moved from being deadly serious to becoming quite humorous in its questions, and perhaps that will make this place a more pleasant place for us to be. Of course, to suggest that any government or any treasurer is going to frame its budget in terms of the idiosyncrasies of one or other of its members is absolutely absurd, except that, as I think back now, that may have been the justification for your budget last year. That may be why it was such a shambles.

I have to assume that there is some basis to the question; but, in all seriousness, the Treasurer does not smoke at all and does not drink a great deal either, and - - -

Mr Collaery: Not until after the budget.

MR KAINE: Yes, not until after the budget. Had I decided to put a tax on either of those goods in this year, the burden would have fallen on me very lightly indeed. Perhaps it is better that I apply new taxes to products that I do use, so that then at least I can claim that I share the burden with all other taxpayers.

Medical Staff for ACT Hospitals

MR STEFANIAK: Unfortunately, my question is not nearly as amusing as Mr Berry's. It is to the Minister for Health. What action is the Minister taking to address the expected difficulties in obtaining interim and resident medical staff for ACT hospitals in 1991 and 1992?

MR HUMPHRIES: I thank Mr Stefaniak for his question. I understand that the number of medical officers graduating in New South Wales in 1991 will be about 67 per cent of the number that graduated this year and, of course, New South Wales supplies the ACT very substantially with medical officers for our public hospital system. My department has been aware of this situation for some time and is working towards addressing the expected shortfall of junior medical staff from New South Wales. For example, an active overseas recruitment campaign has recruited six medical

officers to date. My department is also participating in overseas recruitment activities. An aggressive advertising campaign across Australia for 1991 resident medical staff has just been completed. Additional advertisements have been placed, including some in New Zealand journals, and late applications are being actively encouraged.

My department has also conducted a review of interim and resident medical staff duties at both Royal Canberra and Woden Valley hospitals. This review has successfully identified areas where efficiency improvements can be made and pressure on junior medical staff alleviated. Junior medical staff salaries in the ACT are on parity with those in New South Wales. In addition, staff are offered attractive rental subsidies and an expanded education program.

My department will closely monitor the situation throughout the remainder of this year and next year, and I am confident that, with these preventative measures in place, the ACT will be minimally affected by the shortfall in medical graduates from New South Wales.

Commissioner for Housing Loans

MR CONNOLLY: My question is to the Chief Minister. Chief Minister, did the Minister for Finance and Urban Services, Mr Duby, disclose to the Cabinet that he and Ms Maher stood to lose if a departmental recommendation, to increase interest rates for high income households who have post-1986 Commissioner for Housing loans, was agreed to by the Cabinet? If this was disclosed to the Cabinet, why was Mr Duby permitted to remain in Cabinet and vote on a matter in which he had such a direct financial interest?

MR KAINE: Mr Connolly is well aware, or he should be aware, of the convention of Cabinet confidentiality, and I do not intend to reveal to Mr Connolly what happens in Cabinet. If he wants to find out, he can do what seems to be fairly common these days and use his intelligence system to find out; but he will not find out from me.

School Closures - Legal Aid

MR WOOD: I direct a further question to the Chief Minister. Does the Chief Minister stand by his Attorney-General's public statement that legal aid will be provided to community groups challenging school closures? If the Government is considering so doing, will the Chief Minister then have his Minister for Education refrain from unnecessary comments concerning the likelihood of the success of these actions, as such comments only prejudice the proper consideration of any application for legal aid?

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MR KAINE: I think it is time for some clarification of this issue, and I am glad that Mr Wood has raised the question. First of all, I am not certain that the Attorney-General did make the comment that has been attributed to him in the question, but it has come up a couple of times. I acknowledge that, irrespective of what the Attorney-General has said, on one occasion in answer to a question from the media as to whether or not the Government would consider funding such appeals, I said that it was not unusual for governments to do so. That has been interpreted as a statement on my part that I would fund an appeal, and I think that needs to be clarified.

It is not unusual for governments to fund such appeals, but there are processes through which appellants have to go. The normal method is that if anybody wants to mount an appeal against a government decision they do so, and if they win they get a court order that says that the government should pay the costs. That is the normal thing. There are circumstances under which a government, having regard for the financial circumstances of an appellant - for example, the appellant may simply not have the resources to mount the challenge - might well fund it in the interests of justice.

In this particular case I would have to be convinced that the people who were arguing against school closures and who wanted the Government to fund their appeal could not afford to fund it themselves. I would not regard this as a circumstance under which on an unqualified basis I could say to those people, "Make a request and we will give you the money". That is not the way it works. Mr Wood knows that that is not the way it works. If there is any expectation that any appellant can come to the Government under any circumstances and say, "I am going to appeal against your decision and I want you to pay the costs up front", quite frankly, that is being quite unrealistic and I submit that no government would do it.

MR WOOD: I have a supplementary question, Mr Speaker. On the basis of what you have said, Chief Minister, is it not then fair that you should suggest to your Minister for Education that he refrain from comments which suggest that such an action would not be successful?

MR KAINE: I am quite happy to suggest to my colleague that he should be careful in what he says. I am happy to do that right here and now. Please watch your public statements, Minister.

ACT Government Service

MR STEVENSON: My question is to the Chief Minister. Is the Chief Minister still using the figure of 17,000 staff in the ACT Government Service which was advised to him in November 1989 in answer to a question in this house? The

true figure is almost 21,000. Is the man responsible for the false figure of 17,000 the same person who has been shown to have ignored the guidelines for engaging consultants - guidelines which he prepared himself - before the PA committee last week, as reported in the Canberra Times on 7 September?

Mr Collaery: On a point of order, Mr Speaker: I believe this matter is before a committee of the Assembly at the moment.

MR SPEAKER: It may well be, but I do not believe that is a valid point of order.

MR KAINE: I appreciate the Attorney raising the point of order, but I am quite prepared to answer the question. First of all, I have never used the figure of 17,000 with certainty. I have always known it to be approximate. You may be right; it may be 21,000. I have nothing to suggest that it is, but then the numbers change from day to day and it depends whether you count statutory authorities or whether you count only people that belong to the ACT Government per se.

Mr Berry: How can you put together a budget if you do not know how many people work for you?

MR KAINE: You did it pretty well last year; but, of course, you lived with the results of that too. The fact is that there is an ACT Government Service and that figure includes teachers, it includes nurses, it includes firemen, it includes all of those people who are on the ACT Government Service payroll. I do not know whether it is 17,000 or not, and I do not need to know to the nth person, and neither did Mr Berry - Trotsky - when he presented his budget last year. He did not know either. There is no relevance to his gratuitous comments anyway.

As to the second part of the question, it implies impropriety and it relates to a matter that is under debate and under investigation in a committee of this Assembly. I do not intend to comment on it at this stage.

Liberal Party - ACT Division

MRS GRASSBY: My question is to the Treasurer. Is the Treasurer, Mr Kaine, aware that the ACT branch of the Liberal Party has been entering into licensing arrangements rather than leasing arrangements with its tenants in order to minimise its stamp duty obligations? What action will you take to ensure that such flagrant abuse does not continue? Do you agree that such behaviour by the ACT Liberal Party totally discredits any budgetary initiatives a Liberal Treasurer announces?

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MR KAINE: One of these days Mrs Grassby will come down out of cloud-cuckoo-land and address some real issues. I am aware that the Liberal Party is, through the proper court processes, seeking to have changed the lease purpose of the property that it has title to in Deakin. I am not privy to that. I do not get involved in the party machinery. Unlike the Labor Party, the parliamentary wing of the Liberal Party is quite separate from the party organisation itself. I do not know that any such details that you describe are fact. I do know on advice from my department that the process that the Liberal Party is going through in connection with its lease is identical to that which was gone through recently by the ACOA in connection with its property. The process is the same. The circumstances are the same. I think that that deals with the thrust of your question.

MRS GRASSBY: I have a supplementary question, Mr Speaker: could the Treasurer find out about that and let the house know, or give me an answer to that, please?

MR KAINE: No, I could not, because it is not my business to reveal the business of the Liberal Party organisation, any more than you would reveal the business of the Labor Party organisation.

Newspapers in Education

MRS NOLAN: Mr Speaker, my question is again to Mr Humphries, but this time in his capacity as Minister for Education. I refer the Minister to the recent launch of the wildlife booklet in the Canberra Times at the North Ainslie Primary School. Can the Minister indicate what continuing role newspapers can be expected to play in ACT education?

MR HUMPHRIES: Mr Speaker, I thank Mrs Nolan for her question. The wildlife booklet that she refers to was launched at the North Ainslie Primary School in recent weeks. Unfortunately, the Opposition does not appear to be interested in the role of newspapers in education - and that is unfortunate for it. I was not involved personally in the choice of the school; that was a matter of negotiation between the schools and the Canberra Times.

The Canberra Times runs a newspapers in education program which involves other firms in sponsorship arrangements. The scheme, which provides schools with bulk copies of the Canberra Times on selected days of the week - - -

Mr Berry: On a point of order, Mr Speaker: I raise standing order 118(a). This is the third ministerial statement we have had to suffer this afternoon in question time. The Minister ought to be asked to reduce the size of his speech in order to comply with the necessity to keep it brief.

MR SPEAKER: Thank you for your observation, Mr Berry. Please proceed, Mr Humphries, and keep to the point.

MR HUMPHRIES: Thank you, Mr Speaker. The scheme, which provides schools with bulk copies of the Canberra Times on selected days of the week, runs in most schools in the ACT from primary to college level. The Canberra Times maintains a network of coordinators in schools who are notified of special events of educational value such as the wildlife booklet. Although no formal evaluation of the scheme has been undertaken, schools do report that it is a very effective teaching resource for a wide range of subjects. Particular mention has been made of the usefulness of the scheme in raising students' awareness of the important impact of the media in society, of which Ms Follett has complained in recent weeks.

After use in the classrooms, newspapers are often recycled for use as part of art materials, such as papier-mache, thus completing a cycle of benefit to all people. I want to commend the Canberra Times and its associated sponsors for an innovative program which, I am sure, will continue to foster active and worthwhile citizenship.

Liberal Party - ACT Division

MS FOLLETT: Mr Speaker, my question is to Mr Kaine as Minister for planning. I ask Mr Kaine: what action have you taken to ensure that the leaseholder of unit plan 451 Deakin, which is the ACT branch of the Liberal Party, adheres to the condition of its lease which it has been breaching for at least the past 12 months?

MR KAINE: It is an interesting question, Mr Speaker. If the allegation in the question is correct, then I would have to ask the Leader of the Opposition what she did about it while she was Minister for planning - and the answer, of course, is nothing whatsoever. The answer in my case, Mr Speaker, is that I am advised by my department that the matters to which she alludes are known to the department. Departmental officers have had several discussions with the leaseholder on the purposes to which the lease is being put, and the necessary processes are in place to rectify the situation. I think that is all that is required to answer that question.

Canberra Times Site

MR MOORE: While we are on planning matters, I have another question for the Chief Minister as Minister for planning. I am given to understand that the Commonwealth is negotiating with Concrete Constructions Limited for 100 per cent occupation of the office space on the former Canberra

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Times site. This is a cause of some concern to me, and I therefore ask the Chief Minister to allay my fears with an assurance that he is taking appropriate action to ensure that the conditions he stipulated for the surrender and regrant of the lease on that site will be complied with. I wonder whether the Chief Minister could also tell this Assembly what relationship these negotiations bear to the conflict surrounding office space on the yet to be redeveloped YMCA site - whether action to resolve those difficulties will be deferred until negotiations over the Canberra Times site are finalised?

MR KAINE: Mr Speaker, I was not aware of the fact that anybody is negotiating for public servants to be housed on the Canberra Times site. I can only reassure Mr Moore that when we agreed to the surrender and the reissue of the lease for that site it was made quite clear that it was the ACT Government's intention that that building, when it was erected, would not be used by public servants. We made it clear that the ACT Government would not put public servants into it, and I make the point that in the National Capital Plan the Commonwealth has given an undertaking that Commonwealth public servants will not be relocated into the Civic centre either. I expect the Commonwealth Government to live by its own position on this matter. As far as I am aware, nothing has changed; and, if the lessee seeks to change that, then it will find the Government is not amenable.

I think your second question was in connection with section 10 - the YMCA site.

Mr Moore: The point of it was: how can you stop the same thing happening?

MR KAINE: Our view remains the same in connection with that site. There is a small complication there, however, in that the National Capital Planning Authority has a far greater say in the use of that site than it does in connection with the Canberra Times site. It remains to be seen whether the view of the ACT Government prevails or whether it is the view of the National Capital Planning Authority, and therefore the Commonwealth Government, that prevails on that site; but the view of this Government is the same in connection with both sites.

MR MOORE: I have a supplementary question, Mr Speaker. What I am really asking the Chief Minister is: how is he going to achieve that goal of ensuring that Commonwealth officers are not placed in those offices?

MR KAINE: I have to say to Mr Moore and the other members of this Assembly that I have made it clear that I expect the Commonwealth to comply with its own stated objective. We do not have great coercive power, however, and perhaps, instead of asking me this question, Mr Moore would do better to be asking the three Labor members and senators at the Federal level what they are going to do about making sure that the Commonwealth sticks by its own policy.

Residents Rally

MR BERRY: My question is directed to the Treasurer. Mr Kaine, I refer you to the statement made by your deputy and leader of the Residents Rally, Bernard Collaery. I will just quote Mr Collaery: "It would be inappropriate for the Rally to be involved in executive decision making on education". Has the Deputy Chief Minister been present at any Cabinet deliberation on education since he made that statement?

MR KAINE: As I said to Mr Connolly in answer to an earlier question, I have no intention of telling you, Mr Berry, or anybody else; just as you did not air your dirty linen and your faction fighting in your Cabinet room.

School Closures

MR WOOD: I direct a question to the Chief Minister, and it concerns school closures. Is it now the case that both you and the education Minister are telling school groups and others that recurrent savings are not now so important; it is the capital gains that you want?

MR KAINE: The answer to that question, Mr Speaker, is positively no. I have made it quite clear right from the outset that the school closures program was required to produce two effects. The exercise began as a budgetary exercise, and that is the fact of it. The school closures program grew out of a request from me to the education department and all other agencies to tell me how they would achieve budgetary savings. It was a budgetary exercise that led to this in the first place, and the objective of that was to reduce our recurrent expenditures on our budget. That was the primary objective.

I do not know whether Mr Wood really wants me to answer the question, Mr Speaker.

Mr Wood: I am very happy that you are answering this way.

MR KAINE: You might do me the courtesy of listening, Mr Wood. The objective always was - - -

MR SPEAKER: Order! It being 3.00 pm, I interrupt the business before the Assembly and call on the Chief Minister to present the Appropriation Bill 1990-91 in accordance with the resolution agreed to earlier this day.

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APPROPRIATION BILL 1990-91

MR KAINE (Chief Minister and Treasurer) (3.00): I present the Appropriation Bill 1990-91. I move:

That this Bill be agreed to in principle.

Mr Speaker, today I present to the people of the ACT the Alliance Government's budget for 1990-91. The Government regards this budget as its most important product since assuming office. The implementation of sound financial management in government in the ACT has been high in our objectives from the outset, and this budget is a demonstration of our commitment to that objective. The budget marks a true turning point in ACT financial management.

The Government has had to make very difficult decisions to bring about necessary structural changes in preparation for reduced levels of funding by the Commonwealth while still maintaining high quality services for the people of the ACT. The Commonwealth has not made our task easy. It has not honoured its undertaking to continue grants to the ACT at real 1987-88 levels. This year, \$50m will have been frozen by the Commonwealth - funds that should have come to the ACT under the guarantee. To compound this, the Commonwealth has given virtually no assistance to establish self-government. The Commonwealth has declined to repair or replace the well-documented run-down major assets passed to the ACT - assets such as hospitals, buses and schools. Land with no substantial national purpose has been retained by the Commonwealth, and the national capital planning processes still far exceed legitimate national needs.

The ACT Government and community must now rely on their own resources to establish a strong, prosperous Canberra. The Commonwealth's assistance is about to be reduced even more significantly. This is the last of the three years of funding guaranteed by the Commonwealth. After 1990-91, the Prime Minister has foreshadowed a two-year transitional arrangement to State-type funding, the details of which remain to be made explicit.

Our task has not been made any easier by the previous Government's wasted opportunity when framing last year's budget. It failed to make any significant structural adjustments. The attempt to undertake a number of small changes, however well intentioned, made little impact on the underlying budgetary problem. This was graphically illustrated by the forward estimates that I was confronted with soon after taking office. If its approach had been continued into this year, it is my view that the quality of ACT Government services would definitely have fallen this year, with inevitable further declines in future years.

In addition to the special issues of the ACT's transition to State-like funding levels, we face common difficulties with the States and the Northern Territory. These include

the adverse economic and social consequences of continuing high interest rates, high inflation and high overseas debt. At the same time, the Commonwealth has imposed reductions in its support to the States which exceed the constraint it has exercised over its own expenditures.

I am committed to ensuring that the ACT avoids the problem of excessive reliance on debt financing which now plagues so many of the States. The severity of the consequences of this, coupled with the cutbacks in Commonwealth funding, are now only too evident for the Premier of Tasmania, who is being forced to impose severe service cutbacks in his State because of his debt servicing load.

Mr Speaker, in 1989-90 the ACT economy performed better than those of most of the States, despite the adverse effects on business confidence of high interest rates and the direct effects on Canberra's economy of the Commonwealth's tight fiscal policies. Employment increased by 2.9 per cent and inflation in Canberra was the lowest of all the capital cities. Retail sales, although down overall, recovered towards the end of the financial year. In other respects, Canberra shared in the somewhat mixed performance at the national level.

In 1990-91 the ACT will again be affected by tight national fiscal and monetary policies. It is expected, however, that conditions will improve from early 1991 as interest rates ease and planned tax cuts allow some increase in consumer spending. This should result in a moderate increase in employment, a stable level of building and construction activity, and some improvement in retailing and tourism.

Mr Speaker, I should deal briefly with the outcome of last year's budget. The Labor Government, in framing the 1989-90 budget, forecast a balanced budget outcome. We reviewed the budget situation within three weeks of our taking government in December 1989. Major decisions were taken to contain a \$7m blowout in hospital expenditure, a situation in regard to which the Labor Government had been inexplicably indecisive. New spending proposals of the previous government were also re-examined - - -

Mr Berry: You closed down hospital beds.

MR Kaine: That is what you should have done, mate. New spending proposals of the previous Government were also re-examined for priority and several were cancelled, to overcome the budget gap left by the previous Government's failure to implement its own expenditure reductions and its own revenue measures.

During the year, in addition to the positive management decisions which we took, unexpected circumstances arose that contributed to a budget surplus. The national wage decision in 1989 was delayed. Interest rates remained higher for a longer period than anticipated, leading to

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higher than budgeted interest receipts, and unexpected revenue from share transactions conducted in the ACT doubled the budget estimate from marketable securities duty.

In the event, after providing for known carryover commitments into 1990-91, a surplus of \$23.9m resulted. But I stress, Mr Speaker, that the major sources of this surplus were one-time events. The additional revenues and expenditure savings will not apply again in 1990-91. The one-time surplus is to be allocated to future costs of the hospital redevelopment project, as it accelerates, so reducing future borrowing needs. It will not be frittered away by delaying the inevitable restructuring of ACT finances.

Earlier this year I outlined the Alliance Government's budget strategy. I emphasised the linkages between the economic environment and our budget and the need to shift from dependence on the Commonwealth Government as our major employment base to reliance on a stronger, more diverse, private sector. I indicated a firm commitment to using the transitional funding period set by the Commonwealth to position the ACT to the best advantage prior to the full State-type funding arrangements being imposed by the Commonwealth. I set out four goals for establishing a fair and responsible approach to financial management. These were: to promote the development of the private sector; to produce a balanced recurrent budget; to minimise borrowings; and to make better use of the Territory's existing capital base. These goals remain the basis of this budget, and, as I proceed, our success in meeting them will become evident.

Since my budget strategy statement in March, all Australian governments have embraced the urgency of the micro-economic reform task essential for the health of the Australian economy, and the ACT Government will play its part, both as part of the national agenda and in its actions within the Australian Capital Territory. I will be participating in the special Premiers Conference in late October which will deal with a range of micro-economic reform issues. Harmonisation of a host of government regulatory concerns, from food labelling to non-bank financial institutions, will be actively sought. Reforms to Commonwealth-State financial relations, so that States and Territories themselves raise far more of the funds they spend in a manner consistent with the Commonwealth's national economic responsibilities, will be promoted by State and Territory governments. And efforts will be made to end duplication of functions, with transfers of some functions to the Commonwealth, others to the States and Territories. Certainly, the time has passed for detailed Commonwealth administration of locally based services, even where a national policy framework is appropriate.

Within the ACT, we will also be taking action to promote economic development. One considerable step that the

Government is taking is the preparation of new legislation to provide an effective and responsive system for land planning and management. We are also rationalising the land release and leasing processes to provide greater certainty. This task is taking longer than we would wish, but it is fundamental to our future and it is more important to get it right than to get it in haste.

One of the most important challenges is public sector efficiency. Various reports, including those of the Priorities Review Board, the Else-Mitchell inquiry into the assets and public debt of the ACT, the TAFE working party and the Callaghan report on the effectiveness of substitute care services, have provided the Government with information and options to enable decision making to be done in an informed and responsible way. This has been supplemented by inputs from such responsible organisations as the ACT Trades and Labour Council and the Canberra Association for Regional Development. The budget decisions reflect input from all of these sources. The Government and the Trades and Labour Council have agreed to work harmoniously in addressing the need for change in ACT Government functions, and I welcome the Council's constructive approach which is already bearing fruit in many ways.

One major decision already implemented was the establishment of a Public Sector Management Board. This brings together private sector, union, community and government representatives. It is chaired by the Secretary of the Chief Minister's Department, and it has moved quickly towards establishing a vision for public sector administration in the ACT, to focus priorities on client needs and, of course, to increase efficiency. I look forward to a continuation of the harmonious, practical approach so far shown by all of its members. The Government values the board's contribution and advice and I look forward to productive outcomes from this positive approach.

A key decision that the Government has taken, with the benefit of advice from the board, is to introduce a corporatisation model for ACT Government business enterprises. This is consistent with moves taking place within the public sector throughout Australia and provides an important means of effecting micro-economic reform in government. Introducing commercially based practices will encourage improvements in efficiency, better responsiveness to community needs and the maximisation of returns to taxpayers on their investment, as well as ensuring improved accountability. If the Government wishes a service to be provided on terms that are not commercially based, the additional cost will be borne directly by the Government's budget, and not through a hidden indirect cross subsidy.

One of the main features of the model is that a corporate structure will be put in place, with the responsible Minister and the Treasurer being shareholders. Boards will

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be composed of individuals chosen for their expertise, and will include employee representation. Directors' responsibilities will be those of the board of a company, and the chief executive officer will be appointed by, and be responsible to, the board.

Corporatisation is most appropriate for government operations that have no, or very limited, dependence on the ACT budget. ACT Electricity and Water will be corporatised. Given its monopoly position, a regulatory framework for pricing will be set in place at the same time to ensure that efficiency gains are passed on to customers. The Government has already announced the corporatisation of the Mitchell Health Services Facility, and an interim board is now in place. The TAB operations of the Gaming and Liquor Authority will be corporatised. The authority's gaming and liquor administrative and regulatory functions will continue to be the responsibility of the Minister for Justice and Community Services, and revenue collection in these areas will be administered by the ACT Revenue Office.

Consideration is being given to corporatising ACT commercial forestry operations, taking full account of their recreational uses as well as their commercial value. As can be seen, the emphasis here is on corporatisation and not privatisation. This Alliance Government has no intention of privatising its key business undertakings, and the benefits of using better business practices will accrue to the whole community.

Let me turn briefly to private sector workers compensation. I am releasing today a review of the ACT workers compensation scheme. It is a lengthy, detailed, expert report and the Government anticipates strong public interest in it. A most disturbing feature highlighted in the review is the finding of the level of profits being earned by insurers in the ACT from this compulsory business. The report finds that in 1988-89 insurers derived over \$2 in profit for each \$1 paid in claims and expenses. Regardless of other decisions to be taken in the light of the review, this level of profitability, and consequent cost to the community, is unacceptable to the Government. It is a cost burden that discourages business from recognising the ACT as a place to invest and employ people. It places an unwarranted additional cost burden on business enterprises.

I therefore propose the establishment of a workers compensation premiums monitoring committee, with the intention of getting insurers to lower the premiums voluntarily. The committee will include the ACT Government's actuary. I will invite the private sector, the Trades and Labour Council and the Insurance Council of Australia to participate. The Government will be closely monitoring the progress in lowering premiums as it formulates its overall response to the review, after receiving public comment on the report.

Mr Speaker, I will turn now to the 1990-91 budget and cover some of the principal features. The 1990-91 recurrent budget is balanced. Total recurrent expenditure and available funds are both estimated to be \$1,106m, with \$604m being Commonwealth grants and \$502m coming from our own revenue sources. Funds allocated from the budget for capital purposes are expected to be \$262m, financed by \$74m of Commonwealth grants and \$138m of our own funds. New borrowings will be lower than last year at \$44m.

A balanced budget is a major achievement, given the magnitude of the task that confronted us when presented with the forward estimates. This task was made even more difficult by the Commonwealth's decision not to honour fully its real terms guarantee. The ACT general revenue grant is down by 3.1 per cent in real terms, compared to last year. The difference of \$12.4m has been placed in the Commonwealth's ACT Transitional Funding Trust Account. Once again, the ACT has been put in the position of having to justify to the Commonwealth its genuine needs for restructuring funds from this account.

I refer now to the Community Development Fund. A persisting anomaly in ACT financial arrangements since self-government has been the continuation of the Community Development Fund. Sources of revenue for the fund have included lottery receipts, soccer pools and gaming machine levies. The CDF mechanism was set up some years ago under Commonwealth Government arrangements, to ensure that these revenues would be available for the ACT community. They would have been subsumed otherwise in the Commonwealth's Consolidated Revenue Fund, and they would have been subject to Commonwealth Government priorities. Now that the ACT has its own Consolidated Revenue Fund, that arrangement is no longer appropriate; nor is it necessary. Accordingly, the Government has decided that the fund will be closed from 1 January 1991, with grants from that date being paid from the Consolidated Revenue Fund.

Mr Berry: Shame! You are going to cut back. You are going to cut back funding to community organisations.

MR Kaine: As somebody who raped it of \$21m last year, you should say, "Shame". The Government is well aware that community groups may be concerned by this move. However, the Government guarantees that total community grants will be maintained in real terms for two years so that no category of users assisted by the fund will be disadvantaged. Did you hear that, Mr Berry?

Mr Berry: I will believe it when I see it.

MR Kaine: As I said, as somebody who raped the fund of \$21m last year, you should say, "Shame". The distribution of the grants will be reviewed in accordance with normal practice by the end of 1990 to ensure that the allocation of funds is consistent with Government priorities.

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There has been some indication of concern that abolishing the CDF will result in difficulties for some organisations funded through it. For example, there has - - -

Mr Berry: What is this \$21m? I did not raid it for \$21m.

MR Kaine: That is what you spent out of it last year. You would not even know. Of course you would not.

For example, Mr Speaker, there has been some disquiet that sport will suffer. It will not. The contribution to community well-being made by sports organisations is recognised and appreciated by the Government. Procedures for applications and approval of grants will remain the same as before - and this applies to all CDF users.

A significant advantage of the new arrangements will be the freeing up of CDF revenues for allocation to a wider range of community purposes than is allowed under the existing conditions of the fund.

Mr Berry: What about the capital money? Where has it gone?

MR Kaine: The Government has already had access to \$2.6m from this source to fund a number of worthy initiatives which might otherwise not have been funded this year - and if you listen, Mr Berry, you will find out.

I now refer to reductions in recurrent expenditure. The Government has already announced a number of its major initiatives to reduce its recurrent expenditure, particularly in health and education.

The proposed capital works program - apart from the details of the hospital redevelopment project - has also been subjected to scrutiny by the Assembly Committee on Planning, Development and Infrastructure. This process gave the community the opportunity to voice its opinion on a large element of Government expenditure - in fact, \$262m this year.

I now refer to government schools. The Government has been quite open in its approach to the schools budget. It published criteria and voluminous base data so that an informed public consultation could take place. The ACT Treasury conducted a cost-benefit analysis in close consultation with interested individuals and groups; and, after lengthy consultation and discussion, the Government made its decision.

When announcing the school consolidation program, the Government promised to release the financial details in the budget. Accordingly, to enable the community to fully apprise itself on this, my colleague the Minister for Health, Education and the Arts is circulating today a supplementary budget statement which provides comprehensive information on this matter.

There appears to be a perception that the Government is being uniquely harsh in implementing its limited school consolidation program. This is quite wrong. Changing school funding arrangements to reduce costs is not unique to the ACT. The Victorian Government has made what the Melbourne Age describes as "the most savage cuts to Victorian education in decades". Sixteen hundred teaching positions in secondary schools will be endangered and average class sizes will be increased. In Tasmania, 2,000 public service positions are being shed, of which a number are expected to be teacher positions. It is not unique to the ACT.

It is inevitable that some people in the community will be inconvenienced by school closures. The Government regrets this. However, the alternatives available to reduce our overspending on education - such as increasing class sizes, cutting supplementary services such as special education, reading recovery or the English as a second language program, or reductions in the number of teachers - would have had a direct negative impact on the quality of education delivery, with far more serious consequences.

The Government is satisfied that its decisions are correct, and I cannot - and this is for Mr Moore's benefit - in conscience, allow resources of considerable magnitude to lie idle or grossly under-used in schools, when they are desperately needed to satisfy the needs of the ageing, the disabled and the disadvantaged. I ask that we all now devote our efforts to making sure that our children continue to enjoy the quality education that this Territory is renowned for.

We can reduce the future impact of demographic change by sensible planning decisions. The Commonwealth's own joint parliamentary committee has sensibly urged the Commonwealth to release its large tracts of land in Belconnen and Jerrabomberra. On the other hand, it has queried the National Capital Plan's designation of land in West Belconnen for urban uses. The Government respects the committee's concerns, but considers the National Capital Plan must continue to allow this land to be used for urban development. The Territory Plan will, of course, pick up all the issues that arise, if such use is permitted; and they include environmental concerns and access to community services. But they also include ensuring adequate population to keep existing schools and other facilities viable and containing future infrastructure expenditure.

I wish to emphasise that the Government expects to achieve recurrent budget savings of \$1m in 1990-91 and \$3m in a full year - in every full year - from school consolidations. This program will significantly reduce the number of surplus school places. One-time implementation costs are estimated to total \$3m, much of it overdue refurbishment of receiving schools. Details are provided in the supplementary budget statement.

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I turn to public hospitals. The principal hospital redevelopment will not achieve net recurrent savings in 1990-91. This is because there are significant one-off costs associated with a project of this magnitude. In particular, when moving services between the three hospitals some overlap is inevitable, and indeed essential if the welfare of patients is to be safeguarded. As well, the physical relocation costs are estimated to be \$1m in 1990-91. However, savings will be significant in later years. The principal hospital steering committee last year estimated them to be \$8.5m a year. Because of the expiry of the Commonwealth's funding guarantee in June 1991, action to achieve these savings must proceed quickly. All acute hospital services will be consolidated on the Woden Valley and Calvary sites by the end of 1991.

Calvary Hospital has now agreed to introduce Public Service Act employment, and this will ensure that full staff mobility is available within the ACT public hospital sector. Calvary Hospital will open the first 57 additional beds beginning this month. An equivalent number of beds will close simultaneously at Royal Canberra and Woden Valley, to release the resources needed at Calvary. Overall bed numbers will be maintained in this transfer. Mr Berry will be interested to know that the overall bed numbers will be maintained in this transfer.

Mr Berry: At what level?

MR KAINE: At the existing level. A second 57 beds will be available at Calvary after the Christmas-New Year break. The redevelopment of the hospital system, while providing exciting opportunities for enhancing service delivery, will place pressure on staff and the community. There is no alternative to these changes if we are to maintain and enhance quality health services within the ACT's resources. I welcome the cooperation being freely offered by the many parties to the changes and I look forward to a significant improvement in services with only the minimum of disruption that inevitably accompanies change of this magnitude.

I turn now to technical and further education. An area of significant overfunding identified by the Grants Commission in its last report was technical and further education. Following the problems caused by expenditure cuts to the Institute of TAFE in 1989-90 - the ramifications of which were clearly not thought through by the previous Government - I set up a working party to review the provision and funding of TAFE services.

One of the working party's major recommendations, which has been accepted by the Government, was to establish a three-year funding arrangement for the Institute. The agreement aims to provide TAFE with better capacity and certainty to tailor its courses over this longer time frame while maintaining its educational load in public access courses. At the same time, the level of government support will be

reduced over the period. Savings will be \$1.9m in 1990-91, \$4.4m in 1991-92 and \$6.7m in 1992-93. This arrangement will place TAFE funding on a similar basis to that of universities, and places the ACT at the forefront of national moves to position TAFE for the 1990s. It provides the framework for the Institute both to act systematically to improve its efficiency and to become more entrepreneurial in its orientation. The Institute has set targets for obtaining additional revenue from a range of sources including increased student fees and charges, increased numbers of full fee paying overseas students, and increased contributions from industry.

I now refer to matters concerned with Jindalee Nursing Home, and I know Mr Berry will be interested in this one. The Government has announced its intention to move the Jindalee Nursing Home to the site of the Royal Canberra Hospital at Acton. The decision will be implemented when suitable space becomes available. The agreement of the National Capital Planning Authority is, of course, required. In the meantime, the operations of the nursing home will be brought into conformity with Australia-wide practice to the extent possible, given the limitations imposed by the layout of the home on its current site. In 1988 the Commonwealth Government implemented staffing and resident outcome standards for nursing homes operated by community organisations and the private sector, and these have been progressively accepted Australia-wide.

Discussions will take place with staff and their unions on changes in work practices, the effect these will have on employment levels, and measures available to mitigate the impact on individuals. There will also be extensive consultation to ensure that residents and their families understand the national standards before they are implemented. Savings of \$950,000 in 1990-91, and \$2.5m in a full year, should result from the adoption of national care standards and appropriate work practices.

We have worked to reduce overheads right across the ACT Administration. The Government is committed to creating a lean and efficient administration. The Public Sector Management Board has been established to oversight this task. To assist in this, changed administrative arrangements were announced in July. Service delivery and policy coordination has been enhanced by integrating like government functions. For example, planning, land development, environment and conservation are now located within the one department. As a result, savings of \$2.2m in 1990-91 and \$6.5m in a full year will be achieved, mainly in corporate services functions. The most significant of these savings will arise from the elimination of overlap between the former Department of Health and the hospitals administration. Extensive consultations will take place with affected staff and unions.

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As I have already stated repeatedly, no staff will be sacked. Staff reductions will be achieved by natural attrition, placements elsewhere within the ACT Government Service, or, where necessary, by means of a voluntary separation scheme. This Government is committed to sound employer practices for placement, training, counselling and separation of staff. To ensure that staff placements are managed professionally, sympathetically and in accordance with these practices, a special staff placements task force has been established to coordinate placements across the ACT Government Service.

A general saving of 4 per cent has been imposed on most administrative functions within the Government where specific program savings have not been applied, and these savings are expected to be achieved by tighter control over administrative expenditure and better staff usage. As well, the reduction in the vehicle fleet which I announced in May will achieve operational savings of \$340,000 in 1990-91 and one-off revenue from the sale of vehicles of \$800,000. Additional savings are expected to be available following a further review later this financial year. The Government has also decided to improve the efficiency of vehicle workshop operations. Consolidation arrangements - the subject of current consultations with the unions involved - are expected to achieve initial savings of 10 per cent. This will provide savings of \$175,000 this year and \$350,000 in 1991-92.

In addition to those measures, the Government has looked for other expenditure reductions. The trade waste operation is duplicating services provided in the private sector and is also running at a loss. It will be offered for sale either as a going concern or for the assets value. Consultations will take place with the unions to settle any necessary redeployment action, but if a sale cannot be achieved the Government will have no option but to discontinue operations at the end of March 1991.

The general bus subsidy to ACTION has been cut by \$1.05m. This will be achieved by a review of operational standards and productivity improvements associated with the closure of the Kingston bus depot and the relocation of resources to other depots, principally at Tuggeranong.

Further savings of \$300,000 in 1990-91 and \$600,000 in 1991-92 have also been identified from the school bus service, which cost \$7.7m last year. In accordance with the process of restructuring, negotiations will take place with unions to seek better productivity in operation of school bus runs. Such improvements will lessen the severity of the rationalisation of the services that will be necessary. Rationalisation will focus on lightly loaded services and negotiating with individual schools to change drop-off or pick-up times. The Government will also be looking at whether student bus fares are at a reasonable level. I should emphasise that any services made necessary by the school consolidation process will be provided.

Notice of changes will be given as soon as possible, in time for parents and students to make their travel arrangements when the next school year begins.

Last year the Estimates Committee recommended that a review take place on whether it would be more appropriate for a direct subsidy to be paid to ACTION for school bus transport, rather than a transfer through the Department of Education. The Government has examined this issue and decided that, for accountability purposes, the payment should be made directly to ACTION. The social welfare subsidy will also be transferred to ACTION, and these payments will in the future be identified as community service obligations.

In summary, in all, recurrent expenditure reductions of \$14.9m have been projected for 1990-91, with a 1991-92 impact of \$24.9m, and \$27.5m in 1992-93. And these figures do not include the recurrent savings from the redevelopment of hospital services. All this makes a solid contribution to redressing the overfunding problem passed on to us by the Commonwealth.

The Budget papers contain a wealth of information on the ACT's financial position, and I commend them to members and the public as a means of gaining an informed understanding of our overall financial position.

We have also undertaken some restructuring for longer term savings. Restructuring initiatives have been high in the Government's priorities for inclusion in this Budget. The Government has approved a number of projects which will achieve savings in the longer term. The sum of \$20m has been allocated in the 1990-91 recurrent budget for this purpose, as well as \$8.6m from the capital budget and \$2.9m remaining from the funds released by the Commonwealth last year from the transitional fund. Full year savings and additional revenue resulting from these expenditures will be \$12.4m. So, for an expenditure of \$30m this year, we get continuing annual savings in excess of \$12m a year.

I have written to the Prime Minister seeking his agreement to release \$18.6m from the Transitional Funding Trust Account this year. Of this amount, \$10m is sought to cover part of the capital requirements for the hospitals redevelopment project. The Commonwealth refused to assist us to rebuild the hospital system as part of the establishment of self-government. I trust it will recognise the pivotal nature of the hospital restructuring task in overcoming the ACT's significant overexpenditure on health services.

The request for restructuring funds includes capacity needed to fund redundancy packages. Tasmania obtained a \$40m special grant from the Commonwealth for public sector restructuring in 1989-90, and I look forward to Commonwealth recognition of a similar need in the ACT. Seven million dollars has been allocated to address the

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repairs and maintenance backlog inherited by the ACT Government from the Commonwealth. This backlog was well documented by the Committee of Inquiry into the Assets and Public Debt of the ACT.

Other important projects include a proposal to improve energy management in the many buildings owned by the Government, an upgrading of existing telecommunications systems, the replacement of the outdated rates collection and motor vehicle registry systems, the provision of a computerised scheduling system for ACTION, and a major examination of mainframe computer needs. We will press ahead with restructuring because of the future savings which will result. If the Commonwealth will not assist, the ACT's borrowings will, of necessity, be correspondingly higher, making the longer term transition to State-type funding that much more difficult.

As a result of the very tight budgetary situation, new policy initiatives are confined to areas of highest priority within the Alliance Government - and this has meant that we have not been able to fund other very worthwhile proposals this year.

I mentioned earlier that winding up the Community Development Fund provided the opportunity to fund some new initiatives. As an example, funding has been provided for an increased level of community sector and employment grants, a new domestic violence refuge, a 24-hour mental health crisis service, an expansion of community services aimed at youth groups and the disabled, and a community tree planting program.

Ms Follett: There is a touch of déjà vu here.

Mr Berry: I think we have been here before.

MR KAINE: I thought they would grab you. These are things that you were going to do last year, and did not do. A further \$1.1m will be provided to upgrade arts facilities, improve security in Quamby and augment funding currently provided for the Tuggeranong community centre.

A new system of guardianship for people who are unable to look after their own affairs will be introduced into the ACT. It is proposed to establish, within the Magistrates Court, a guardianship function, together with a community advocate, which will draw together related advocacy functions in mental health and youth affairs. An additional amount of \$210,000 on a full year basis has been provided for this expansion of advocacy services.

My colleague the Minister for Finance and Urban Services outlined in the Assembly's last session the Government's response to the inquiry into commercial and domestic waste management. Funds of \$300,000 in 1990-91, and \$650,000 a year thereafter, have been provided to implement those recommendations agreed to by the Government, including the

promotion of recycling, composting and waste minimisation in conjunction with the program of extending the network of static collection centres for glass and PET plastic across all areas of the city.

I have already mentioned the recently completed review of ACT workers compensation. The Government has allocated \$130,000 in 1990-91 to carry out the implementation stage of this necessary reform. A major priority has been the need to provide the Law Office with a budget base which will enable it to undertake the full range of tasks required of it under self-government. The office has received no recognition until now of the wider role expected of it - and \$1.1m has been provided for this purpose this year.

Community consultation on planning issues has been raised as a matter of considerable concern to the community. Consultation will be enhanced by the establishment of a community liaison section within the Interim Territory Planning Authority. Because of the need for consultation on the Territory Plan, additional funds of \$200,000 have been made available in 1990-91.

An ACT rental bond scheme will be established to protect both tenants and landlords by accounting for bond moneys relating to residential tenancy agreements. The interest earned will cover the costs of the scheme and provide additional funding for programs to assist private tenants.

The Alliance Government has recognised the need to address problems experienced by our youth, despite budgetary constraints this year, through a series of initiatives in this budget. The Government has allocated \$138,000 in 1990-91 for the provision of an innovative street based service for young people. The Street Link program is aimed at meeting the needs of young people facing disadvantages in education, training, accommodation, health and lifestyle. Initially the service will employ two teams of three streetworkers to cover north and south Canberra.

Furthermore, the Youth Sector Training Council of the ACT has been allocated \$20,000 to continue the matched funding agreement with the Commonwealth proposed at the last Youth Ministers Council. The Youth Sector Training Council has an excellent record in ensuring that youth workers have access to quality in-service training that improves their skills and keeps them up to date with current issues.

Other initiatives aimed at youth include the establishment of an adolescent day care unit, an extension of the youth health network and youth housing initiatives. These provide a basis for further development in future years. The total cost of all these initiatives is \$4.9m in 1990-91 and \$5.2m in a full year. Full details on all these initiatives are included in the budget overview paper.

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So far I have been talking about the recurrent side of the budget. I would like to say something about the capital budget. The Government recognises the importance of the capital works program to the construction industry and to the general business community in the ACT. Accordingly, it has balanced very carefully its needs against available revenues and its policy on borrowings.

The total level of new works to be committed to construction in 1990-91 on behalf of budget funded agencies is \$203m. As I have already mentioned, the major project included in this program is the commencement of the principal hospital redevelopment which, on completion, will ensure that high quality hospital services are available to the ACT community and the surrounding region at a level of cost that can be sustained by the community. The value of works agreed in this budget for this project totals \$111.8m, with expenditure this year estimated at \$28.1m.

Other significant projects to be started this financial year include a new primary and preschool at Bonython, the community centre in the Tuggeranong Town Centre, upgrading of the Civic Olympic Pool to allow year-round use, and commencement of infrastructure for Gungahlin. A further stage of the Eastern Parkway north of Newcastle Street, Fyshwick, will also be commenced. Commitment approval of \$5m has been made for forward design on projects that are likely to form part of next year's capital works program, and the proposed Civic community centre is included in this program as a high priority item. In total, expenditure in 1990-91 by the ACT public sector on capital works is estimated at \$227m, a 15 per cent increase on 1989-90. This increased level of activity will benefit employment in the construction industry.

The ACT Housing Trust will be spending \$35.9m in 1990-91 on the construction of new dwellings and the refurbishment of those built before 1960. Total additions to the housing stock in 1990-91 are expected to be 83 aged persons units, 121 houses and townhouses and 71 flats. A further 65 existing dwellings will be upgraded.

Other projects to be started this financial year include a further stage in the redevelopment of Ainslie Village, which provides accommodation and facilities for the homeless; the construction of 20 aged persons units in a joint venture in Ainslie; and upgrading works at Ambara Court in Waramanga and Throsby Court in Narrabundah. In addition, negotiations are under way on other proposed significant joint venture housing projects.

Further progress will be made this year on the redevelopment of the Melba Flats. The sum of \$10.5m will be spent this year, and this will provide for demolition and site works, relocation of housing and on-site services for tenants. The other major component of the capital budget is the purchase of plant and equipment. The Commonwealth Government's failure to fund an adequate bus

replacement program was highlighted in the Else-Mitchell report. To remedy this failure, ACTION will receive an allocation of \$13.6m for the purchase of 52 replacement buses and four mid-size buses for inner city use. A similar level of replacement is planned in 1991-92. The refurbishment of old buses will cease by June 1992. An amount of \$4.8m will be spent on upgrading hospital equipment including new cardiac catheter equipment at Woden Valley Hospital to complement the redevelopment of that major facility.

I turn now to the revenue measures. On the revenue side, on 29 May I announced changes to rates, land tax, motor vehicle registration charges, TAFE fees and a tax on X-rated videos to be effective from 1 July to achieve a full year impact. After the Premiers Conference, the Government announced changes to financial institutions duty and payroll tax arrangements in line with New South Wales and Victoria. Although these measures are designed to achieve greater revenue, I am pleased to say that the payroll tax changes will have the additional benefit of providing significant relief to small businesses.

From 1 October, a single tax rate of 7 per cent will apply to all payrolls above an exemption threshold of \$500,000. The existing threshold is \$432,000. These changes will result in employers with an Australia-wide payroll of less than \$3.5m paying less payroll tax. I am determined that in the future small businesses will not pay a disproportionate share of taxes when compared with their counterparts in the States. Revenue measures, additional to those already announced, have been necessary. The annual dividend from ACTEW has been increased from \$5m in 1989-90 to \$8m this year. Subsequent to the Premiers Conference, I indicated that the revenue achieved from petroleum franchise fees would be devoted to the capital budget.

Because of the high cost of hospital redevelopment and the need to finance a range of other essential works, the Government has now decided to align the level of this fee with the New South Wales rate of 6.5 cents per litre from 1 October 1990. New South Wales has stated that its current rate will be maintained for two years, and our decision applies for that period. This will generate an extra \$8m in 1990-91, and \$12m in a full year.

Changes to gaming machine taxation scales will be introduced on 1 October. The new scale is a progressive one based on monthly gross revenue. New rates of between 5 per cent and 20 per cent replace the old rates of between 12.5 per cent and 16 per cent. The new scale will assist smaller clubs which currently pay more tax than their New South Wales counterparts. The new rates will achieve additional revenue in the order of \$1.8m in a full year. These revenue measures will produce total additional revenue of \$36m in 1990-91 and \$46m in a full year.

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Other measures aimed at assisting the funding of the capital budget include a one-off dividend from ACTEW of \$4m and, as well, nine additional taxi plates and 250 low digit number plates will be released for sale by auction, and this is expected to raise an additional \$1m in 1990-91.

Before leaving the revenue side of the budget, I want to address the consequences of the Commonwealth's decision on the bank accounts debits tax. The Commonwealth has announced its intention to relinquish this tax from 1 December 1990. Unfortunately, this otherwise sensible decision was not announced at the Premiers Conference despite the States' and Territories' call for the Commonwealth to vacate this tax area. Consequently, State revenue decisions, particularly in relation to financial institutions duty, had already been made before the Prime Minister's announcement on 19 July.

Financial assistance to the States and the Territories has now been adjusted downwards by the Commonwealth in the expectation that they will adopt either this tax or an equivalent. The cut for the ACT is \$2.5m this year and \$5m in a full year. The Government has no choice but to recoup the cut in Commonwealth assistance by an impost on financial institutions. It would prefer that to take the form of a further adjustment to financial institutions duty, but the final decision must have regard to the decisions yet to be taken by the States.

I turn now to borrowings. One of the four goals set by the Government in our March budget strategy statement was to limit our borrowings to responsible levels. This has been achieved in our 1990-91 budget. The total level of new borrowings to meet the financing of the capital budget has been limited to \$44.2m. Of this, \$27.1m is for general capital works where the debt servicing cost in future years will impact directly on the budget.

In deciding on this figure, the Government has come to a judgment on an appropriate level of capital works and the implications of borrowing for capital expenditures that do not produce revenue to service the debt. Despite the Commonwealth retaining significant funds in its Transitional Funding Trust Account, there is still a need to undertake important capital projects. Furthermore, there is justification for spreading the costs of some works over time so that later users contribute their share. As I have already said, I have sought \$18.6m from the Commonwealth's trust account to fund part of the cost of restructuring the ACT public sector. Agreement from the Prime Minister would see borrowings for general capital works of only \$9m, and that would minimise the pressure of debt servicing on future ACT budgets.

The Government was successful in persuading the Commonwealth to agree to the ACT having no debt in respect of its non-revenue producing assets such as schools and hospitals as at 1 July 1988. A similar claim in respect of ACTION and municipal debt was refused. Given those

decisions, the ACT Government's total debt at 30 June 1990 was \$580.8m.

The Government is determined to institute prudent and cautious economic management. It has budgeted for this year's principal and interest payments and, through the use of sinking funds, it is ensuring that the principal is paid off over the estimated life of the assets funded by borrowings. Servicing the ACT's 1990-91 debt will cost the budget \$22.4m in interest and \$7.8m in principal repayments.

In conclusion, I outlined a budget strategy in March which set the economic and financial directions for the future of the ACT community. In accordance with that strategy, this budget sets a climate for private sector growth by increasing public sector efficiency and through the changes resulting from micro-economic reform. It is balanced. It minimises reliance on borrowings. It also takes the first steps towards making better use of ACT assets. We have taken strategic decisions in health, schools and TAFE - the areas of most significant overfunding - to accomplish the move to State-like funding over the next few years.

The decisions we have taken have a major effect on the structure of the ACT budget. Leaving aside the hospital redevelopment, we have made recurrent expenditure reductions which will save \$15m this year, increasing to \$27.5m by 1992-93. Adding the full year effect of restructuring, the measures in this budget will save \$40m. We have introduced revenue measures which will achieve \$36m in 1990-91 and \$46m in every full year thereafter. The introduction of new policies will add \$5m in 1990-91 and in future years.

The total change we are achieving in the recurrent budget bottom line is \$50m this year and \$81m in a full year. Our new borrowings are 4.5 per cent lower than for last year. We have provided \$20m towards the overfunding position that the Territory has inherited. We are using our \$20m cash this year to cut future years' spending. We are in the process of establishing an efficient administrative structure. We have kept ACT taxes at reasonable levels, at or below the New South Wales levels. We are establishing the groundwork for continuing responsible financial management. I commend the Bill to the Assembly and I present the explanatory notes to the Bill and the following papers:

Budget Speech 1990-91 (Budget paper No. 1).

Budget Overview 1990-91 (Budget paper No. 2).

Capital Works Program 1990-91 - (Budget paper No. 6).

Environment Budget Statement 1990-91 (Supplementary budget information paper No. 2).

Financial Relations between the Commonwealth and ACT 1990-91 (Budget paper No. 7).

Municipal Budget 1990-91 (Budget paper No. 8).

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Program Information and Estimates 1990-91 (Budget paper No. 5).

Statement on ACT Schools re-shaping program 1990-91 (Supplementary budget information paper No. 3).

Summary of Financial Information 1990-91 (Budget paper No. 4).

Women's Budget Statement 1990-91 (Supplementary budget information paper No. 1).

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

PLANNING, DEVELOPMENT AND INFRASTRUCTURE - STANDING COMMITTEE
Alteration of Reporting Date

Motion (by **Mr Jensen**), by leave, proposed:

That paragraph (2) of the terms of reference of the Standing Committee on Planning, Development and Infrastructure's inquiry into alterations to current policy concerning fences on suburban/residential building blocks be amended by omitting "11 September 1990" and substituting "16 October 1990".

MR BERRY (3.55): One of the intriguing aspects about this motion by my colleague across the way is that it seems that the committee is not able to come to agreement on the matter. I will not speak for long on the matter, but I think it might be well for the Assembly to consider passing over the matter altogether because there are, of course, adequate guidelines in relation to fences in the ACT which most ACT residents are prepared to live with. If the committee members are not able to agree on the issue it might be well for the community if they could turn their attention to other matters.

MR WOOD (3.56): I would support my colleague on this. This reference, as I recall, was given to the committee by the Follett Government - it must have been half way through last year; July last year. It was in the time of the Follett Government, but I would think, by now, if the committee which has been operating under Mr Jensen since November or December has not been able to get on to it, we should be giving it up.

I recall also that recently we had an inquiry into the billboard on City Hill. I noted a comment in the paper that that seemed a bit unnecessary, and I would certainly agree with that. I believe, Mr Jensen, that you and your committee ought to be getting down to the task of looking at our proposed planning legislation. I have heard you say from time to time here that that is important. I would think you should get on to that - it does have high priority - and let us see whether we can get something done

in that area rather more rapidly than with a relatively low key inquiry into front fences.

MR JENSEN (3.57), in reply: I presume that everyone realises that I will be closing this debate. I think it is appropriate for both Mr Wood and Mr Berry to be advised that in fact public hearings in this matter were only completed last week, so it is appropriate to provide sufficient time for the issues raised in those public hearings to be considered and looked at. That is one of the reasons why this matter has been deferred for the moment.

I will take into account the comments made by Mr Berry in relation to this matter - seeing he clearly decided not to participate in meetings - when I am deliberating on this matter.

Question resolved in the affirmative.

ADJOURNMENT

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

That the Assembly do now adjourn.

School Closures

MR WOOD (3.59): This unseemly haste of the Government to adjourn cannot lightly be agreed with. You will have to wait a little time yet. Mr Speaker, I have had a quick look to date at the figures Mr Kaine has presented - those figures relating to the reshaping of the education program - and the first reading would indicate, as has well - - -

MR SPEAKER: Order! Mr Wood, you will be wary of bringing on the budget debate, won't you?

MR WOOD: If you can point out something - I see Mr Collaery is looking through his standing orders. Figures in front of me suggest that in this financial year we are going to lose \$2m in round figures as a result of school closures. That is the excess of costs over savings on your figures. You may claim this is justified by savings further down the track, but those savings will be minimal in any case.

Mr Duby: And the gain from the sites.

MR WOOD: A further point I would like to make - and I thank Mr Duby for his interjection - is that he will gain from the sale of the sites. It has been long known that this has been the driving force behind the Government's

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wishes. Its major requirement has been to sell those sites.

Mr Duby: Rubbish!

MR WOOD: Well, you said it a moment ago, Mr Duby. You said that there would be \$8m from the sale of school sites. Let me tell the Government that no school site will be sold; no school site can be sold. There is action now in place that will make it absolutely hopeless for you to try to sell any school site. This is something I am very pleased to comment on.

First of all, the proposal by the Labor Party to put a substantial betterment tax, or a surcharge, if you like, on any valuation of a school site has had a response that we sought. We sought to make it clear to any would-be developers that if they proposed to take up a site they would be severely dealt with in terms of a financial imposition. It has deterred them. The response we have had from developers is a clear enough indication that they do not want to take up those school sites. We have achieved what we wanted.

Secondly, as of yesterday, certain building trade unions have indicated that they will not allow work to proceed on those sites. That also is a most effective means of ensuring that you cannot sell one of those sites. Not only are your so-called recurrent savings down the tube, but also there is no way in the world that you will be able to achieve your prime objective of realising the capital gains from the sale of those sites.

I would have thought that some greater dedication to the concepts of education that this city is so proud of would have led you along a more sensible path. You are already doomed to failure in these proposals of yours. And the sooner the members of the Residents Rally can come into this chamber - as they will have the opportunity to do tomorrow - and vote to defer these matters, the better it will be for this city and for our schools. We wait for Mr Jensen, Mr Collaery and Dr Kinloch to come in.

Hospitals

MR BERRY (4.03): I rise to speak on an issue of concern. I do so in the wake of having won a debate at the ANU in relation to the hospitals matter - and I must say that that victory was an overwhelming, hands-down win. It was not a race, but it was a shame that my opponents just were not up to the pace - nor were their arguments anywhere within a bull's roar of the arguments that were put by the members in my team.

I must say that I was overjoyed with having won that debate with such a large majority from the judges. It concerned

the issue of the hospitals in the ACT. Of course, that matter has been addressed to some degree by the Chief Minister here today, and I found he confirmed, to my great concern, that there have been and will be fewer beds in the ACT's public hospital system.

In fact, the Government now agrees, on its own figures, that there are fewer beds in the public hospital system than there were approved under the previous Follett Labor Government. Now, the approved beds - - -

Mr Humphries: Not true. "Approved" is different. The question is "approved" or "open", Wayne.

MR BERRY: If Mr Humphries would like to get involved in the debate at some point - and I am sure he will take the opportunity - he will be able to raise that issue. But the fact of the matter is that the Government has said that the available beds now are 100 fewer than they were under the Follett Labor Government. Deny that. That is a fact of life, and that is a sign of the future for our public hospital system because this Government will swing around the emphasis in the delivery of hospital services from the public sector to the private sector.

It has already started the rot with the reduction of beds. It has already demonstrated its mismanagement in the information that I have made public as a result of the Government's committee deliberations on the restructuring program. There has been a budget blow-out. The costs of the redevelopment of our public hospital system will blow out and will exceed \$200m. It is very interesting now that taxes will be imposed by this Government - - -

Mr Jensen: I raise a point of order, Mr Speaker. I know Mr Berry started off talking about the debate at the hospital, but I think he has now gone into budgetary matters which I think are more appropriate for reference later on in the day.

Mr Moore: It is the adjournment debate.

Mr Jensen: No, Mr Moore, read your book.

MR BERRY: You are getting a bit touchy. What does it say? Which part?

Mr Jensen: 554, Wayne.

MR SPEAKER: Order! Mr Berry, please do not bring on the budget debate.

MR BERRY: It cannot be. There is no such thing as 554. It only goes to 275. The fact of the matter is that the Government will impose a tax on the people of the ACT to pay for a hospital system which the people of the ACT do not want. They do not want a public hospital system which has fewer public hospital beds, which is more expensive for

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the ordinary person in the street and which ensures that there are a larger number of private hospital beds out of reach of the ordinary person in the street. They do not want such a public hospital system, as was proved by the judges at the debate which I recently won. They do not want a public hospital system which will cost more.

The Minister was not even competent enough to stack the meeting. The best he could do was to bring Bill Stefaniak along. I must admit I thought for a moment that Bill Stefaniak was going to vote for me. The fact of the matter is that we are in for troubled times in the hospital system. The public of the ACT will have difficulty with the system. It will be a political issue, up until this Government is thrown out of office.

School Closures : Hospitals

MR HUMPHRIES (Minister for Health, Education and the Arts) (4.08): I have to respond briefly. I do not want to get into the budget debate, but unfortunately Mr Berry and Mr Wood have both raised issues in respect of that. The fact of life is that the figures are now on the table. The arguments about the budget savings have been raging for some time, pushed along by Mr Wood and his colleagues. The figures are on the table; they are there to see. I am sure Mr Wood will be spending the wee small hours of the morning perusing those documents and obtaining information about them. I am sure that when he sees what is in those documents he will have a very different view of the Government's savings objectives from the one he has had in the past.

In respect of Mr Berry's comments on the hospital debate, Mr Berry is, as usual, running a very clever little campaign of juxtaposing apples with pears. He made reference to the number of beds approved under - - -

Mr Berry: "Available" too; I mentioned "available".

MR HUMPHRIES: "Approved"; that is what the Hansard will say - the number of beds approved under the Follett Government and the number of beds actually operating under the Kaine Government. Of course, it is a very false comparison to make, because there are never, in any hospital system, as many beds operational as have actually been approved.

Mr Berry is obviously feeling the heat, because he cannot stay any longer. He has to get out to put out a press release, no doubt spinning some false little tale about what has been happening in here today. But the fact of life is that he knows full well - - -

Mr Stefaniak: You have brought him back now.

MR HUMPHRIES: I knew there would be something to bring him back. But he knows as well as everybody else involved in the hospital system that you cannot compare beds approved with operational beds. When he and the public of this Territory see the figures they will realise that the Chief Minister's claim that no public hospital beds will be lost as a result of this process is a fully achievable objective and one which the Alliance Government will stick to.

I think it would be unfortunate if we get into debate today. Ms Follett's response comes down on Thursday, and I look forward to that. However, I personally am very proud to have been associated with this budget. It is, in my view, a very fair, reasonable and far-sighted budget. I think that the Territory will bear the mark of this far-sightedness for many years to come.

Budget Speech

MR MOORE (4.10): I think in one way the budget delivery today is a sad start; that is, the members were not given the speech of the Chief Minister as he delivered it. As far as I can recall, it is the very first time in this Assembly that somebody who has a prepared speech has not - - -

Mr Humphries: It is only the second budget.

MR MOORE: No, of all prepared speeches, Mr Humphries, this is the first time I am aware of that the speech has not been available to members to follow, as it is made. Certainly there were a couple of times when I wanted to check something that Mr Kaine had said to make sure that I actually did have it correct so that I would not be put in the position that Mr Humphries suggested Mr Berry would be in, of going outside and uttering some falsehood about the proceedings in here today.

It is a very sad reflection of the attitude shown by the Chief Minister and the Government to the rest of the Assembly that they did not provide us with budget paper No. 1 until the end of the proceedings today. I wonder what possible reason they could have for this. Do they think we could somehow or other subvert what they were doing by perhaps getting it a little bit early? Do they think we would race outside to say to a journo, "Look, this is what he is going to say", and pre-empt it by all of five or ten minutes, or something horrific?

I just cannot help wondering whether some of Mr Collaery's demonstrated paranoia has actually gone across to the Chief Minister. Is the Chief Minister actually now suffering from the same sort of paranoia? I do not believe that to be the case, because I find it hard to believe that anybody would be suffering from the same sort of paranoia as that from which Mr Collaery suffers. But I think the point is

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still well made; that to hold a speech back from members really reflects an attitude to the rest of the Assembly that I consider inappropriate.

Mr Humphries: I rise on a point of order, Mr Speaker. I ask Mr Moore to withdraw the expression "paranoia" in respect of a Minister.

MR SPEAKER: I do believe that it should be withdrawn, Mr Moore.

MR MOORE: Mr Speaker, I think you would agree with me on the way in which I did it, demonstrating the particular cases and so forth. I would ask you not to push me in this direction, Mr Speaker, because clearly I was referring to a series of newspaper articles and so forth that have clearly demonstrated this; otherwise I shall have to give examples of Mr Collaery's paranoia.

MR SPEAKER: Order! I believe that it is an uncomplimentary and unparliamentary statement to make of any member, regardless, and I just ask you to withdraw it on that basis, Mr Moore.

MR MOORE: Well, Mr Speaker, if I were to talk about Dr Kinloch having difficulty, in some medical way or something, we would not take any great objection to that and if Mr Collaery - - -

Mr Humphries: Mr Speaker, Mr Moore is flouting your authority and you should name him.

MR SPEAKER: Order, Mr Humphries! I am not adamant that either of you is correct. However, I would ask Mr Moore to withdraw it because it really was over the top.

MR MOORE: Thank you, Mr Speaker. I will withdraw the term "paranoia" and refer to incidents that have been recorded in the newspapers referring to the nature of the Minister's own security and the sort of thing that we have read by Marion Frith, and leave it up to members of the Assembly as to what term they would put on it since I have to withdraw the term "paranoia" at your wish. Of course, as a parliamentary member, I do, as a rule, follow your direction and will do so in this case by withdrawing that "paranoia" term.

Australian Labor Party

MR COLLAERY (4.15), in reply: Mr Speaker, I rise to close the debate. I regret Mr Moore's comments. We are seeking to raise the level of debate in the Assembly and raise the esteem of this parliamentary gathering. It does not help matters to hear Mr Moore, and I simply regret that he chose to use that language. I did not intend to speak, but I will speak until the bell, Mr Speaker.

I want to talk about a magnetic personality in the chamber. I refer, of course, to our Leader of the Opposition. I want to talk about intellectual property, and I am sure Mr Moore would be interested because once he had some affiliation to community concerns - and to a colour that went with it. Of course, I refer to the fact that the Residents Rally rhodamine pink has now found its way to the ALP and is now being circulated throughout the northern suburbs of our fair city. I am ending the day on a jocular note, Mr Speaker. This is Residents Rally pink and Residents Rally style, Mr Speaker. The Leader of the Opposition has now taken out the name "Residents Rally". I will show it to members of the Opposition. The Leader of the Opposition has now taken over the Residents Rally colour and style.

That is interesting, of course. She did make a certain offer to the Rally last week, and I suppose that if you cannot get an acceptance in the chamber you get down on your knees to the public. On the back of it is a magnet. Certainly this is an interesting observation on the Labor Party and how it is going at the moment. I know, of course, that Federal Labor Ministers and members are groaning at the moment at the performance of their so-called Labor colleagues in the Territory. That is an open secret.

What we should be doing, Mr Speaker - and I say this through you to the Opposition - is working to ensure that the Opposition is perceived as an opposition and not somehow related to something you would see at Parkwood eggs. The move by the Labor Party to adopt the Residents Rally colour and style is typical of some other tactics we have seen recently. Interestingly, Mr Moore has chosen to adopt and build on some of those tactics, and they are, of course, what we in the community call dirty tricks.

Of course, this is the age of the big lie and we have an opposition which, in the time I have been in this chamber as Deputy Chief Minister, has, I believe, asked me four questions. And for all of those I believe I am indebted to my legal colleague opposite, Mr Connolly. I have had a few questions from Mr Moore. The Opposition has shown very little interest in social justice concerns in the areas that we administer. Vulture-like, they have fallen upon the hospitals and schools issues. I trust that, in this next post-budget session of the Assembly, the Opposition will find the opportunity to comment and ask questions about community affairs, community services, social justice issues, domestic violence concerns and welfare matters, particularly those in the area of youth homelessness.

As Labor Party members, they are distinguished throughout this country by their showing so little interest in these portfolio areas. Four questions I have had, including one relating to social justice concerns, in all the months I have been in government - since December. That is an

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absolute disgrace. It is an opposition that has bound itself to opportunism. It has no forward thinking policies. It has shown no interest, and it now lives with that cacophony and that sycophantic response. Certainly the next election will show these people up for what they are.

Question resolved in the affirmative.

Assembly adjourned at 4.20 pm

ANSWERS TO QUESTIONS

MINISTER FOR FINANCE AND URBAN SERVICES

LEGISLATIVE ASSEMBLY QUESTION

Delegations of Powers

QUESTION NO. 150

Ms Follett - asked the Minister for Finance and Urban Services

(1) Since the Ministers assumption of office, what legal powers or functions has the Minister delegated to public servants.

Mr Duby - the answer to the Members question is as follows:

(1) On 6 January 1990, under Section 6 (1) of the City Area Leases Act

1936, I delegated my legal powers and functions under Regulation 4 of the City Area Leases Regulations to seven members of the City Engineering Section for the purpose of allowing them to gain access to leased land to undertake inspections relating to garbage facilities provided or complaints received.

On 16 January 1990, under sub section 5(1) of the Administration I delegated my legal powers and functions under the Coffee Shops Act 1959 to the Registrar and Deputy Registrar of Hawkers for the purpose of issuing and cancelling licences.

On 7 March 1990, under Section 12 of the Air Pollution Act 1984, I delegated my legal powers and functions to the Manager of the Pollution Control Authority for the purpose of appointing inspectors.

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CHIEF MINISTER FOR THE AUSTRALIAN CAPITAL TERRITORY

LEGISLATIVE ASSEMBLY QUESTION

Womens Enterprise Service

Question No 157

MS FOLLETT -- Asked the Chief Minister upon notice on 29 May 1990:

- (1) Why has the Government not concluded arrangements with Sistertrust ACT Inc for the operation of the Womens Enterprise Service in accordance with the offer which was made to Sistertrust in December 1989.
- (2) Does the Government intend to spend the \$150 000 allocated to the Womens Enterprise Service in the 1989-90 Budget.
- (3) If the answer to (2) above is no, who made the decision to scrap the initiative and why.

MR Kaine -- The Chief Minister has provided the following answer to your question.

The Government decided not to proceed with the trial proposal for a Womens Enterprise Service as originally envisaged.

No expenditure was incurred in the 1989-90 Budget and the warrant for the \$150 000 was withdrawn.

The Government is prepared to support programs that encourage and promote women in business, but considers that the private sector should play a major role. In this regard organisations interested in this concept have been advised to negotiate with the private sector, and that the Government would be pleased to consider any proposals that had a mix of funds from the private and public sectors and that showed how funding would be provided in the longer term.

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MINISTER FOR HOUSING AND COMMUNITY SERVICES

ACT LEGISLATIVE ASSEMBLY

QUESTION NO 166

Youth Outreach Worker Program

Mrs Grassby asked the Minister for Housing and Community Services

(1) Is it true that you were not consulted before the Minister for Finance and Urban Services axed the Youth Outreach Worker Program.

(2) - How can you maintain your alleged commitment to overcoming the problems of youth in the ACT when you have failed to stand up to the Minister for Finance and Urban Services by demanding the reinstatement of the Youth Outreach Worker Program.

Mr Collaery - the answer to the Members question is as follows:

(I) Earlier this year, due to the urgent need to reduce Government expenditure, the Chief Minister and Treasurer advised all Ministers that initiatives of the Follett Government that had not yet been implemented would not proceed. It was in this context that the Youth Outreach Worker Program was cancelled .

(2) My commitment to overcoming the problems of youth in the ACT is real and accepted by the many ACT community groups with whom I have had dealings. The Alliance Government has made considerable progress in developing a co-ordinated and constructive response to the problems and needs of young people including housing, welfare and unemployment. The Government recognises that the long term unemployed and young people with reduced employment prospects frequently have multiple problems that require resolution.

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ACT programs must complement those being offered by the Commonwealth in this area. The Skillshare program has recently been expanded to address the needs of disadvantaged unemployed youth. The Work Resources Centre has received funding of \$60,000 under Special Services for Disadvantaged Young People and expects to employ a worker in this area shortly. The Commonwealth also has responsibility for the JET scheme (Job Education and Training) targeting supporting parents re-entering the workforce. The likely impact of JET has yet to be assessed in the ACT. I would expect all these issues to be addressed in the review of the ACT Employment Strategy being conducted by the Ministerial Advisory Council on Employment.

In the interim the Government has made considerable progress in putting in place a more responsive administrative structure placing housing, welfare and youth affairs within my portfolio. I am looking towards a more co-ordinated and constructive response to the needs of young people, including the problems of unemployment.

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

Land Valuations

Question Number 180

MR MOORE - asked the Chief Minister upon notice on 6 June 1990:

- (1) What are the total official valuations of rateable ACT land at 1 January 1985 and at 1 January 1988.
- (2) What are the dissections of these values under the following classifications (a) owner-occupied residential;
(b) rental residential; (c) commercial, including retail; (d) industrial; (e) rural and (f) any other categories utilised.
- (3) What professional bases are used for valuation of each class.
- (4) Are any non-professional instructions given to valuers re any classes or sites and, if so, what are or were they and for what occasions.
- (5) In what respects, if any, did these bases and instructions vary between the valuations as at 1 January 1985 and 1 January 1988.
- (6) What are the total official valuations or, if not valued, the estimated values for current usage or non-rateable land owned by the Commonwealth at 1 January 1985 and at 1 January 1988.

MR KAINÉ - the answer to the Members question is as follows:

- (1) Under the terms of the Rates and Land Tax Act, unimproved values in the ACT are redetermined every three years. Although these values are set on a common date, for administrative and rating purposes they do not become effective until 18 months after the general revaluation has taken place i.e., values that were redetermined as at 1 January 1985 became effective for rating purposes on 1 July 1986 while values that were redetermined as at 1 January 1988 became effective for rating purposes on 1 July 1989.

A comparison between values at 1 January 1985 and 1-January 1988 is set out below:

1-1-85 UV --
\$ 3,662,058,360

(all properties recorded at June 1986) The difference between these two valuation bases reflects additional properties leased throughout the 1985 triennium (July 1986 to June 1989).

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1-1-85 UV

\$ 4,035,235,075 --

(all properties recorded a,- June 1989) I

The difference between I these two valuation bases I reflects the enhancement I in value of properties I from 1985 to 1988.

1-1-88 W I

\$ 4,902.709,700 --

(all properties recorded at June 1989)

(2) It is not possible to differentiate between owner-occupied and rental dwellings or to dissect commercial use into retail or other categories. Properties are only dissected into the following categories:

Residential . Commercial . Industrial . Other (institutional, sporting, agricultural, etc.)

The breakdown of values shown in answer number one is therefore limited to these categories. See attachment 1 for details.

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In addition, it should be noted that two rating factors are struck each year; a normal rate and a rural rate. The normal rate applies to properties within the gazetted city boundaries whilst the rural rate applies to all properties outside the city boundaries and properties used for primary production within the city boundaries.. The rural rate is currently 50% of the normal rate. All of the above categories therefore include properties which attract the rural rate.

Unimproved values of land in the ACT. are determined under the provisions of Section 5 of the ACT Rates and Land Tax Act 1926. The valuations are undertaken by Valuers in the ACT Branch of the Australian Valuation Office all of whom are professionally qualified and members of the Australian Institute of Valuers and Land Administrators.

The best evidence for the unimproved value of all categories of land is generally derived from the sale of comparable vacant land near the relevant date i.e. 1 January 1985 and 1 January 1988.

However, when sales of vacant land are not available, improved sales near the relevant date are analysed to deduce their land component i

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by deducting from the purchase price the depreciated value of all chattels, buildings and other improvements. This approach accords with long established valuation principles and has been accepted by Courts, Boards of Review and the Administrative Appeals Tribunal.

The unimproved value of any block in terms of Section 5 of the ACT Rates and Land Tax Act is based on the levels of land value disclosed by sales of property in the locality near the relevant date. The Valuer compares this block with the sales evidence, making appropriate adjustments for any significant differences between the blocks. Such differences may include size, shape, physical features, locational factors, permitted use, etc..

- (4) No. Valuations/revaluations are carried out as required by the provisions of the Rates and Land Tax Act.
- (5) Bases and instructions did not vary. Both revaluations were carried out as required by the provisions of the Rates and Land Tax Act.
- (6) Neither actual or estimated valuations are available for, the total land owned by the Commonwealth.

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ATTACHMENT 1

Total W using 1-1-85 valuation as at June 1986 properties as at
Total W using 1-1-85 valuation as at June 1989
Total W using 1-1-88 valuation as at June 1989

properties as at
June 1989 June 1989

\$ \$ \$ _

Residential

Housing Trust 251,948,000 279,924,000
323,106,000

Private

Residential 2,619,934,000 2,790,511,900

Total 3,168,269,500

Residential 2,871,882,000 3,070,435,900
3,491,375,500

Commercial 558,625,500 709,766,000 1,024,536 00
(d) 0

Industrial 156,611,500 172,956,075 279,834,000

(e) & (f)

Other* 74,939,360, 82,077,100 106,964,200

Sub-Total 790,176,360 964,799,175 1,411,334,200

GRAND-TOTAL

3,662,058,360 4,035,235,075 4,902,709,700

* This figure includes several different lease purposes, such as headquarters/office

agriculture and gi, ,

9. church/school, scientific laboratory.

MINISTER FOR FINANCE AND URBAN SERVICES

LEGISLATIVE ASSEMBLY QUESTION

QUESTION NO. 210

Air Pollution

Ms Follett - asked the Minister for Finance and Urban Services -

- (1) Why is much of the data obtained at the seven ACT air quality monitoring sites not readily accessible to the ACT Pollution Control Authority, as reported in the Authority's last Annual Report.
- (2) What action is the Minister taking to ensure that there is a satisfactory level of air pollution monitoring in the ACT.

Mr DUBY - the answer to the members question is as follows:

- (1) The Pollution Control Authority works in co-operation with the ACT Community and Health Services and the Commonwealth Department of the Arts, Sport, the Environment, Tourism and Territories (DASETT) to monitor air quality in Canberra.

Each of the organisations has provided equipment to set up an Air Quality Monitoring Network. The ACT Community and Health Services Government Analyst provides the manpower and laboratory resources to collect, analyse and report the data.

The ACT Pollution Authority's Annual Report drew attention to the fact that Environment Protection Service did not have at that time the necessary computer hardware and software to access directly the national air quality data archive.

- (2) In order to achieve direct access to the data, discussions are proceeding between the Pollution Control Authority and other agencies through the Air/Noise Sub-committee of the Inter Departmental Committee on Environmental Quality to develop a monitoring strategy and system to meet all needs in an efficient and integrated way. This year the Interim Territory Planning Authority (ITPA) is applying resources to upgrade the existing monitoring system to meet planning requirements. This is also expected to be of value to the Pollution Control Authority.

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MINISTER FOR FINANCE AND URBAN SERVICES

LEGISLATIVE ASSEMBLY QUESTION

QUESTION NO. 213

Air Pollution

Ms Follett - asked the Minister for Finance and Urban Services -

- (1) What levels of airborne particulates have been recorded at each of the ACT air quality monitoring stations each month during the latest year for which data is available.
- (2) What factors are believed to cause the seasonal and geographic variations in particulate levels.
- (3) How do the particulate levels recorded in the ACT compare with national and international standards.

Mr DUBY - the answer to the Members question is as follows:

- (1) Particulates suspended in air in Canberra are measured by the ACT Community and Health Services. The monitoring consists of filtering a measured volume of air over a twenty four hour period. Ancillary monitoring, which measures the scatter of light from particles in air as it passes through a Nephelometer, gives an indication of the instantaneous variations in suspended particulates.

The following are the test results of the monitoring for airborne particulates carried out by the ACT Community and Health Services during 1989.

TOTAL SUSPENDED PARTICULATE ($\mu\text{g}/\text{m}^3$) (AVERAGE OVER THE MONTH).
1989

CIVIC WODEN BELCONNEN KAMBAH

Jan	32.2	29.5	22.7	20.6
Feb	53.3	41.1	32.4	38.6
Mar	33.4	23.7	20.3	17.9
Apr	25.2	19.0	14.5	15.0
May	29.7	24.8	19.5	19.5
Jun	28.9	21.6	15.9	16.8
Jul	42.9	43.2	29.8	31.0
Aug	44.7	39.7	23.6	26.6
Sep	46.1	45.0	26.6	28.7
Oct	46.6	42.8	30.8	24.6
Nov	44.1	28.7	26.9	14.1
Dec	36.6	32.5	27.5	24.5

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- (2) On the days when calm conditions occur the dispersal of air pollutants is limited. These occur mainly in the autumn and winter months, April to September. These calm days often cause temperature inversions which trap cold air and pollutants close to the earth. The worst episodes of air pollution occur on these days.

The sources of airborne particulates in Canberra are broadly divided among pollens, soils, motor vehicles, domestic solid fuel heating and backyard burning. Controlled burning or beautifiers occasionally add to airborne particulates in Canberra.

Canberra is built in a system of valleys largely surrounded by hills. These provide a barrier to the movement of air in the region and contribute to the potential for poor air quality. Winds in the ACT vary with the seasons but tend to be predominantly from the north west. In autumn and winter, however, very still night air drains down the valleys from the south towards inner Canberra and out towards Belconnen and the Lower Molonglo Valley.

The basins such as Tuggeranong and Belconnen create their own cold air drainage which either works with the regional drainage or against it. This "cold air drainage" carries with it pollutants generated during these winter nights. When the drainage patterns are flowing in opposite directions pools of cool air containing pollutants are formed. These are obvious in the evening, overnight, and in the morning.

Nephelometer readings indicate the extent airborne particulate varies from hour to hour and from season to season in Canberra. The highest airborne particulates concentrations are normally found in autumn and winter at night, between 19.00-03.00 hours. This is due to a combination of calm weather conditions and a mixture of emissions from motor vehicles, domestic solid fuel heating and backyard burning. In autumn and winter the--7.atxxr two causes are dominant. A small peak occurs in true- early morning, between 07.00 and 10.00 hours. This is most probably due to vehicle emissions as people drive or are driven to work. These peaks are generally dispersed by midafternoon on most days of the year.

- (3) Airborne particulate concentrations monitored in Canberra during 1989 are quite low when compared with the recognised health guidelines such as those prepared by the National Health and Medical Research Council (NHMRC) one year rolling average and the United States Environment Protection Agency (USER) 24 hour reading. These are given on Page 3.

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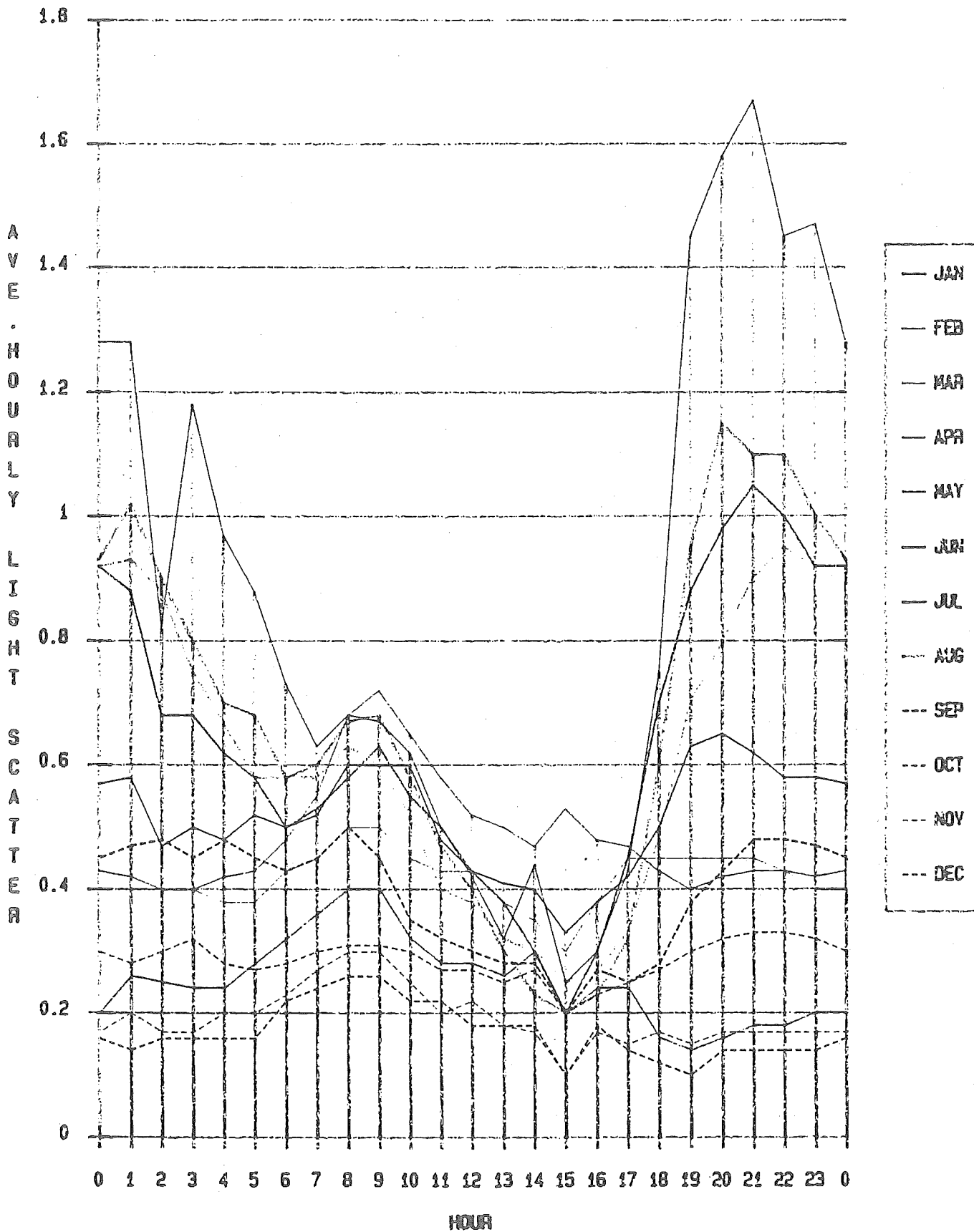
TOTAL SUSPENDED PARTICULATE ($\mu\text{g}/\text{m}^3$)
1989

NHMRC GUIDELINE	SAMPLING PERIOD	CIVIC	WODEN	BELCONNEN	KAMBAH
90	1 year	38.6	32.6	24.2	23.2
USEPA GUIDELINE	SAMPLING PERIOD	CIVIC	WODEN (MAXIMUM RECORDED VALUE)	BELCONNEN	KAMBAH
260	24 hour	89.3	90.3	60.2	69.9

However, many complaints are received about:

- local effects, where short term levels would have significantly exceeded the measured levels; and
- aesthetic values, where the built up area is seen to be enveloped in a brown haze.

CANBERRA AIR QUALITY



DATA: A.C.T. GOVERNMENT ANALYST ANALYSIS: A.C.T. ENVIRONMENT PROTECTION SERVICE

11 September 1990

MINISTER FOR FINANCE AND URBAN SERVICES

LEGISLATIVE ASSEMBLY QUESTION

Soil Erosion

QUESTION NO. 215

Ms Follett - asked the Minister for Finance and Urban Services

(1) What measures have been taken to prevent silt run-off from Mount Jerrabomberra affecting the Jerrabomberra Wetlands.

(2) What discussions with NSW authorities have or will be undertaken to minimise silt entry to the ACT from development in Queanbeyan, particularly the Jerrabomberra Estate.

Mr Duby - the answer to the Members question is as follows:

- (1) Planning for urban development on Mount Jerrabomberra is in progress. The Mount Jerrabomberra Local Environmental Study is currently open for public comment. The study includes consideration of potential soil erosion, sedimentation and land instability issues associated with urban development on the slopes of Mount Jerrabomberra. The Soil Conservation Service of NSW, the Snowy Mountains Engineering Corporation and a private engineering company have evaluated the area and submitted reports. In summary the report states that land below 20% slope is suitable for normal urban development with larger blocks being adopted for land between 20 to 27% slope. Further detailed geotechnical investigation, the preparation of a sediment and erosion control plan and an overall stormwater management program are recommendations from the study.
- (2) ACT authorities are included in the public consultation process and the Interim Territory Planning Authority response on the Mount Jerrabomberra development was sent to the Queanbeyan City Council. There has been considerable discussion with NSW authorities regarding control measures to minimise the movement of silt both within NSW and into the ACT.

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MINISTER FOR FINANCE AND URBAN SERVICES

LEGISLATIVE ASSEMBLY QUESTION

Public Area Paving

QUESTION NO. 216

Ms Follett - asked the Minister for Finance and Urban Services on 15 August 1990

- (1) How much did the ACT Government spend in 1989/90 on paving public areas with "pink payers".
- (2) At what locations, and at what cost, were individual contracts let for the work included in the total at (1) above.
- (3) For each location detailed at (2) above, did the work involve paving of a new area or the replacement of existing paving material such as asphalt.
- (4) In each case where the paving involved the replacement of existing material, what was the reason for that replacement.

Mr DUBY - the answer to the Members questions are as follows:

- (1) During the 1989/90 financial year the ACT Government spent \$935,259 on paving public areas with "pink payers" as part of the works comprising six separate projects.
- (2) Paving relating to the advice in (1) above was laid as part of the following contracts at the locations indicated -

Item (i) Paving costing \$15,555 was laid as surface treatment to the traffic control islands which form the new roundabouts at the intersections of Torrens Street with Elmore Street and Girrahween Street Braddon. The contract for Braddon/Turner Stormwater Upgrading and Roundabouts, of which this work was part, was let for \$1,003,955.

Item (ii) Paving costing \$98,585 was laid in the pedestrian verges to City Sections 38 and 53 in Ainslie Avenue, Akin Street and Honda Street. The contract for City Section 38 and 53 Verge Works, of which this work was part, was let for \$358,272.

Item (iii) Paving costing \$157,507 was laid in the pedestrian verges of Honda Street not covered by (ii) above adjacent to the new Canberra Centre. The contract for City - Honda Street Verge Works, of which this work was part, was let for \$278,473.

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11 September 1990

3.

Item (iv) Paving costing \$191,208 was laid in the pedestrian verges and as surface-treatment of the median and traffic control islands in the widened section of Cooing and Ballumbir Streets, City between Mort Street and Petrie Street. The contract for Ballumbir Street/Cooyong Street Upgrading, of which this work was part, was let for \$1,292,535.

Item (v) Paving costing \$139,226 was laid in the hard surfaced pedestrian areas of City Section 56. The contract for City Section 56 Carpark Modifications, of which this work was part, was let for \$922,810.

Item (vi) Paving costing \$333,178 was laid in the hard surfaced pedestrian areas of City Walk between Akin Street and Petrie Place. The development of this area was undertaken in conjunction with the development of the new Canberra Centre, and was implemented under a project management arrangement with a construction authorisation of \$1,250,000.

(3) For the work described in (2) above the paving was for new areas except for replacement of existing pedestrian paving in the following instances:

In Item (iv) existing asphaltic surfacing adjacent to Block 19 of Section 28 Braddon and gravel and concrete adjacent to Section 57 Braddon was replaced with pink payers. The value of the replacement paving was approximately \$40,000.

In Item (v) existing concrete paving in Honda Street adjacent to Section 56 was replaced with pink payers at a cost of approximately \$20,000.

In Item (vi) existing tumbled concrete block paving between Ainslie Avenue and Petrie Place was replaced with tumbled concrete block pink payers at a cost of \$89,710. Some paving between Ainslie Avenue and Akin Street was removed as part of the upgrading of the area but this has not been considered as replacement owing to the totally new design concept and levels constructed in the new work.

(4) In the cases where existing paving was replaced with pink payers the reasons for this action are as follows:

Item (iv) Cooing Street/Ballumbir Street northern verge was redeveloped to achieve a uniform streetscape consistent with the Urban Design Guidelines of the Civic Centre Policy Plan. This policy had been applied to the previously upgraded section of Ballumbir Street.

In Item (v) City Section 56 Carpark Modifications the verge paving in Honda Street adjacent to Section 56 was replaced to conform with the Urban Design Guidelines of the Civic Centre Policy Plan.

4.

In Item (vi) existing pink pavers with tumbled edges were replaced to overcome public complaint of this paving type and to avert further claims against the ACT Government arising from property damage (womens high heels becoming broken by the gaps between the paving units) and personal injury (twisted ankles, falls, etc).

MC1011/29.8.90

3087 ENG./29.8.90/JD

11 September 1990

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

Community Development Fund

Question Number 232

MR BERRY - asked the Chief Minister upon notice on 15 August 1990:

- (1) In your portfolio areas, how much of the Community Development Fund has been allocated.
- (2) How much remains.
- (3) Will the Government give a commitment to retain the Community Development Fund; if so at what level of funding.

MR KAINÉ - the answer to the members question is as follows:

- (1) In 1989-90, an allocation of \$290,000 was provided from the Community Development Fund within the Chief Ministers portfolio, in respect of employment related programs.
- (2) During the year, total expenditure incurred was \$266,028, leaving a balance against the original allocation of \$23,972.
- (3) The future method and level of funding community organisations is being addressed in the 1990-91 Budget.

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MINISTER FOR FINANCE AND URBAN SERVICES

LEGISLATIVE ASSEMBLY QUESTION

ACTEW - Expenditure Savings

QUESTION NO. 233

Ms Follett asked the Minister for Finance and Urban Services -

In what areas were the "significant unperfected savings" achieved as the result of expenditure controls mentioned at page 26 of the ACT Electricity and Water Authority Annual Report for 1988-89.

Mr DUBY - the answer to the Members question is as follows:

The areas of significant predicted savings were realised by application of expenditure controls implemented by the Authority's commercially oriented operations.

Implementation of these principles was not possible at the original budget formulation stage because of a blend of commercial and appropriation style budget data during the amalgamation process.

The overall administrative and operational savings amounted to \$4.891m as indicated below:

Salaries/Wages and Associated Costs \$ 845000

*Employees Benefit Provision --^ 474000

* Insurance Provision 924000

Distribution Maintenance 2648000

\$4891000

* Expenditure reduced as a result of actuarial review as at 1 July 1988.

3089

11 September 1990

CHIEF MINISTER FOR THE AUSTRALIAN CAPITAL TERRITORY

LEGISLATIVE ASSEMBLY QUESTION

QUESTION WITHOUT NOTICE.

20 FEBRUARY 1990

ACT Government Employees - Civic Participation

MR WHALAN: RE THE RIGHTS OF EMPLOYEES PARTICIPATING IN DEMOCRATIC, SOCIAL AND POLITICAL DEBATE WITHIN THE ACT. IS THE CHIEF MINISTER AND THE PERSON RESPONSIBLE FOR THE ADMINISTRATION OF THE PUBLIC SERVICE AWARE THAT YESTERDAY AN OFFICER EMPLOYED IN THE SCHOOLS SYSTEM WAS DIRECTED, HAVING PREVIOUSLY AGREED TO PARTICIPATE IN A DISCUSSION ABOUT THE REQUIREMENTS OF SCHOOLS, FOR A POOL IN TUGGERANONG, NOT TO PARTICIPATE IN A PUBLIC MEETING AT THE TUGGERANONG COLLEGE LAST EVENING?

MY ANSWER IS:

I UNDERSTAND THAT THE PRINCIPAL OF A GOVERNMENT HIGH SCHOOL HAD AGREED TO PARTICIPATE IN A PUBLIC MEETING TO BE HELD ON MONDAY 19 FEBRUARY. HOWEVER, ON FURTHER REFLECTION AND FOLLOWING ADVICE FROM A DIRECTOR OF SCHOOLS, THE PRINCIPAL DECIDED THAT HER PARTICIPATION IN SUCH A POLITICAL MEETING WOULD NOT BE APPROPRIATE. ANY INFORMATION THE MEETING CALLED FOR ON THE REQUIREMENTS OF SCHOOLS WOULD BE MORE APPROPRIATELY PROVIDED BY THE SCHOOLS BOARD.

THE PRINCIPAL WAS NOT DIRECTED TO REFRAIN FROM PARTICIPATING IN THE MEETING.

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