



DEBATES

OF THE

LEGISLATIVE ASSEMBLY

FOR THE

AUSTRALIAN CAPITAL TERRITORY

HANSARD

9 March 2000

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

COOPERATIVES BILL 2000

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety) (10.32): Mr Speaker, I present the Cooperatives Bill 2000, together with its explanatory memorandum.

Title read by Clerk.

MR HUMPHRIES: I move:

That this Bill be agreed to in principle.

The Bill was tabled in August 1999 as an exposure draft for members of the Assembly and the public to examine and was also given to the local cooperative sector as part of the consultation process. The ACT has only three locally registered cooperative societies. This comprehensive draft Bill may seem, therefore, to be out of proportion to the size of the ACT cooperative sector. The Bill is significant, however, for two reasons. First, because it replaces the Co-operative Societies Act 1939 with modern legislation which responds to current community and industry requirements. Secondly, the Bill is part of a process whereby each state and territory is moving towards consistent cooperative legislation.

The Bill incorporates a comprehensive set of core provisions that are being introduced by consensus in all other jurisdictions. The core provisions relate to the establishment, operation and regulation of cooperative societies as mutual organisations controlled democratically by their members. The non-core provisions relate to local matters, such as references to other legislation and the nature of the office of the regulator.

The consistent legislation is of particular importance to cooperatives that trade across state and territory borders. It will remove the need for cooperatives to comply with differing legislative requirements, depending on the States or Territories in which they operate. The consistent legislation has also been designed to address issues that have arisen in other jurisdictions regarding compliance with the Corporations Law in the area of interstate fundraising and mergers.

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The Bill introduces cooperative principles and active membership requirements. It enables cooperatives to have wider corporate powers, facilitates cooperatives engaging in interstate membership and cross-border fundraising and trading, and establishes an adequate enforcement regime. It enhances the provisions relating to directors' duties and facilities and regulates takeovers, mergers, transfers of engagements, arrangements and reconstructions. The legislation - incidentally, Mr Speaker, it is referred to in the tabling speech as draft legislation, but it is not now in draft form; it is now being presented for debate - also allows for the winding-up of cooperatives and improves the requirements for disclosure to members when cooperatives are formed and when shares and debentures are issued.

The Bill allows for two types of cooperatives - trading and non-trading. A trading cooperative is one that allows returns or distributions on surplus or shared capital. Since the members receive pecuniary benefits from their involvement in the cooperative, they are entitled to an adequate disclosure regime. Non-trading cooperatives are traditional not-for-profit organisations. As members of this type of organisation receive no pecuniary benefit from their involvement in the cooperative, a less stringent disclosure regime will apply. Cooperatives will have a transition period of two years from the date of commencement of the Act to bring their rules and operations into conformity with the new legislation.

When the exposure draft Bill was tabled on 26 August 1999, I moved that the Bill be referred to the Standing Committee for the Chief Minister's Portfolio in accordance with the requirements of the Administration (Interstate Agreements) Act 1997. At that stage, there was a possibility that the consistent legislation would be supported by a formal agreement between governments. Debate on the motion was adjourned and has not resumed to date.

In practice, the consistent legislation has been achieved across the various jurisdictions by consensus. There is no proposal before the Standing Committee of Attorneys-General to proceed to a formal agreement. I believe that the Bill should therefore be introduced and considered in the normal manner. In the event that negotiations commence for an agreement, I will arrange for the relevant committee to be informed. I commend the Bill to the Assembly.

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

INTERPRETATION AMENDMENT BILL 2000

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety) (10.38): Mr Speaker, I present the Interpretation Amendment Bill 2000, together with its explanatory memorandum.

Title read by Clerk.

MR HUMPHRIES: I move:

That this Bill be agreed to in principle.

The Bill amends the Interpretation Act, which provides for the interpretation of ACT laws. The amendment serves two purposes. The first is that it removes the possibility of a legal challenge to the validity of determinations of fees and charges. Late last year, the Standing Committee on Justice and Community Safety drew attention to a possible gap in the ACT's law relating to determinations of fees and charges. The committee pointed out that, in the absence of specific provision, it was possible for determinations to be challenged on the basis that they impose a tax.

For any such challenge to succeed, it would be necessary for a person to show that the determination was not a fair recompense for a service that was being provided. It would also be necessary for the person to show that the relevant legislation did not permit a tax to be levied. The Government understands that this possibility is more apparent than real, but it is something that we should address.

The second purpose concerns the goods and services tax. I have gone on record drawing attention to steps the Commonwealth proposes to take under the A New Tax System (Goods and Services Tax) Act 1999. These steps will result in GST not being payable for very nearly all fees that are determined under ACT laws. There will, however, be a number of fees which will result in a GST liability being incurred by the ACT and bodies such as ACTEW Corporation which collect determined fees.

When the collection of a fee will result in a GST liability the ACT, or a body such as ACTEW, will have to choose between passing the liability on or absorbing it. In most cases, the liability will be passed on. The extent to which this will result in fees increasing is not easy to predict. I have pointed out that it will be less than 10 per cent, but this will depend on the extent to which the taxes that are being abolished as part of the new taxation arrangements are embedded in the fee. Of course, any increase in the fee that can be attributed to the GST will leave the fee open to the challenge that it is no longer a fair recompense for the service that is being provided. As set out in the standing committee's report, this will leave the fee open to challenge; therefore, this Bill addresses that and the other issue.

The Bill also makes consequential amendments to the Magistrates Court Act 1930 and the Road Transport (General) Act 1999. These amendments delete provisions that permit a determined fee to impose a tax.

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

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EDUCATION - STANDING COMMITTEE
Report on Work for the Dole Project in Primary Schools

Debate resumed from 2 March 2000, on motion by **Ms Tucker**:

That the report be noted.

and on the amendment moved by **Mr Berry**:

Add "and the dissenting report be rejected".

MR STEFANIAK (Minister for Education) (10.42): I am in the process of finishing, Mr Speaker, but I want to make a couple of other points before I do so. There are a number of significant omissions from the report. There is no mention, for example, of the Commonwealth's submission, which cites a dozen extant projects in schools and states that the central role that schools play in the community makes for an important element in the work for the dole strategy. That submission goes on to conclude that, overall, the Department of Education and Community Services proposal is considered an excellent opportunity for participants to gain experience and that there is excellent employment outcome potential for many of them.

The committee's report relies very much on the arguments of the AEU. The AEU have always had an ideological stance on this subject and they have made well known their opposition to the scheme. The report misses the fact that the work for the dole project involves unemployed people working on a variety of tasks to support a school's operations, most of which are outside the classroom, and most of which do not involve support provided by teachers. It is not about working directly with students. Therefore, a lot of the information provided by the AEU and relied on by the inquiry had limited relevance and could mislead.

Mr Speaker, the project is a very good one and has the overall support of the ACT community and, indeed, the Australian community. The amendment that we are looking at here really does smack of totalitarianism. It reminds me of Stalin in the 1920s, who used to blot out pictures of people he had fallen out with, such as Trotsky and the other hot shots one reads about in history books and so on concerning the old Soviet Union. The amendment smacks of censorship. Also, it is rather extraordinary to ask a member to withdraw a dissenting report. I do not think something like that has any place in this Assembly. It would set a disastrously dangerous precedent. I ask members to reject the amendment.

MR BERRY: Mr Speaker, I seek leave to speak again on this matter.

Leave granted.

MR BERRY: I welcome the opportunity to contribute again to this debate. I heard Mr Stefaniak talk about the ideology of others, using the language of totalitarianism and that sort of stuff. I think that Mr Stefaniak is caught in a pre-1989 time warp. He is concerned more about the wall in Berlin that he is about the realities of the ACT

education system. The fact of the matter is that, if anybody has a view which is different from this Government's, it is an ideology. If it is this Government's view it is a positive view, not an ideology. Curious, curious, curious!

This debate is, in many ways, a philosophical one about whether the victims of society should be punished for their position in society. That is where this all came from. It has its origins in the philosophy of the Federal Liberals and the Liberal Party generally that people who are on the dole are in some way bludging and need to be punished for it, that we need to force them to make a contribution to society because society has let them down. That argument has no meaning to it. It is stupid for a political party to form the view that the people who have not done well in society ought to be punished as a result thereof. That has flowed into this work for the dole program.

I admit that some of the efforts of the Government have been watered down, but at first it was clearly a philosophical position which drove this matter. All of the evidence that I saw come before our committee indicated that. This matter was never well thought out. A government that said it had a strong commitment to consultation did not have one. Of course the AEU would have a position on this matter. They have as their membership over 90 per cent of the teachers in government schools. Why would they not have a position on this matter? Their members, who have a commitment to quality public education, are the ones who are going to be sidetracked by this philosophical position of the Liberals opposite. Why should they not have a position? Why should they not raise questions about the effectiveness of this proposal?

Let us get to the people who would be participants in this scheme. Nobody objects to people who are in unfortunate circumstances because society cannot provide them with a job finding a better way forward. But it has to be real. It cannot be phoney and it cannot be something that is put in place just to look as though the Government is making these people who do not have jobs make a contribution to society because they receive unemployment benefit. The philosophical divide is wide, but the practical divide is wide as well. The youngsters who were to go through the system under the proposal put to the committee on which I serve were not going to come out of the system any better equipped, other than by being able to say that they had some work experience at a school. What about the workers at the school that are going to have to supervise these people?

Mr Humphries: They do not mind.

MR BERRY: The problem is, Mr Humphries, that nobody asked them. But when they did find out, it was demonstrated that they did mind. For example, janitors are not trained to supervise people who are in work for the dole programs. The people who were punished by Mr Stefaniak and had their pay cut because they took minor industrial action - lowly paid female bursars in the schools; we all remember what Bill the bursar basher did - were not asked whether they minded supervising work for the dole participants. At first, the people who could not find a job were going to help out with literacy and numeracy programs in schools. That was the first plan. That went by the wayside after a while. The Government soon worked out how ridiculous that was.

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It sounds all right for a political party to have the philosophy of getting back to the three Rs - reading, 'riting and 'rithmetic - as its driving force, but this was just a political statement that it would improve the three Rs in our schools if we had these work for the dole participants helping with literacy and numeracy. How stupid can you get? They were the origins of this program. The ACT was the first to try it on. Now, Mr Stefaniak says that, overwhelmingly, people in Australia support this proposal. Overwhelmingly, people are cynical about it. Overwhelmingly, people want their youngsters and others in the community, including the long-term unemployed, to find jobs. Overwhelmingly, they support any move to find them jobs. But they do not support meaningless ideological programs, which this one was and was demonstrated to be.

The subject I need to get back to for a moment is the contribution to this committee report by Mr Hird. I think there is still a motion somewhere on the notice paper about that.

Mr Stefaniak: That is what you are talking to, actually, or you are meant to be talking to.

MR BERRY: No, we are talking about the work for the dole project at primary schools. We are talking about order of the day No 1, are we not?

MR SPEAKER: Yes. Mr Berry, you have moved an amendment to that item, so the debate can be conducted on both.

MR BERRY: I am sorry, I have missed that, Mr Speaker. A lot of time has passed since then. I think that the point has been made in relation to that. At the conclusion of my contribution, I will seek leave to withdraw that amendment, not because I do not believe in what I said in the first place, but because I think it would create some difficulties for the committee process in the future if we went down that path. On that basis, I am happy to withdraw the amendment, but what drove it was perfectly legitimate. I think the written contribution made by Mr Hird at the end of the process was quite in conflict with his contribution to the committee process.

I am sure my colleague Ms Tucker will back me up when I say that all along the way Mr Hird went along with us. I am not going to sit idly by and watch this sort of thing happening. I do not mind if Mr Hird has a particular view as long as he expresses it throughout the process and does not lead his other committee colleagues up the garden path during the process. I do not think that this amendment ought to proceed because it would create difficulties for the future if it did. It is a shot across the bow and I hope that the Government has listened. In my view, Mr Hird's contribution was written in a departmental or ministerial office somewhere. I think I am entitled to have those suspicions. I know that Mr Hird is busy in his committee contributions, but he will have to pay more attention to them and not let the people there lead him around by the nose. I think that this ought to be a lesson for the future that, if you want to have a position in relation to something, you should adopt it early and be sincere about it in the committee process so that we can debate it, instead of coming down on us like a ton of bricks after the event, offering up new information and a new position which none of us had heard of in the committee process.

I would have loved to have argued in the committee the positions that were put by Mr Hird in that paper after the committee reported; we would have had a great deal of fun in the committee. Who knows, the report might well have been changed in some respects because there would have been a debate about the issues, but we did not have the opportunity in this case. I hope that this will serve as a reminder that we all value the committee process and we want to see the contributions that are made to it given a chance for argument within the committee confines. People have an entitlement to say what they think. I have taken advantage of this entitlement on many occasions. If I do not believe in what is going on in the place, I will be the first to say it and I will try to say it as early as I can. I do not mind having the debate in the committee process, but I do not think that we should have to deal with these sorts of contributions after the event because doing so then does not give us that chance. Mr Speaker, at this point I seek leave to withdraw the amendment.

Leave granted.

MS TUCKER: I am not wrapping up the debate. I seek leave to speak to the - - -

MR SPEAKER: You will be closing the debate.

MS TUCKER: No, I am seeking leave from the Assembly to respond to the withdrawal of Mr Berry's amendment and to the amendment because I think there are some important issues that need to be covered.

Leave granted.

MS TUCKER: Thank you. I think it is a really important issue. I do notice that Mr Berry has withdrawn his amendment, but, really, what we are talking about here is the committee system of this place. We had a slightly hysterical reaction from Mr Stefaniak last time we debated this, and he repeated it again this morning. Basically we are being accused of being Stalinist, totalitarianism, and having no place in democracy. Okay, let us get down to the real issues here about democracy.

Mr Stefaniak did not address the fundamental concerns that caused Mr Berry to put that amendment to reject Mr Hird's dissenting report. The centre of that concern was that Mr Hird was not working in the way that we expect people to work in committees. We have had discussions in this place recently about how committees work. I remind members that last year Michael Moore recommended in his report to the ACT CPA branch that there be a new standing order which "provides that a committee report is the view of the committee and should not be taken to be either the view of the government or opposition". Basically, Mr Moore's recommendation arose from discussion initiated by a Canadian delegate at a seminar he attended on parliamentary processes. This Canadian delegate queried whether a committee member should be able to go to his party - I would say his or her party but this person did not - for a review of the report before the member adopts the final position. The answer was a resounding no, but that it should be made apparent that a report does not bind either the Government or the Opposition.

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Michael Moore actually referred that issue to the Committee on Administration and Procedure. In the ACT the standing orders related to this issue are standing orders 241 and 242, but I will not go into any more detail in terms of what the committee has discussed on this matter because it would not be proper to do so at this point.

What I want to say is that this is the really key issue that has been raised here today. What is the role of Mr Hird as a Liberal Party person on this committee? In fact, he did agree - and it is minuted - with four out of the six recommendations, and the four that he agreed with were the substantial recommendations about this particular issue. The first two recommendations, which he did dissent from, related to consultation and called on the Government to work with its consultation protocol. It was quite peculiar that he would choose to dissent on that. Let me read recommendation 1 to you. It states:

The committee recommends that, in future, the Department of Education and Community Services comply with the Government's consultation protocol.

I would have thought that was pretty easy to support. In fact, if the Government claims they are doing it anyway they would not have a problem with it. The second recommendation he dissented from was:

The committee recommends that compliance with the Government's consultation protocol be included as a performance measure in contracts of all senior executives.

That is an accountability mechanism about consultation. Mr Hird chose not to support those two recommendations, which was his right, obviously. Recommendation 3 was:

The committee recommends that before proceeding with the project, the Department of Education and Community Services develop a detailed selection process.

That was agreed to by Mr Hird. Recommendation 4 was:

The committee recommends that:
the Department of Education and Community Services review the training to be offered to participants with a view to providing accredited or industry-recognised training;
schools be provided with resources to provide specific on-the-job training;
the per capita training budget be increased significantly.

That was agreed to by Mr Hird. Recommendation 5 was:

the committee recommends that the Department of Education and Community Services re-examine the level of projected support required and negotiate revised funding arrangements with the Commonwealth as appropriate.

That was agreed to by Mr Hird. Recommendation 6 was:

the committee recommends that if the Department ... is unable to negotiate with the Commonwealth adequate funding arrangements to enable the implementations of recommendations 3, 4 and 5 it withdraw from the project.

That was agreed to by Mr Hird. Then we see the dissenting report and it is totally inconsistent with what Mr Hird did in the committee. What we have to ask is: Why? Who wrote the dissenting report? Is this proper process in a parliament? Do we care about the committee system at all, or is it going to be politicised?

The fact that Mr Stefaniak has totally misrepresented the reason for Mr Berry's amendment is also quite concerning because it is clear that Mr Hird was not consistent with the work he did in the committee. The only inference that can be taken from that is that basically there was some other reason for him to put in a different sort of dissenting report. That obviously could only be related to the party to which he belongs, and the Minister of that party and of this Government, and that is what is of concern to us about this action. This is not a good thing to do in a parliament where the community has some faith left, I hope, in our committee system. For that reason I think Mr Berry was perfectly entitled to raise this matter by putting the amendment, although I do understand the reasons why he has withdrawn it and I probably support them too. But we do need to have the discussion in this place.

Mr Stefaniak also keeps pushing this ideology line. It is just like an insult that gets thrown around this place, but we need to unpack it a little bit. What is ideology? As I understand it, people might like to have a different interpretation and put that forward in this discussion. As I understand it, it is about ideals. It is about how you work in this place, representing your party or as an independent and the ideals that you stood on as an elected representative.

This committee report responded to community representations on this issue. The ideals that support the recommendations of this report are ideals about ensuring that young unemployed people do not have further negative experiences through government policies. It was clear from the evidence that the young people would not necessarily have a good experience, and it was likely they would have a negative experience if they were pushed into a place to work where they were not properly supported. It was made quite clear - - -

Mr Stefaniak: It is voluntary.

MS TUCKER: It is voluntary, Mr Stefaniak says. Okay, if you say work for the dole is voluntary, Mr Stefaniak, I think you have missed something fundamental about the work for the dole scheme. Young people will be put into a work environment that is quite stressful and complicated. That was the evidence that came to our committee. The youth sector talked to this committee. The youth sector represent young people. The

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youth sector who work with disadvantaged young people were worried about the young people being put into this situation. We are interested in what happens to young people who are unemployed.

I have a very strong commitment to education and to valuing the work of teachers. That is an ideal I have. The teachers organisations, the major stakeholders, told this committee that this was going to add a burden to their workload which they could not carry and did not want to carry. The teachers of our society and the Primary Principals Association said that this is going to take away from the work of education. Yes, we have an ideal. I have an ideal. The Greens have an ideal which says that we want to make sure teachers are respected and supported.

Then we have the issue of the janitors and the administration staff. What is the ideal here that I have as a Green member? I want to see janitors' work respected. I want to see the administration workers acknowledged and respected as well. I want to see that we actually understand what has happened to that particular group of people through school-based management. The committee heard clearly that we have seen an increase in the workload for administration workers in schools, but we see that these people are now going to have another workload. So there is another ideal that came into play in decisions that I made on that committee.

Then we have another ideal - that the Public Service does its work thoroughly for the government; that the Public Service or the chief executive officer or whatever department is involved works thoroughly on proposals. Now, what happened in this committee inquiry? We saw the whole program change because as things were brought up things were changed. It was not a well thought out proposal.

At one point we had school counsellors being dobbed in to look after all the mental health needs of these young people in the schools. Counsellors were not asked. The counsellors could not do that. (*Extension of time granted*) I thank members. The counsellors said, "No, we cannot do that. We cannot look after the children in schools. We cannot take on this extra workload". "Oops; okay, we will change it", says the department, so that got changed midstream. Initially, of course, we had these young unemployed people helping children with numeracy and literacy problems too, but that got pulled out. Even the Commonwealth Government could see that that was going to cause an outrage. This was not a well thought out process, so there is another ideal that I am extremely concerned to see flouted through this process.

This committee did make recommendations about training. Mr Stefaniak is saying that work for the dole is not a training scheme. Exactly. Once again Mr Stefaniak has totally missed the point of the committee's report. This is not a training program. What had become quite clear about putting these young unemployed people into schools was that there had to be training. Of course there did. It was not going to be properly resourced. It was going to have to be done by the people working in the school system already, and it would be at the expense of the other work they do.

There may be appropriate places to put young unemployed people where training could possibly not be provided, although I would argue because I have an ideal which says that if you want to help young people who are presently unemployed to become employed you actually train them. You don't just make them pick up litter, or pull out weeds, or walk around with poison on their back and call it landcare work. I would say that if you are genuinely committed to helping young unemployed get employed you provide training, but there are some particular work for the dole programs which would not have such a critical imperative for training to be provided. This is not the case in a school environment where you are dealing with children, so there was a necessity to see training. That was basically acknowledged and the training was going to be done, as I said, by the people already working in the school, and they were not happy about that.

What was absolutely clear through this committee was that this scheme was poorly thought out. The overwhelming evidence that came from people across the board, not just the Australian Education Union, was that this was not in the interest of the young people who are unemployed and it was not in the interests of the professionals working in the school situation. The Government had not consulted properly on this and it was therefore not to be supported. That is why the recommendations are as they are in this report. They are supported by evidence from a broad range of stakeholders. This is not about ideology being under some kind of attack. Ideology is fine. Ideology is what we work with and come from when we work in this place. Mr Osborne comes in here with a set of values and principles that he works from. What is wrong with that? You do not say, "It is just ideology". He has a right to have those views, as we all do, whether we are representing parties or individuals.

Mr Osborne: What are you getting stuck into me for?

MS TUCKER: I am not. I am saying you have the right. I am not getting stuck into you, Mr Osborne. I am saying that you have the right to do that and there is nothing wrong with that. That is how we work in this place. So it is really quite concerning to me that Mr Stefaniak, instead of responding in detail to this report, is just throwing meaningless phrases about as if that, somehow, is going to convince people that his case is right. It does not. To me, it just makes his case look even worse.

I noted an article in the *Canberra Times* quite recently. I will go back to the issue of the place of committees and what we do with the committee reports. That article said this:

The Minister for Workplace Relations, Peter Reith, and his department have been heavily castigated by the Senate Committee of Privileges for the unauthorised disclosure of a draft committee report last year.

The committee said the handling of the draft report both in the minister's office and the department "constitutes culpable negligence" and that, therefore, a contempt of the Senate had been permitted.

Basically what happened in the Federal Parliament was that there was a decision taken because a staff member had inappropriately put a draft report into the Minister's office.

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This is a convention of parliaments. We have every right to be concerned about who wrote that report for Mr Hird, or, if he wrote it himself, why he changed his position so radically from that of the committee, because his report is quite inconsistent with how he operated within the committee. It is really inappropriate that someone from outside the committee process should come in at the last minute and make comments on a draft report. They have not been involved in what happened in the committee. They have not listened to the evidence. They have not read the submissions. They have not been part of the private deliberative discussions. (*Further extension of time granted*) Thank you.

Basically, the important thing is that the members of political parties in a committee do work as a member of that committee, not representing the view of their government or their particular party. That is totally clear from all the discussions that we have had about the role of committees, and I thought that we were agreed upon it. In fact, in a way, it was something that Mr Stefaniak alluded to when he was so concerned about Mr Berry's motion calling for rejection of the dissenting report. Mr Stefaniak seemed to be implying it was a problem for democracy. Well, Mr Berry has withdrawn that amendment, but the problem for democracy is how this Liberal Government has been working in this instance with its member of the committee.

MR OSBORNE (11.10): Mr Speaker, I do not wish to prolong the agony of Mr Hird, but I do feel the need to speak generally about the Government in relation to how they handle committees. Being chair of the Justice Committee, I too have found myself in a difficult situation, as have other members on the committee, when it would appear that we have a consensus in relation to a number of recommendations and, lo and behold, a dissenting report arrives on the table at the 11th hour. I do not necessarily blame the Liberal member on the committee for that, Mr Speaker, but it is disappointing to have recommendations minuted and no dissent being raised and then, lo and behold, bang.

It is becoming increasingly clear to me that perhaps there is a need to not have any government members on committees because it is very clear what their view is. I always felt that the way the committees worked in this Assembly was that you often slipped away from party politics and tried to work towards a common goal at the end. I have to admit to having been disappointed that the Government seems to be pushing their agenda via their member on the committee. It certainly does not make my job as chair of the committee easy when, as I said, there appears to be consensus but there is not until someone upstairs on the second floor has checked. That is disappointing. It does make the job of the committee very difficult.

I also wish to move my amendment, Mr Speaker. May I do that now?

MR SPEAKER: You may move it. The other amendment has been withdrawn, so it is perfectly in order to move it.

MR OSBORNE: I move the following amendment:

After "noted", add "and calls on the Government to take no further action towards implementing the work for the dole project in ACT schools".

Mr Speaker, I am entering this debate today to express my lack of support for this proposal. I and my office have considered this work for the dole scheme very carefully and I am not convinced of its merits. I think the Standing Committee on Education has produced a very good report and I thank them for it.

I have been tempted to allow the Government's proposal to go through to the keeper, Mr Speaker. After all, as Mr Stefaniak has said, this proposal is not being forced on schools and many schools are happy for any warm body to help them out. There are a number of reasons why I am no longer prepared to do that.

Firstly, I am not a true believer in the work for the dole scheme. It tends to reinforce generalisations about the long-term unemployed as being bludgers, as being unwilling to look for work or to create opportunities for their employment, and blames them for being in their situation. Clearly, it was not the brainchild of someone who had themselves been unemployed and was convinced that this type of experience would have got them a job.

Secondly, I have sought advice from the schools in my electorate over the past month or so and have found no support for it. I have written to every government school principal in Brindabella and not one has said back to me, "I want this program in my school". Not one. Thirdly, I tend to agree with the committee that, rather than being of assistance to schools, it could easily become a drain on them.

I accept that in its current form this is not a vocational proposal. I wish it were, though, Mr Speaker. As a work experience program only, it attracts little in the way of training assistance. I recall the report stating the figure of \$350 per participant for training. I hold grave doubts about whether this is anywhere near enough to ensure that participants would be adequately trained to work in schools amongst our young children and assist them to find work. The evidence received by the committee strongly suggested that schools would need to provide significant on-the-job training, adding to the workload of already busy school staff.

Mr Speaker, I am a big supporter of traineeship vocational programs, but not just things being proposed like this. In recent years we have had these types of programs operating in our schools. I understand they worked very well. Their key element was adequate training. Working alongside children is not the same as clearing scrub from railway tracks or trimming hedges. It is a specialised occupation which takes more than just a couple of days orientation. Just placing work for the dole participants in a school environment would make some level of contact with children inevitable, and I believe that this program prepares neither its participants nor the schoolchildren for that experience.

Like the majority of committee members, I am prepared to support programs that result in young people being placed in meaningful activities, that offer accredited training, real opportunities for work and which are well supported. I do not believe that this proposal achieves any of these objectives. Rather, I agree with the committee that this scheme has the potential to be detrimental to both schools and the young unemployed participants.

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On such grounds, I am not prepared to give it my support. I believe that the Government would be better served by redirecting their efforts into more meaningful programs.

MR HIRD (11.16): Mr Speaker, I must say that to my knowledge this is the first time Mr Berry has actually admitted that he is wrong. That is shown by the fact that he withdrew his amendment. His speech shows that very clearly. It is in *Hansard* and it shows just how foolish he looks.

Ms Tucker has also attacked my right to dissent. It is my right, Mr Speaker, at any time to change my mind during any hearings. Ms Tucker gave me the schoolmarm look that said, "Student, you have no rights at all. You have no rights at all within standing orders or the due processes of this parliament. You can't disagree with the report" I prepared a dissenting report. That is not good enough.

Mr Osborne: Who prepared it?

MR HIRD: I ensured that the dissenting report was added to the report. I just heard Mr Osborne say, "Who prepared it?". Well, Mr Speaker, let me tell you that Mr Osborne and Ms Tucker have staff financial arrangements far greater than mine. On the crossbenches they have in excess of \$100,000. I, as a backbencher, as Mr Osborne would know, have short of \$70,000. They can employ additional staff, I cannot. I just have to rely on the financial resources I have. Even the Opposition have greater financial resources than I have in their allocation for staffing.

I notice that those members opposite are only on one or two committees whereas I am on a considerable number of committees. That has come about because that is the process which this parliament has adopted over a period of 10 years. When they, the Opposition, were in government they had a member of the government on each of the committees. Now they want to change it. Well, let me tell you, Mr Speaker, what it will be like when they get back into government. It is like the use of commercial-in-confidence. Mr Berry had a memory lapse and forgot what he said when he was a Minister. Well, it will come back to bite you. It will come back to bite you like that did.

Mr Berry: What is that?

MR HIRD: What you said in respect to commercial-in-confidence. You go on saying that is not good enough; that there should be open government. Well, it will come back. What I am saying is that the due process or norm in this chamber is that a government member is on each of the committees. That is the practice. I must pay a tribute to you, Mr Speaker, as you also fulfil a role on a number of committees. I remind the crossbenchers again that they have far greater financial resources than I do. As for who wrote my dissenting report, it was written under my instructions by my staff. The same sort of arrangement is used by headmistress Tucker when she is getting questions prepared or reports prepared. Headmistress Tucker uses her staff.

MR SPEAKER: Please, you must refer to the member by the correct name.

MR HIRD: Thank you, Mr Speaker. Ms Tucker uses similar resources to me. However, she obviously has greater financial resources than I have, and good luck to her. She has already said that the task that was set for me in this instance was exactly the same as for other members of the committee. True. However, I had the right to change my mind at the conclusion of the hearing. I must compliment the departmental officers and my colleague Mr Stefaniak, the Minister for Education, on the way they argued and put the case. I had an open mind, but certain members of the committee obviously had closed minds. If they did not have closed minds they had tunnel vision.

Mr Speaker, I have the right, under standing order 251, to bring in a dissenting report. Whether I do it during the hearings or whether I do it at the 11th hour, that is my right under standing order 251. Once again, in closing, Mr Speaker, I compliment Mr Berry. I think Mr Berry shot from the hip, but it is the first time that he has admitted he was wrong. He is wrong on numerous occasions. Every member in this house knows that. Mr Berry, I congratulate you for withdrawing your amendment because it was stupid, foolish and improper.

MR BERRY (11.21): I am going to speak briefly to the amendment, Mr Speaker. I welcome the amendment. This follows on from a committee report which has been largely and arrogantly ignored by the Government. This motion really is an echo of the committee's report because the committee made it clear that we did not want the proposal to go forward, and I thought that was arrogantly rejected and cast aside by the Government. We will be supporting this amendment. I think this work for the dole scheme is an ill thought out proposal which will not deliver for working people who are unemployed and are seeking work. It will not help the education system. I think we demonstrated that in our committee deliberations, notwithstanding the contribution that has just been made by Mr Hird.

Mr Hird cruelly accused me of firing from the hip, but if what he said was true I hit my target. The fact of the matter is that this has been an unhappy episode for the school system because they have seen this pressure coming on them to do something that by and large they do not want to do. The outcomes from these things are never positive because you have a whole range of people involved who, with all the best wishes in the world so far as public education is concerned, are being forced to do something which distracts them from the main game, and that is public education. So I welcome the amendment and Labor will support it.

I will just remind members of an article which appeared in the *Canberra Times* this morning on page 3. It is in relation to the Minister for Workplace Relations, Mr Peter Reith, and his department being heavily castigated by the Senate Committee of Privileges for the unauthorised disclosure of a draft committee report last year. It is headed "Reith, department found in contempt" and refers to a range of issues. I quote:

The committee found that a staff member of the former senator (also identified in the accompanying documentation as Liberal Senator Karen Synon) had disclosed without authority a draft report of the Employment, Workplace Relations, Small Business and Education References committee to a staff member of a minister ...
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ministerial staff member in turn disclosed it without authority to a departmental liaison officer who inappropriately forwarded it to the relevant department.

And on it goes. I say no more in response to that. I think members can see what I am getting at, particularly government members who might be on committees. At the same time I will say that it is a difficult job, if one is a member of several committees, to process all the work of the committees. I understand that, but there are certain boundaries you cannot cross. I think the warning shot that I fired by way of the now withdrawn amendment should express, in some way, a level of concern in this Assembly. I just hope that the Government takes that into account when they are trying to pressure members into a certain course of action through these committee processes. They have to take into account the role their members have on these committees as well. I understand all the philosophical positions which occur and, as I said before, I understand the pressures on members, but I think the history of committees and their role in the deliberative process in this place has not only to be respected but must be seen to be respected.

MR STEFANIAK (Minister for Education) (11.26): Mr Speaker, I am somewhat surprised at Mr Osborne's amendment at this incredibly late stage when the scheme is effectively up and running. It will be starting very shortly. All the arrangements have been made and the money is through and everything. Really, it is far too late and the Government is bound, I think, simply to go ahead. I call on members to reject this amendment.

A lot has been said about this scheme, but I just want to make a few more points, Mr Speaker, and to reiterate a couple. The schools are ready to go. Despite all the fuss and nonsense that has gone on about this matter, despite all the groups who have opposed it, such as the AEU, we still have a significant number of schools in the government sector who want to go ahead with this scheme and are prepared to do so. It is voluntary for the schools concerned, and I think that should be respected.

Members must realise that this is, in fact, a popular scheme. It is a scheme that is popular in Australia. I reiterate the advice I have that over 4,000 schools in Australia – I have named some in other States - are involved in very similar work for the dole projects. There are figures in relation to the effect of the scheme for young Australians who are unemployed, and that is what we are talking about. I think the figures issued by Senator Reid last year show that in three months 34 per cent go into full-time work, and another 11 per cent within three months of completing this scheme.

It being 45 minutes after the commencement of Assembly business, the debate was interrupted in accordance with standing order 77.

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

That so much of the standing and temporary orders be suspended as would prevent consideration of Assembly business, order of the day No. 1, continuing beyond the time allotted to Assembly business this morning.

MR STEFANIAK: As I said, Mr Speaker, there are some very significant figures there. Indeed, another 11 per cent go within three months into meaningful training. That is some 45 per cent. That compares very favourably with some of the figures from some of the Labor schemes which previous Hawke and Keating governments introduced in an effort to put young Australians and not so young Australians into the workplace. That compares very favourably indeed. In fact, it is more effective than most, and I think people should not lose sight of that fact.

There is also the fact, as I have said, that we have quite a number of young people who are very keen to be part of this scheme. It is not a scheme that people have to be dragged into, kicking and screaming. It is a scheme many young people are very keen to get involved in. I think I have said before that a number of young people have contacted my office wondering how they can get involved in this scheme. We have a number of government schools who are keen to go ahead, despite the constant opposition that has been there all the time from groups like the AEU.

Ms Tucker: How many? How many schools and how many placements?

MR STEFANIAK: I understand that it is about 11 or so at this stage, Ms Tucker. I am not sure about the placements, but I understand that there are about 11 schools. That is despite the concerted efforts of a number of people to white-ant this scheme and the concerted efforts of the union, all the way through. They have made no bones about it. I have no dramas with the fact, Ms Tucker, that they oppose the scheme. They do not like it. That is fine.

Mr Berry is right. I think we do have about 90 per cent of our teaching profession in the AEU, and that is very significant. There are still a number of schools who are keen to go ahead despite all of that, and that, I think, is very important indeed. That is something that people should respect.

A lot of work has now gone into this scheme. The money is there. The scheme is ready to go. I think the people who are involved are ready to go. My understanding is that the scheme will now start in Term 2, which is not very far away. For it to be interrupted at this stage would, I think, be quite clearly wrong, and that is something that the Government simply would not be prepared to do. I think this amendment is a most unfortunate one, coming as it has at this very late stage, and I believe the Assembly should reject it.

MR SPEAKER: Before I call Mr Humphries I would like to recognise the presence in the gallery of students from Merici College who are here as part of their study of legislative process. We welcome you to your Assembly.

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety) (11.27): Mr Speaker, I will speak very briefly on this matter. Mr Stefaniak has outlined very clearly the reasons why the Government opposes this amendment. The reasons largely are that this process is well advanced at the moment; that already there is Commonwealth money dedicated in the ACT to this activity in ACT schools; that there is already a public commitment to proceed; and there is already

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cooperation from schools to proceed. There are a number of schools in the ACT which are prepared to work with this program to produce benefits both for the young people who are unemployed that are involved in the program and for the schools generally. That is a worthwhile goal, Mr Speaker, and I strongly urge members not to block this important initiative.

I note that even the Federal Leader of the Opposition has not gone so far as to wish to pull the Federal ALP out of the work for the dole scheme. His view, and apparently his party's view, is that the scheme ought to be preserved. I think he went to the last Federal election saying that under a Federal Labor Government there would still be a work for the dole scheme. You can imagine what Mr Berry et al would be saying today if it was a Federal Labor scheme under which we were proposing that these 11 schools, or whatever number it is, should be involved in a work for the dole scheme. You can well imagine what he would be saying.

Mr Speaker, I think Mr Stefaniak has made it perfectly clear, but I will repeat the fact that the Government is committed to this scheme. We believe it is of value to the unemployed people of this community for whom this Government has provided so much in the way of creation of jobs in the last five years. This Government will continue to focus on the creation and retention of jobs in this Territory. I think the relevant figure is 12,000 jobs in the last five years. Mr Speaker, 12,000 people have something to be thankful for due to the fact that this Government is in office. We indicate at this stage, and put it very clearly on the record, that we regard the motion as amended by Mr Osborne's amendment as a call, a request, to the Government. The Government wants to put on the record very clearly, absolutely clearly, that it intends to proceed with this scheme in ACT schools, and that the request not to proceed comes too late to be seriously heeded by this Government.

MR SPEAKER: Ms Tucker, are you speaking to the amendment?

MS TUCKER (11.34): Yes. I am pleased to see that Mr Osborne has come into this discussion. I am really pleased to see that he has looked in detail at the committee report and the evidence that came before it, I understand. In fact, Mr Osborne's office has also looked at the submissions. As a member of this Assembly, he has taken an appropriate interest in this and after having done so has come up with this amendment at this late stage. I certainly am supportive of it.

Mr Stefaniak says that 11 schools are involved. I would like to know the number of placements. Hopefully, he can get back to us on this. I know that originally the proposal was to be 140 placements. It would be interesting to know how that has been renegotiated with the Federal Government. In fact, there are not very many placements or as many now. The Assembly would be interested in and entitled to know what has changed, if it has changed, or are you saying you have placed 140 young unemployed people? We would like details on that.

MR SPEAKER: Order, please! There is too much audible conversation. Ms Tucker has the floor.

MS TUCKER: Thank you. Mr Stefaniak spoke about how he believed that certain young people wanted to do this, and I am not surprised. They have to do something. They are forced to do this under the work for the dole scheme. They have to find somewhere to do work for the dole. The point that Mr Stefaniak fails to address again is what is going to be the cost of this on schools, and what will the experience be for the young people. The training component of this is being basically carried by the schools. That is what clearly came through in the committee. So it is at the cost of the schools.

Now, fine, we can say that schools should be community service organisations and take on broader community service obligations, but people in the profession are concerned about that. They feel they have too much to do already. I am very interested to see Mr Moore here in this debate as someone who appears in this place as a champion for schoolteachers. It is quite surprising to me.

There is another thing that is quite interesting about this. When we look at the detail of the Commonwealth work for the dole program, one of the criteria is that work for the dole programs have to enjoy community support. I do not believe that that has been demonstrated at all through this committee inquiry. The stakeholders are, I assume, an important part of the community that the Commonwealth is referring to. One would hope so anyway because they are the people actually working with these young people. They, of all people, one would hope, would be supportive of any work for the dole programs that they are responsible for managing.

It was quite clear in the committee that this program did not enjoy the full support of all the stakeholders. That, to me, shows a total flaw in the Commonwealth's own administration of work for the dole because I do not think they appear to have shown very much interest in what the community support was for this. I wonder what processes occurred which followed our report being tabled, and whether the Commonwealth took note of it. We did not get or hear of any formal response. I wonder whether the ACT Government forwarded our report to them to keep them fully informed of what was happening.

There are other concerns that I have about the Commonwealth's administration of the work for the dole scheme as well. In the committee we found it very difficult to get a picture of how the departments of the Federal Government work together, particularly whether or not the Federal Department of Education was consulted on whether or not this was going to be useful for young people or useful for schools. That was also of concern.

Mr Osborne has come in at this late stage and made a strong stand on this. I commend him for that. I am glad to see that he has done the work on this and that he has decided to act in the way he has.

MR CORBELL (11.38): Mr Speaker, I am very pleased to see the amendment moved by Mr Osborne this morning.

Mr Wood: It is late though, isn't it?

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MR CORBELL: Indeed. As my colleague Mr Wood points out, it is late, but it is at least the appropriate course of action. It is that, Mr Speaker, because the work for the dole scheme is all about targeting unemployed people as the perpetrators of their own circumstances. That is what the work for the dole scheme is about. It is about targeting them and saying that they are responsible for their own fate; that they are responsible for being unemployed and that they have to work out how to get out of it.

Mr Speaker, there is no doubt that the principles of mutual obligation have been in place around the world for many years now, but where do you draw that line? We all understand that we all have to accept individual responsibility for changing our circumstances if we find ourselves in difficult situations, but there is also a responsibility on ourselves collectively as a community, and that is what work for the dole undermines. Work for the dole says that the individual has to take responsibility and the community will effectively punish individuals because they are out of work. Mr Speaker, I can see no justification for it. It is a cruel, small-minded and small-hearted approach to dealing with the question of unemployment.

Mr Smyth: You started it with CDDP back in the 1970s.

MR CORBELL: Mr Speaker, I hear the taunts and the criticisms from over the way there. They can adopt that small-minded, small-hearted approach. They can adopt that, but, quite frankly, Mr Speaker, I am interested in representing the concerns of people in Canberra, the concerns of the people who vote for Labor candidates here in the ACT, and I have no doubt whatsoever that the people who vote Labor in the ACT, the people who support the Labor Party in the ACT, and people who support these types of issues to do with social justice in the ACT completely oppose work for the dole.

Members interjected.

MR SPEAKER: Order! I am interested in hearing Mr Corbell's comments, not cross-chamber chat.

MR CORBELL: I have no doubt, Mr Speaker, that the people who elected me to this place and the people who elected my Labor colleagues to this place do not want to see work for the dole in the ACT, and that is why we are standing up here today. That is why we are arguing that it is inappropriate.

Mr Speaker, the Government goes on about how it is a useful mechanism for people to get work. Quite frankly, Mr Speaker, they should be focusing more of their attention on why it is that society fails to provide enough jobs for people to get work. The reality is that Australia-wide there are four applicants for every job. That is the reality. Australia-wide there are four more people applying for jobs than there are jobs available. That is the statistic, and that is never raised in these types of debates, Mr Speaker. The level of unemployment and the level of jobs is never raised in this debate because the very sad reality is that there is one job for every four applicants. So even if everyone out there is working hard to find a job, and the great majority are, the overwhelming majority are, the jobs are not there.

Instead of spending all our time and effort and energy in trying to target and blame the unemployed, and saying that it is up to them to work hard and to find a job, why do we not try to work out why our society, and the way our society operates, does not provide adequate jobs, and work out ways of fixing that problem? The great irony, Mr Speaker, is that whilst our society does not provide enough jobs for people, and while there are four people applying for every one job, there is still an enormous amount of work which is not done. I do not see anything from the other side of the chamber that addresses that fundamental contradiction.

There is so much work to be done in our society, there are so many levels of need which are unmet in our society, so much positive, useful, creative and effective work that can be done and that needs to be done in our society, and yet, Mr Speaker, the jobs are not there for that work to be done. That is the biggest contradiction in the question of unemployment. It is not about young people trying to find work and having to be made to get work; it is about resolving the contradiction that there is so much work to be done in our society and not enough jobs to fill those needs. Work in social services, work in caring for people, work in fixing our environment, is all useful work. That is work that needs to be done, but I do not see those people on that side of the house addressing that fundamental contradiction. Why do they not spend more of their time trying to deal with that contradiction rather than targeting unemployed people and saying that they have to do more work to find a job when the jobs simply are not there.

Question put:

That the amendment (**Mr Osborne's**) be agreed to.

The Assembly voted -

AYES, 8

Mr Berry
Mr Corbell
Mr Hargreaves
Mr Osborne
Mr Quinlan
Mr Stanhope
Ms Tucker
Mr Wood

NOES, 9

Ms Carnell
Mr Cornwell
Mr Hird
Mr Humphries
Mr Kaine
Mr Moore
Mr Rugendyke
Mr Smyth
Mr Stefaniak

Question so resolved in the negative.

Motion agreed to.

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EXECUTIVE DOCUMENTS RELEASE BILL 2000

MR MOORE (Minister for Health and Community Care) (11.48): Mr Speaker, I present the Executive Documents Release Bill 2000, together with its explanatory memorandum

Title read by Clerk.

MR MOORE: I move:

That this Bill be agreed to in principle.

Mr Speaker, I am once again pleased to present this Assembly with a Bill to enhance the laws of the Territory on open government. The ACT is a young jurisdiction, and its Executive has existed for just under 11 years. As such, there are some historical issues which have not yet needed attention. One of these is the release, after a period of time, of the Cabinet papers of past governments.

Members will be aware of the Commonwealth 30-year rule, under which the papers, notes and minutes of the Federal Cabinet are released after 30 years, on 1 January each year. They provide the Australian political media with a welcome pile of news stories for the first few days of January, when most politicians are on leave. But the release of documents is an important part of our democracy. Not only does it allow for the proper historical examination of what governments did, but it ensures that Cabinets do not operate in a climate where they exercise public decision-making without any fear of one day being held to account. Mr Speaker, other jurisdictions have similar arrangements for the release of papers. I understand that they rely heavily on convention and practice as much as legislation. The ACT has not yet addressed this issue and, to do so, I have brought forward this legislation. Members will recall that I have raised this issue before, and indeed it formed part of my agenda at the last election in 1998.

I am proposing for the release of ACT Cabinet papers a 10-year rule. Under this proposal, Cabinet papers would be released in the eleventh year following the year in which they were before the Cabinet. I suspect that at first glance members may see this as an unusually short time, but I suggest that the place to start thinking about this is not from a tradition of long secrecy but from the principle that all decision-making should be open except where there is public interest to suggest otherwise.

There is indeed a case for the deliberations of Cabinet to take place in a confidential manner, to allow Cabinet space to consider options without pressure and to prepare for announcements of policy in a manner which does not allow selected citizens any inside knowledge. However, in my view, these public interests date fairly quickly.

It can also be argued that the quality of decision-making would suffer if Cabinet members were not allowed a measure of protection, for a period of time, of the way in which they wrestled with difficult policy issues. This argument is obviously in tension with a pure principle of openness, but I suspect that almost all members accept that it

has considerable force. The prospect of Cabinet decisions being made with the full intrusion of lobbying interests and media speculation does not inspire confidence in stable decision-making.

There is a balance to be struck. Secrecy should not go on forever. Indeed, it should not go on for any longer than is necessary. I think that 10 years is long enough. Members may protest that in only 10 years politicians will still be in office when their decisions are brought to publication. Yes, that is likely, but in my view that is not a bad thing. When the need for immediate discretion has lapsed, I do not think that the mere embarrassment of an elected member who may not want their former policy stances exposed amounts to much of an argument.

When I have legislation of this kind drafted, I always attempt to make provision for any problems that may be caused by the political principle that I am putting forward. I think members will see in the Administration (Interstate Agreements) Act 1997 and the Government Contracts Confidentiality Bill of last week that there is often a need for exceptions and exclusions. So it is as well with this Bill, in which I propose two forms of exception from publication.

Firstly, there is a process by which a public interest justification can be used to delay release. This decision would be made not by a Minister but by the responsible chief executive, acting perhaps on legal advice. The public interest test includes the interests of the Territory in protecting relations with other governments. However, I propose a number of limits on these delays. They must only apply to parts of records with sensitive material and not be used in regard to non-sensitive material; they must be for no more than five years; they must be for no more than a total of 20 years; and, most importantly, they must be ratified by a nominated Assembly committee within three months of being issued.

Secondly, there is a general and permanent exemption from release of materials of a personal nature about individuals, the release of which would be a breach of privacy principles.

I wanted to avoid using 1 January as a release date for the ACT scheme to avoid confusion with the Commonwealth and because the ACT largely closes down in January and the media are often on a skeleton staff. I have instead proposed, perhaps on something of a whim, that we use the date 11 May as our annual release date, this being the anniversary of the first sitting of the Assembly in 1989. It has since been pointed that this date falls around budget time in our calendar, and I am certainly open to any ideas on alternative dates, although I think that, if anything, the date should be earlier in the year.

It should be clear to members that, if passed, the Bill would result in the release this year of the papers from 1989. An arrangement has been included in the Bill to give the Cabinet Office eight weeks from the commencement of the law to prepare for the new arrangements. Some members may view this with trepidation, as the first term of the Assembly is still regarded as a tumultuous period in which the Assembly failed to entirely cover itself in glory.

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The Cabinet members who served during that calendar year - in the first Follett Government and, for a few weeks, in the Kaine Alliance Government - are almost all still active in either public or private life in Canberra. Indeed, Mr Berry, Mr Kaine and Mr Humphries are still in this Assembly. I hope that they have nothing to fear from the opening of the records of 1989, and I hope that they will not feel any need to oppose this important reform.

Mr Speaker, I also note that Mr Osborne has circulated a motion to refer this legislation to his committee. I would hope that if this legislation is referred to Mr Osborne's committee the committee will report fairly rapidly. That committee has been looking for nearly two years at quite complex FOI legislation. This is not freedom of information legislation, although I think it could be considered a parallel. It is about exposing the Cabinet. I would be very comfortable about the legislation being examined by Mr Osborne's committee.

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

JUSTICE AND COMMUNITY SAFETY – STANDING COMMITTEE Reference

MR OSBORNE (11.55): I seek leave to move a motion concerning the referral of the Executive Documents Release Bill 2000 to the Standing Committee on Justice and Community Safety as part of its inquiry into the Freedom of Information (Amendment) Bill 1998.

Leave granted.

MR OSBORNE: Mr Speaker, I move:

That, notwithstanding the provisions of standing order 174:

- (1) the Executive Documents Release Bill 2000 be referred to the Standing Committee on Justice and Community Safety for inquiry and report as part of its inquiry into the Freedom of Information (Amendment) Bill 1998; and
- (2) on the Committee presenting its report on the Bill to the Assembly the resumption of debate on the question "That this Bill be agreed to in principle" be set down as an order of the day for the next sitting.

I think Mr Moore's Bill does sit very nicely with the FOI Bill which has been before the committee for a fair while now. I hope to have a report back to the Assembly before the middle of the year. I think the sensible thing to do is to have Mr Moore's legislation looked at in the context of FOI generally. I am sure that all on the committee would be pleased to welcome this Bill to complement our current inquiry.

Question resolved in the affirmative.

ACTEW AND THE AUSTRALIAN GAS LIGHT CO. – JOINT VENTURE

Debate resumed from 7 March 2000, on motion by **Mr Humphries**:

That this Assembly approves the vesting of the main undertakings, except their water and sewerage facilities, of ACTEW Corporation Limited and its subsidiaries (including all or any of their assets, rights and liabilities) in a joint venture by way of partnerships between subsidiaries of ACTEW Corporation Limited and the Australian Gas Light Company.

and on the amendment by **Ms Tucker**:

Omit all words after “Assembly”, substitute “calls on the Government not to pursue options for the future of ACTEW which involve the sale, franchising, entering into joint ventures or contracting out of ACTEW’s electricity network, water or sewerage businesses”.

MR WOOD (11.57): Mr Speaker, a great number of questions have been asked about this proposed merger, and the Opposition believes that many key questions are still unanswered. The answers to those questions remain a key to whether the decision that is likely to be taken today is a good or bad decision. Mr Humphries, on behalf of the Government, seems to be saying, “Trust me”.

Today I want to try a different perspective, one that is no less important than those key financial considerations. The perspective I want to consider is that of the consumer and the impact of this proposal on the people in Canberra who use these utilities. There are other very important impacts, notably impacts on workers, that have been dealt with before and may be dealt with again. It is very clear that if we want to see the path we are heading down we only have to look at today’s papers and the stories they tell about Telstra. If we go down this path, it is very clear that in two, three or four years’ time we will see similar headlines about the new joint venture.

What is the driving force behind these enterprises? It is the almighty dollar. It is profit. It is the absolute necessity of chief executives to turn out ever-increasing profits for their shareholders. That and that alone is the compelling force. In years gone by most governments in most circumstances in Australia determined that these utilities were so important to the people that they needed to be in public hands. I told this Assembly once before that my very first job after leaving school was with a private electricity authority. That authority, like others, was soon subsumed by the then Queensland Government in the interests of the consumer. We are renegeing on those principles.

The headlines about Telstra in today’s paper have brought outrage from people around the country already. There are record profits - the almighty dollar - but more staff are to be sacked. It is quite clear. The chief executive makes no bones about it. He says, “In order to turn out this profit we have to sack staff. Every cent that we reduce on the price of calls means that staff has to go”.
Complaints about Telstra are at a record level.

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Service is not improving. Beyond any doubt, that is the model that we seem set to adopt. I think we were all staggered when the chief executive said, "This is a social good". Can you believe it? A disgraceful comment.

In respect of this joint venture, I have seen no evidence yet that this Government will adequately protect the public investment in ACTEW. It therefore gives me no confidence that the proposal will protect the consumer. Recently the Government tabled its Utilities Bill, designed to protect the consumer, it says. Let me acknowledge that it certainly does, and it brings the gas utility into the fold. As I read the Bill, it is mostly to do with protecting the utilities. It spells out in great detail their rights and what they can do, and of course it puts limitations on those rights when they want to enter properties and the like. The Bill is mostly about looking after the utilities. There certainly is progress in bringing to the gas utility some sort of measure when people are no longer able to pay an account. I have in front of me, at page 79 of the Utilities Bill, the complaints that people may bring forward. They are pretty limited. They are mostly to do with cutting off the power or gas and the ability to take some action in that area.

But let us take it beyond that. Nowhere in the Utilities Bill is there provision to secure the access to, and the help from, the utility that I have been used to and that members have been used to. Forget about the complaints provisions in the Bill. We have occasions to go to ACTEW on quite a few issues. If a constituent comes to me and says that the streetlights are out or one streetlight is out, I have been able to ring ACTEW and get a very quick response. Will I still get that response? I have been able to ring up on behalf of constituents and say, "So-and-so is concerned about the safety of a power pole or some power lines", and there has been a very quick response. That is not the sort of thing that is listed in the complaints provisions. I had occasion once to make a call about a cat stuck up a pole. I have been able to get quick responses in an informal, effective way. They are consumer interests. The power poles and lines people have complained to me about have always been quite safe, but it is important to allay any concerns consumers might have.

Let me give you a more significant example not covered in the Utilities Bill. In the last month I was contacted by a constituent who had all his plans signed to put an extension on his house and suddenly they discovered a glitch. The plan went over an ACTEW easement. It was not my constituent's fault and it certainly was not ACTEW's fault that it was not picked up. My constituent, who is an owner/builder, went to ACTEW and said, "Hey, I have a problem. I have bought all this material. I have \$30,000 worth of gear arriving on my front footpath. What can I do?". He had a very polite and considerate response from ACTEW over the counter: "Sorry, mate. You are stuck". He came to me and I rang John Mackay and arranged a meeting on the site with a good ACTEW engineer who acted very properly and in the end very well, and we sorted out the problem. That constituent would never have got through on his own efforts. He needed something to facilitate that. I thank ACTEW for what they did. That sort of facility that members have had over the years to work with ACTEW has been very helpful.

Mr Humphries: What is your point?

MR WOOD: Will it happen in the future, Mr Humphries?

Mr Humphries: Yes.

MR WOOD: I think in the future it will not happen. As this joint venture proceeds, I would suspect it will not happen.

Mr Humphries: Why do you say that, Mr Wood?

MR WOOD: I do not have confidence about the path that these joint venture go down.

Mr Moore: I have approached AGL on behalf of constituents and got an excellent response.

MR WOOD: I notice Mr Moore is interjecting. Surprise, surprise! These informal and useful arrangements are a key issue with consumers. I can go back some years to when I was Minister for the Environment. I was not quite so happy in those days with ACTEW because we had a persistent run of bypasses, overflows, at the sewage treatment works. But by working within the Government with a government utility we were able to come to solutions. That was not to do with quality of water as I see it spelt out in the Utilities Bill. Terry Connolly and I worked with the heads of those agencies to get a solution that is now in place. We have not had any more of those bypasses. Is this going to be a fact in the future? If this Bill goes through, I will certainly endeavour to contact AGL and seek assurances that there are numbers I can ring - I have some contacts with ACTEW - to seek assistance for consumers in the ACT. (*Extension of time granted*) They need that. It is a very important issue for them.

In the past there has been a very good relationship. I am sure it has not just been between me and ACTEW but between other members and ACTEW as well. We need the ability to continue that beyond what is going to happen with the CSOs and the Essential Services Consumer Council. I am disappointed that the attitude taken by the Government on all aspects of this thus far seem to mirror that of a former much discredited Queensland Premier whose stock answer to anything was: "Don't you worry about that". That seems to me to be the response from the people on the other side of the house. It is not in the interests of our consumers.

MR CORBELL (12.09): Mr Speaker, the decision we are being asked to make here today on the ACTEW/AGL joint venture means that there is no turning back. The decision the Government is asking us to make today means that the ACT community will lose control of its most valuable built asset. The ACT community will also be betrayed if this Assembly agrees today to allow the ACTEW/AGL venture to proceed. Quite simply, we are stepping down the path to privatisation. It will be inevitable. The people of Canberra, who so clearly demonstrated last year their wish to keep ACTEW under our own control and ownership, will have been ignored.

The attitude adopted to date by ACTEW, AGL and the Government in relation to this joint venture proposal does not bode well for the ability of the ACT community to control the future destiny of this our largest built asset. It saddens me to say, but

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I believe it is true to say, that we have heard what can only be described as threats and blackmail from ACTEW and AGL if this Assembly does not approve the deal this day - not tomorrow or in another week or even in another month, but this day. The claim is that we will all be ruined; that AGL will walk away; that we will be left high and dry; that it is now or never. That is a threat. It is as simple as that. It is a threat we should not be prepared to countenance.

If that is the attitude now of a board and an aspiring private sector partner, when ACTEW is still under the full control of the Territory, how will they behave and how will they act when the reins are loosened? If this Assembly lets this deal proceed, how will the new 50 per cent privately owned company act and behave? How will it work ? The attitude to date does not encourage the cooperative and frank, open attitude that this community expects and that this community has received through ACTEW being in public ownership.

The Australia Institute, in its critique on the joint venture proposal, identified that the fifty-fifty ownership arrangements would result in the larger partner, AGL, having effective control over the company. The Australia Institute is the organisation which so critically and effectively demolished the last Government's claims about the need to privatise ACTEW in total. It is no wonder that Mr Humphries still smarts a little from that. Is this what the people of Canberra want? Do they want AGL to effectively control ACTEW? Is that consistent with the view taken by this Assembly following the enormous representations we received last year? No, it is not. If this Assembly agrees to this deal today, it is what is going to happen. Their wishes will be ignored.

This merger will result in the ACT sharing the risk associated with the soon to be deregulated gas retail industry in Australia. Yet the issue of risk is allegedly what we are meant to be addressing today in seeking support for this joint venture. It is ironic that this arrangement will almost certainly increase our risk rather than reduce it. At the same time, our ability to control the destiny of our own asset will have been fatally jeopardised. There is an irony in that which I cannot believe the majority of members in this place are prepared to accept.

The reality of this deal is that it will be extremely difficult for the government-appointed directors of the new company to resist the demands of the AGL parent company's board. If AGL's broader national plans and business strategy are thwarted through a deadlock on the joint venture board, it is almost certain that AGL will claim that this is putting the future of the joint venture company at risk. The threats will be there again. They will say, "We will walk out. We will walk away. You must comply with the overall strategy we are adopting at a national level".

The Government has claimed that it would walk away if this situation were to occur. As we heard in question time earlier this week and last week, the argument that will be put to the community by the Government is that we need to sell ACTEW to resolve such a problem. We cannot walk away from this deal, because it will cost us too much to get out of it.

The equalisation payment to be made by AGL to ACTEW if the deal proceeds must be repaid if the joint venture is to be dissolved. The Treasurer confirmed that in question time earlier. No government is going to advocate that we should pay back \$100m or more to get out of the deal. It is clear that it is going to be even more difficult to undertake such a course of action if the money we receive from the equalisation payment is locked into superannuation provision, as has been flagged by the Government. Is this Government seriously suggesting that it is prepared to borrow \$100m to get out of this deal? I doubt it.

We have seen the pressures on fifty-fifty privately owned companies. The experience only today of the contradiction of one of Australia's largest companies, Telstra, announcing a \$2 billion profit and at the same time announcing over 10,000 redundancies highlights the real social costs of the proposed arrangements for ACTEW and AGL. Of even greater concern, as highlighted in the Telstra case, is that the different expectations of public and private shareholders place enormous pressures on governments to sell their remaining 50 per cent. There is little doubt on this side of the chamber that this is the eventual fate of ACTEW.

If that were to occur, it would be nothing less than a disgraceful betrayal of what the people of Canberra asked this Assembly to do last year - to keep ACTEW in community ownership. It is also a betrayal of the enormous public investment made over generations in our world-class electricity, water and sewerage network.

Throughout this debate Labor has identified that what must be addressed is the future of ACTEW's retail operation. Yet this proposal before the Assembly today goes way beyond that need. It instead allows AGL to have access to, and a share of, ACTEW's most profitable and secure assets - our electricity network and our water and sewer operations. There is no reason for this. There is no justification, except that it gives the private sector partner, AGL, access to our most profitable elements in ACTEW.

It is completely understandable that AGL would seek to achieve this. But this Assembly's responsibility is not to ensure greater profit for AGL. It is to protect the interests of the people of Canberra, the investment that the people of Canberra have made in ACTEW. The only way to do that is to confine any consideration of changes to ACTEW's operation or ownership to the area of the problem - its retail operations.

Unfortunately, this Government's philosophical objection to governments running organisations such as ACTEW has driven us down the path to where we are today, facing this resolution and the Bill to be debated later. We still have a chance to protect the interests of the people of Canberra, not the interests of AGL. (*Extension of time granted*) We still have the chance to protect those interests, but we have to have the strength to stand up to the threat and the blackmail that have been directed at this place. We have to have the conviction to say, "No, this is not the way".

What private company board of directors would be prepared to allow a joint venture to proceed and give away its right to final approval? Would such a board be upholding its fiduciary responsibilities if it took such a step? I doubt it. But that is what the Government is asking this Assembly to do today. It is asking us to say, "Yes, the deal

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can proceed and we give away our final right of approval on it". That is completely unacceptable. My Labor colleagues and I will be upholding our responsibilities to the Canberra community. I hope other members in this place will be doing the same when the vote takes place.

There is a range of unanswered questions in this deal which have been completely ignored by this Government. Professor Allan Hodgson, Head of the School of Accounting, Banking and Finance in Griffith University in Queensland, highlights a range of these issues. He highlights the fact that there has been no assessment of the total value of the assets that are being pledged by both parties. Yet this Assembly is being asked to approve the deal. He highlights the fact that there are no estimates of the future profits from this venture. Yet this Assembly is being asked to approve the deal. He highlights the fact that there has been no assessment of the expected return from the current situation versus a number of different scenarios. Yet this Assembly is being asked to approve the deal.

He further highlights that it is important to quantify in dollar amounts the gains from the joint venture, and the financial costs of a range potential risk scenarios that may be faced as a result. Yet this Government, and the ACTEW board for heaven sake, are saying to this place, "Approve the deal and then we will work that out". That is disgraceful. Would any private company board be prepared to tolerate such a suggestion? It would not.

Professor Hodgson further highlights that there are no estimates of costs savings to be realised as a result of this joint venture, or of the financial benefits to consumers. I would have thought that that was kind of important, but we are being asked to approve the deal today - - -

Mr Stanhope: Blind.

MR CORBELL: As my leader, Mr Stanhope, says blind. That is not upholding our responsibilities. That is walking away from them, and we are not prepared to do that. There is no timetable for the equalisation payment to be made by AGL. Perhaps another interesting question posed by Professor Hodgson is this: Do we need to build a gas-fired generation plant in what is now a highly competitive electricity market? There is no explanation of, or justification for, that carrot either. All of these questions are unanswered. The Government acknowledges that they are unanswered. At the same time the ask is: "Approve the deal or we go away". That is simply disgraceful, unacceptable and an abandonment of our responsibilities to protect the best interests of the people of Canberra.

Finally, I wish to raise the question of the remuneration of the future directors of the joint venture company. Executive salaries, the remuneration of senior board members, are always of considerable concern to ordinary people in the ACT. The Government has not set out how the government-appointed directors of this joint venture or indeed a government CEO from the Territory will be remunerated.

Mr Humphries: You have not asked that question.

MR CORBELL: Mr Humphries says that we have not asked the question. I thought you were responsible for how this deal operated. (*Further extension of time granted*) Mr Humphries says that we have not asked the question. In effect, he is saying, "If you do not ask, we do not have to think about it". That is not acceptable. Surely the issue of how much the directors of the new joint venture will be paid is an issue of considerable public interest. Are we going to see what has happened when other companies have been partially or fully privatised? Are we going to see a dramatic, unjustifiable leap in the amount of money paid to directors of the new company? There are no mechanisms in the facilitation Bill. Indeed, the facilitation Bill fails to address the issue of remuneration which is currently dealt with by a tribunal. It does not even talk about it.

Mr Speaker, how can the people of Canberra be asked to support such a deal when an almost inevitable consequence will be that those people running the organisation are going to get a dramatic and unjustified increase in how much they are paid? At the same time the only guarantee given to the workers is a paltry two years. The absolute moral bankruptcy of the proposal is highlighted just on that point. I would love to see Mr Rugendyke, if he is voting for this deal today, and indeed any other member in this place who is prepared to vote for this deal today, go out there and say, "We are quite happy for an increase in directors' salaries as a result of this deal going through". I ask Mr Rugendyke to seriously consider that. He knows that people in his electorate are fed up with enormous increases in salaries going to the directors and chief executives of privatised companies. There is no guarantee that that will not occur, and there is not even any mechanism for determining how much they get paid. It is going to be open slather. That is my prediction.

All of these issues are important. All of these issues are considerable and they are unanswered. This Assembly has a responsibility to protect the interests of the people of Canberra first and foremost - not the interests of AGL to secure a stake in our most profitable assets, not the interests of those people who are on the board who might get an increase in their salaries. The interests of the people of Canberra and the views of the people of Canberra remain unchanged. ACTEW should remain in public ownership.

Mr Humphries: How do you know?

MR CORBELL: Do you question it?

Mr Humphries: Yes.

MR CORBELL: You do not think people in Canberra believe that ACTEW should remain in public ownership?

Mr Humphries: How do you know?

MR CORBELL: Do you question that?

Mr Humphries: Yes.

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MR CORBELL: We will see how that question is put to the test at the next election. There is no doubt at all in my mind and in my colleagues' minds that this is the end of ACTEW. It is the beginning of the end, and it is the road which will lead inevitably to the complete privatisation of the asset. That is not acceptable. That cannot occur. That is why Labor is opposing this motion today.

Debate interrupted in accordance with standing order 74 and the resumption of the debate made an order of the day for a later hour.

Sitting suspended from 12.28 to 2.30 pm.

QUESTIONS WITHOUT NOTICE

ACTEW/AGL – Proposed Joint Venture

MR STANHOPE: Mr Speaker, my question is directed to the Treasurer. In relation to the proposed ACTEW/AGL joint venture, can the Treasurer tell the Assembly when the equalisation payment to be paid by AGL will be negotiated, and whether he is aware that AGL is in dispute with the Independent Pricing and Regulatory Commission - which, in a press release issued today, provided an assessment of the company's regulatory asset value of \$170m, considerably less than the value advanced to the commission by AGL - and that comments on the issue are not to be dealt with by IPARC until after 7 April next?

MR HUMPHRIES: Mr Speaker, the question of negotiating the equalisation payment, if any, is a matter that will occur, of course, subject to the decision of the Assembly today, over the next few months. Now, members are aware that ACTEW and AGL have set for themselves a tentative deadline of 1 July this year for the establishment of a joint venture partnership. Obviously if that date was going to be adhered to, it would be necessary to establish the basis on which the two parties would come together. There would need to be some assessment, by that stage, of the relative value of the two halves of the joint venture. Obviously if one part is bigger than the other, then an equalisation payment will be made.

So I would anticipate that this would happen well after 7 April - or whatever date it was Mr Stanhope just referred to - and that it would be a matter to be negotiated between the parties. As to whether the payment itself would occur before the joint venture begins, that is up to the parties. I do not believe that this is a matter that is necessarily relevant, at this point in time, and I do not particularly mind as long as the payment is ultimately made - if such a payment needs to be made.

Mr Stanhope: Do you think that there may not be a payment? Do you think AGL is worth more than ACTEW?

MR HUMPHRIES: Mr Speaker, my advice is that what ACTEW proposes to bring to the partnership is greater than what AGL proposes to bring to the partnership. Now, on that basis, you would expect there to be an equalisation payment - there would be an equalisation payment - - -

Mr Corbell: You do not know, do you, really? You really have no idea.

MR HUMPHRIES: No, I am saying to you that nobody knows yet. You do not know either, Mr Corbell. AGL does not know.

MR SPEAKER: Order, please! The Treasurer is answering the question without interjections. I am sure nobody wishes to be removed from this chamber today, with such an important debate coming up. Mr Stanhope, did you hear what I said?

Mr Stanhope: I certainly did, Mr Speaker. I was all ears.

MR SPEAKER: Well, just reflect on it.

MR HUMPHRIES: Mr Speaker, the Independent Pricing and Regulatory Commissioner's draft decision on AGL's proposed terms and conditions under which retailers can seek transportation of gas on AGL's distribution network in the ACT has been released today. Although it has a bearing on the way in which AGL ultimately will continue to operate in the ACT, it does not immediately present a particular problem with respect to the development of the proposed joint venture between ACTEW and AGL.

Obviously the issues that the commissioner has raised will need to be assessed by both ACTEW and AGL, and I anticipate that this would not be a matter of any difficulty as far as the two parties were concerned. I repeat that my expectation would be that there is a greater value in the assets that ACTEW proposes to bring to the table than in those being brought by AGL, and, as a result, there would be an equalisation payment by AGL to the ACT.

Mr Quinlan: A sale, they call it.

MR HUMPHRIES: No, it is not a sale. You people have been running the line today. You say it would be impossible for a future government to unscramble the egg because they would have to find the \$100m again. But if you are able to find the \$100m, Mr Speaker - if someone is listening - and, after all, we have to find the \$100m anyway for the superannuation, then it is possible to unscramble the egg, is it not?

So if you can unscramble the egg, by definition it is not a sale, is it, Mr Quinlan? It is not a sale. I do not know why I am bothering because they are not listening, in any case, Mr Speaker. The fact of the matter is - - -

MR SPEAKER: No. I might ask you to sit down.

MR HUMPHRIES: Yes, I may as well, Mr Speaker.

Mr Berry: That would be a good idea because he does not answer his questions very well.

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MR SPEAKER: All right. Sit down, Mr Humphries.

Mr Berry: Yes, sit down.

MR SPEAKER: Thank you. Do you have a supplementary?

MR STANHOPE: Yes, I do, thank you, Mr Speaker.

Mr Moore: On a point of order, Mr Speaker: I think Mr Stanhope has already had his supplementary. His question was something to the effect of: "Do you think ACTEW is going to bring more to the deal?"

Mr Stanhope: Is this a point of order, or is he just - - -

MR SPEAKER: Mr Moore, I am sorely tempted, but I will be - - -

Mr Stanhope: We are all sorely tempted.

MR SPEAKER: I will be generous on this point, providing, of course, you can keep some of your people quiet there too, Mr Stanhope. You may ask a supplementary, but I will have no hesitation in asking Ministers to sit down if this sort of nonsense keeps going.

MR STANHOPE: Mr Speaker, does the Treasurer not accept that by the Government committing ACTEW to the joint venture before it has settled this fundamental issue of the asset value of AGL, and the resultant quantum of the equalisation payment to be made by it - particularly in circumstances in which, in the space of this week, the Treasurer has said that the equalisation payment would probably be about \$100m, but today he does not know if there will be one at all - it has betrayed the corporation's most important bargaining position? How will ACTEW possibly be able to negotiate a reasonable outcome on behalf of its owners, the people of the ACT?

MR HUMPHRIES: Mr Speaker, again all sorts of imaginary obstacles are being placed in front of the community so that they will tell us why we cannot go ahead with this. There is uncertainty - this is the argument here - about the size of the equalisation payment, therefore we cannot possibly make a decision today. Mr Speaker, the equalisation payment is determined by a process which results in the valuation of the assets which AGL, on one side, and ACTEW, on the other, bring to a joint venture.

Now you can imagine, I am sure, that valuing the assets of a major organisation like ACTEW - at least in terms of those things that are going to be brought to the table - and equally of a major organisation like AGL is a big exercise. It takes time and it costs a lot of money, hundreds of thousands of dollars. No, in fact I have heard other estimates: Millions of dollars to do the necessary work to provide the valuations and other processes necessary to consummate the joint venture.

Now why do you suppose that it is not possible to give you a definitive view about the size of the equalisation payment today? Because the work has not been done. Why has the work not been done? Because it is going to cost a lot of money. Why have they not spent that money so far? Because the Assembly has not yet given the approval to go ahead with this process.

I ask members to throw their minds back to a year ago, when the Government did work through organisations like Fay Richwhite and ABN AMRO on the proposed sale of ACTEW. At the time, Mr Speaker, there was trenchant criticism of the Government for having spent the money on those reports before the approval of the Assembly had been obtained to the idea of selling ACTEW. Remember? We remember very clearly about that. Now we are saying, "Okay, before we spend the money, we are asking for approval from the Assembly", and we are told, "You have the cart before the horse again".

The fact is that there is no combination of cart and horse that is going to satisfy this mob over here, Mr Speaker, and I think that the community understands that the Labor Party is throwing up one red herring after another, one smokescreen after another, one straw man after another. Take your pick of analogies, Mr Speaker.

Employment Rates and Job Growth

MR HIRD: Mr Speaker, my question is to the Chief Minister, Mrs Carnell. Can the Chief Minister confirm to this parliament that the ACT now has Australia's lowest unemployment rate, and its fastest rate of jobs growth?

Mr Wood: That has always been the case.

MS CARNELL: No, actually it has not always been the case.

Mr Berry: It has been the case for the last 20 years.

Mr Wood: Tell us something new.

MR SPEAKER: Order! You did not ask the question. Mr Hird deserves an answer and he deserves to hear it in silence.

MS CARNELL: Mr Speaker, today I am really pleased to be able to tell the Assembly that, together with the Northern Territory, the ACT now has the lowest unemployment rate in Australia. And, Mr Speaker, those opposite obviously have it wrong because the Northern Territory actually has been lower than us in the past, but it is no longer. The ACT and the Northern Territory together have the lowest unemployment rate in Australia. In February our trend unemployment rate was just 5.3 per cent, down from 5.4 per cent in the previous month, and the lowest figure since August 1990. It is the lowest in a decade, Mr Speaker. Let me repeat that for Mr Berry, because he is walking away at the moment and obviously he is not interested.

MR SPEAKER: No, no, do not provoke him.

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MS CARNELL: This is the lowest rate of unemployment for almost a decade. That rate compares very favourably with two others. First, it compares well with the national rate of 6.8 per cent. Our rate is much better than the national rate, Mr Speaker. Second, it compares well with the unemployment rate that we inherited from those opposite when we came to government.

Mr Berry: And you inherited an economy.

MS CARNELL: Mr Speaker, what was it then? It was 7.1 per cent, Mr Speaker.

Mr Berry: What a joke, it was lower than the national rate.

MS CARNELL: It was 7.1 per cent when we came to government; it is 5.3 per cent now, Mr Speaker.

MR SPEAKER: Order! Silence!

Mr Moore: On a point of order, Mr Speaker: I refer you to standing order 61.

Mr Wood: Was it lower than the national average?

Mr Hird: I am listening to this; this is important stuff.

MR SPEAKER: Silence!

MS CARNELL: Mr Speaker, in February 400 new jobs were created, all of them full time. This increase took our total employment in the ACT to 166,000, the highest level ever recorded. In the last year, Mr Speaker, the ACT has seen 9,100 new jobs created at a growth rate of almost 6 per cent, the highest in the nation. Not the average, Mr Speaker, as those opposite would like to say, not in line with other States or in line with the national average, but the highest in the nation.

And since we came to government in March 1995, a total of 13,200 new jobs have been created, despite the loss of 7,000 Commonwealth public servants during that time. By way of comparison, Mr Speaker, when Labor was in office between June 1991 and March 1995, 8,000 new jobs were created. So compare that: 8,000 versus 13,200. Under this Government, more than 13,000 have been created in just five years.

On an equally positive note, the number of unemployed Canberrans fell by 200 in February to just 9,200. In the last year the total number of unemployed has fallen by 9 per cent. In the last five years it has dropped by a staggering 22 per cent. In other words, on top of the jobs growth of more than 13,000 positions in the past five years, we also have 2,600 fewer unemployed than when Labor was last in office.

Today the Bureau of Statistics figures also highlight some other important facts. Our population is continuing to grow much more strongly, with our working-age population increasing by more than 1.5 per cent in the last year. Our work force participation rate is the highest in the country, at 73.3 per cent, almost 10 percentage points higher than the national average. It is also much higher than when Labor was last in office.

So, to sum up, the ACT's unemployment rate is at its lowest level since August 1990, the number of unemployed is the lowest since June 1990, and we now have the highest number of jobs ever recorded in Canberra. In fact, members should note that the Government is now working with industry groups in Canberra to identify and address some serious skills shortages that have now emerged across some really key areas of employment. This Government has been working its butt off over the last five years, in partnership with local business, to encourage new businesses to set up in the ACT, and what have those opposite done? They have criticised us every step of the way.

All of our initiatives, such as payroll tax relief, business incentives, jobs incentives and apprenticeship schemes, have been knocked by those opposite. But today's figures are excellent and they show, once and for all, that the policy direction we have taken has achieved something that no other state has done: The highest growth rate of employment. Not the average, but the highest. Our economy, our jobs market, are without doubt the strongest they have been for a decade, if not longer.

MR HIRD: Chief Minister, my supplementary question is: Did you hear this morning's debate on the work for the dole scheme, when Mr Corbell told the parliament on at least two occasions, if I am right, that there just were not jobs out there. He said, and I quote again, "There just are no jobs out there". Chief Minister, is this claim true?

MS CARNELL: Well, I must admit that when I heard Mr Corbell this morning I did a bit of a double take. As I said earlier, this Government - - -

Mr Berry: Mr Speaker, is that introducing new - - -

MR SPEAKER: No, it is not.

Mr Berry: Hang on a minute.

MR SPEAKER: Sit down. There is no point of order. We are dealing with the same issue. Sit down. Thank you.

MS CARNELL: Mr Speaker, in partnership with industry groups we have been working to identify and develop plans to try to address a number of issues: To create jobs, to get new businesses here, and now to address some serious labour shortages. That is the reason - - -

Mr Corbell: Then why are people still unemployed?

MR SPEAKER: Order! Mr Corbell, you did not ask the question and you will not get a chance to ask one if you keep interjecting.

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MS CARNELL: What we have not done is just sit on our hands and knock and be negative like those opposite. That really shows in the ACTEW/AGL debate that is on at the moment. What those opposite want to do - - -

Mr Corbell: On a point of order, Mr Speaker: Of what relevance to the supplementary question is any mention of the ACTEW/AGL debate? Or is the Chief Minister simply trying to score political points during question time, something, Mr Speaker, that you indicated you would not allow?

MR SPEAKER: I am watching the time and I will remind you when four minutes comes up, I can assure you.

MS CARNELL: Mr Speaker, this has everything to do with jobs and the debate today has everything to do with jobs.

Mr Corbell: It is a disgraceful ruling, Mr Speaker.

Mr Moore: On a point of order, Mr Speaker: I refer to standing order 202(e). Mr Corbell interjected "That was a disgraceful ruling", and that is wilfully disregarding the authority of the chair. He should be named.

MR SPEAKER: If you said that, Mr Corbell, withdraw it, please.

Mr Corbell: That is pathetic, Mr Moore. Mr Speaker, I hope that in the future you will continue to rule in an even-handed manner on these issues, but if any offence has been taken I withdraw my comment.

MR SPEAKER: Thank you.

MS CARNELL: Mr Speaker, if those opposite do not believe that the ACTEW/AGL debate today is about jobs, then let me remind them very quickly that they are suggesting selling the retail arm. That will be 50 fewer jobs. We are suggesting an approach that will create 100 new jobs. That is 150 jobs difference. Already ACTEW has shed 200 jobs. Do we want to see more of that? Well, this side of the house does not. We want to see more jobs, not fewer, as those opposite seem to want.

ACTEW/AGL – Proposed Joint Venture

MR QUINLAN: My question is to the Treasurer. We have heard today, via the media, that AGL have stated that they will walk away from the proposed merger deal if the proposal is not given a green light today. In responding to this question you might relay your understanding of that. I would not like to think that AGL was misrepresented purely because of one media report. If it is the case, will the Treasurer bow to bullying tactics, particularly in light of today's article in the *Financial Review* which indicates that there are other bodies seeking strength in energy retail, and that the electricity supply industry is disaggregating, and separating retail energy from electricity

distribution? The disaggregation allows the formation of separate energy retailers and, therefore, if AGL do drop out there will be competition in this particular market available to us. It might be an advantage.

MR HUMPHRIES: First of all, Mr Speaker, I have had many discussions with AGL over the last few months, and in this process they are dealing with a fairly unusual set of circumstances. As a major company in Australia, they have had to deal with all sorts of regulatory bodies, with governments, and with other utilities and operators within the Australian marketplace. They are a fairly flexible and adaptable organisation when it comes to dealing with issues of that kind.

I suspect that what they have not had to deal with before is this legislative process, which is an extremely uncertain one from the point of view of a major company seeking some certainty of outlook for itself, its shareholders and its business. No doubt ACTEW, at this particular point in time, are feeling very strongly the sense of what the New South Wales Treasurer, Mr Egan, referred to last year as the “vagaries of the ACT Legislative Assembly”.

What the AGL corporation have said to us is that they have to make a decision about a significant investment in the Australian Capital Territory. In order to make that investment, they want some certainty of outlook. They do not wish to put their money into what appears to be an unstable situation. They, therefore, are prepared to put that money forward on the basis that they get a clear green light from the Legislative Assembly that it wishes the Government - or particularly ACTEW - to negotiate a sound venture that is in the interests of both the AGL corporation and the ACT community.

Now, I have heard AGL’s concerns about this, and I am perfectly well aware that AGL will seriously consider walking away from this arrangement if the Assembly further delays a decision on the matter. One person’s threat is another person’s statement of fact, and whether members choose to characterise it that way is really up to them. I have heard what AGL have to say. I understand their concerns about the situation. I believe that it is fair and reasonable, with the information on the table, to seek Assembly approval and that is what the Government has done. I think that we should clearly indicate today whether we have substantive arguments against this proposal, or whether we are clutching at straws in an attempt to justify the ideology of a party that is opposed to any form of privatisation or relaxation of government control over public assets.

Mr Quinlan: Where is the competition in this deal?

MR HUMPHRIES: Mr Speaker, it is particularly ironic that Mr Quinlan is asking this question. Mr Quinlan has himself gone into the forums of the Labor Party and argued that they need some flexibility to be able to provide for some relaxation of public control. Mr Quinlan, of course, was defeated on that occasion by his colleague behind him, Mr Berry. So we know that you believe that total public control of assets is not necessarily in the interests of the ACT community.

Mr Quinlan: That is not the case at all.

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Mr Hargreaves: You do not know anything about the retail function, where the risk is supposed to be.

Mr Stanhope: Give us the proposal on the retail function.

MR SPEAKER: Order, please!

Mr Stanhope: Where the risk is supposed to be.

Mr Moore: Raw nerve.

MR HUMPHRIES: I realise I have touched a raw nerve on that subject.

Mr Quinlan: No, you have not. You are lying again.

MR HUMPHRIES: Let me address the other issue in Mr Quinlan's question: That disaggregation is going on all over the place and it will not hurt if we do the same thing in the ACT. Well, that is gobbledegook. If one studies the reports in the newspapers about this matter, it is apparent that what is happening today is the opposite of disaggregation. There are mergers and strategic alliances taking place in the national energy market that are having a significant effect on the way in which those organisations operate.

Let me read from one article, in the *Australian* of today, under the heading "Newborn giant has energy of four":

The new \$1 billion energy retail giant, Pulse Energy, was spawned yesterday by four leading energy providers.

And it goes on to mention that they are United Energy, Ikon Energy, Shell and Woodside Petroleum. It continues:

United Energy and Ikon have a combined customer base of just over 1 million but the new entity - - -

Mr Quinlan: Have you invited them into the deal then?

MR HUMPHRIES: Will you please be quiet, Mr Quinlan, and let me speak and finish my answer.

Mr Quinlan: No.

MR HUMPHRIES: You have asked me a question, so let me finish it.

MR SPEAKER: Just be quiet. You will have a supplementary, I presume. The four minutes is up, Mr Minister. Go on.

MR HUMPHRIES: Thank you. The article continues:

United Energy and Ikon have a combined customer base of just over 1 million but the new entity would form the first national energy retailer with a potential customer base of 10 million.

Mr Speaker, the new combined energy giant based, I think, in Queensland, will have a customer base of 10 million. Where do you think tiny little 100,000 customer-based ACTEW fits in that kind of scheme, Mr Speaker? It is a babe in the woods; it is a tiny, tiny gnat compared with elephants, Mr Speaker, in that kind of market.

The other headlines tell the same story: "Four majors in energy joint venture", "Pulse feels a powerful shake-out". This is not disaggregation, Mr Quinlan, it is the opposite of that.

Mr Quinlan: It is vertical disaggregation, Mr Humphries.

MR HUMPHRIES: It is the merging of organisations to create much larger corporate players. Now, if you are foolish enough to come to this place and tell us, "Oh, we can survive in that sort of marketplace. Yes, we will clip off our energy retailer and put it out there in the marketplace. It will be fine for the rest of ACTEW", then you are fooling yourself. But, of course, Mr Quinlan is not a fool. Mr Quinlan knows full well what the risks are in this matter, because he argued those risks before the Labor Party conference less than two years ago. He argued those same sorts of issues. He argued for flexibility in relaxing public ownership, so we know that Mr Quinlan understands this issue. I am not sure if all of his colleagues on the Labor benches also understand this issue.

MR SPEAKER: Thank you. Supplementary, Mr Quinlan?

MR QUINLAN: I am sure, Treasurer, that the clipping service would then have provided you with the news clipping about Woodside Petroleum entering into natural gas production, with a certain increase in competition within the gas industry. That also would impinge upon the deal that we are proposing now. Would you then inform this place how the one-on-one deal with AGL, having quarantined us from competition for our business, is still going to get us the best bottom line - competition in bidding for our retail sales?

MR HUMPHRIES: Mr Speaker, I have answered this question about five times in the last two weeks. I will give the answer a sixth time, if you wish. First of all, it is not a one-on-one deal. We are talking about ACTEW having gone through a process of canvassing a large number of expressions of interest to determine that AGL's proposal was superior to others in that process. The second point is that AGL's position results in an increase in the customer base of - I do not know why I am answering the question, as he is not even listening to the bloody answer.

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Mr Quinlan: Just give me a signal when he starts an actual answer, Mr Speaker.

MR HUMPHRIES: Well, Mr Speaker, I have given an actual answer - - -

MR SPEAKER: Sit down, Mr Minister.

ACTEW – Job Losses

MR BERRY: My question is to the Treasurer without numbers. In answer to a question from Mr Corbell yesterday the Treasurer said, “ACTEW continues to shed jobs. That is why it has lost 200 jobs in the last year”. I dare say he boasted about the two-year moratorium on job losses at the same time. Will the Treasurer deny that the number of jobs lost from ACTEW last year was in fact 189, and that the majority of those were the result of the sale of Ecowise Services, the sale of ACTEW fleet and a reduction in network activities because of the lack of land development in the Territory?

MR HUMPHRIES: The answer to the second question is, no. And what I have said in the house is that, in the last year to year and a half, ACTEW has shed 200 jobs. You go back and check the *Hansard*.

MR BERRY: Has the two-year guarantee of ACTEW jobs been discussed with unions or, indeed, with ACTEW’s personnel department? Does the Treasurer agree that the proffered two-year guarantee for ACTEW jobs is nothing more than a mere convenience designed to simply take the issue beyond the next election, after which workers will be abandoned?

MR HUMPHRIES: Mr Speaker, I do not agree with the latter assertion by Mr Berry, needless to say. I would probably disagree with anything Mr Berry says. I do not know whether it has been discussed with the unions. Mr Speaker, you would have to ask ACTEW about that. That was a guarantee provided by ACTEW - - -

Mr Berry: Thank you. That is enough. I am happy. “I don’t know” - that will do me.

MR SPEAKER: Sit down.

MR HUMPHRIES: Mr Berry can ask the ACTEW board if he wishes to. I hardly think it is likely, though, that any union worth its salt would disagree with the idea of a two-year guarantee on the maintenance of jobs.

ACTEW/AGL – Proposed Joint Venture

MR CORBELL: Can the Treasurer explain to the Assembly the logic of asking members to approve the ACTEW/AGL joint venture, a deal involving hundreds of millions of dollars, before it has access to essential financial information in regard to valuations, assets, profit and risk projections, and before any cost-benefit analysis has even been attempted?

MR HUMPHRIES: Mr Speaker, we have heard this argument before. Mr Speaker, once again it is frustrating to hear the Opposition continue to resist any engagement at all with the arguments the Government has put forward in this matter. It simply refuses to talk on the same level. We continue to put arguments about this matter and they continue to talk at a different level about these issues, Mr Speaker. The Opposition has either a lack of understanding or a deliberate inability to engage with those sorts of issues. I remind members that the Government was severely criticised for proceeding with a large amount of publicly funded work on the sale of ACTEW a year or more ago - - -

Mr Corbell: That is because you were ruling it out and yet you were financing the study at the same time.

MR SPEAKER: Order! You have asked your question, Mr Corbell.

MR HUMPHRIES: I see. So now it turns out that it was all right to rule it out, Mr Speaker.

Mr Stanhope: After you broke your election promise.

Mr Moore: Rubbish.

MR HUMPHRIES: I quote from Mr Corbell himself in the Assembly - - -

Mr Stanhope: You broke all of yours, Mr Moore, as every person who voted for you knows.

MR SPEAKER: Be quiet, both sides, and let the Treasurer answer the question.

MR HUMPHRIES: I quote from Mr Corbell in the Assembly on 20 April last year when he said:

The fact that it has changed, the fact that this Government is, in a pre-emptive way, pursuing a merger option does underscore the fundamental lack of trust that this Assembly and this community have in this Government when it comes to the management of one of our most significant assets.

Namely, ACTEW. Now, instead of pre-empting the Assembly by doing the work - doing the valuation work and the other work on this merger - for which we were criticised during the proposed sale of ACTEW, we are coming back and asking the Assembly the other way round. We are asking for it to give a green light before it spends the money on the work. Mr Speaker, I have to ask again of the Assembly: What are we supposed to do? If we do the work before asking for the approval, we get into trouble. If we ask for the approval before doing the work we get into trouble. What are we supposed to do? Obviously, as far as the Opposition is concerned, we should not do the work.

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Mr Quinlan: How about get approval for the work?

MR HUMPHRIES: We are asking for approval for the work today, Mr Quinlan, in case you have not noticed. Mr Speaker, we are asking for approval for that work in the certainty that spending that money, both on our part and on AGL's part, will produce a result at the end of the day.

MR CORBELL: My supplementary question is: Does the Treasurer agree that, in the private sector, a situation in which a board of directors signed off and approved a multimillion dollar merger or joint venture without access to vital financial information would rightly earn the rebuke of shareholders and the interest of the security commission?

MR HUMPHRIES: Mr Corbell draws an analogy between the ACT Assembly and a board of directors. I think there is a better analogy to work with here, and that is between a company board and the Assembly. Say the Assembly is the equivalent of a board of directors, and it needs to have the same right of final approval. I would put it a different way. I would say that the Assembly in this situation stands in the same position as shareholders. The shareholders can and do authorise the board of a particular company to approve a particular merger or joint venture in conceptual terms.

In fact, Mr Speaker, in Australian corporate history, generally it is in-principle approval by shareholders that is given for boards of directors to negotiate those arrangements. In this situation, Mr Speaker, the Government stands as the board of directors, but more particularly the ACTEW board stands as the board of directors, and we seek the approval of shareholders to negotiate the deal. That reflects the practice in corporate Australia.

ACTEW Sewerage Systems

MS TUCKER: My question is also to the Treasurer and relates to the responses made by ACTEW to Mr Osborne, in response to his questions regarding the impacts of selling just the electricity retail business of ACTEW. ACTEW stated in its response to Mr Osborne that its sewerage business could become redundant within 10 to 20 years because of the potential for domestic customers to recycle sewerage and water on their own property. It was noted that there are already six houses in the ACT that are not connected to the sewerage system. I understand, however, that these houses were actually part of a trial that ACTEW initiated some years ago to test household sewerage treatment systems, and that there are only six houses because ACTEW decided that such systems were not viable in an urban context, particularly with increasing residential densities, and that there was more potential in larger scale but decentralised treatment systems, such as the Cranos system that ACTEW has developed. Minister, could you confirm the status of ACTEW's trial of household sewerage treatment systems, and whether you do still believe that there will be no need for sewerage pipes in the ACT in the next decade or two?

MR HUMPHRIES: Mr Speaker, it is certainly true that ACTEW has been involved in the process of identifying the potential for there to be an alternative way of handling water and sewerage systems, with respect to individual householders, and it was

involved in the trial of those six houses to which Ms Tucker refers. It is not true to say that ACTEW Corporation has come to the view that such a proposal has no potential for further development. It has not in fact, as I understand it, proceeded with any immediate plans to develop such a concept in the ACT because, needless to say, if it were to be developed in the ACT, it could result in ACTEW losing customers.

This is a proposal to take people off-line from ACTEW. Why would they wish to develop such a concept on any great scale in the ACT? Mr Speaker, the fact is, however, that what has been done with those six houses demonstrates very clearly that separation can occur and that we are not dependent, for example, with respect to sewerage services, on a major territorial system to take care of disposal from individual households across the whole Territory. In other words, it is possible for people to effectively recycle such products or such waste within their own land.

Mr Speaker, the point that ACTEW is making is that this sort of potential poses a risk at the end of the day to the possibility of ACTEW retaining its present customer base for sewerage services. I have answered this question before in one respect. As I said yesterday, if you had said to somebody 30 years ago, "Look you do not need to be hooked up to the electricity supply to get your power. One day there will be little bits of tin that you can put on your roof and you can get your own power from those", then people would have laughed at that suggestion.

Mr Moore: Thirty years ago?

MR HUMPHRIES: Thirty years ago they would have laughed at that suggestion. But, Mr Speaker, the fact is that this is no longer a crazy idea. And the idea of recycling of sewerage waste is also not a crazy idea. I see Ms Tucker thinks it is a crazy idea and I am surprised to hear that from an avowed environmentalist. That being the case, it is reasonable to assume that such development could occur, and it is reasonable to assume that the customer base that ACTEW has for that kind of service is not totally secure and, as technology changes, may be at some risk from the changes in technology which that kind of development represents.

MR SPEAKER: Supplementary?

MS TUCKER: I was not amazed at the fact that there is new technology coming. I was amazed that the Minister seemed to be saying it was inconsistent to save energy and be ACTEW at the same time, considering that ACTEW does have environmental objectives in its legislation. Given the fact that ACTEW, Minister, has already been developing and implementing alternative sewerage treatment systems, such as Cranos and grey water recycling – which, by the way, still need pipes - while under public ownership, why do you believe that this will not continue to occur if ACTEW's sewerage business stays in public control? And are you seriously saying it is inconsistent for ACTEW to take on energy conservation within its charter? This is something that is in its legislation.

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MR HUMPHRIES: Mr Speaker, I am not saying that it could not continue to occur. Of course it can. But the point is that a system that is based on individuals getting some technology - presumably they buy the technology and install it in their homes - - -

Ms Tucker: ACTEW could provide it.

MR HUMPHRIES: Let me finish Ms Tucker. They buy the technology and install it in their homes to recycle their own sewerage. They do not do this by just digging a big hole in the backyard and moving the pipes themselves. The technology has to be installed to make that happen, right? And ACTEW can continue to do it, and it is at least theoretically possible for them to continue to develop that kind of system, but the point is that, because it is not linked to a territory-wide reticulation system, others can do it as well. This is the point. And if the technology becomes available, you no longer depend on the territory-wide supplier of water and sewerage services to deliver that kind of technology. Others can come in and deliver it just as well. Just as you do not need ACTEW to supply you with solar hot water. Lots of companies can supply solar hot water these days.

Ms Tucker: So you compete and you do it well, and ACTEW can.

MR HUMPHRIES: I know that ACTEW can, but they will have competitors. The point I am making, Mr Speaker, is that competitors can enter the marketplace.

Ms Tucker: So what? What is wrong with ACTEW competing?

MR SPEAKER: Do not respond to the interjections. Be quiet, Ms Tucker. You have asked your question and your supplementary.

MR HUMPHRIES: Mr Speaker, the answer to "so what" is that, if competitors enter ACTEW's marketplace for supply of sewerage services and they take some of ACTEW's share of the marketplace, obviously the dividend which ACTEW pays the Government and the community on the basis of its profits is at some risk. If Ms Tucker cannot understand that then I am sorry, but I cannot explain it any more clearly.

Bruce Stadium - Rock Concert

MR OSBORNE: My question is to the Chief Minister again and I hope it is another short answer.

Ms Carnell: I have been good, haven't I?

MR OSBORNE: You have been good. I went over *Hansard* yesterday, Mr Speaker, in relation to a question that I asked the Chief Minister about ticket sales for Bruce Stadium, and I asked for the exact number of tickets and the answer from the Chief Minister was that there were 10,558 sold. What you said, Chief Minister, was that this was the number that were actually paid for. You then said that the cut-off figure for break even was 7,811 but, in answering that, you said "if the average ticket sale was \$71". Would you just confirm the average ticket price for the 10,558 tickets that were

sold? Was it \$71 or was it something less? I worked out that, at \$71, 7,811 tickets came to about \$550,000, or a little bit over. Do you have a figure on how much revenue was raised from tickets?

MS CARNELL: That was two questions. We do not have a final average price yet, but a couple of days before the event the figures showed an average price of \$75. The view was that the tickets that were sold on the day probably would have been, on average, the lower priced tickets, which could have brought the average down a bit. That is the reason the \$71 was chosen. My understanding is that the promoters or the ticketing agency had some \$774,000 in the bank prior to having to start refunding.

State of the Territory Report

MR KAINE: Mr Speaker, my question is also, through you, to the Chief Minister and it relates to the public relations document published recently by her and her department under the title, State of the Territory Report. This report is an interesting one because it is clearly designed to give the impression that everything that is good in Canberra is due to Mrs Carnell and her Government. It does not mention anything that is bad. For example, I went through the index carefully, and I could not find a single reference to the outcomes of such things as Feel the Power, Kinlyside, futsal, the hospital implosion, Bruce Stadium or unauthorised expenses. In fact, the document appears to be nothing more than a rehash of ABS statistics and I have heard some criticism of it. The 18-page brochure that accompanied it leaves out a few things, such as, for example, the fact that there was a 42 per cent increase in burglaries between 1997-98 and 1998-99, so one has to question what the purpose of this document was. My specific question to the Chief Minister is: What was the total cost of producing and distributing these PR documents, and how did the distribution of these documents contribute to what is claimed by the statement on the front cover, "Improving our quality of life in Canberra"?

MS CARNELL: Mr Speaker, I think that the State of the Territory Report actually dramatically improved the situation, and I think it is important to look at where the idea came from for the State of the Territory Report. It came from ACTCOSS. ACTCOSS believed - and they spoke to government about this - that there needed to be a document produced in the ACT that would, apart from budgets that talked predominantly about dollars and how we are spending dollars, actually assess the state of the Territory from a perspective of quality of life, and the sorts of things that affect everyday life. We looked at that, and looked at examples from overseas where the same sort of thing is done. I think I have spoken about that earlier. There are a number of American, and maybe Canadian, states, and governments in other parts of the world that do it, that have gone down the path of the state of the nation, or state of their state or province approach.

The format of the State of the Territory Report came from those overseas reports, which were adapted to the ACT. Mr Kaine has indicated that he believed we left out the negative stuff. Well, that is just simply not the case. The issue of burglaries and increases in crime rates is actually in the report, Mr Speaker. Mr Kaine obviously did not read it.

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Mr Kaine: On a point of order, Mr Speaker: It is not in the one that went to every household. That is the point that I am making.

MS CARNELL: Mr Speaker, I hope that was Mr Kaine's supplementary, but, as you can see from the small report that went out to people's households, it does indicate that you can get the full State of the Territory Report from libraries, shopfronts and also on the net; so the full report is very, very much available. I understand that the pamphlet was created to make sure that the people of the ACT have an opportunity to have a look at what is happening in the Territory, and to see how the Government is progressing.

Mr Speaker, 220,000 pamphlets were printed and it cost \$50,470 to have the pamphlets designed, printed and delivered to every Canberra household. On the basis of a quick division, Mr Speaker, that is 42c per household, or less than the cost of a postage stamp.

MR SPEAKER: Do you have a supplementary, Mr Kaine?

MR KAINE: I am not clear whether that \$50,000 is the total cost of this public relations exercise, but the Chief Minister, in any case, did not address the second part of my question.

Ms Carnell: Which is?

Mr Moore: Which is? Which is the second part of your question?

MR KAINE: Didn't you hear my question, Chief Minister? You were not listening? You were too busy preparing your answer for the first part.

MS CARNELL: A supplementary that reiterates a first question is out of order.

Commonwealth GST Compensation Bill

MR WOOD: Mr Speaker, my question is to the Treasurer and is about budgets. An article in the *Australian Financial Review* of Friday, 3 March, reported that the cost of the Federal Government's bill to compensate the States for the GST had blown out to \$7 billion, to which there appears little dispute. The article reports that the Commonwealth will have to make top-up payments to the States for many years, and some of the States seem to be making claims about that now. Given that the report was based on a document prepared for a forthcoming ministerial council of treasurers, can you say what the extent of the compensation payment to the ACT will be, what you will be seeking, and for how many years will the ACT require top-up payments?

MR HUMPHRIES: Mr Speaker, I have actually provided this information before in a ministerial statement I made in the last sitting week of last month, I think it was, on those issues. I think I have answered those questions in that statement. I indicated, for example, in that statement that the ACT expected to be receiving top-up payments until 2003-2004, in which financial year, from memory, the ACT's increase in revenue because of the GST would be of the order of \$1.4m, and would rise sharply in years after that, reaching, in 2009-2010, something of the order of \$74m or \$75m.

We expect, until 2003-2004, to be receiving top-up payments from the Commonwealth. The size of those payments is hard to actually identify - well, it is not hard to identify, but the difference between what the Commonwealth proposes to give us under the new arrangements and the amount that we would have received, had the old arrangements continued, is contained in the Grants Commission report, which was published last week.

That contains the difference that, hypothetically, would have to be topped up for the ACT and other jurisdictions over the next few years. The extent of that top up, Mr Speaker, will of course depend on the outcome of the meeting of state, federal and territory treasurers in Canberra next week. But, subject to a successful outcome of that meeting, I would expect that we will be topped up by approximately the order indicated in the Grants Commission report, and the ACT will receive that money until approximately 2003-2004.

Bruce Stadium - Rock Concert

MR RUGENDYKE: My question is to the Chief Minister. In regard to the cancelled Ultimate Rock Symphony the other weekend, I understand that you spoke with Andrew McManus of International Touring Co. prior to BOPL entering into a joint venture to stage the concert. Did you personally give Mr McManus the go-ahead for the proposal?

MS CARNELL: No, Mr Speaker, I did not. That is a matter for BOPL, but it is certainly true that Mr McManus did brief me on his intention to bring the Ultimate Rock Symphony to Canberra, if possible. I think that is a very appropriate approach. But, no, Mr Speaker, there were no negotiations, and no discussions about the details or possible ways that the concert could be put together.

Mr Stanhope: Did you tell BOPL that the guarantee was a good idea?

MS CARNELL: Mr Speaker.

MR SPEAKER: Will you be quiet, please. It is not your question.

MS CARNELL: It was very much just a discussion about Mr McManus's intention to attempt to bring the Ultimate Rock Symphony to Canberra. Remember that the Ultimate Rock Symphony also has gone to Perth, Adelaide, Newcastle, Sydney, Wollongong and, of course, Melbourne as well. So, it was good that Canberra was on the list and, as it turned out, it was potentially a very, very successful concert.

MR RUGENDYKE: Mr McManus says that he got the nod. But now that it has become clear that the ACT Government agreed to underwrite the Ultimate Rock Symphony, did BOPL also underwrite the cancelled John Farnham concert organised by Glen Wheatley last year?

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MS CARNELL: Mr Speaker, I think it is really important to remember that it was BOPL that entered into the relationship with the International Touring Co., not the ACT Government itself. The reason that this is important is, I would assume, that this Assembly would be wanting the new stadium authority - - -

Mr Corbell: This is a joke. Was not BOPL part of the ACT Government last year?

MR SPEAKER: I warn you, Mr Corbell.

MS CARNELL: Mr Speaker, I would assume that this Assembly would want the stadium authority to be out there attempting to get business to the stadium. I would have thought that we wanted them to actually make a quid and not be like Bruce Stadium was under the previous Government - losing money every year. Maybe those opposite do not like that, but the reality is that the stadium was always a drain on the Territory.

Mr Speaker, the concert was not underwritten. It was a joint venture. That is a very different scenario. A joint venture is where you get half of the profits, Mr Speaker, and there would have been significant profits if the concert had gone ahead. It is interesting and I really believe it is important that the Assembly thinks about this. The stadium authority will obviously be out there in the market, hopefully often and regularly, attracting these sorts of concerts and events, whether they be local, community, international or whatever, to get revenue for the stadium because we want them to make a dollar, we want them to get off the public payroll. That is basically the whole point of the exercise. Therefore, Mr Speaker, I have to say we will want them to go into joint ventures - I assume that everybody will want them to - particularly joint ventures that, as this one may have, are potentially going to make a lot of money.

Bruce Stadium - Events

MR HARGREAVES: My question follows on from Mr Rugendyke's, curiously, and I am referring to the statement the Chief Minister just made that it is not the Government that goes into this thing, it is BOPL.

Mr Moore: Is that for the Chief Minister?

MR SPEAKER: To whom is the question addressed, Mr Hargreaves?

MR HARGREAVES: Mr Speaker, it is addressed to the Chief Minister.

MR SPEAKER: Thank you.

MR HARGREAVES: I said, Mr Speaker, that it follows on. So if the impatient Mr Moore will just hang on for a second he will find out. Last night on Prime Television, Mr Speaker - - -

MR SPEAKER: Order! I call Mr Moore to order and I will call others to order if they continue to interject.

MR HARGREAVES: Thank you very much for your protection, Mr Speaker. Last night on Prime Television, the Chief Minister was reported as saying that, unless big business came on board, the Government would be forced to continue backing big name attractions and performers in Canberra - the Government, not BOPL. The Chief Minister said, "But it is quite common practice for these sorts of large rock concerts and other concerts to be joint ventures with governments". But she just said that it was not the government a minute ago. How you change in 24 hours. Mr Speaker, can the Chief Minister say what other rock concerts the Government has provided financial backing for, or is considering supporting, given her previous statement? How much financial support will the Government put aside to back rock concerts, and what bands can we look forward to seeing in Canberra?

MS CARNELL: Mr Speaker, I am happy to take names from members of the Assembly of performers they might like to see in Canberra. There has not been a rock concert at the stadium yet. The decision on whether there are rock concerts in the future will be made by the stadium authority. This Assembly actually passed the legislation last week setting up the authority and giving it the power and the responsibility to do just that.

MR HARGREAVES: I have a supplementary question, Mr Speaker. I will ignore the fact that the Chief Minister has not answered the question, and I will ask her the second part. Can the Chief Minister say when she will write to Bruce Operations Pty Ltd and ask for advice as to the possible release to the Assembly of the contractual arrangements over last Saturday's Ultimate Rock Symphony, as she said yesterday she would, in answer to a question from Mr Berry?

MS CARNELL: Mr Speaker, I assume that the letter is in the process of being drafted now.

I ask that all further questions be placed on the notice paper.

Bruce Stadium – Agreement with Canberra Raiders

MS CARNELL: Mr Speaker, I table and seek leave to incorporate in *Hansard* some further information to a question from Mr Stanhope on 1 March. I have a full answer which is quite long, Mr Speaker.

Leave granted.

The information read as follows:

Chief Minister
Member for Molonglo
Australian Capital Territory
9 March 2000

Mr Jon Stanhope MLA
Leader of the Opposition
ACT Legislative Assembly
London Circuit CANBERRA ACT 2601

9 March 2000

Dear Mr Stanhope

Attached is the response to the Legislative Assembly Question Without Notice Taken on Notice asked by you on Tuesday 1 March 2000 regarding the Heads of Agreement with each of the major hirers.

Should you have any queries regarding the above please do not hesitate to contact me.

Yours sincerely

Kate Carnell MLA
Chief Minister

Please note that page 5 of the Raiders' Head of Agreement is not the original. This page was reproduced from the unsigned version sent to the Raiders for signature.

Mr Stanhope - Asked the Chief Minister on 1 March 2000:

Can the Chief Minister now tell the Assembly which clauses were changed, and how? And will she table the Heads of Agreement that was signed by the Government and the Raiders and to which she referred to in her answer?

Ms Carnell - The answer to the Member's question is as follows:

Attached are the Heads of Agreement that were signed by the Territory and each of the relevant codes. I have also attached a summary of the final hiring agreements for the three codes detailing the hiring arrangements in relation to First Term Capital Revenues, Recurrent Receipts and the Hirers Recurrent Receipts, in order that you can make comparisons with the Heads of Agreement.

The major difference between the Heads of Agreement and the final negotiated Hiring Agreements is the operation of the revenue assurance. The revenue assurance contained in the Heads of Agreement was performance based. It was conditional upon the code achieving their sales targets, which were driven by crowd numbers. Accordingly, it was not a guaranteed income stream payable by the Stadium regardless of how many patrons they attracted to their home games.

The revenue assurance however that was contained in the final negotiated Hiring Agreement provides a minimum revenue base and the codes' share is driven by the number of games and the revenue that each generates. It is also worth noting that the amount of the revenue assurance was substantially reduced between the signing of Heads of Agreement and the Hiring Agreements.

I have provided the above in order to clarify the questions that were raised last Tuesday 29 February 2000 in reference to a response I gave to a question Mr Whitecross asked on 24 September 1997.

The Heads of Agreement are non-binding agreements. They set out and establish the principles and parameters on which a final contract will be negotiated. Obviously, in any negotiation the final contracted position will differ from a head of agreement, due to changes in priority and negotiating position.

COMPARISON OF HIRING AGREEMENTS

Description	Brumbies	Raiders	Cosmos
Base Hiring Fee (payable to Stadium)	15% or \$8,000 whichever is greater, plus on-costs	8% or \$6,000 whichever is greater, plus on-costs	15% or \$2,500 whichever is greater, plus on-costs
Revenue payable/generated by the Hirer			
First Term Capital pool according	Distribution of pool according to revenue and attendance formula	Distribution of pool according to revenue and attendance formula	Distribution Revenue according to revenue and attendance formula
Corporate Suites	40%	10%	10%
Naming Rights	20%	10%	10%
Video Replay Board rights	20%	0	0
Stadium premium passes	25%	10%	10%
BOPL'S recurrent receipts	Distribution of pool according to revenue and attendance formula	Distribution of pool according to revenue and attendance formula	Distribution of pool according to revenue and attendance formula
Corporate suites	40%	60%	40%
Naming Rights	60%	60%	60%
Video replay board	20%	0	0
Stadium premium passes	30%	60%	30%
Advertising/signage	50%	50%	0

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Hirers recurrent receipts	No pool - 100% generated by hirer (not shared with other hirers)	No pool - 100% generated by hirer (not shared with other hirers)	No pool - 100% generated by hirer (not shared with other hirers)
Corporate Boxes	83.5%	90%	80%
Hirers advertising	80%	80%	80%
Hirers premium passes	25%	60%	20%
Season passes	85%	92%	85%

HEADS OF AGREEMENT

This agreement entered into on this fifth day of September 19978 at Canberra between the Australian Capital Territory, a body politic, established under section 7 of the *Australian Capital Territory Act 1988* (Commonwealth) (herein-after referred to as “the Territory”) of the first part; and

Canberra Districts Rugby League Football Club Limited ACN (“CDRL”) AHCD Pty Ltd ACN (“AHCB”) and the successors or assigns of either or both of them (here-after collectively referred to as “the Raiders”)of the second part.

Whereas the Territory proposes to redevelop the Bruce Stadium; and

The Raiders intend to occupy and utilise the Stadium for its events;

The parties agree to enter into negotiations in good faith regarding terms and conditions for the hire. of the Stadium by the Raiders(“the Hiring Agreement”) in accordance with the principles and intentions set out below:

PERIOD OF HIRING

The Hiring Agreement will be for a 10 year period. with a further 10 year extension by agreement of the parties, subject to the Territory securing a further sublease of the Stadium for that period, and is effective for the day of the game only (from 12.01 am to 11.59 pm - the hiring period) for matches allocated by the Governing Body of the sport in which the Raiders participate from time to time (herein after referred to as the Governing Body) and such other matches as the parties may agree from 1999 (1st game of the 1999 season) to 2008 (1st day of the 2008 season)

EVENTS

The Raiders will locate all regular season "home" competition games at Bruce Stadium unless otherwise directed by the Governing Body, as well as using their best endeavours to secure other games controlled by the Governing Body such as finals events, pre-season trials, Tests, etc.

MANAGEMENT OF THE STADIUM

The Territory intends to establish a new structure for the management of the redeveloped Stadium. This may involve.

appointment or establishment of a management body: and/or

appointment of one or more contract operators in relation to various aspects of the running of the Stadium.

The Raiders will be invited to participate in the selection process for the Operators.

The Territory intends to establish a Monthly Operations Forum whereby representatives of the Raiders will contribute to the development of operating policies and practices for the successful, on-going efficient and effective management of the Stadium.

Upon establishment or appointment of a new management body, the Territory will be entitled to assign or novate such of rights and obligations under this agreement or the Hiring Agreement as the Territory sees fit.

RENTAL STRUCTURE

The basic rental will be structured on the basis of a minimum of 15% of the total gate. This will include all categories of ticketing (including season tickets and other pre-paid tickets) but not complimentaries.

In the case of smaller matches, the base rent of 15% will need to be set off against minimum guaranteed opening fee of say \$5,000-\$10,000 to ensure that the Territory does not incur costs beyond its minimum rent.

TICKETING

There would be one ticketing company contracted by the Territory for all Hirers and they would be consulted in that negotiation. A computerised box office would be required to operate on site, at remote locations and via telephone sales. All seating within the Stadium would be treated as allocated seating and there would be a minimum number of ticket categories.

The preferred arrangement would be for settlement of the gate to be made on match days by way of a preliminary calculation based on 80-90% of anticipated funds by cheque on match day to the Raiders. The balance would be settled within 7 days after final accounts have been negotiated.

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CORPORATE SUITES

Corporate suites will be sold by the Territory on a 1 year, 3 year or 5 year basis and revenue from suites will be split 60% to the Territory and 40% to be, divided among the Hirers (on a revenue and attendance formula). This formula will be net of catering expenditure which will go to the Territory.

Corporate Boxes during the Raider's hiring period will be sold by the Raiders individually on a season by season basis and revenue from boxes will be split 16.5% to the Stadium and 83.5% to the Raiders. This formula will be net of catering expenditure, which will all go to the Territory.

The premium seating program (Gold Pass) will be sold by the Territory on a 5 to 10 year basis and revenue from these Gold Passes will be split 70% to Territory the and 30% to be divided among the Hirers (on a revenue and attendance formula).

MERCHANDISE SALES

The Territory will provide professionally equipped merchandise sales outlets and will assume responsibility for merchandise sales on consignment on behalf of the Raiders. The cost of goods will be the responsibility of the Raiders and the Territory will retain a commission of 10% of gross sales together with its selling costs.

STADIUM NAME

The upfront capital payments for naming rights will be shared 80% between the Territory and 20% between the Hirers (on a revenue and attendance formula). Annual naming rights premium will be shared 60% between the Hirers (on a revenue and attendance formula) and 40% to the. Territory.

ADVERTISING SIGNAGE

Revenue from signage and advertising will be dealt with in several categories. Onfield and fenceline signage will be available exclusively to Hirers with a 20% commission paid to the Territory plus costs of material and labour. Tri vision fenceline panels will be provided in key areas and provision will be made for signage with digital readouts.

Revenue from other signage away from camera view (eg concourses) will belong to the Territory. However, there will not be an exclusive deal by the Territory to lock out the Raider's sponsors.

Provision will be made for the Raiders to meet. national signage requirements which do not produce direct revenue for the Raiders.

All Hirers have agreed with the concept of a joint marketing approach for the Hirers and the Stadium, although further detailed work needs to be done before the concept can be implemented.

The scoreboard and colour replay board are still to be finalised as decisions will follow discussions with SOCOG re joint marketing. The revenue split on advertisements is to be determined.

VIP PARKING

260 spaces close to the main Western Stadium entrance outside and up to 10 spaces inside the Stadium, but not on the arena, will be available to the Raiders free during each hiring period.

PARKING

Reasonably adequate public parking will be provided for each game.

F&B REVENUE

The food and beverage operation for all events would be undertaken by the Territory and there will be one caterer either in-house or by contract. The Raiders will therefore have no right to catering and other food and beverage concessions for the period of their lease during hiring periods. Pricing policy for all regular events will be agreed between the Territory and the Hirers at the monthly operations forum.

BEVERAGES

Beverage sales will belong to the Territory or its catering contractor, but the Territory will not commit to any exclusive deal which would lock out individual sponsors. For example, in the event of the Territory securing a beer arrangement whereby one company would do the beer plumbing, such an arrangement will not prevent sales of products of the tenants' sponsors during any event. Sponsorship revenue from exclusive associations between the beverage companies and the Raiders, belongs to the Raiders. Sponsors with exclusive associations with the Raiders will be able to display point of sale material at all Raiders events.

EXPENSES

In addition to the hiring charge, the Raiders will pay:

Reasonable staff costs other than management staff and persons employed by the Territory;

On costs as agreed between the Territory and the Raiders including:

Cleaning the Stadium;

Telephone and fax costs of Stadium equipment used;

Costs associated with altering electrical, gas, water, communication or other facilities;

Scoreboard operations;

Marking of the arena, including signs or logos;

Cost of electricity used for lighting and broadcasting;

Police services and security; and

Other services as required or requested.

ASSURANCE OF REVENUE

During the negotiation of this Agreement the parties have considered the financial model and the business principles prepared by consultants to the Territory (“the Business Plan”). The Business Plan illustrates a range of potential financial scenarios for the Stadium and the Raiders.

The table below sets out a summary of the potential outcomes from various levels of ticket box and signage sales by the Raiders and other hirers.

||

Raiders Annual Aggregate Public Paid Attendance	Raiders % Share (from BRUV10.xls)	Raiders Annualised Share (\$M)
22,000	23.29%	\$2.27
44,000	27.83%	\$2.65
66,000	31.86%	\$3.02
88,000	35.46%	\$3.38
110,000	38.71%	\$3.74
132,000	41.64%	\$4.09
154,000	44.30%	\$4.44
176,000	46.73%	\$4.78
198,000	48.96%	\$5.11
220,000	51.01%	\$5.45
242,000	54.65%	\$5.78
264,000	54.65%	\$6.10

Note 1: This illustration results from the interrelationship of assumptions regarding various levels of Raiders sales compared with the assumed sales levels for other Hirers in the version of the Business Plan financial model styled BRUVIO.xls. Shifts in percentage shares between Hirers will occur in line with actual results from year to year.

Note 2: Figures based on 35. Events as described in the table below.

Rugby League - Minor Finals	1
Rugby League - Raiders Games	11
Rugby Union - Super 12's	11
Soccer International's - Min or	1
Soccer - Cosmos Matches	10
Entertainment Event	1
Total	35

Reconciliation of revenue is to be done after the last game of each season. The assumptions upon which the Business Plan is based are currently being independently reviewed by Arthur Andersen and separately by IMG. Subject to their confirmation of the major assumptions of the Business Plan, the Territory will guarantee that, during the years 1999 to 2003, that if the Raiders achieve their sales targets as illustrated above, the Raiders will receive the revenue from the Stadium operations predicted by the Business

Plan in respect of the Raider's annual aggregate public paid attendance for that year, less annual aggregate match day on-costs and expenses payable under the Hiring Agreement.

If Arthur Anderson and/or IMG do not support the Business Plan, both parties reserve the right to review and renegotiate this agreement.

In the event that this guarantee involves the Territory in the provision of a subsidy to the Raiders in any year, the Territory will have 'claw back' rights to recover the subsidy from future distributions to the Raiders in any subsequent year during the Hiring Agreement.

RECOGNITION OF CAPITAL COSTS INCURRED

The Territory recognises the costs incurred by the Raiders in the implementation of previous plans for upgrading of the Stadium. The Territory agrees to negotiate with the Raiders in good faith to achieve a reasonable and early settlement this issue.

TERMINATION

Either party may terminate this Agreement by notice in writing to the other if:

the parties have failed to agree a Hiring Agreement by 1 March 1998;

the redevelopment of the Stadium by the Territory differs substantially from the proposal set out in the attached plans;

the Raiders merges with any other team in a competition in which the Raiders compete, or

any of the following or any similar event or circumstance occurs:

- (a) the company is unable to pay their debts as they fall due, or is, deemed to be unable to pay its debts under the Corporations Law;
- (b) the company is placed under administration or a receiver or liquidator is appointed in relation to the company or any part of its assets, or undertakings;
- (c) a winding up order is made in respect of the company or an application for winding up is made to a court and is not stayed or dismissed within 14 days;
- (d) execution is levied against the company by a creditor, or a mortgagee or chargee enters into possession of any of its assets;
- (e) the company enters into scheme of arrangement with its creditors; or
- (f) a resolution is passed at a meeting of creditors to take action in respect of the company of a kind mentioned in paragraph (b), (c), (d) or (e).

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In this, clause, "company" means any one or more of CDRL, AHCB and the successors or assigns of either or both of them.

Status of Raiders

CDRI, and News warrant that they jointly, and no other person or body, controls and conducts the rugby league team known as the Canberra Raiders.

Interpretation

In this Agreement, unless the contrary intention appears:

"Governing Body" means the body which establishes and conducts any competition in which the Raiders compete from time to time;

"Hirers" means the Raiders and any other sporting or other organisations with which the Territory enters into a long-term hiring agreement for Bruce Stadium.

This Agreement binds CDRL, News and the successors or assigns of either or both of them jointly and severally.

FUTURE AGREEMENTS

The Territory and the Raiders will continue to negotiate in good faith on all things necessary to give effect to this Heads of Agreement, including the execution of a detailed hiring agreement.

Nothing in this Agreement is intended to give rise to legally binding obligations on the parties to the agreement.

It is envisaged that the detailed hiring agreement will be entered into by the parties within six months after the date of this Heads of Agreement.

.....Moiya Ford.....
Signed
on behalf of the
Australian Capital Territory

.....Kevin Neil.....
Signed
On behalf of the Canberra Raiders

.....
Witness

.....
Witness

HEADS OF AGREEMENT

This agreement entered into on this 22nd day of December 1997 at Canberra between the Australian Capital Territory, a body politic established under section 7 of the *Australian Capital Territory (Self-Government) Act 1988* (Commonwealth) (herein-after referred to as “the Territory”) of the first part; and

The ACT Rugby Union Inc. (herein-after referred to as “ACTRU”) of the second part.

Whereas the Territory proposes to redevelop the Bruce Stadium; and

ACTRU intend to occupy and utilise the Stadium for its events;

The parties agree to enter into negotiations in good faith regarding terms and conditions for the hire of the Stadium by ACTRU in accordance with the principles and intentions set out below (“the Heads of Agreement”):

INTERPRETATION

In this Agreement, unless the contrary intention appears:

“**Governing Body**” means the body which establishes and conducts any competition in which ACTRU compete from time to time;

“**Heads of Agreement**” means the principles and intentions as set out in this document which will be incorporated in a subsequent formal hiring agreement which will be finalised between the Territory and ACTRU.

“**Major Hirers**” means ACTRU and any other sporting or other organisations with which the Territory enters into a long-term hiring agreement for Bruce Stadium.

PERIOD of HIRING

The Hiring Agreement will be for a 8 year period with a further 10 year extension by agreement of the parties, subject to the Territory securing a further sublease of the Stadium for that period and unless the ACTRU is eliminated from the competition. During the hiring period, ACTRU will be entitled to use the Stadium for the day of the game only (from 12:01 am to 11:59 pm) for matches allocated by the Governing Body of the sport controlling the competition in which ACTRU may participate from time to time (herein after referred to as the Governing Body) and such other matches as the parties may agree from 1999 (first game of the 1999 season) to 2006 (last game of the 2006 season).

9 March 2000

EVENTS

ACTRU will locate all regular season “home” competition games at Bruce Stadium unless otherwise directed by the Governing Body, as well as using their best endeavours to secure other games controlled by the Governing Body such as finals events, pre-season trials, Tests, etc. Flexibility will be granted to allow ACTRU to conduct fixtures at alternative venues, which at the beginning of the season are classified as “home” competition games. The terms of the change in venue will be negotiated on a game by game basis, however ACTRU will commit to play the majority of their scheduled “home” games at Bruce Stadium for the term of their Hiring Agreement.

MANAGEMENT OF THE STADIUM

The Territory intends to establish a new structure for the management of the redeveloped Stadium. This may involve:

appointment or establishment of a management body: and/or

appointment of one or more contract service providers in relation to various aspects of the running of the Stadium.

ACTRU will be invited to participate in the selection process for the service providers.

The Territory intends to establish a Monthly Operations Forum whereby representatives of ACTRU will contribute to the development of operating policies and practices for the successful, on-going efficient and effective management of the Stadium.

The method by which the ACTRU and other Major Hirers will be involved in both the selection process for service providers and the proposed Monthly Operations Forum is to be determined.

Upon establishment or appointment of a new management body, the Territory will be entitled to assign or novate to that body such rights and obligations under the Heads of Agreement or any subsequent Hiring Agreement for the use of the Stadium as the Territory sees fit.

RENTAL STRUCTURE

The base rental will be structured on the basis of 15% of the total gate. This will include all categories of ticketing (including season tickets and other pre-paid tickets), but not complimentaries.

In the case of smaller matches, the base rent of 15% will be set off against a minimum guaranteed opening fee of say \$5,000-\$10,000 to ensure that the Territory does not incur costs beyond its minimum revenue.

TICKETING

There will be one ticketing company contracted by the Territory for all hirers. The Major Hirers will be consulted in that negotiation. A computerised box office will operate on site, at remote locations and via telephone sales. All seating within the Stadium will be treated as allocated seating and there will be a minimum number of ticket categories.

The preferred arrangement will be for settlement of the gate to be made on match days by way of a preliminary calculation based on 80-90% of anticipated funds paid by cheque on match day to ACTRU. The balance will be settled within 7 days after final accounts have been negotiated.

CORPORATE SUITES

Corporate Suites will be sold by the Territory on a 1 year, 3 year or 5 year basis and revenue from suites will be split 60% to the Territory and 40% to be divided among the Major Hirers (on a revenue and attendance formula). This formula will be net of catering expenditure which will go to the Territory.

Corporate Boxes during the hiring period will be sold by ACTRU individually on a season by season basis and revenue from boxes will be split 16.5% to the Stadium and 83.5% to ACTRU. This formula will be net of catering expenditure which will go to the Territory.

The premium seating program (Gold Pass) will be sold by the Territory on a 5 to 10 year basis and revenue from these Gold Passes will be split 70% to Territory and 30% to be divided among the Major Hirers (on a revenue and attendance formula).

MERCHANDISE SALES

The Territory will provide professionally equipped merchandise sales outlets and will assume responsibility for merchandise sales on consignment on behalf of ACTRU. The cost of goods will be the responsibility of ACTRU and the Territory will retain a commission of 10% of gross sales together with its selling costs.

STADIUM NAME

The upfront capital payments for naming rights will be shared 80% between the Territory and 20% between the Major Hirers (on a revenue and attendance formula). Annual naming rights premium will be shared 60% between the Major Hirers (on a revenue and attendance formula) and 40% to the Territory.

9 March 2000

ADVERTISING SIGNAGE

Revenue from signage and advertising will be dealt with in several categories. Onfield and fenceline signage may be available exclusively to Major Hirers with a 20% commission paid to the Territory plus costs of material and labour. However, this aspect may be subject to further negotiation. Tri-vision fenceline panels will be provided in key areas and provision will be made for signage with digital readouts.

Revenue from other signage away from camera view (eg concourses) will belong to the Territory. However, the Territory will ensure that it does not commit to any exclusive arrangement which would lock out the ACTRU's individual sponsors.

Provision will be made for ACTRU to meet national and major sponsor signage requirements which do not produce direct revenue for ACTRU eg. Grass Logos.

All Major Hirers have agreed with the concept of a joint marketing approach for the Major Hirers and the Stadium, although further detailed work needs to be done before the concept can be implemented.

The selection of the video replay board is still to be finalised. The revenue split on advertisements will be determined by negotiation with the Major Hirers.

VIP PARKING

A number of spaces (to be negotiated) close to the main Western Stadium entrance outside and up to 10 spaces inside the Stadium, but not on the arena, will be available to ACTRU free during each hiring period.

PARKING

Reasonably adequate public parking will be provided for each game.

F&B REVENUE

The food and beverage operation for all events will be undertaken by the Territory and there will be one caterer either in-house or by contract. ACTRU will therefore have no right to catering and other food and beverage concessions for the period of the Hiring Agreement. Pricing policy for all food and beverage sold at the Stadium for ACTRU events will be agreed between the Territory and the Major Hirers at the monthly operations forum.

Food and Beverage revenue sharing arrangements will be negotiated with ACTRU for pre and post match functions.

BEVERAGES

ACTRU can enter into exclusive arrangements with beverage companies. The revenue from these arrangements remains the revenue of ACTRU.

The Territory however, will retain the revenue for all products sold.

The Territory will also be entitled to enter into arrangements with beverage companies to facilitate the supply and installation of equipment such as plumbing. The Territory will ensure that it does not commit to any exclusive arrangement which would lock out the ACTRU's individual sponsors. The Territory will also ensure that any arrangements which are entered into will not inhibit ACTRU's sponsors exclusive point of sale materials and signage to be displayed for their events.

EXPENSES

In addition to the hiring charge, ACTRU will pay:

- Reasonable staff costs other than management staff and persons employed by the Territory;
- On costs as agreed between the Territory and ACTRU including:
 - Cleaning the Stadium;
 - Telephone and fax costs of Stadium equipment used;
 - Costs associated with altering electrical, gas, water, communication or other facilities;
 - Scoreboard operations;
 - Marking of the arena including signs or logos;
 - Cost of electricity used for fighting and broadcasting;
 - Police services and security; and
 - Other services as required or requested.

ASSURANCE OF REVENUE

During the negotiation of this Agreement the parties have considered the financial model and the business-planning principles prepared by consultants to the Territory ("the Business Plan"). The Business Plan illustrates a range of potential financial scenarios for the Stadium and ACTRU.

The table below sets out a summary of the potential outcomes from various levels of ticket, box and signage sales by ACTRU and other hirers.

9 March 2000

ACTRU Annual Aggregate Public Paid Attendance	ACTRU Weighted Average % Share - Event & Non-Event Revenue (from BRUV11.xls)	ACTRU Annualised Share (\$M)
16,000	13.09%	\$1.01
32,000	16.49%	\$1.29
48,000	19.62%	\$1.56
64,000	22.52%	\$1.83
80,000	25.22%	\$2.09
96,000	27.73%	\$2.35
112,000	30.08%	\$2.61
128,000	32.27%	\$2.86
144,000	34.33%	\$3.12
160,000	36.26%	\$3.63
176,000	38.09%	\$3.61
192,000	39.81%	\$3.85

Note 1: This illustration results from the interrelationship of assumptions regarding various levels of ACTRU sales compared with the assumed sales levels of other Major Hirers in the version of the Business Plan financial model styled BRUV11.xls. Shifts in percentage shares between Major Hirers will occur in line with actual results from year to year.

Note 2: Figures based on 32 Events as described in the table below.

Rugby League - Minor Finals	1
Rugby League - Raiders Games	11
Rugby Union - Super 12's	8
Soccer International's - Minor	1
Soccer - Cosmos Matches	10
Entertainment Event	1
Total	32

Reconciliation of revenue will be done after the last game of the season. The assumptions upon which the Business Plan is based have been independently reviewed by Arthur Andersen and separately by IMG. Subject to their confirmation of the major assumptions of the Business Plan, the Territory will guarantee that, during the years 1999 to 2003, that if ACTRU achieve their sales targets as illustrated above, ACTRU will receive the revenue from the Stadium operations predicted by the Business Plan in respect of the annual aggregate public paid attendance for that year, less annual aggregate match day on-costs and expenses payable under the Hiring Agreement.

If Arthur Andersen and/or IMG do not support the Business Plan, both parties reserve the right to review and renegotiate this agreement.

In the event that this guarantee involves the Territory in the provision of a subsidy to ACTRU in any year, the Territory will have 'claw back' rights to recover the subsidy from future distributions to ACTRU in any subsequent year during the Hiring Agreement.

TERMINATION

Either party may terminate this Agreement by notice in writing to the other if:

the parties have failed to finalise a Hiring Agreement by 1 March 1998;

the redevelopment of the Stadium by the Territory differs substantially from the proposal set out in the attached plans;

ACTRU merges with any other team in a competition in which ACTRU competes; or any of the following or any similar event or circumstance occurs:

- (a) the company is unable to pay their debts as they fall due, or is deemed to be unable to pay its debts under the Corporations Law;
- (b) the company is placed under administration or a receiver or liquidator is appointed in relation to the company or any part of its assets or undertaking;
- (c) a winding up order is made in respect of the company or an application for winding up is made to a court and is not stayed or dismissed within 14 days;
- (d) execution is levied against the company by a creditor, or a mortgagee or chargee enters into possession of any of its assets;
- (e) the company enters into scheme of arrangement with its creditors; or
- (f) a resolution is passed at a meeting of creditors to take action in respect of the company of a kind mentioned in paragraph (b), (c), (d) or (e).

In this clause, "company" means any one or more of ACTRU and the successors or assigns of either or both of them.

FURTHER AGREEMENTS

The Territory and ACTRU will continue to negotiate in good faith on all things necessary to give effect to this Heads of Agreement, including the execution of a detailed hiring agreement.

Nothing in this Agreement is intended to give rise to legally binding obligations on the parties to the agreement.

It is envisaged that the detailed hiring agreement will be entered into by the parties within six months after the date of this Heads of Agreement.

Kate Carnell
Signed
On behalf of the Australian
Capital Territory

M. Sinderberry
Signed
On behalf of the ACT
Rugby Union

Moiya Ford
Witness

.....
Witness

HEADS OF AGREEMENT

This agreement entered into on this 4th day of August 1997 at Canberra between the ACT Government (herein after referred to as "The Territory") for this first part; and

The Canberra COSMOS (herein after referred to as "The COSMOS") for the second part; and

The Bruce Stadium Management (herein after referred to as "The Stadium") for the third part.

Whereas the Territory proposes to redevelop the Bruce Stadium generally in accordance with the attached plans; and

The COSMOS intends to occupy and utilise the Stadium for its events;

The parties do hereby agree as follows:

PERIOD OF HIRING

The Tenancy Agreement will be for a 10 year period with a further 10 year option and is effective for the day of the game only (from 12:01 am to 11:59 pm - the hiring period) for matches allocated by the sport in which the tenants participate from 1998 (1st game of the 1998/99 season) to 2008 (last day of the 2008 season). Notwithstanding the aforementioned period of hiring, the Cosmos reserves the right to commence the period one year later ie. the 99/00 season.

EVENTS

The COSMOS will guarantee to locate all regular season "home and away" competition games at Bruce Stadium, as well as using their best endeavours to secure other games controlled by their governing bodies (National League, Soccer Australia, etc) such as finals events, trials, Internationals, etc.

COSMOS may have a problem with pre-season events as some teams only draw small crowds and they may want to put these games at a smaller venue.

RENTAL STRUCTURE

The base rental will be structured on the basis of a minimum of 15% of the total gate. This will include all categories of ticketing, but not complimentary.

In the case of smaller matches, the base rent of 15% will need to be set off against a minimum guaranteed opening fee of say \$5,000-\$10,000 to ensure that the Stadium does not incur costs beyond its minimum revenue.

TICKETING

There would be one ticketing company contracted by the Stadium for all Tenants and they would be consulted in that negotiation. A computerised box office would be required to operate on site, at remote locations and via telephone sales. All seating Within the Stadium would be treated as allocated seating and there would be a minimum number of ticket categories.

The preferred arrangement would be for settlement of the gate to be made on match days by way of a preliminary calculation based on 80-90% of anticipated funds paid by cheque on match day to the Tenants. The balance would be settled within 7 days after final accounts have been negotiated.

CORPORATE SUITES

Corporate Suites will be sold by the Stadium on a 1 year, 3 year or 5 year basis and revenue from suites will be split 60% to the Stadium and 40% to be divided among the Tenants (on a revenue and attendance formula). This formula will be net of catering expenditure which will all to the Stadium.

Corporate Boxes will be sold by the Tenants individually on a season by season basis and revenue from boxes will be split 16.5% to the Stadium and 83.5% to the individual Tenants . This formula will be net of catering expenditure which will all go to the Stadium.

The premium seating program (Gold Pass) will be sold by the Stadium on a 5 to 10 year basis and revenue from these Gold Passes will be split 70% to the Stadium and 30% to be divided among the Tenants (on a revenue and attendance formula).

MERCHANDISE SALES

The Stadium will provide professionally equipped merchandise sales outlets and will assume responsibility for merchandise sales on behalf of all Tenants. The cost of goods will be the responsibility of the Tenants and the venue will retain a commission (rental) of 10% of gross sales together with its selling costs.

STADIUM NAME

The upfront capital payments for naming rights will be shared 80% between the Stadium and 20% to the Tenants. Annual naming rights premium will be shared 60% to tenants and 40% to the Stadium.

ADVERTISING SIGNAGE

Revenue from signage and advertising will be dealt with in several categories. Onfileld and fenceline signage will be available exclusively to each code with a 20% commission paid to the Stadium plus costs of material and labour. Tri vision fenceline panels will be provided in key areas and provision will be made for signage with digital readouts.

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Revenue from other signage away from camera view (eg concourses) will belong to the Stadium. However, there will not be an exclusive deal by the Stadium to lock out the Tenant's sponsors.

Provision will be made for Tenants to meet national signage requirements which do not produce direct revenue for the Tenants.

All Tenants have agreed with the concept of a joint marketing approach for the Tenants and the Stadium, although further detailed work needs to be done before the concept can be implemented.

The scoreboard and colour replay board are still to be finalised as decisions will follow discussions with SOCOG re joint marketing. The revenue split on advertisements is to be determined.

VIP PARKING

A number of spaces (to be negotiated) close to the main Western Stadium entrance outside and up to 10 spaces inside the Stadium, but not on the arena, will be available to the Tenants free.

PARKING

Based on negotiation, to provide enough parking for each game.

F&B REVENUE

The food and beverage operation for all events would be undertaken by the Stadium and there will be one caterer either in-house or by contract. Tenants will therefore have no right to catering and other food and beverage concessions for the period of their lease during hiring periods.

BEER

Beer sales will belong to the Stadium, but the Stadium will not commit to any exclusive deal which would lock out individual sponsors. In the event of the Stadium securing a beer arrangement whereby one company would do the beer plumbing, such an arrangement will not prevent sales of products of the tenant's sponsors during any event.

EXPENSES

In addition to the hiring charge, the Tenants will pay:

Staff costs other than management staff and persons employed by the Territory;

On costs including:

Cleaning the Stadium;
Telephone and fax costs of Stadium equipment used;
Costs associated with altering electrical, gas, water, communication or other facilities;
Scoreboard operations;
Marking of the arena including signs or logos;
Cost of electricity used for lighting and broadcasting; and
Police services and security; and

Other services as required.

.....
Signed Chairman
Canberra Cosmos
Pty Ltd

Moiya Ford
Signed
General Manager
Strategic Business Projects
Department of Business,
the Arts, Sport and Tourism

.....
Witness Board Member
Canberra Cosmos

.....
Witness

An overriding condition to this head of agreement is that for the 1st three years of the agreement, the Cosmos will not pay any more than it would ordinarily pay at Seiffert Oval and of the net costs that such subsidy, if any, will be “clawed” back over the remaining seven years of the agreement by the Territory, conditional upon the Cosmos’ profitability.

Bruce Stadium – Redevelopment

MS CARNELL: Mr Speaker, I table and seek leave to incorporate in *Hansard* some further information to a question from Mr Osborne on 2 March. Similarly, the answer is full and quite long.

Leave granted.

The information read as follows:

Chief Minister
Treasurer
Member for Molonglo
Australian Capital Territory

Mr Paul Osborne
Member for Brindabella
ACT Legislative Assembly
London Circuit
CANBERRA ACT 2601

Dear Mr Osborne

9 March 2000

Attached is the response to the Legislative Assembly Question Without Notice Taken on Notice asked by you on Thursday 2 March 2000 regarding Media facilities at Bruce Stadium.

Should you have any queries regarding the above please do not hesitate to contact me.

Yours sincerely

Kate Carnell MLA
Chief Minister

Question Without Notice Taken on Notice

Mr Osborne - Asked the Chief Minister on 2 March 2000:

Chief Minister, you may have to take this on notice, but could you find out whether anyone involved in the development of Bruce Stadium had any meetings with any sections of the media prior to redevelopment? Could you let us know whether they did, when they met, and if any minutes were taken, could you table those minutes?

Ms Carnell - The answer to the Members question is as follows:

There was a series of User Committee Workshops with different user groups at the Stadium. One in relation to media facilities was conducted on Tuesday 20 May 1997 at 10.30am, which was 3 months before construction commenced.

Invitations to attend were sent to a variety of media groups and included:

AAP	Owen Brown
Ground Announcer	Martin Goss
2CN	Tim Gavel
PRIME TV	Phil Lynch
WIN TV	Phil Small
CAPITAL	Peter Chapman

The agenda for this meeting is attached including the summary of the requirements discussed in the media value management workshop.

Also a series of design review meetings were held, one on Wednesday 22 July 1998 reviewing Event/Media facilities. At this meeting it was resolved to allocate the space from 2 corporate suites for the media, leave the event control area on level 4 and areas previously allocated to the media on level 4 remain for private dining.

The minutes for this meeting are attached.

The use of media facilities was also discussed in a number of PCG meetings the minutes for which have previously been provided to the Assembly pursuant to its request for papers on 5 May 1999.

Additionally, I am also informed by the Department that a series of meetings were held with other interested media regarding position of media, and best television camera sites.

Television camera locations were discussed with SOCOG and local television stations.

Discussions were held with 2UE and the Raiders as the major rugby broadcaster to understand the major criteria for viewing and broadcast location.

It is understood that a meeting also occurred with the ABC radio regarding site location.

Channel 9 were also contacted and the construction team liaised closely with them regarding television requirements.

**BRUCE OUTDOOR STADIUM REDEVELOPMENT
USER COMMITTEE - VALUE MANAGEMENT WORKSHOP**

TUESDAY 20 MAY 1997

BOX 5 - BRUCE OUTDOOR STADIUM.

AGENDA

Attendees:

Chris Graham - CRI Project Management Pty Ltd
Malcolm Naylor - CRI Project Management Pty Ltd
Rick Graf - Graf Consulting International
Jan Kell - Graf Consulting International
Lindy Price - Project Officer, BOS redevelopment
Tony Morris - Operations Manager, BOS
Alan McGrath - Australian Institute of Sport

9.00am - 10.30am - Kevin Neil - Canberra Raiders
Mark Sinderberry - ACT Rugby Union
Paul Murphy - Canberra Cosmos
Mark Owens - Bureau of Sport, Recreation and Racing
Medical - Dr Rob Still

Update on design plans
Discussion of design brief
Specific requirements

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10.30am - 12.30pm	Broadcast Media	- Phil Small WIN TV - Peter Chapman CAPITAL - Phil Lynch PRIME (TBC)
	Print Media	- AAP - Owen Brown (TBC)
	Radio	- Tim Gavel (2CN)
	Announcer	- Martin Gross
	Scoreboard Operations	- Daniel Williams - Neil Bingham
12.30pm - 1.30pm	LUNCH	
1.30pm - 3.00pm	Paul Smales - P & O Catering Food & Beverage Merchandising	
	Update on design plans Discussion of design brief Specific requirements	
3.30pm - 5.00pm	Australian Federal Police - Stuart Kendal (extras to be confirmed) ACT Ambulance Service - TBC Fire Brigade - TBC State Emergency Service - TBC Ticketek - Don Elford	
	Update on design plans Discussion of design brief Specific requirements	

BRUCE OUTDOOR STADIUM REDEVELOPMENT

DESIGN REQUIREMENT FROM USER GROUP MEETING HELD ON 20 MAY 1997

"Wish List"

	Incl. In Design	Ignore
1. Codes		
1.1 Ability to subdivide concourse lounge.	Y	
1.2 Need to obtain TV camera shot back to West Stand.	Y	

2. Media

2.1 Media boxes adequately located.	Y
2.2 Wiring/cabling in/out.	Y
2.3 Prematch interview room.	Y
2.4 Openable glazing to media box.	Y
2.5 Corners stand location (West, North and South)	Y
2.6 Media/Changerooms require scoreboard data within.	Y
2.7 TV monitors overhead in radio announcer location	Y
2.8 Co-ordinated communication system linking media/broadcast entertainment needs.	Y
2.9 Regular 3 phase outlets around ground.	Y

BRUCE OUTDOOR STADIUM REDEVELOPMENT**Design Review Meeting****Wednesday 22 July 1998**

Present:	Lindy Price	ACT Office of Business Development & Tourism
	David Wright	Bruce Operations Pty Ltd
	Lewis Kaerger	Spotless Services
	Elizabeth Boydell	Spotless Services
	Nicola Robinson	Spotless Services
	Don Furner	Canberra Raiders
	David Pembroke	ACT Rugby Union
	Malcolm Pratt	W T Partnership
	Jennifer Watt	Cox Richardson Architects
	Eric Martin	Cox Architects
	Rob Scott	Cox Architects
	Rick Graf	Graf Consulting International
	Malcolm Naylor	CRI Project Management Pty Limited

Apologies: Mike Sullivan Totalcare Industries Limited

Chairperson: Malcolm Naylor

Venue: Box 5, Bruce Stadium

Time: 2:00pm

Distribution: All of the above

ACTION

- 1 CRI opened the meeting with introductions and outlined the reason for this meeting.
 - A review of the proposed design for completion of the West Stand
 - In response to a resolution from the value management review of the whole project conducted 14 July 1998
 - To critically analyse the current design with a view to cost savings
 - To test function and operations methodology with this group.

Note

2 The “high priority inclusions noted in the 14 July V.M. report were discussed vis:

- i) East Stand Roof **Cox**
the current design should proceed.
- ii) Corporate Box (hot/cold boxes)
Marketing research may result in a requirement for additional open corporate areas. This can be accommodated during construction or at a later time. **Note**
- iii) West Stand L4 Concessions
Services to these areas should proceed **Cox**
The decision to provide completed concessions is dependent on the “privileges profile” finally determined for patrons in the stand **Spotless**
- iv) Event/Media areas
Resolved to allocate the space from 2 corporate boxes (level 3) for the media **Cox**
Agreed that the event control area can remain on level 4 (corporate lounge area) **Cox**
 - The area on level 4 previously allocated for the media is to remain for private dining or similar. **Cox**
- iv) Video Replay Board
agreed that a procurement plan should be finalised within 4-6 weeks. **CRI/Graf**

3 Cox Architects presented the proposed architectural scheme - finishes and layout **Note**

4 The following issues were resolved from a review of each level of the West Stand design proposal.

- i) TV units to corporate suites
 - Provide power/cabling and wall strengthening for two TV’s **Cox**
 - Provide one only TV monitor and support bracket **Cox**

- ii) Kitchen Trolleys
Provide 15 amp outlets to enable flexibility for future regithermic units. **Cox**
- iii) Integration of West Stand Terraces
These are low priority areas
(i.e. last seats to fill) **Note**
Re-plan seating so that it works **Cox**
Integration of terrace seating into grandstand seating not to proceed at this stage **Cox**
Access terraces off concourse. **Cox**
- iv) Forecourt Design
The design theme is to focus on VIP entry
Review player access to change rooms from warm-up areas at south. **Cox**
- v) Ticketing Areas (East/West)
Spotless outlined future trends for “smartcard” ticketing **Note**
Resolved to undertake minimum work to re-establish existing areas **Cox**
Provide sufficient conduits to access points on the basis that future turnstiles will be located close to building entries. **Cox**

4 The meeting closed at 4:45pm.

Bruce Stadium – Rock Concert

MS CARNELL: Mr Speaker, could I correct a figure I gave to Mr Osborne in question time. I think that I said the amount in the bank was \$774,000; it was \$744,000. I am told that I remembered wrongly. Sorry.

ACTEW/AGL – Proposed Joint Venture

MR HUMPHRIES: Mr Speaker, first I give an answer to a question I took on notice on Tuesday from Mr Stanhope on ACTEW’s offsetting losses to a competitive load by presenting the following paper:

ACTEW – Competitive load and customer numbers – Answer to question without notice asked of Mr Humphries by Mr Stanhope (Leader of the Opposition) and taken on notice on 7 March 2000.

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ACTEW – Job Losses

MR HUMPHRIES: In question time today, I had a question from Mr Berry on meetings with unions about the proposals that were affecting AGL and ACTEW. I understand that there have been three meetings between unions and ACTEW since just before Christmas. At each of these meetings the unions demanded a job guarantee and that has now been given.

MR SPEAKER: Can you confirm how many questions or replies you tabled? You tabled one, was it?

MR HUMPHRIES: I tabled one and I gave information about a question I was asked today in question time.

MR SPEAKER: Fine, thank you.

PERSONAL EXPLANATIONS

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety): I present a copy of an article from the Sunday *Canberra Times* of 28 June 1998, which quotes Mr Quinlan as saying that, while he was opposed to the privatisation of public assets, particularly those that provide essential services, the party had to take account of the practicalities of the debate. He said that, in terms of ACTEW, any sale should consider the electricity retail arm of the organisation separately from the water and sewerage functions and from the electricity infrastructure. Mr Quinlan said retail electricity was the only part of ACTEW already under threat and he did not rule out its sale.

The article goes on to report that Mr Quinlan's position was defeated at the conference. Mr Quinlan might be able to explain later on how it came about that he took that position but was defeated on it when it came to the conference of the ALP.

MR QUINLAN: Mr Speaker, I wish to make a personal explanation.

MR SPEAKER: Yes, proceed.

MR QUINLAN: In answering one of the questions, Mr Humphries, the Treasurer, implied that I had argued at an ALP conference that we should consider disposal of public assets. It is to the credit of the ALP that we do have open conferences. The truth is that I did argue for strategic alliances in relation to the electricity retail - not public assets - and I am doing the same today.

**SUBORDINATE LEGISLATION (INCLUDING EXPLANATORY STATEMENTS)
Papers**

The following papers were presented by **Mr Humphries**:

Duties (Consequential and Transitional Provisions) Act – Duties (Transitional Provisions) Regulations 2000 – Subordinate Law 2000 No 15 (S7, dated 28 February 2000).

Road Transport (General) Act –

Number plates - Instrument No 68 of 2000 (S6, dated 29 February 2000).

Parking Meters – Instrument No. 69 of 2000 (S6, dated 29 February 2000).

Parking permits – Instrument No. 70 of 2000 (S6, dated 29 February 2000).

Inspection of motor vehicles and trailers by authorised examiners – Instrument No. 71 of 2000 (S6, dated 29 February 2000).

Parking tickets – Instrument No. 72 of 2000 (S6, dated 29 February 2000).

Dimensions and mass permits – Instrument No. 73 of 2000 (S6, dated 29 February 2000).

Vehicle impounding and seizure/speed tests – Instrument No. 74 of 2000 (S6, dated 29 February 2000).

Refund fees and charges – Instrument No. 75 of 2000 (S6, dated 29 February 2000).

Public vehicle licences – Instrument No. 76 of 2000 (S6, dated 29 February 2000).

Drivers' licences – Instrument No. 78 of 2000 (S6, dated 29 February 2000).

Registration of motor vehicles and trailers – Instrument No. 79 of 2000 (S6, dated 29 February 2000).

Road Transport (Hire Vehicle Services) Regulations 2000 - Subordinate Law 2000 No 4 (S6, dated 29 February 2000).

Road Transport (Taxi Services) Regulations 2000 - Subordinate Law 2000 No 5 (S6, dated 29 February 2000).

Road Transport (Third-Party Insurance) Regulations 2000 - Subordinate Law 2000 No 6 (S6, dated 29 February 2000).

Road Transport (Bus Services) Regulations 2000 - Subordinate Law 2000 No 9 (S6, dated 29 February 2000).

Road Transport (Offences) Regulations 2000 - Subordinate Law 2000 No 11 (S6, dated 29 February 2000).

Road Transport (General) Regulations 2000 - Subordinate Law 2000 No 13 (S6, dated 29 February 2000).

Road Transport (Dimensions and Mass) Act -

Road Transport (Dimensions and Mass) Regulations 2000 - Subordinate Law 2000 No 7 (S6, dated 29 February 2000).

Road Transport (Alcohol and Drugs) Act -

Road Transport (Alcohol and Drugs) Regulations 2000 - Subordinate Law 2000 No 8 (S6, dated 29 February 2000).

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- Road Transport (Safety and Traffic Management) Act -
Road Transport (Safety and Traffic Management) Regulations 2000 - Subordinate Law 2000 No 10 (S6, dated 29 February 2000) and associated Australian Road Rules prepared by the National Road Transport Commission, dated October 1999.
- Road Transport (Vehicle Registration) Act -
Road Transport (Vehicle Registration) Regulations 2000 - Subordinate Law 2000 No 12 (S6, dated 29 February 2000).
- Road Transport (Driver Licensing) Act -
Road Transport (Driver Licensing) Regulations 2000 - Subordinate Law 2000 No 14 (S6, dated 29 February 2000).

JUSTICE AND COMMUNITY SAFETY – STANDING COMMITTEE
Report on Joint Emergency Services Centre (JESC) Proposal
Government Response

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety) (3.36): For the information of members, I present the Government's response to the Standing Committee on Justice and Community Safety report No. 7 entitled "Joint Emergency Services Centre (JESC) Proposal". The report was presented to the Assembly on 9 December 1999. I move:

That the Assembly takes note of the paper.

I have a tabling statement and I ask for leave to have that incorporated in *Hansard*.

Leave granted.

The statement read as follows:

Mr speaker, I wish to table today the Government's response to the inquiry Report on the Joint Emergency Services Centre (JESC) proposal relating to the Woden JESC.

This Government has been progressively modernising the facilities required by all our emergency services. Since coming to office this Government has:

Built the new Tuggeranong Police Station

Extended the Hall Bushfire Brigade Station to cater for an Emergency Service component.

Converted the Fyshwick Fire station into a JESC by extending the station to cater for an Ambulance crew.

Built a new joint Molonglo Bushfire and Emergency Service Brigade Station behind Higgins.

Built the JESC at Gungahlin housing a Police Station and all four response agencies of the Emergency Services Bureau.

Provided funding in the 1999/2000 budget to upgrade the Southern Districts Bushfire Brigade Station at Tharwa and to include an Emergency Service component.

Mr speaker, as part of this long term review of Police and Emergency Services facilities, the Government concluded that the upgrade of Belconnen and Woden Police Station would be given a high priority. In 1998 the Government commissioned a feasibility study by Col Brown consulting Pty Ltd into options for JESCs in Belconnen and Woden. That report proposed a JESC for Belconnen and the relocation of the Woden Patrol to Tuggeranong Patrol Police Station with a shopfront to be established in the Woden Plaza. The Brown Report was released for public information and comment.

It became clear that there was considerable concern in the community about the proposal to close the Police Station so the Government decided to reject the consultant's proposal and to retain a Police Station in Woden.

Mr Speaker a subsequent options study by Totalcare concluded that co-location of Police, Fire and Ambulance in a JESC to service Woden and surrounding communities is the most cost-effective solution.

I note that the Justice and Community Safety Committee cites criticism in the submissions by both the United Firefighters Union and the Australian Federal Police Association concerning the adequacy of consultation. Mr Speaker the information available in the studies was based on the experience of building the new Police Station at Tuggeranong and the JESC at Gungahlin. In both of those instances there was extensive consultation with the relevant staff associations.

Mr Speaker the UFU and the AFPA have been consulted about the final selection of the Woden JESC site and they are involved in the JESC Working Group established to work through the detailed design.

It is important to note Mr Speaker that the siting requirements for the JESC have already taken into account some of the aspect raised by community submissions to the committee. In particular mentions of the security issues in the area on the Western side of the Woden Plaza will be addressed by the JESC on the site of Block 4 section 9 Phillip - Mr Speaker this is part of the carpark area to the north of the ACT Government Shopfront and the Senior Citizens Centre.

Mr Speaker officers from my department, and where appropriate from the AFP, are currently consulting with various stakeholders in and around the Woden Plaza and proposed site. In conjunction with the Chief Minister's Department Community Consultation Section an information brochure has also been prepared which will be displayed throughout the Town Centre and also provided as a letterbox drop to stakeholders with a direct interest in the location of the JESC.

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Finally Mr Speaker the government decisions in relation to Police and Emergency Services facilities will provide high quality buildings for the staff as well as providing the community with more user friendly facilities. Mr Speaker the Government agrees with the recommendations in the Report.

Question resolved in the affirmative.

PRESENTATION OF PAPERS

The following papers were presented by **Mr Moore**:

Hepatitis C – Lookback program and financial assistance scheme report as at 31 December 1999.

Department of Health and Community Care – Activity report – Financial year 1999-2000 – Second quarter to 31 December 1999: The Canberra Hospital, Calvary Public Hospital and Act Community Care, dated February 2000.

URBAN SERVICES – STANDING COMMITTEE Report on Warrants for Traffic Calming Measures Government Response

MR SMYTH (Minister for Urban Services) (3.38): For the information of members, I present the Government's response to the Standing Committee on Planning and Urban Services Report No. 36 entitled "Warrants for Traffic Calming Measures". The report was presented to the Assembly on 24 November 1999. I move:

That the Assembly takes note of the paper.

Mr Speaker, the committee inquired into the use of a warrant system to assess traffic conditions. The committee made 18 recommendations to which the Government has agreed, with the exception of one, which was agreed to in part. I now table the response.

Question resolved in the affirmative.

ACTEW AND THE AUSTRALIAN GAS LIGHT CO. – JOINT VENTURE

Debate resumed.

MR MOORE (Minister for Health and Community Care) (3.39): In his speech, Mr Corbell suggested that ACTEW has been involved in threats and blackmail over jobs. In fact, the truth is that quite some time ago they presented a dire warning. They warned that if we did not sell ACTEW at that time 200 jobs would be lost. And what has happened? What has come to pass is that about 200 jobs have already been lost. It was not a threat or a blackmail; it was a dire warning.

We now have similar warnings. What will happen if we do nothing? We can be sure that there will be a further loss of jobs. Mr Wood stood up and said, "Now, what is the driving force behind this process?". He said that the driving force is profit, and profit alone. Mr Wood expected us to believe it. It is not the case. That is not the case.

Mr Quinlan: Where's your self-respect?

MR MOORE: I do not come to this debate from an ideological perspective. On the contrary, my decision on the issue was made almost exactly two years ago when I spoke to the current Chief Minister prior to her gaining the position of Chief Minister. At that point there was no discussion.

Mr Corbell: Was that part of the deal, Michael? Was that part of the deal in you getting a ministry?

Mr Humphries: Mr Speaker, I rise on a point of order. Mr Moore is being interrupted continually by interjections. I ask that he have a bit more opportunity to make his speech.

MR SPEAKER: Order!

MR MOORE: At that point, the Chief Minister said to me that if I were to support it - - -

Mr Corbell: Are you suggesting that she bought your vote.

MR SPEAKER: Order! Be careful, you are under warning already, Mr Corbell.

MR MOORE: She said that if I were to support her, in terms of being Chief Minister, she wanted to make it very clear to me that she would be considering the sale of ACTEW. At that point, I said to her, "I do not have an ideological perspective on it; you will have to show me the community benefit in so doing in order that I will support it". At that time, I made a decision that I would support the sale of ACTEW, with the proviso that there be a community benefit in it.

Mr Quinlan: Michael, you just shot the Chief Minister.

MR MOORE: Mr Speaker, can you warn Mr Quinlan as well. I can hardly get a word in.

MR SPEAKER: Yes, I will be quite happy to warn other members if they continue to interject. I am sure that none of you want to be out of this chamber when this important debate is voted upon. I am sure it would look rather embarrassing to your parties.

MR MOORE: Thank you, Mr Speaker. I supported the sale of ACTEW and the merger which fell through. I support this joint venture. My preference was the merger, which I thought was the best of all those options - the one that, in my view, delivered the most

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benefit to the community as a whole. My judgment was made not on ideological grounds but on how we would deliver the most benefit to the community as a whole.

That does not mean the most benefit just in terms of your electricity bill; it does not mean just in terms of how you perceive an ideological view or whether we should make sure that things stay in control of ownership; it was not just what would be in the best interest of the unions - it was what was in the best interest of the community as a whole. It included broad budget issues such as the superannuation liability that we carry and a range of other issues.

One of the most important things is the issue of jobs. We have a precise situation. If we do nothing - if we take the approach of those opposite; if we bury our heads in the sand - then there will be a loss of jobs. If we take the broader picture - if we support giving ACTEW the room to move in this joint venture - then not only can we prevent the loss of jobs that we have been warned about but also we can expect to see the gaining of jobs.

We can see an increase in jobs because of the call centre that will come to Canberra. Call centres are a very rapidly growing industry and a very rapidly growing form of jobs. We can improve on our 5.3 per cent record. We can improve on the unemployment record being the lowest it has been in Canberra in 10 years - basically since self-government. We can improve on that if we keep working at it. But it does take working at it. It is not just the call centre; there is also the possibility of a gas-fired power station. This could also mean jobs and it would be an advantage environmentally.

There are a series of advantages here. Or you can take the view that has been taken by those opposite, the same view that was taken by Poland in 1939 when they had the best equipped calvary, the bravest soldiers in the world. We are all very well aware of what happened in that situation. The rules of the market there had changed and Poland had not recognised it.

Under a Federal Labor government and an ACT Labor government, which I supported - I feel proud that I supported it at that time - there was an agreement for a national reform of the electricity market, the energy market. That changed the rules fundamentally.

One of my motivations for introducing the interstate agreements legislation was to do with the fact that that was made basically without consultation with the Assembly at a time when we had a much more closed government than the one we have at the moment.

What we hear from those opposite and from the Greens are half-baked solutions. If you do not like what we are doing, at least come up with a realistic alternative. There have been no realistic alternatives. You talk about the retail arm of ACTEW. I think that is a genuine attempt to say that there was an alternative. That alternative will not stop the shedding of jobs - turn it around - and improve not only the number of jobs in Canberra but also opportunities. This system is largely about jobs. It is also about the ACT economy. The two are inextricably linked.

We in the ACT can have a great and extraordinary advantage if we look to the future instead of the past. A view that looks to the past - even the best of the past - is the same sort of view that Poland took with their cavalry in 1939. The result will be the same as that suffered by Poland. It will be devastating. Once ACTEW starts going backwards, there will be no stopping it - the retail arm will be gone.

Things have changed in the market. It is time for us to ensure that we can deliver what is in the best interests of the community. The best interests of the community are not just about gaining jobs at the call centre, the gas-fired power station and the potential for increased money; they are also about how the community views itself and how the Government handles its superannuation liability. This joint venture proposal retains the possibility that a future government - - -

Mr Berry: Potential.

MR MOORE: A future government being unhappy with this situation will still have the alternative of purchasing it back.

Mr Corbell: We are purchasing it back? That means we are selling it, does it?

MR MOORE: There is the option of buying back their share of the joint venture. We have here an opportunity to benefit the people of Canberra. It is an opportunity that we certainly cannot turn our backs on. Mr Rugendyke, Mr Osborne and I should step back from the ideological bent of both the Liberal Party and the Labor Party and say, "Does this particular proposal deliver for the community some benefits? What are those benefits? What are the downsides? Do the benefits outweigh the downsides?".

In almost every decision we ever make in this place there are downsides. Those people see it as their job to focus totally on the downsides. It is the job of the crossbenchers - Mr Kaine, Mr Rugendyke, Mr Osborne and Ms Tucker - to focus on whether the positives outweigh the negatives. That is how these decisions are made responsibly to the benefit of the community. That is why it is that I personally support this motion and the legislation.

MR RUGENDYKE (3.50): Thank you, Mr Speaker.

Mr Berry: I thought you were going to listen to all the arguments before you made up your mind.

MR RUGENDYKE: I have made up my mind, yes.

MR SPEAKER: Would you mind sitting down, Mr Rugendyke. Sit down, Mr Berry.

Mr Berry: Make up your mind. Just listen to the arguments.

MR RUGENDYKE: We get criticised for not making up our mind. We get criticised for making up our mind.

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Mr Berry: You were going to listen to the arguments. I will give you some more.

MR RUGENDYKE: Isn't it wonderful? This is democracy. We have been debating the future of ACTEW in one form or another for most of the time that we have been in this Assembly. It is a unanimous view that ACTEW does not have long-term viability in its present structure. It is a given that ACTEW has to make adjustments to survive in the changing landscape of the energy industry.

With these arguments researched and understood the next step is clear and, quite frankly, staring this Assembly in the face. ACTEW needs certainty, ACTEW staff need certainty, the ACTEW board needs certainty and the community of the ACT needs certainty in its future. We have a responsibility to give ACTEW a clear path and a direction to follow. I know for a fact that the staff of ACTEW are crying out for certainty. They deserve to receive this from the Assembly. That is why I have devoted my energy to arriving at a decision one way or another today.

I see no need to delay this decision. The Assembly has to decide what action it wants to take with ACTEW sooner rather than later. I am prepared to make that call today. I believe that the right call is to allow ACTEW to pursue this joint venture. I see a great deal of merit and potential in ACTEW joining forces with AGL in this joint venture. I view this as an opportunity for ACTEW to step up to a new level in the energy industry.

Mr Berry: How much? How high?

MR SPEAKER: I warn you, Mr Berry.

MR RUGENDYKE: I would like to see us grab the opportunity with both hands. But if we delay, dither, or just sit on our hands, that opportunity is going to pass us by. Mr Speaker, during the failed ACTEW sell-off last year, I put on the record that I would be happy to explore mergers rather than privatisation. What followed were the moves to link ACTEW with Great Southern Energy. Some marriages are not meant to work and this was clearly one of them. For example, having two parliaments watching over the operation would have been a volatile mix.

But in this joint venture between ACTEW and AGL a range of aspects fit snugly together. To begin with, AGL is a highly respected Australian company that has a commitment to Canberra. AGL has been in this region for 20 years. It has spent upwards of \$130m putting the gas network in our suburbs. AGL has pipes laid in just about every street in Canberra as the city's natural gas supplier. AGL is not likely to rip them up and take them elsewhere overnight. I believe AGL is here for the long haul.

AGL also has an excellent reputation in joint ventures. In private enterprise it formed a joint venture with Elgas, with the then Commonwealth Industrial Gases, 16 years ago. Elgas is now No. 1 in LPG, with 40 per cent of the market share on its books.

I was most interested in the mid-west energy joint venture with the government-owned Western Power Corporation in Western Australia. That joint venture built from scratch a 350-kilometre gas pipeline and power generation operations in the Windimurra region

of Western Australia. I have spoken with Western Power executives and they could not be happier with the joint venture. That project was finished ahead of schedule and under budget, and it will run at a profit in its first year. When I spoke with Western Power I was told that their only regret was not asking AGL to build a bigger pipeline so that they could build more branch lines to sell more gas to more places.

This joint venture is a fifty-fifty arrangement, with a very similar structure that is proposed for ACTEW and AGL here in the ACT. This is evidence that this type of joint venture has been achieved with the government utility sharing an equal footing with AGL. There is no reason why it cannot be replicated here in the ACT. I have received assurances from AGL that they are in this joint venture for the long haul. Both ACTEW and AGL are in a terrific position; they both have plenty to bring to the table - they have the infrastructure and resources to create a progressive multi-utility.

I am excited by the prospects it provides. It gives ACTEW the capacity to build the businesses, the capacity to create career opportunities for ACTEW staff and the capacity for ACTEW to be a proactive force in a dynamic industry. The example of solar energy and the federal government subsidies for installing this type of technology shows that ACTEW has to be prepared to react to these types of developments and it will be better prepared for those pressures in a joint venture with AGL.

During my research into this proposal I learnt that the generation, the wires and the retail aspects of the energy industry must be kept separate to ensure that subsidising breaches do not occur under competition policy regulations. The new term I encountered is "ring fencing". I am convinced that the Labor Party is intent on "ringbarking" ACTEW. Despite making sympathetic noises early, I am convinced that the Labor Party had no intention of giving this proposal a fair go.

I am prepared to consider the amendments proposed by Mr Quinlan. If they do seem to enhance the legislation, I would be prepared to support them. But I must give Mr Quinlan credit because he has at least been half genuine with his dealings and has made the effort to maintain dialogue. But I understand that Labor will still oppose the Bill even if they receive support for their amendments, which I do find to be a curious approach. This negativity was reflected in a media release issued by Mr Stanhope this week.

Mr Berry: What about mine?

MR RUGENDYKE: Yours will come. Mr Stanhope ended the debate on Tuesday with a release titled "ACTEW Down the Drain with Osborne and Rugendyke". This is lobbying by press release. Some fight, Mr Stanhope! Where is he? Some fight, Mr Stanhope! If you had genuine concerns about this proposal, why did you not come and see me? I have said exactly the same thing in this chamber before, but it always seems to be forgotten. My door is always open. If you have an issue, put it to me. Lobbying by press release does not work.

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It astounds me that Mr Stanhope can find the time to have a whinge in a media release, but does not even bother to directly present his case. All I can presume is that Mr Stanhope does not feel strongly about this issue. The fact that this Labor leader has not put any effort into gaining the numbers is a fair indication that deep down there are members of the Labor Party who acknowledge that this is a good joint venture. The public noise is simply a method of satisfying Caucus.

Mr Speaker, we have heard members of this Assembly label this proposal a sale. This was a predictable approach from the Labor Party and the Greens, on their philosophical grounds. But I do not accept that it is a sale. The intent of the Bill and the intent of AGL and ACTEW is to share assets in the joint venture. (*Extension of time granted*) But in the event of a so-called divorce, the assets would be returned to the rightful owner. That certainly is not giving away or selling ACTEW's assets. I am satisfied that ACTEW's assets are secured by this proposal.

We have also heard the argument that the retail arm is the only aspect of ACTEW which should be subject to change. The AGL proposal certainly deals with this area. Presently, ACTEW has approximately 130,000 retail customers and ranks at the bottom of the pile in terms of purchasing power. With AGL, ACTEW would be in a pool of about 1.1 million customers. That would rank with Energy Australia as one of the two most powerful in the land in terms of purchasing electricity.

But the AGL proposal goes further. For example, the commitment to construct a gas-fired power station as part of the joint venture has community support. I know, for one, that the Master Plumbers Association has come out in support of the proposed allegiance due to the improved environmental outcomes that a gas-fired power station would provide.

I have far greater expectations for ACTEW and its staff than just looking at options for one part of the corporation. We should be aiming higher than for ACTEW to just keep its head above water. I also believe we should be trying to shore up a future for ACTEW that facilitates growth, diversity and opportunities in the whole organisation. I am not convinced that pursuing just a sale of the retail arm will achieve this.

I said in an earlier debate on ACTEW that, if the Assembly were to consider allowing ACTEW to enter a joint venture, it would have to be fifty-fifty and with safeguards in place to ensure the partnership could not subsequently be privatised without the Territory's approval. This proposal meets that requirement.

Further, I have made it clear that a number of issues would have to be met by both parties. I am satisfied with the written assurances that I have received. The first is the involvement of the Chief Minister, which was the topic of a further media release – again, lobbying by press release by the Labor Party. Mr Berry has questioned the Chief Minister's involvement. I would like to put on the record my position and the responses I have received from ACTEW and AGL. Mr Speaker, I have faith in John Mackay, Jim Service and the ACTEW board to negotiate the best possible deal for the Territory. But I have sought assurances from all stakeholders that the Chief Minister is not a party to the negotiations and will not be able to interfere.

We all know that Bruce Stadium was the Chief Minister's baby and we all know how that turned out. That is why I have been insisting that her involvement be limited to signatures and comments that are necessary to be made as a shareholder. While ACTEW has kept the shareholders up to date on developments, the Chief Minister has had no involvement in negotiations and will not be involved in negotiations. Mr Mackay, Mr Service and the board are the experts in this field. Unlike the failed sale, the proposal has been identified and driven by ACTEW. The Chief Minister has not been representing the ACT. I have been assured that this will continue to be negotiated on this commercial basis without political interference.

The ACTEW board is bound by corporations law to act in the best interests of ACTEW. The ACTEW board's negotiations will be overseen by ACTEW's legal team and corporate finance experts. I have also been assured that an independent probity auditor will be appointed.

There are other aspects of this venture that I would like to put on the record. First, there is ACTEW's publicly stated two-year job guarantee. (*Further extension of time granted*) John Mackay has given me his personal assurance in writing in the presence of AGL representatives.

I hear Mr Berry was scaremongering about jobs on the radio today. Once again, that is very predictable. Let us look at it sensibly though. How many jobs will go if we leave ACTEW as it is, Mr Berry? You could not guarantee any job whatsoever if we were to follow your wishes. You want to do nothing. At least Mr Quinlan is prepared to look at other options. If it were up to you, Mr Berry, you would leave ACTEW as it is. The only way that it would survive would be to cut more jobs back to the bone. You cannot assure job certainty. I have higher aspirations for ACTEW and their workforce. All the employees' rights and entitlements would be preserved under the joint venture arrangements.

Secondly, water and sewerage operations must stay in the hands of present ACTEW personnel. I have insisted that they not be contracted out to a third party. In the event of the water and sewerage operations not working out in the joint venture, they would have to return to ACTEW and certainly not be contracted out. I have received guarantees on these issues.

Thirdly, flexibility of billing is also important to residents so that they are not burdened by having their bills all rolled into one. As far as pricing goes, the presence of IPARC will protect consumers. But it is important that bills be staggered or issued over more regular periods. These concerns have also been addressed by ACTEW and AGL. They inform me that there is already a range of payment mechanisms in both organisations, including the option of fortnightly payment for gas and electricity accounts.

I also support Mr Kaine's call for maintaining present subsidies for pensioners. Overall, I support the passage of this Bill and I believe that - - -

Mr Berry: The motion, it is not the Bill.

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MR RUGENDYKE: I support the motion and the Bill. I have had discussions with an ACTEW employee or two this morning. The plea from them was to give the organisation some certainty. The Assembly owes it to ACTEW and its employees to provide certainty right here and now today.

MR BERRY (4.10): The first thing I will deal with is what Mr Moore has had to say. He criticises everybody else's philosophy on certain things. I do not think Mr Moore really understands what philosophy is. He is the ultimate pragmatist - anything goes, as long as it is good for him. He went on at some length to describe his discussions with the Chief Minister. She had said to him she would sell ACTEW and he said, in return - if I can paraphrase it, "Well, as long as it's in the community's interest. You know, this is one of the things". But it was not one of things that were mentioned in his 40 or so requirements - this was a little secret one that Mr Moore did not let anybody in on until today.

Mr Moore looks into the past at what happened in Poland before the Second World War. But Mr Moore fails to take note of the future. In today's *Canberra Times* we can see the future in relation to Telstra. With the privatisation of Telstra we saw a headline saying that something like 16,000 positions were to go and 10,000 in the next couple of years. Listen to this, Mr Rugendyke. It is ironic that we see this headline. Have a look at the future, Mr Rugendyke - 16,000 jobs to go in privatised Telstra; 10,000 over two years.

Mr Zwitkowski was on television last night saying that this was a great social good. How can you describe 10,000 jobs going out of an organisation as a social good? I will tell you how you describe it. You are the chief executive officer and you do as your board suggests, otherwise you lose your job. The same applies here in the ACT.

You might have a great deal of faith in Mr Mackay, who is just doing his job. The Government wants to sell it. The board knows the Government wants to sell it and Mr Mackay knows that that is what he has to do. These people are professional and they do not have to receive instructions. They are not elected members and they do not necessarily have the interests of the ordinary taxpayer in mind when they make these statements.

AGL is a normal company in the scheme of things and they have been quite successful. But they have not been successful because they have been providing dividends for the people of the ACT; they have been successful because they provide dividends for their shareholders. Their shareholders are more important than anybody in the ACT, as you would expect. They want to get involved in a deal with the ACT because they think it is better for their shareholders - not necessarily better for the ACT.

There are a couple of other things I want to deal with in relation to what Mr Rugendyke said. The first thing is that we were not in his office kissing him on each cheek in relation to this matter and winning his support. In the paper he says, "I don't think they've really argued too hard". Usually we put the arguments in here, Mr Rugendyke. If you are not capable of listening to them in here and if we cannot sort it out over a cup of tea, I am afraid you are in the wrong job.

At one stage he said that the Chief Minister was not to have her fingerprints on this, but now she is allowed to have some fingerprints. You change your position - it is like the shifting sands. She is now allowed to sign the document which approved the deal going this far. She is also permitted to sign the document which takes the deal to finality and sees the end of ACTEW in the ACT.

I am afraid you deny the truth in these matters just to suit your own objectives. It is quite appalling. Some of the things that you have said are either naive or cynical. I see that today you have said that there will be a jobs guarantee of two years. My office has spoken to the union in the last few minutes and they tell me they have not been offered any two-year guarantee on jobs. Mr Humphries may have misled the Assembly earlier when he said that the offer had been made. But they do not know about it. It has not been made to them.

Mr Humphries: I rise on a point of order, Mr Temporary Deputy Speaker. I think the suggestion I may have misled the Assembly is quite improper.

MR BERRY: I will withdraw that. Mr Humphries might like to correct the situation - - -

MR TEMPORARY DEPUTY SPEAKER (Mr Hird): Order! Mr Berry, you - - -

MR BERRY: I'll withdraw. Didn't you hear?

MR TEMPORARY DEPUTY SPEAKER: Yes, I am just telling you, Mr Berry, that you will address your remarks through the chair.

MR BERRY: Did you hear me?

MR TEMPORARY DEPUTY SPEAKER: Yes, I did.

MR BERRY: Thank you. What Mr Humphries said was incorrect. They have not been made a formal offer at all.

Mr Humphries: I did not say they had.

MR BERRY: Oh, no, you did not say they had had a formal offer! They had some sort of a wishy-washy offer.

Mr Humphries: I rise on a point of order Mr Temporary Deputy Speaker. I have given that guarantee to the community of the ACT through the Assembly. That is how I provided it. They and all other members of the community get to enjoy that guarantee.

Mr Hargreaves: Mr Temporary Deputy Speaker, on that point of order - - -

MR TEMPORARY DEPUTY SPEAKER: Order, Mr Hargreaves, resume your seat. When I hear the point of order, I will deal with it. Thank you, Mr Hargreaves.

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Mr Humphries: Mr Temporary Deputy Speaker, my offer has been to all the community via this Assembly, the publicly elected parliament.

MR BERRY: You never made the offer.

MR TEMPORARY DEPUTY SPEAKER: Thank you. On the point of order, Mr Hargreaves. Resume your seat, Mr Berry.

Mr Hargreaves: I rise on a point of order. There is no point of order, Mr Temporary Deputy Speaker. Mr Humphries is merely debating the issue to get that jump on the *Hansard* and you should have pulled him up long before he got a chance to conclude it.

MR TEMPORARY DEPUTY SPEAKER: Resume your seat. There is no point of order. Mr Berry has the call.

MR BERRY: Mr Humphries has been disingenuous in this respect because the unions and the employers have not been given any formal offer.

Mr Humphries: I take another point of order.

MR BERRY: You can jump up all you like, mate. I have got all day.

Mr Humphries: I will, Mr Temporary Deputy Speaker. I ask Mr Berry to resume his seat while I am taking a point of order - as is the usual courtesy. I think to describe me as disingenuous is tantamount to saying that I have misled the Assembly or that I have lied. I ask him to withdraw that suggestion.

MR BERRY: "Disingenuous" is okay. Come on, cut it out. It can be used in this place. It is quite satisfactory. Do not get misled; do not be Gary-ed.

MR TEMPORARY DEPUTY SPEAKER: Mr Berry.

MR BERRY: Mr Berry, what?

MR TEMPORARY DEPUTY SPEAKER: You have the call. Address your remarks through the chair.

MR BERRY: I return to Mr Rugendyke's claims in respect of this matter. Most of his speech has not gone to issues of substance, because there are no issues of substance with which he has to grapple. The Government has been very careful not to give you any issues of substance. They have given you a wish list and a hope, and all those sorts of things. And you have been suckered in. As you will appreciate, in the future every job that is lost in ACTEW will have your name on it because it is going to be your decision that carries this and we will make sure - - -

Mr Rugendyke: And the 200 that have already been lost have your fingerprints all over them.

MR BERRY: If you had taken the time to read the paper this morning you could have seen the future. This is the future: "Telstra job losses" - - -

Mr Humphries: Mr Temporary Deputy Speaker, I take a point of order. We have a big day of debate here in front of us. Yet Mr Berry continues to distract us on the issue of Telstra. I do not think Telstra appears in the motion before the Assembly. It is irrelevant to this present debate. No-one is proposing a merger between ACTEW and Telstra, and references to Telstra are irrelevant.

MR TEMPORARY DEPUTY SPEAKER: I think the member is drawing the house's attention to what he feels may or may not happen.

MR BERRY: Thank you, Mr Temporary Deputy Speaker. Good decision. It says in the paper:

The key Independent had sought assurances from AGL's representatives that a two-year guarantee on the security of all Actew employees' positions would be included ...

So what! Two years for employees that might have 10 or 20 years, and you have given them two years.

Mr Rugendyke: What have you secured for them? Nothing, zero, zip.

MR TEMPORARY DEPUTY SPEAKER: Mr Rugendyke!

MR BERRY: And you have given them two years! Good on you, Dave! What a great outcome! Good on you, Uncle Dave! You have turned future prospects into two years! Great, mate! I hope they live in your electorate, mate. The people who are smiling most about this are the Greens because they can see you gradually undoing yourself with these sorts of silly decisions.

On the one hand, you might say that this is a very naive position for Mr Rugendyke to take. You can expect the Government to say it; you can expect the Government to make all these promises because they have a position where they want to sell this thing - they have had it from the outset. But for Mr Rugendyke to be suckered in by this one just beggars belief.

Mr Rugendyke: I rise on a point of order, Mr Temporary Deputy Speaker. I wonder whether there is a standing order that might relate to a speaker simply reading us the news.

MR BERRY: No, no.

MR TEMPORARY DEPUTY SPEAKER: Order, Mr Rugendyke! You are wasting time. There is no point of order.

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MR BERRY: Well, I thought - - -

MR TEMPORARY DEPUTY SPEAKER: Mr Berry, I would strongly urge you to address the chair - standing order 42. Thank you, Mr Berry.

MR BERRY: Thank you. (*Extension of time granted*) Mr Rugendyke seems to complain that the argument is getting too hard. This morning he said, "I don't think they've really argued too hard". I am going to argue a little bit hard today, and you are going to have to listen to it. You should make your decision on the basis of the discussion and debate in this place as well as your research - and not rely on people coming round to have a cup of tea and kiss you on the cheek.

You know about the fingerprints issue and what the Act presumes. Do you know about section 17 of the Act, Mr Rugendyke? Section 17 of the Territory Owned Corporations Act states:

(1) Where-

(a) the voting shareholders of a Territory owned corporation request it or a subsidiary to perform, cease to perform or refrain from performing an activity or to perform an activity in a manner that is different from the manner in which the directors intend to perform the activity; and

(b) the directors of the company advise the voting shareholders that compliance with their request would not be in the best commercial interest of the company; the voting shareholders may, by a written direction, require the company to comply with the request.

(1) The company shall comply with a lawful direction.

(2) The directors of a company are not to be taken to be in breach of any duty under a law or the memorandum or articles of association of the company by reason only of their compliance with a lawful direction.

If the company disagrees with the voting shareholders, the matter becomes public. But if the company agrees with the voting shareholders in respect of the future of ACTEW, we will never see it. So you will never know whether they have got their fingerprints on it or not. You will never know.

There are two aspects where you clearly know that they have their fingerprints on it; in respect of the approval that was given to take it this far and the future approval that will be given by the Chief Minister. If you think she is going to be making that in a vacuum you are kidding yourself. She has got to have her fingerprints all over it. Do not try to kid the community. That is completely out of step with your obligations as an elected member. Fancy saying that you think she will not have her fingerprints all over it. What a joke!

Mr Rugendyke has this final agreement that the assets of ACTEW would revert to it in the event of the partnership being dissolved. For nothing? Have you got it for nothing or for how much? Do you know how much? No, you do not know how much. The Treasurer-without-numbers does not know how much either. You are basing this on no numbers. Your research has run into a dead end and you just think it will be a good idea.

We in the Labor Party do not operate like that; we have to be convinced with issues of substance, not just good ideas.

Are we arguing hard enough now? There is more to come. We are also able to provide some documents which have been tabled in this place. One is from Professor Alan Hodgson, Head of the School of Accounting, Banking and Finance. He is not able to make an assessment in relation to the commercial viability of this. Have you taken that into account in coming to your decision? So you think a professor who cannot make an assessment of this means nothing in the scheme of things? How about that! I wish you had extended your research a little further.

We will then go to the Australia Institute. The Australia Institute made some - - -

Mr Rugendyke: The Australia Institute, beauty.

MR BERRY: You were pretty happy about them before. They ask a range of questions which I do not really need to go through, but, if you had taken the time to read that, you might have found yourself a few different answers - if you ever wanted any; if you had not been convinced to latch yourself onto this in the first place.

I will read a letter from the *Canberra Times*. I do not know whether you have taken this into account insofar as people might be concerned about the future of ACTEW or the joint venture's clients. The letter states:

Living in Canberra for the last 14 years, we have seen some good times and some not so good. Being self-employed and bringing up a family of five children on a single income, and trying to stay on top of a mortgage, I found it was never going to be plain sailing.

That is pretty much the story of a lot of people in the ACT. It continues:

There have been numerous occasions when the money to pay routine bills just hasn't been there. In the past, dealings with Actew on the issue of late payments of our account, we have always found Actew to be understanding and tolerant of our position. Our payment history indicates that the bills always get paid, even if somewhat late on occasions.

AGL offers no such understanding or leeway when it comes to such issues. When their computer says you are to be cut off, that's the end of it, regardless of your position.

I wonder how many other people have shared this experience, and are equally nervous about the impending joint venture between ACTEW and AGL.

Did you take that into consideration, Mr Rugendyke?

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Mr Humphries: What has that got to do with it? What is the relevance?

MR BERRY: Mr Humphries says it is irrelevant. (*Further extension of time granted*) He is not worried about customers of AGL. This issue has foundered, if on nothing else, on the process. Here we are being asked to pass the motion before the legislation is passed and before we have the numbers.

Mr Humphries has made it clear he does not want to give us the numbers because we keep finding problems with them. He has learnt his lesson. Do not give them the numbers, they look at them too closely and we get into trouble; so keep it a secret. But he has been able to convince Mr Rugendyke and Mr Kaine.

Mr Rugendyke: Who has?

MR BERRY: You have been convinced, absent any numbers.

Mr Rugendyke: Who has convinced me though? I missed it.

MR BERRY: You have convinced yourself. That is what you told us. You have done all this research. Where did you get the numbers? You did not get them off the Treasurer because he has not got any. Or if he has, he is not giving them out to anybody. You have not taken into account the views of the owners. The owners have told you once before they do not want to sell this - - -

Mr Rugendyke: They are not. It is a joint venture; it is not a sale.

MR BERRY: Here we go. Mr Rugendyke believes the rhetoric as well. It is not a sale; it is a joint venture - and we are going to get it back.

Mr Corbell: Mr Moore said we had to buy it back.

MR TEMPORARY DEPUTY SPEAKER: Mr Corbell! Mr Berry has the call.

MR BERRY: Mr Humphries does not even know how much.

Mr Corbell: Mr Moore said we had to buy it back.

MR BERRY: At one stage Mr Humphries said we were going to get around about \$100m.

MR TEMPORARY DEPUTY SPEAKER: Mr Corbell, you have already been cautioned earlier today. Mr Berry has the call; do not interrupt.

Mr Rugendyke: Listen to it; listen to the loony left. Here it is. This is it.

Mr Corbell: I rise on a point of order, Mr Temporary Deputy Speaker. I think the use of the term “loony” is highly offensive. Outside this place it would probably be actionable. I suggest to Mr Rugendyke that he withdraw it. Mr Humphries should also withdraw the imputation he just made.

MR TEMPORARY DEPUTY SPEAKER: I did not hear Mr Rugendyke.

Mr Corbell: He used the term “loony left”, Mr Temporary Deputy Speaker. Quite frankly, it has become a term of abuse far too often used in a way which is quite improper. I certainly take it as an imputation against me, and Mr Rugendyke should withdraw it. So should Mr Humphries, for his endorsement of the term also.

Mr Humphries: On the point of order, Mr Temporary Deputy Speaker: If it were applied to an individual member, it may, in the remotest stretches of your mind, be possibly offensive. But “loony left” describes a philosophy or ideology. It is like a phrase used by members on that side of the chamber – “the mad right”, which I have heard before. That is not offensive and it should be allowed.

Mr Hargreaves: I rise on a point of order, Mr Temporary Deputy Speaker. First, I find the term “loony left” offensive and I ask Mr Rugendyke to withdraw it. Secondly, I find the term “mad right” offensive because I do not want to be put in the same bucket of garbage as that lot over there, and I ask them to withdraw it.

MR TEMPORARY DEPUTY SPEAKER: Mr Hargreaves, resume your seat. There is no point of order. I remind members that Mr Berry has the call and you are cutting into his second extension.

MR BERRY: Thank you, Mr Speaker. From the lot over there, a description of “loony left” can be worn as a badge of honour.

Mr Moore: So you disagree with Simon’s point of order.

MR TEMPORARY DEPUTY SPEAKER: Mr Moore! Mr Berry, you have the call.

MR BERRY: If you would stop interrupting me it would be handy, Mr Temporary Deputy Speaker.

MR TEMPORARY DEPUTY SPEAKER: It is unusual for you to be interrupted by anyone else, I know.

MR BERRY: We can do without the lecture. We saw the Treasurer today in this place say that the equalisation sweetener, as it was alleged to be, was \$100m last week – it is now “if any”. This is “if any” day. Did you hear that one? It was \$100m; it is now “if any”. What did they tell you, Dave? What did they tell you – “\$100m” or “if any”?

Mr Hargreaves: Have you got a commitment, Dave?

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MR BERRY: Got a number? He does not have a number. (*Further extension of time granted*) Mr Rugendyke does not have any numbers at all on the sweetener. The Treasurer does not have any numbers either.

Mr Moore: He has got the numbers.

MR BERRY: I hear Mr Moore's interjection - Mr Moore without philosophy. Now we come to the gas-fired power station, which was rejected by the board of ACTEW. They did not think it would work. Now all of a sudden it will work. It looks attractive. People in the ACT might think they are getting something. What they are getting in fact is inter-competition in the sale of energy. What are the risks of this?

I think it was Mr Moore who said that jobs will be coming from this. They will not be building the gas-fired power station here in the ACT, Mr Moore; they will be buying it from somewhere and bringing it here. And there will not be many people looking after it because it will be fully automated - if it ever gets built. These are lollies that have been put on the top of a proposal which has been developed by a group who wants to make it look like a big birthday cake. There are no guarantees that it will even go ahead.

Let us get back to certainty for the work force. Mr Rugendyke waxed lyrical about certainty. He said that they all need certainty. He then said, "I've got 'em a two-year guarantee for their jobs". So for two years they will have a job. Well done, Dave!

Mr Hargreaves: He had one for three years, didn't he?

MR TEMPORARY DEPUTY SPEAKER: Mr Hargreaves, do not interrupt your colleague.

MR BERRY: They have had 10 or 20 years with ACTEW, and Dave's got them another two years. Good on you, Dave! What a joke. Talk about certainty. The hypocrisy of all of these arguments is just overwhelming.

What about the AGL workers? What is going to happen to them? What is going to happen to the AGL workers that come home? As I said in the opening of my speech, Mr Moore was talking about the past and the calvary or something - the Polish cavalry in the Second World War. Mr Moore, would you like to have a look at the future?

MR TEMPORARY DEPUTY SPEAKER: Mr Berry, you can invite Mr Moore to inspect your newspaper after we have finished the debate.

MR BERRY: I go back to my final point in relation to this matter. On the one hand, you could describe acceptance of these job guarantees as naivety. If Mr Rugendyke wants to admit that he is naive on the matter, I would be happy to accept that. On the other hand, it could be seen to be entirely cynical. The people who made the offer know what they are on about; they are smart people. They made the offer. I am sure they would be telling people that if there are to be any job losses, they will be after the next election, so they will not have to worry. They say, "We'll give you a two-year guarantee that it won't happen. So you won't be blamed for job losses before the next election".

Is that the sort of certainty you want for them, Mr Rugendyke? Is that the sort of certainty you want for them, Mr Humphries? It is not the sort of certainty I want. I want certainty for the community in the ACT.

Mr Humphries: You have already lost 200 jobs, Wayne. You have lost 200 jobs. There are 200 jobs on your hands. The jobs are still there – in the private sector.

MR BERRY: And you are just undermining it. This is the most appalling piece of work done in the Assembly.

Mr Stanhope: So you are not telling the truth.

MR BERRY: And it has mostly been based on secrecy. You have decided not to give the details to the Assembly before it makes its decision.

Mr Humphries: I rise on a point of order, Mr Temporary Deputy Speaker. Mr Stanhope has just called across the chamber “you are not telling the truth” directly to me. I think that is a reflection and I ask that it be withdrawn.

MR TEMPORARY DEPUTY SPEAKER: Order! Leader of the Opposition, did you use that phrase?

Mr Stanhope: It needs to be put into context. The Attorney actually agreed that when the Government - - -

MR TEMPORARY DEPUTY SPEAKER: No, we do not need to debate it. Did you use that phrase?

Mr Stanhope: In context I did, yes - in a context which I need to explain.

MR TEMPORARY DEPUTY SPEAKER: Did you use that?

Mr Stanhope: I asked the Attorney whether he was telling the truth, but I am not sure he was.

Mr Humphries: No, you said, “You’re not telling the truth”. It was an assertion.

Mr Stanhope: If that is what you heard I withdraw it, but I really do want to put it in context.

Mr Berry: What he really meant was: “We’ve been Gary-ed”.

MR STANHOPE (Leader of the Opposition) (4.35): There are some comments I would like to make in addition to those I made when addressing the motion. I will not repeat the points I have made previously, but there are some issues that have arisen in the debate on Ms Tucker’s amendment to which I would like to respond.

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I would like to respond to some of the inane comments made by the member for Ginninderra, Mr Rugendyke. I think it has escaped your notice, Mr Rugendyke, that over the last two years the Labor Party, the Opposition, has operated through a system of shadow Ministers and shadow ministerial responsibility. My colleague the shadow Treasurer, Mr Quinlan, has had primary responsibility for the negotiations and for this attempt to flog off ACTEW. As you know very well, he has consulted with you.

I am rather bemused by the utter arrogance of your suggestion that all six of us need to traipse around to your office when we have an incredibly competent shadow Treasurer dealing with this issue. You, in your arrogance, expect all six of us to crawl around on our knees. That might be a position you are comfortable with, but it is not one that we adopt. Or is it that you need to hear everything six times before it actually sinks in?

MR TEMPORARY DEPUTY SPEAKER: Order! The Leader of the Opposition will address his remarks through the chair.

MR STANHOPE: I am, Mr Temporary Deputy Speaker.

MR TEMPORARY DEPUTY SPEAKER: This is a very serious matter we are dealing with in the chamber.

MR STANHOPE: I am responding in a very serious way.

MR TEMPORARY DEPUTY SPEAKER: I hope you are.

MR STANHOPE: Might I respectfully ask whether you were in the chair when Mr Rugendyke addressed issues directly at me, or is there a dual and separate system of - - -

Mr Humphries: No-one took a point of order.

MR STANHOPE: Nobody did now. The Temporary Deputy Speaker intervened on his own initiative.

MR TEMPORARY DEPUTY SPEAKER: Order! The Leader of the Opposition will address his remarks through the chair.

MR STANHOPE: I will do that, Mr Temporary Deputy Speaker. I was concerned at the way in which Mr Rugendyke operates in this place in that he believes everyone should go and see him. He sits like some stone Buddha waiting for people to come and make some obsequious request or dispensation.

Mr Berry: I am prepared to kiss him on the bum if it will stop him selling ACTEW.

MR STANHOPE: You are much more generous than I am, Mr Berry.

Mr Berry: If it will save ACTEW, I am prepared to do almost anything.

MR STANHOPE: It is a matter of major concern to me that Mr Rugendyke thinks that, in meeting his obligations, it is for others to come to him to tell him what their position is. He believes he does not need to develop a position of his own; that he does not have to do his own research. We know that ACTEW, the ACT Government and AGL have beaten a path to Mr Rugendyke's door. Mr Rugendyke, in his flawed and arrogant attitude which he adopts to his role in this place, the maker and breaker, believes everybody else should come to him. It is for me to go to Mr Rugendyke; it is not for Mr Rugendyke to sit in his office and contemplate what his responsibilities to his electors are. That is not a matter for him; it is a matter for everybody else.

Mr Rugendyke: Mr Temporary Deputy Speaker, I raise a point of order. I refer to standing order 55. There seem to be quite a few imputations that are not warranted. I ask you to rule on standing order 55.

MR TEMPORARY DEPUTY SPEAKER: There is no point of order. The Leader of the Opposition has the call.

MR STANHOPE: Thank you, Mr Temporary Deputy Speaker. I have probably said as much as I need to say about that, other than to express my disappointment that Mr Rugendyke sees his role and his responsibilities in this place to wait around like some wilting bridesmaid or some pathetic wallflower actually waiting to be approached - - -

Mr Osborne: I raise a point of order, Mr Temporary Deputy Speaker. I do not particularly want to get involved in this lovers' tiff between Mr Stanhope and Mr Rugendyke, but I do think it is unfair of Mr Stanhope to be attacking Mr Rugendyke and making the points that he is making when - - -

MR TEMPORARY DEPUTY SPEAKER: What is your point of order, Mr Osborne?

Mr Osborne: The point of order is that the imputation of Mr Rugendyke is an unfair one. Mr Stanhope put out a press release and bagged both me and Mr Rugendyke, and did not even bother to speak to us about it or ask our view. I did not even know Mr Stanhope was interested in the merger before I saw the press release.

MR TEMPORARY DEPUTY SPEAKER: There is no point of order. Resume your seat.

Mr Osborne: Jon, at the end of the day, you started it. You did not even bother to come and speak to us.

MR TEMPORARY DEPUTY SPEAKER: Order! Mr Osborne!

Mr Osborne: He talks about ACTEW going down the drain. How the hell would he know? He hasn't bothered to speak to us.

MR TEMPORARY DEPUTY SPEAKER: Mr Osborne, resume your seat or I will warn you. The house will come to order.

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MR STANHOPE: I assume from his intervention that Mr Osborne is concerned that, in not addressing some comments to him, he feels left out.

Mr Kaine: Personal reflections are highly disorderly.

MR STANHOPE: I would not wish to be disorderly.

MR TEMPORARY DEPUTY SPEAKER: Mr Kaine! Mr Stanhope has the call.

Mr Moore: On the point of order, Mr Temporary Deputy Speaker: I believe Mr Kaine was drawing attention to standing order 55.

MR TEMPORARY DEPUTY SPEAKER: I understand standing order 55. This side of the house will come to order.

MR STANHOPE: The main concern that the Opposition has expressed and continues to express is that we have not been given the details that allow us to make an educated and responsible decision about whether or not this proposal should be supported. We simply do not have the information, and it cannot be denied that we do not have the information.

Isn't it ironic that only today the Independent Pricing and Regulatory Commission issued a press release which drew attention to a dispute between the Pricing and Regulatory Commission and AGL over the regulatory asset value? A fundamental point in relation to the decision about whether or not to proceed with a joint venture is to know what the relative value of the assets of the respective partners may be. How can anyone possibly negotiate a position if you do not know the base line figures, if you do not know what AGL is worth and if you do not know what equalisation payment is going to be made?

It is disturbing to me, as it should be to everyone in this place, that as recently as Tuesday of this week the Treasurer - the person leading the negotiations and the person primarily responsible for advancing the case - told us that he would anticipate an equalisation payment in the order of \$100m. Yet today in question time the Treasurer told us that he was not sure there would be an equalisation payment. He cannot tell us that there will be a payment at all.

It may be that, even though there is a differential in value between the assets of ACTEW and AGL, there will be no equalisation payment at all. If the Government does not know that, what does it know? What cost-benefit analysis has been done? The end result of entering into an arrangement of this sort is that half of our major material asset will be flogged off, and no cost-benefit analysis of any sort has been done. The Government has not been able to put on the table any figures. No numbers have been provided, and there has been no suggestion of any potential dividend that the joint venture will produce.

We have asked questions on this issue. ACTEW has told us through the ABN AMRO report what its anticipated dividend will be over the next few years. So, if ACTEW is promising to deliver a dividend of that order, what will the dividend be under the new

arrangements? We are not even provided with a guesstimate, let alone any rational assessment of what the dividend may be. How, and on what basis, do you make in this Assembly a decision of this magnitude when you cannot tell us what the anticipated return to the community is going to be? On what basis do you make major decisions of this nature? (*Extension of time granted*) The debate can be reduced to those fundamental questions. What are the costs to the ACT, not just - - -

Mr Moore: I raise a point of order, Mr Temporary Deputy Speaker. Standing order 62 is specific about tedious repetition, and this is pushing standing order 62 very heavily.

MR TEMPORARY DEPUTY SPEAKER: There is no point of order.

MR STANHOPE: Having had my flow broken, I foreshadow that I will have to seek a further extension in a minute. I will just repeat what I was saying.

Mr Quinlan: Frivolous points of order are highly disorderly, Mr Temporary Deputy Speaker.

MR TEMPORARY DEPUTY SPEAKER: Mr Stanhope has the call, Mr Quinlan. Are you asking me to sit Mr Stanhope down?

Mr Quinlan: No, this idiot.

MR TEMPORARY DEPUTY SPEAKER: Well, do not interject.

MR STANHOPE: The point I was making is that this is simply a derelict proposal. The Government is asking the Assembly to approve this arrangement, but we do not know what the anticipated dividend will be. No analysis has been carried out of the potential economic or financial costs to the ACT community, of the social advantages and of the mooted benefits in service delivery. There has been no attempt to analyse any of the so-called benefits, and there has been no attempt to provide this Assembly with the costs.

We know almost nothing. We are being asked to support the motion on the basis of a well-run scare campaign – a “we’ll all be rooned” approach; the same approach the Government used when it decided to seek to privatise ACTEW 14 months ago. It is the Hanrahan approach to government; namely, “We’ll all be rooned if we don’t do something”. How embarrassing it is that we weren’t rooned.

The Treasurer tabled an answer today to a question I asked earlier in the week about the changes in the competitive load of ACTEW. The answer to that particular question is interesting as much as for what it does not include as for what it does include. We discover – surprise, surprise! – that in the period from 30 June 1999 to February 2000 the competitive load has actually increased. We also discover that ACTEW has picked up 34 customers in the same period outside the ACT region. I think the answer of the Treasurer included a response about customers outside the ACT region. This confirms the advice which the chairman of the board, Mr Service, gave in the annual report, which was tabled only five or six months ago. Five or six months ago the chairman of

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the board of ACTEW told this Assembly, and through this Assembly the people of the ACT, in his annual report that ACTEW had coped well with competition. Mr Service's words were that ACTEW was coping well with competition.

Mr Service went on to express his confidence in the future. This was before this proposal was once again given the breath of life. That is the attitude of the chairman of the board. We are now running away from that. I look forward to the chairman of the board in some way formally repenting from the position that he put in his annual report; a report which was tabled in this place, which was accepted by members in good faith and which is apparently now a load of bunkum.

According to Mr Service and the board of ACTEW, its annual report was not to be trusted. His statement that ACTEW was coping well with competition was not an expression of his real view. So what are we to believe? Now we have this charade by the Government in not even attempting to put any flesh on the bones of this proposal and in leading this community blindly down the path of privatisation. That is what this is all about. That has been the case for the last two years, and nothing has changed. It is quite disgraceful for the Government to advance this proposal without seeking to provide any of the detail which we need for a responsible decision.

MR HARGREAVES: (4.52): I was prompted to rise because of an interjection the Treasurer, Mr Humphries, made in the course of Mr Stanhope's speech. Mr Stanhope was complaining that we had not seen a cost-benefit analysis and that we had not seen the numbers. We have heard a hundred million dollars bandied about. The Treasurer said across the chamber, "Why do you want to know that?". I thought he was not being serious, but apparently he was.

We want to know the cost-benefit analysis because this chamber is in charge of the approval process. This is not a consultative issue; this chamber is the approving authority for this proposal. I could not believe the arrogance of such a comment from Mr Humphries. I cannot believe he could honestly say to another member of the Assembly, "Why would you want to know the cost-benefit analysis?". It is something that is going to cost hundreds of millions of dollars.

MR TEMPORARY DEPUTY SPEAKER: You know that interjections are grossly disorderly, Mr Hargreaves.

MR HARGREAVES: I do, Mr Temporary Deputy Speaker. I would have risen on a point of order had my jaw not hit the table in absolute shock and disgust at the behaviour of the Minister. Of course, things move on and I thought I would wait.

Some of the other furrphies that wafted across the chamber were: "Why should we do the work? We are only asking for the approval to go and do the work". That sounds good. That is not true. That is a load of bunkum - a word that is being used a lot. The motion asked whether it would be okay to go and do the work. That is fine; that is consistent with what this side of the house was talking about months ago. What follows hot on the heels of that motion is the Bill which will bring it into action. If members in this chamber think that all we are talking about is giving the okay to go on and do the work, they are sadly mistaken and perhaps should seek professional help.

This “trust me, everything will be all right” approach of the Treasurer has some flaws. This is not the first time this Minister has refused to give us details about issues which are going to cost us millions of dollars. There is a bit of consistency here. If I pay anything to the Treasurer, it is consistency - consistency in doing absolutely nothing and taking an enormous amount of time in doing it.

I remind members about the Treasurer’s refusal to give details of the ACTEW/AGL merger. I do not think for one minute that the AGL board would be silly enough to go into this sort of arrangement without having a cost-benefit analysis done. That is a great insult to that company, and I would not want to be part of that. If they can do it, why can’t we?

Again, the Treasurer has refused to give us information about that. That is consistent, because he has refused to give us information about the cost-benefit analysis of the prison, which is being considered by a standing committee of which you are a member, Mr Temporary Deputy Speaker. You would remember, I would hope, it is this same Treasurer who has bandied around figures such as a \$100m equalisation payment. Here one day, gone the next. The same thing happened with the cost saving of \$4.5m over 20 years for the prison. In the Minister’s press release there it was for all to see: “Save \$4.5m over 20 years”. Yet in his discussion with the committee just the other day he said, “It might not happen”. That is exactly what he said about the \$100m. Again, he is consistent.

He said that it will cost \$35m for a new prison. Who would know? We are yet to see a cost-benefit analysis. Where is it? It is missing. It comes down to a case of whether we can trust this Minister, and I would say “doubtful”. This is the same Minister who promised us a government response to a report eight months ago. That was report No. 1. Yet he was sneaky enough to be able to slide out an announcement over Christmas, when people were not concentrating on it, that the prison will be in Symonston. Instead of responding to this chamber, as would have been the good order of the day, he has done what Mr Rugendyke says, and engaged in policy by media statement.

Report No. 4 called for a cost-benefit analysis. We were promised that at the hearing just the other day - and I will quote from it. The chairman asked when the reports were going to be available. Mr Humphries replied:

I have asked the department to have it available for tabling in this coming sitting session.

The committee transcript then reads:

THE CHAIRMAN: Okay, in the next fortnight.

MR HARGREAVES: Is that both reports?

Mr Humphries: Yes.

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Mr Keady: You mean the first and the second, yes.

The members of that committee left that hearing expecting to have the responses to both reports tabled in this session. Today is the last day and it still has not appeared. It will not, I would suggest, ever appear.

There is another correlation in something that Mr Humphries said which has a bearing on the ACTEW/AGL merger. When talking about the cost-benefit analysis of the prison, the Treasurer, in his capacity as Attorney-General, said, "I have asked for work to be done jointly between Treasury and Corrective Services". Here is the rub: It was clear that neither department had sufficient expertise to be able to balance those issues.

Perhaps there is not the expertise within his department to carry out a cost-benefit analysis. Perhaps that is why we do not have one at present. How on earth Mr Rugendyke or any other member of this place could make a decision on a venture that is going to involve hundreds of millions of dollars without a cost-benefit analysis is beyond belief.

Ms Carnell: John, you don't even know what a cost-benefit analysis is.

MR HARGREAVES: The Chief Minister interjects, bagging our understanding of a cost-benefit analysis. I would expect nothing else. I will repeat what I said before. Mr Humphries, the Treasurer, said, "It was clear that neither department" - Treasury nor Corrective Services - "had sufficient expertise to be able to balance those issues". He was talking about getting a cost-benefit analysis done. Clearly, as we have not seen one, they do have not the expertise. Interestingly, he reckons we are going to be just as big a player as AGL.

I suggest that the AGL board would have had its cost-benefit analysis done a long time ago. It would have been well placed to make a proper commercial decision. For those opposite to suggest that they are going to be an equal partner after the joint venture is silly beyond belief.

At 5.00 pm the debate was interrupted in accordance with standing order 34; the motion for the adjournment of the Assembly having been put and negatived, the debate was resumed.

MR HARGREAVES: I reiterate that those opposite will be not only junior partners at the board table but they will bring with them such a distinct lack of expertise and such a distinct lack of commercial instinct that it will be nothing short of dangerous. A conspiracy theorist would suggest that what we are seeing is an absolute repetition of the Telstra sell-off. It is a well-known fact that these sorts of joint ventures are doomed and that the dominant partner will walk away with the total prize.

I do not blame AGL at all for this. If they think they are clever enough to acquire a state-owned electricity company, good on them. They are in the commercial world dealing with kindergarten children here. I do not think I will bother to say anything more on the issue, given that I have 0.5 of a second left.

MR HIRD (5.02): I will begin by addressing ACTEW's commercial viability. The primary objective of the partnership proposal has been to secure ACTEW's long-term future in the national energy market, to protect its business and to provide a future for its staff. Outside of water and sewerage services, ACTEW's main business is the supply of electricity to ACT consumers – the retail and distribution services. Both these services are under significant pressure through retail competition for customers and other pressures by other retailers to reduce the costs of access to ACTEW's network.

What is accepted is that ACTEW faces greater energy trading risks in the new competitive national energy market. Within the proposed partnership, ACTEW's exposure to these risks can be better managed through the purchasing power of AGL and the capacity to spread costs and energy demands across a larger customer base. ACTEW will be able to share these risks with AGL. With more energy consumers looking to gas and alternative energy sources to the traditional source of electricity, it has been increasingly important for ACTEW to diversify. AGL, as a larger national corporation, offers the capacity for ACTEW to diversify in the energy market in terms of energy supplies that exist outside the ACT border.

I notice that some members of the Opposition are leaving the chamber while I am speaking, but I know Mr Quinlan has an intense interest in this matter. ACTEW customers will gain sufficient benefits from partnership proposals that bring together the retail arms of ACTEW and AGL. In partnership, ACTEW and AGL will be able to strengthen and improve their operations to provide a superior level of services to new and existing customers in a number of areas.

First, customers will get a one-stop shop for electricity, gas, water and sewerage services, with a single call centre for inquiries, a single billing payment service and a single point of contact for emergencies. Second, as a multi-utility, the ACTEW/AGL partnership will be able to offer a package of services to ACT consumers - a situation not previously available from either ACTEW or AGL alone. This means that customers will be able to choose a mix of appliances and energy sources that best suit them and get this service from one supplier. Third, with a larger customer base and the capacity to expand their businesses, the ACTEW/AGL partnership will be able to spread their costs and achieve economies of scale.

The ACTEW/AGL partnership will be able to pass on the lower costs to existing and new customers in the form of lower prices. The bottom line is that customers can expect an even better deal from the ACTEW/AGL partnership than they presently get in terms of choice and service standards - benefits to the ACT community. The ACT community will hold an investment in the combined electricity and gas networks assessed under the ACTEW/AGL partnership proposal.

It will also continue to directly own and control water as a resource, and, through ACTEW, water and sewerage infrastructure assets. The ACT community will also benefit from the knowledge that its major business enterprise, ACTEW, will have a secure long-term future and that the value of the ACT's investment in electricity network assets will be protected.

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I turn to regional benefits. Many members would know of my interest in regional benefits. As has been mentioned, the ACT and local region will benefit from the fact that the partnership will enable the future viability of the ACT's largest corporation, ACTEW. The ACT and region have already benefited from significant investment made by ACTEW and AGL in establishing network infrastructure and their substantial customer base. This is a strong commitment to the local region.

In addition, as part of the partnership proposal, AGL has been keen to make further commitments to the ACT and the local region through construction of a gas-fired electricity generation plant which will provide employment as well as supplement the local region's energy requirements and transferring a customer call centre and an asset management business to the ACT, which will mean further employment.

The partnership will also allow exciting opportunities for innovative projects along the lines of TransACT, CRANOS and now the gas-fired electricity generation plant to occur - which ACTEW may not have been able to pursue on its own - including waste water and water recycling projects. This is good news for the region and citizens of the ACT.

Other opportunities include energy conservation projects, which I know Ms Tucker would be interested in; smart metering projects for gas, electricity and water consumption; and environmental and greenhouse gas reduction projects, which I know Ms Tucker would be interested in. She does not even interject and pat the Government on the back. Alternative energy supplies include green power projects, such as wind and methane. Overall, the AGL/ACTEW partnership proposal provides substantial economic and employment benefits to the ACT and the local region.

In summary, the partnership between ACTEW and AGL will provide the following substantial benefits for ACTEW, its staff, its customers, the local ACT community and the local region. It will improve ACTEW's commercial viability through creating a larger, stronger utility which will achieve economies of scale and remain competitive in the energy market. By combining their operations, ACTEW and AGL will be better able to manage the risks of energy trading in the new competitive environment for energy suppliers.

The Territory and the ACT community will continue to own water and sewerage network assets and will continue to play an important role in the use of electricity infrastructure assets. The Territory will benefit from the partnership being based and operated within the ACT. Customers will be the big winners through having a one-stop shop for electricity, gas, water and sewerage supply services, and should expect lower prices for energy services.

Regional development opportunities via the gas-fired generator mean that we will not have to depend on anyone else under this proposal. We will not have to rely on anyone else under this proposal. Jobs will be created as a result of this proposal. It has a sound basis to work from, and one can only compliment both ACTEW and AGL. In this gas-fired generation plant, the transfer of AGL businesses to the ACT will increase. That is just the tip of the iceberg. There will be greater opportunities for an innovative project in the energy, waste and water fields.

I am sure that the next generation of Canberrans will be thankful for the way in which this Government has looked to the future and secured energy opportunities under this proposal. I commend the Bill to the house. I also commend the Government for the innovative way in which it has gone about it. I compliment both companies, AGL and ACTEW, and their respective boards, senior management and staff for the innovative way that this has been brought about.

MR SMYTH (Minister for Urban Services) (5.12): Mr Stanhope started his speech by referring to Mr Rugendyke in rather sad words. He used the word “inane”. The word “inane” means empty, and that is all we have heard from the Opposition today – empty rhetoric. It is the same blinkered rhetoric which they go on with continually.

Mr Corbell asked earlier today whether it was a threat or blackmail, and Mr Moore retorted that it was a dire warning. We have given warnings over the last 18 months about potential job losses and the need for ACTEW to change. Some 200 jobs have now gone. They have gone because the Labor Party have stuck their heads in the sand on this issue, as they have done with so many issues. They are ideologically blinkered on issues such as this.

The retail arm of ACTEW is the only area which has a potential for growth. Its water and sewerage services are fixed. There is not real potential there for growth unless the city itself grows, and then it is finite. If you accept Labor’s proposition of selling off the retail arm, you would sell it off in isolation. What you then do is condemn ACTEW to a slow and painful death, because they will still have to maintain the infrastructure without the ability to increase their revenue. So they will have to do the same job at a greater cost. To reduce costs, one must reduce staff.

What we have from the ideological blinkers on the other side, the Labor Party and the Greens, is a policy that will cost ACTEW and the ACT more jobs. We have already lost 200 jobs. Whilst the Labor Party write these off and paint them as blackmail and threats from companies like AGL, what they are are warnings from a market that knows what will happen. Those opposite simply choose to ignore that. They do not want to look at this in a reasonable fashion.

Mr Stanhope kept repeating the phrase “we’ll all be rooned”. Well, we will all be rooned if a clear decision is not made on the future of ACTEW today. Perhaps Mr Stanhope should tell the 200 people who have already lost their jobs why they have gone, when they were clearly warned that if action was not taken job losses would occur. It is not a threat and it is not blackmail, Mr Corbell. It is a simple, clear, concise warning. The Labor Party and the Greens have their fingerprints on the loss of those 200 jobs.

The ACTEW/AGL partnership will create jobs through the call centre and the power station. Mr Corbell said that the power station was just a carrot. He asked why we would build a power station. It is important to understand what a gas-powered fire

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station will do for us. His question was: "How will it survive in a highly competitive market?". The answer is that it survives by using appropriate, modern technology which gives it the appropriate capability to interact in the new electricity market.

I think it shows a degree of ignorance on behalf of the Labor Party that they do not understand the advantages of gas-fired technology over black- and brown-coal-fired technology. It is important to put the following on the record. A gas-fired electricity generator brings significant benefits, including greenhouse gas emission reduction. Coal-fired generation will be replaced. The security of electricity supply will improve. It will have a smoothing effect on electricity price fluctuations. It is very important to understand that in the context of the new electricity market.

If the AGL/ACTEW partnership goes ahead on schedule by July 2000, it is expected that the partnership can construct a 90-megawatt open cycle gas plant by the end of the year 2001. This will bring benefits, and those benefits will be substantial. Natural gas-fired generators emit between 38 and 50 per cent less greenhouse gas than black or brown coal generators. Members have to remember that the majority of our power comes from Yallourn, which is generated from brown coal - one of the worst sources of electricity that we can rely on.

Given that our power largely comes from these coal-fired power stations, replacing this with some or all of the electricity from the gas-powered fire station would clearly make a very valuable contribution not only to the ACT's greenhouse gas reduction efforts but also nationally. Indeed, it is consistent with the Assembly's 1996 resolution which called for an ACT greenhouse strategy that would take account of gases emitted in the Territory and, in the case of electricity, those gases emitted elsewhere as a result of electricity consumption in the ACT. What we have here is the ability to purchase from a gas-fired generator, and we would offset those brown coal gas emissions.

ACTEW has advised that, based on projected electricity market conditions, this plant can be configured for peak or intermediately low plant times, and run for up to 4,000 to 5,000 hours a years. So it will produce somewhere between 360 and 450 gigawatt hours per annum. That will result in the reduction of some 55,000 to 68,000 tonnes of CO₂ equivalent per annum compared to black coal. This is a real and quite tangible benefit. It is achievable. It represents a saving of 3 per cent on current emissions arising from electricity consumed in the ACT. So what we do is take responsibility for the greenhouse gas generated on our behalf, and we have an option that will allow us to reduce that.

If demand is sufficient, the plant can then be converted to a combined cycle plant, which would make it even more efficient and reduce emissions relative to black coal generation still further. In addition, the size of the plant can be increased by modules, which would lead to even greater generations and therefore an even greater reduction in emissions.

The gas-fired power station in the ACT region would also bring greater surety of electricity supply to local consumers. Currently we have the mini-hydro scheme on Stromlo, but we are almost completely reliant on power stations and transmission

networks located in other jurisdictions for our electricity. The ACT needs this power station to give it the improved surety of supply that I am sure all consumers want. The last thing we would want is the blackouts which were experienced in Victoria.

The wholesale national electricity market has brought significant new financial benefits and risks to electricity companies and consumers, and we cannot live in isolation from that. Those opposite would like to live in a blinkered dreamland, but the reality is that the way we purchase electricity in the national electricity market has changed for all time. When demand for electricity is rising - and it rises swiftly sometimes - and supply is slow or unable to respond, the wholesale price can rise from the normal level of around \$30 per megawatt to as high as \$5,000 per megawatt. If you continue to rely on coal-fired generators, they do not have the ability to cope with fluctuations in the market. The technology that AGL proposes to use, natural gas-fired generators, is a fast-start technology that enables them to deploy quite quickly at times of rapid increase in demand.

That means that, with the availability of a local generator using cost-efficient natural gas, they could make a valuable contribution to protect territory consumers from large price hikes in the wholesale market and to ensure that our electricity prices remain some of the most competitive in the nation. Plus it allows them to supply externally into the market and therefore make greater profits for us all. So it allows the partnership to capitalise on opportunities, which is something we cannot do at this stage.

It is quite clear that the world has changed except for those opposite. They are living in the fifties or the sixties. They refuse to acknowledge that we now live in a country which is connected by technology and things like the national electricity market, and we participate in that. We cannot live in isolation from it. The Government has brought the ACTEW/AGL partnership proposal to the Assembly for its endorsement. This proposal is a single package option. It involves both ACTEW's and AGL's retail and distribution businesses. It is up to the Assembly to decide whether it will support ACTEW to remain viable or, as those opposite would have us do, let it slowly dwindle away and continue to lose jobs until ACTEW is no longer viable or until it becomes such a minor player in the scheme of things that its value will dwindle. Some 200 jobs were lost last year. How many will be lost this year? How many next year?

What we have seen over the last couple of months is millions of dollars worth of value of publicly owned utilities whittled away because of changes in the market. Those opposite would condemn ACTEW to remain a part of that when the appropriate thing to do is equip ACTEW with the ability to compete on an even footing. The merger with AGL will allow us to do that. (*Extension of time granted*) We said that we would protect the asset, and this is one way of doing that. We said in our greenhouse strategy that we would look at ways of reducing the emissions for which the ACT is responsible. This is one way of doing that.

Under this Government we now have the lowest unemployment rate in the country, at 5.3 per cent. That is an achievement we are very proud of. We will continue to create jobs. Despite Mr Corbell's rantings this morning that there were not jobs out there, this Government is in the business of creating jobs. This merger through the call centre and

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through the power station will create new jobs. The partnership will give surety to the jobs that already exist, unlike Labor's blinkered approach, which has already cost 200 jobs in the ACT.

There is a lot of good in this partnership. There is a lot of good for the ACT. There is a lot of good for the ACT job market. There is a lot of good for the ACT environment, and there is a lot of good for the ACT's most valuable asset. We on this side of the house, and some of the Independents, take this proposal very seriously. We have looked at the options. In refusing this proposal, those opposite are not living up to their responsibilities. Instead, we get from them rhetoric and a blinkered approach to a modern world in which they have no relevance and play no part because they choose to live somewhere else.

The option that we are now faced with is a good one, and it should be given the go-ahead by the Assembly. This is an option which will create jobs. This is an option for the environment, and this is an option which will protect the ACT's most valuable asset into the next century.

MR CORBELL: Mr Speaker, I seek leave to speak again to Ms Tucker's amendment.

Leave granted.

Mr Humphries: It is not a filibuster, is it, Simon?

MR CORBELL: Interjections are highly disorderly, Mr Humphries. You should be aware of that. Mr Smyth, in the speech we have just heard, focused on three issues - jobs, the environment and protecting the value of the asset. Mr Smyth made much of the gas-fired power station or, as he called it, the gas-powered fire station. The issue here is one of whom we believe. There is no commitment to build this power station. There is a commitment to investigate and consider the appropriateness of building one. That is a carrot. There is no commitment to build a power station, and we should not be making decisions in this place today as though it is going to happen, as Mr Smyth put forward.

Mr Smyth: You asked a question. I responded to your question.

MR CORBELL: Mr Smyth stood up in this place today and argued the case for this sale on the ground that it is going to be great for the environment. His argument was based entirely on a hypothetical scenario. Quite clearly, the argument from Mr Smyth today was based on complete supposition.

Mr Smyth: You asked a question this morning.

MR CORBELL: Mr Smyth says that we asked a question. Mr Smyth was making the argument that this Assembly should support this proposal because there will be a gas-fired power station. The reality is that there is no such guarantee. The lack of interjections from opposite only confirms that that is the case. The only guarantee is that it will be looked at.

Mr Smyth talked about jobs. He has repeatedly attempted to claim that the Labor Party is responsible for the loss of jobs. The redundancies that occurred last year were occurring, as Mr Mackay pointed out at the time, regardless of whether or not the then privatisation proposal was to go ahead. To suggest that because the Labor Party was successful in stopping the privatisation last year those jobs had to go is just an utter fabrication and an attempt to justify a decision to go to a joint venture which the Government knows is fraught with risk and fraught with the real potential of jobs being lost. Before Mr Smyth and others in this place stand up and become all pious about job losses, let us reflect on exactly why those job losses were occurring. They were occurring regardless of any decision taken in this place about privatisation. It is important to put that on the record.

The third point I want to respond to relates to the assets. Mr Smyth talked about protecting our most valuable asset. It is our most valuable built asset. I hasten to add that our most valuable asset is our land, which of course this Government is quite prepared to give away at bargain basement prices. But that is another issue for another day. Our most valuable built asset is ACTEW. We have to ensure that the future of that asset is protected for a considerable period. This Bill does not achieve that.

Mr Moore highlighted this most effectively in his speech when he said that we can always buy back what we bring to the joint venture. If we are buying it back, that means surely that we are selling it. That can be the only conclusion you can reach. This Government has tried to get around the issue of privatisation by saying, "It is a joint venture; it is a partnership". But Mr Moore hit the nail on the head when he said, "We can buy back the assets if the deal goes bad". If you are buying something back, then you are selling it. That is what we are doing. We are selling it.

As the Australia Institute has pointed out, the tendency will be that, as soon as this arrangement is entered into, the senior partner - which will not be ACTEW but will be AGL - will have the whip hand. There is no doubt about that. The pressure will be on for ACTEW to comply with the broader strategy we are buying ourselves into through this deal. The broader implications of being part of a very large company, with national strategic decisions to be made about power and its role in the electricity market and the power generation market, will necessarily mean that either we toe the line or - the threat is there again - we walk away.

When Mr Smyth talks about protecting our assets, he is advocating a deal which will see all our assets lost. He is advocating a deal that in the end will achieve that because no government is going to be prepared to put up the \$100m to walk out of this deal. The alleged guarantee that we can take our assets back is a complete nonsense. I have not heard anyone on that side of the chamber advocating that they are prepared to put up the \$100m needed to get out of it. Let us dismiss that argument straightaway. It holds no water. Quite clearly, what that means is that we would lose control of our asset.

If there is some problem in the fifty-fifty company, as we are now seeing with the pressures on Telstra to go completely private because of the difficulties of operating in a mixed environment, the only choice left for the ACT will be to give up the remainder

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of its 50 per cent holding in return for not having to pay \$100m. That is a possibility which has not been dismissed by the other side. We would argue that it is an inevitability if we enter into this deal.

Mr Smyth's argument about jobs is simply being used for political convenience. As for the environment, there is no commitment on a gas-fired power station. And we are not protecting the asset. In the long term we are handing it over. This deal and the arguments we have just heard from Mr Moore and Mr Smyth are complete nonsense. They deserve to be treated contempt. This is a deal which simply is untenable.

MS TUCKER: I seek leave to conclude the debate on my amendment.

Leave granted.

MS TUCKER: I will address the arguments put forward by the Minister yesterday regarding the problems of selling off electricity retail but retaining the water, electricity and sewerage businesses. I feel the Minister was clutching at straws in his response. The advice from ACTEW confirms that "there is no doubt that buyers would queue up to purchase ACTEW's retail arm and pay \$30m to \$60m". However, it seems that the Government has been ignoring this fairly simple and painless way of raising some funds to meet our superannuation liability for some time because of its mind-set that it must sell off the lot of ACTEW. Of course, it failed in this attempt the first time, so now the Government is pursuing this objective in a more roundabout way through the merger with AGL. But I am pretty certain that within a few years we will start hearing calls that the merger is not working effectively and the only way of fixing it is to sell off the whole of ACTEW.

As other members have said, that is clearly what is happening with Telstra, and it is very surprising to me that people think ACTEW would be different. The pressures of the commercial environment will be exactly the same. I found the newspaper fascinating this morning. Telstra is saying that the pressures of the competitive environment mean that they have to further increase their profit and cut jobs. I heard them say on this morning's radio, "We are not a welfare organisation. We have to operate as a business entity in a fiercely competitive environment".

That is the problem that we on this side of the house, excluding Mr Kaine, see. It is the problem that I see and the Labor Party see with this arrangement. It is exposing our essential services to the competitive environment of market forces, which will not necessarily deliver best practice in the field. As I have already said, at stake are our water supply and our sewerage services, both of which have huge public health and environmental health implications, and safe and secure electricity supply.

The Minister asserted that there are complications in deciding what would be divested in selling off electricity retail. For instance, what would we do about the empty floors in ACTEW House? How would ACTEW purchase electricity for its own water and sewerage operations? These are very small complications when compared to the disruption that will be generated within ACTEW by the merger with AGL. It is a very poor excuse.

Again, we are getting the rhetoric from ACTEW that, without growth, ACTEW will wither on the vine and that their dreams of growth and prosperity will no longer be attainable. At a practical level, I think these concerns are overstated and, philosophically, I think this whole emphasis on growth is fundamentally flawed.

ACTEW, in its response, complains that the buyer of the electricity retail will not be an ACT company. What do they think AGL is? AGL is a national company with investments also in New Zealand. It is based in Sydney. It has no particular commitment to the ACT. It has what suits its business interests. How long will ACTEW and AGL necessarily be the people involved? How can we know that you will not see AGL trying to offload its share, for whatever reasons, to another company? What is the arrangement for that? We could easily end up with an international company from Hong Kong, as South Australia has. This is the nature of the market. We do not have a guarantee from AGL they are there for ever and a day. Of course not. Why would they give that guarantee? This is the deal that is being offered. As I said, as soon as you put this into the focus of a commercial enterprise or organisation, you know what happens in the market. It is absolutely clear. As I said, Telstra is a very good example of what is happening. We can read about in our newspapers today.

ACTEW say that in the future we may not need the current capacity in the electricity network because of the growth of rooftop solar power. It should be noted, however, that we will always need the electricity grid for the foreseeable future to ensure reliability in supply. PV systems being planned for urban areas are not stand-alone systems, as they involve battery storage, which has its own problems. These systems tend to be grid interactive systems, passing excess electricity from the PV system to the grid during sunny periods and drawing electricity from the grid when the PV system is not generating enough power - for example, at night. It should also be noted that this potential problem will be faced across the whole national grid and not just by ACTEW. As it is a regulated business, such issues can be addressed by the various state price-setting authorities in the setting of future charges for network use.

ACTEW also says that their water business may decline because of the growth of household sewage and water recycling systems. But surely the most efficient use of water is what ACTEW should be promoting because of the environmental benefits involved. I found Mr Humphries' answer to my question on this at question time very unsatisfactory. It was from a very confused perspective. Mr Humphries appeared to be saying, "Why would ACTEW want to promote or facilitate growth in this area? It would mean that people were not using their pipes". As members are aware, the Greens put ESD into the objectives of the legislation that covers ACTEW, and ACTEW has taken that on quite well, with a few notable exceptions, in the development of environmental technology.

The concept of ACTEW being an energy service - that is, a service that helps conserve energy and helps conserve water and sells conservation as a product - is the way of the future. To become not just an energy supplier but an energy service that facilitates environmental best practice and technology is what I always thought ACTEW was trying to do. I have heard them claim to do that and I think they have done it in many ways. Look at Cranos, for example.

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It was a strange answer. It makes me extremely concerned about the environmental implications of this arrangement if the Minister thinks ACTEW could not do this because it would not want to minimise use of its pipes. There is a huge opportunity for ACTEW to develop this technology and compete across Australia. People from across Australia could be purchasing energy services from an ACTEW using best practice and cutting edge technology, which is where I was hoping ACTEW would be headed and where it is heading in several areas.

I turn to the idea that the only way ACTEW can progress is to grow rather than just maintain equilibrium. I have to object to this view of the world. The idea that there can be endless growth in a finite world is just rubbish. We are fortunate that so far the earth has been able to absorb the pressures that have been placed on it from industrial growth around the world. But the signs are there that the earth's ecological systems are under great strain and in places are starting to break down.

That is why the whole idea of ecologically sustainable development has grown in importance. I should point out that ESD is totally different from what some people refer to as sustainable growth, which is an oxymoron. Even from an economic perspective, it is impossible for all businesses to continue to grow unless the demand for their products continues to grow. What we are seeing instead is the increasing concentration in the various industry sectors of smaller and smaller numbers of very large companies. As these companies take over smaller companies or as companies leave the market because they cannot compete, diversity is being sacrificed at the altar of economic growth. So much for having perfect market competition, which economists theorise about.

It is acknowledged that in the Australian electricity market there will be a major shake-out as deregulation progresses, with about only eight electricity distributors left within the next decade. Of course, ACTEW is hoping that it has picked a winner, that AGL will be one of those distributors, but it is certainly not guaranteed. The Government says that if we do not do something with ACTEW as a whole then ACTEW's water and sewerage businesses will be dragged down if the electricity retail business goes under in the face of competition.

But if you turn this argument around, why do we want to take the risk of dragging down our water and sewerage operations if the deal with AGL does not work out? The Government says that we will still retain ownership of ACTEW's assets, and Mr Rugendyke is very convinced of the value of this line of argument. But what happens if these assets are run down or stripped over time by the joint venture? How will the Government ensure that the assets that may be returned to the ACT at some future time will have the same value as the assets that we will be passing over to the joint venture now?

I remind members of what I said initially when I spoke to this amendment. It is absolutely clear that a business corporation has to look at risk management as part of how it operates. Managing risk has had disastrous consequences in the management of essential services. (*Extension of time granted*) Longford was an example. The issue of risk management in the private sector cannot be disregarded when people in this Assembly are arguing today that this is a healthy environment for essential services.

I reject that notion. I see what happens with risk management over and over again with private sector companies. You can say that this is not a private sector company, but it is exactly the same as Telstra. This company will have to operate as a business. ACTEW already has been told to operate as a business, and we have seen a disintegration or a diminishing of services as a result of that corporate approach.

We have had concerns about the way in which the environmental concerns have been managed, particularly with sewerage and so on. We have had constant complaints from the plumbers association about the lack of diligence that has been shown by ACTEW compared to what it used to be. The whole issue of even corporatising ACTEW has had an impact on the quality of services.

When I listen to the arguments from the other side and from members supporting the motion, so much of it is focused on commercial viability. Once again, the environment and equity issues are seen as external. They are externalities. We are told, "Do not worry. They will be looked after in the Utilities Bill". I am worried. I referred the Utilities Bill to a committee so that hopefully we end up with something in the Bill that reflects the concerns in our community about these so-called externalities - that is, social equity and the environment, to name just two.

These are incredibly important issues, and the regulatory environment is a very important factor in this debate. But we will not have the opportunity to see that regulatory environment put in place before this deal has gone through. People have faith. Mr Kaine referred to good intent or good heart. I think that is not okay. We need on-the-ground facts about the regulatory regime. Even seeing that regulatory environment clearly for what it will end up being, I think there are still issues but at least we should be seeing how these issues are going to be handled. But we have not had the opportunity to do that and I am very disappointed about that.

The issue of the assets is really important. If you look at international experience, you will see that private sector companies or companies with a strong business focus that have managed utilities have let the infrastructure and the assets run down. It is very difficult for a monitoring agency or a regulatory agency to check. It is basically about pipes that are under the ground.

If this Government is totally committed to ensuring that our assets are not run down, they need to give us some analysis of the costs of ensuring that in fact the assets are not being run down and tell us how they are going to do that. Mr Hargreaves was asking for a cost-benefit analysis. What is going to be the cost of ensuring the integrity of this activity from this merged organisation? We do not see the cost of that. I do not think the Government has done that analysis.

ACTEW has also confirmed the calculation by the Australia Institute that electricity retailing constitutes only 10 per cent of ACTEW's profit, or about \$4m. ACTEW would continue to earn around \$38m, even if it had no involvement in electricity retailing. However, under the AGL merger, presumably AGL will take half of ACTEW's profit, or some \$20m. The Government has still failed to justify why we need to lose half of the control of ACTEW and half of its profits just to fix up one small aspect of ACTEW's

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operation. They have not convinced me in any way that they are looking at this through the eyes of ecologically sustainable development. We had this discussion yesterday. I have not seen any analysis from this Government that gives me confidence that the decision-making processes here have effectively integrated both long- and short-term economic and environmental, social and equity considerations. I have no guarantee of that.

I am told to have faith. I listened to Mr Humphries yesterday answering Mr Kaine's questions on CSOs. It sounded like anything was up for grabs. Mr Humphries said, "That is an interesting idea. CSOs could channel through the organisations and maybe we could link them with the Utilities Bill. Yes, that is an interesting idea". We are at the preliminary stage, apparently, of working out how we are going to guarantee equity considerations, but we still vote. Clearly, the first-core objective of ESD has not been applied in the analysis of this proposal before it has been put to us to vote on.

Another key principle would be that the global dimension of environmental impacts of actions and policies should be recognised and considered. I do not see that. We have had certain claims about greenhouse gas emissions and gas-fired power stations. We have no understanding of the commitment of this new, merged company to green power. Do we know exactly what AGL has done in Victoria with green power? Do we know what AGL is doing in South Australia? AGL merged with the retail sector of ETSA in South Australia? What has happened to the renewable energy section of ETSA since they merged with AGL? What has happened in Victoria? What work has been done with AGL on green power?

This Government has claimed that it wants to purchase 100 per cent green power in the city for its own use by 2008. That is a laudable and commendable goal. How are we going to know whether we are going to have that much green power to purchase? I have asked that question here, and Mr Smyth says that the market would take care of it but that they are looking at some initiatives. (*Further extension of time granted*) The greenhouse question is far from being resolved.

Another key principle of ESD, cost-effective and flexible policy instruments, should be adopted. Such instruments include improved valuation, pricing and incentive mechanisms. Do we know that that is going to happen? Mr Humphries said today in question time that he is worried about ACTEW being in control of alternative water treatment systems because it would mean that they would not use their pipes so much. I do not see where there are any kinds of pricing and incentive mechanisms in the mind of Mr Humphries.

Broad decisions and actions should provide for broad community involvement on issues which affect the community. I do not believe that we have had that opportunity, particularly with the Utilities Bill going to a committee but the Assembly being asked to vote on this motion beforehand. It might be tedious for members that I read these ESD principles out, but I am afraid it is too important not to remind members again that these are fundamental principles that people should be taking into account if they think they are taking a responsible approach to policy development. We are making a major

change in the ACT in the management of essential services, services which have significant environmental impacts and public health implications. I am not convinced to any measure that this Government knows what it is doing.

Question put:

That the amendment (**Ms Tucker's**) be agreed to.

The Assembly voted -

AYES, 7

Mr Berry
Mr Corbell
Mr Hargreaves
Mr Quinlan
Mr Stanhope
Ms Tucker
Mr Wood

NOES, 10

Ms Carnell
Mr Cornwell
Mr Hird
Mr Humphries
Mr Kaine
Mr Moore
Mr Osborne
Mr Rugendyke
Mr Smyth
Mr Stefaniak

Question so resolved in the negative.

MR KAINE (5.56): Mr Speaker, I seek leave to move the amendment that has been circulated in my name.

Leave granted.

MR KAINE: I move:

After the words "That this Assembly", insert the words "subject to the passing, by the Assembly, of the ACTEW/AGL Partnership Facilitation Bill 2000,".

Mr Speaker, the purpose of this amendment is to tidy up the process. In fact, it is the legislation we have not yet debated which places the obligation on the Minister to seek the approval of this Assembly to divest assets of a main undertaking nature. When the Minister suggested a cognate debate covering this motion and the Bill, he obviously assumed that we would debate both together, that he would get the Bill through and that at the same time he would have the Assembly's approval to go ahead with the action he needs to take in connection with these main undertaking assets.

Because the Opposition has not agreed to debate the motion and the Bill cognately, we now have the unusual position that, assuming that we approve the Minister's motion in a few minutes, which I suspect we will, he then has the approval of the Assembly to go away and do what he wishes, in any manner that he chooses, with the assets. That was

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not the intention. Without the passage of the subsequent Bill, where the mechanisms for achieving this objective and the conditions that apply to it are set down, he is unconstrained.

If we pass this motion now, and for some reason the debate on the legislation is adjourned today and not completed, the Minister, tomorrow morning at 8.30, can divest the ACT of all the main undertaking assets in any way and in any manner that he chooses. I do not think that is what the Opposition meant when they decided not to debate the two things cognately.

All this amendment does, Mr Speaker, is put the cart behind the horse. It simply says that, while we approve of the Minister doing this, he can do it only after the enabling legislation has been passed. I think it is a straightforward, logical amendment.

Question resolved in the affirmative.

Sitting suspended from 5.58 to 7.30 pm.

MR QUINLAN (7.32): Mr Speaker, I seek leave to move the two amendments circulated in my name together.

Leave granted.

MR QUINLAN: I move:

- (1) After "That this Assembly approves the" insert "negotiation of the";
- (2) After "the Australian Gas Light Company" add "and directs the Government to table the following documents between ACTEW and AGL as and when they are completed:
 - (a) the Heads of Agreement;
 - (b) the Partnership Agreement;
 - (c) the Operating contracts; and
 - (d) any other significant documents relating to the primary elements of proposed partnership arrangements and operating procedures."

I move these amendments for, I think, reasonably obvious reasons. The first amendment relates pretty well to something Mr Humphries said earlier today. He was accusing this side of the house of castigating the Government for spending money on investigations of proposals on the one hand and then castigating the Government for not doing any preparatory work, so I gather we have not done any preparatory work on another deal. This is exactly the middle ground. This is the Assembly supporting the negotiation of this deal with AGL.

I only move this amendment at this stage because it is quite clear that the Government has the numbers to get the motion up. This gives the Government the okay to negotiate but does not go the further mile and say that this Assembly will effectively have no more say in how and what happens beyond this point, what happens to the single largest asset in the ACT and what happens to a very significant employer in the ACT.

I do this despite what are threats from AGL, something that some of the members in this house have not taken all that kindly to. I personally do not take well to threats of this order, but I do understand AGL making such a threat. It is an all or nothing, take it or leave it, threat. I understand completely AGL doing it because I think this Government has shown a singular ineptitude in business. I rather think that AGL could quite confidently buffalo this Government, unless, of course, the threats were a mutually agreed contrivance between the Government and AGL to buffalo some of our members and to put them in an all or nothing position.

There is a lot we do not know about this particular deal, and enough to be genuinely concerned about. There is certainly enough for any responsible MLA not to hand a blank cheque. That came out in question time when we asked about the value of assets and the equalisation payment. We have gone from possibly \$250m when I first talked to representatives of AGL and ACTEW about this to "if any" today. We have seen that there is possibly a dispute between AGL and IPARC as to the actual value of those assets. Quite a lot of money is involved, let me tell you, so I rather think that we need at least to take a staged look at what is going on here, and we really should not disenfranchise completely this Assembly from this very important deal. I have to say that I am a bit concerned.

I notice that there has now built up on the Government's side of the house a mantra that we cost 200 jobs because of market share. I find this quite astounding. In a section that employees 50 we have lost 200 of them. With the logic that has been put forward in this house so far, I do believe that they could actually say that.

Mr Moore: Lucky you are not a lawyer, Ted.

MR QUINLAN: I think that has been Mr Moore's total contribution to the debate. It shows the gross hypocrisy of what he says. In fact, the loss of jobs is classic Professor Hilmer stuff. In fact it is the public sector that chops off the jobs, which in theory increases the value of the organisation. Then you flog it. This is classic staged Hilmer. I count John Mackay, the chief executive of ACTEW, amongst my friends, but at the same time I do know that his professional peak is that of a corporate undertaker. From the time of his appointment, that is what we have been doing. We have been taking the organisation through this classical Professor Hilmer phase.

I find Mr Moore's support for this quite astounding. It goes to show just how far you have come, Michael. Just as an aside, earlier in your speech you shopped your Chief Minister. Your Chief Minister said before the election, "Privatisation is not on the agenda". Then you had discussions, even before she was appointed Chief Minister, very close to that election, and you were wheeling and dealing on the privatisation of ACTEW.

Mr Moore: After the election.

Ms Carnell: After the election.

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MR QUINLAN: You probably also were wheeling and dealing on getting your ministry, and this is part of the deal - you got the ministry; got to back the program. But this happened before the first sitting of this place. So we had a very rapid change, did we not, in the attitude? That actually shows the hypocrisy of what was said before the election and you have become part of it. Watching you ascend to the ministry, I had come to the point where I could accept that you had no principles left. I could accept that you have a manic desire for publicity and to be seen as some sort of reformer, but up to today I had not thought of you as being stupid. I can add that to the list because you shopped her. As far as Mr Smyth's contribution to this debate is concerned, I have to reveal - - -

Mr Moore: So Mr Rugendyke is stupid, Mr Osborne is stupid, and I am stupid. Has it occurred to you - - -

Mr Humphries: We are all stupid except for Ted.

Mr Moore: We are all stupid except for Ted.

MR QUINLAN: No, no, all by yourself. You are a class of your own. As far as Mr Smyth's contribution to the debate is concerned, I have to announce that my office runs a game called "Brendan bingo" because he really only gives one speech. So when you get, "The ALP sticks their head in the sand", that is very predictable and you get about half a point. If they have "ideological blinkers", they get about half a point. "Stand for nothing" and "those over there", a quarter of a point. Mate, let me tell you, these games are very, very short.

Mr Moore: He is getting to you.

MR QUINLAN: He is annoying me, I can tell you that. He is not actually getting to me. Just watching the same stuff is appalling. I am rather concerned that we are asked not just to permit you to negotiate. That is what you want. You tell us we would criticise you if you went ahead and spent the money, and you criticise us for accusing you of spending too much money. Well, here is the middle ground for you, Mr Humphries. By this minor adjustment to your motion you have the permission to negotiate, but you have also got the opportunity to return to this house and to tell the people's house what you are doing. This house has not just the right but also the responsibility - every responsible MLA in this place carries that responsibility - to ensure that the Government is doing the right thing, at least within the approval that they look like getting. *(Extension of time granted)*

This Government does not do business well. If I was in the business of doing business with government this would be the Government with which I would do business because you are hopeless.

Mr Humphries: Well, that is not what the Auditor-General says so far. Harcourt Hill, the International Hotel School - - -

Mr Stanhope: Yes, let us talk about Harcourt Hill. I think we might move onto that soon.

MR SPEAKER: Let us stay on the topic, please.

MR QUINLAN: The first part of this amendment is about allowing you to continue on the deal that you are going to get approval to continue on tonight, but making it mandatory that you bring the deal back to this place; that you actually inform us. We would like to know what number it is. Is it \$300m or is it if at all that we may get from the sale of half of our electricity assets?

Ms Carnell: We are not selling it.

MR QUINLAN: We are not selling them. Mr Humphries said we are not selling them but we aim to buy them back. Now, how do you buy something back you did not sell? He has been using weasel words to gild the lily. The thing is that if you give somebody control of something, half your assets, and you take money, that is a sale.

Mr Moore: Not when there is a guarantee that you would be able to buy it back.

MR QUINLAN: A buyback is a buy. You cannot buy something back that you did not sell. As I said, you are wandering on the edge of stupidity, Mr Moore.

Mr Rugendyke: Sit down, Ted. You have said enough. We are all stupid, we know.

MR QUINLAN: David, I think you have been conned.

Mr Rugendyke: No, I have not been conned. I am very pleased that the Government has agreed with my position.

MR SPEAKER: Order! Settle down everybody.

MR QUINLAN: I would be very pleased, Mr Speaker, to sit down with Mr Rugendyke, as I have been doing, and discuss this, and I am sure that within about five minutes I could demonstrate to him that there are holes in the logic that he is using to support that. Mr Speaker, it is sensible to put this qualifier, the words "negotiation of the", into the motion to ensure that the Government has to come back to this place at least for ratification when it will deign to give us some form of basic information. I commend the amendments to the house.

MR KAINE (7.45): I am sorry that I have to say that my friend Mr Quinlan has somehow been sidetracked by the ideological position of the Labor Party to the point that he totally misunderstands the purpose of this motion. If he goes to the next item on the agenda and looks at the Bill that we have yet to debate, he will note that clause 11(3) says that the Minister must have the approval of this Assembly by resolution before he can vest any assets in this new venture. That does not say that he can only negotiate to do it. Once we pass the Bill, which we will before the night is over, this little addition to this motion is totally negated because to negotiate is not a part of the requirement of the

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Bill. So trying to somehow amend this motion, which is really nothing more than a machinery motion to allow the Minister to do what he is already empowered to do under the Act, once we pass it, is merely an impediment which in my view would have no weight.

Mr Quinlan: So you are not going to pass the Bill tonight?

MR KAINE: Once we pass the Bill, and we will, qualifiers on how far the Minister can go in exercising his functions under section 11 of the Act would be void. So I do not support this amendment because in my view it has no value. It has no effect. Once we pass the Bill we cannot constrain the Minister in the way that Mr Quinlan is now proposing.

I think Mr Quinlan ought to read the Bill which he chose not to debate cognately with this motion, because if he reads the Bill he will see that he cannot qualify the power of the Minister in this way simply by a resolution. The Bill, when we pass it and when the Chief Minister signs it into law, will override this motion and this qualification to the motion. I think the Labor Party have allowed themselves to be sidetracked by their ideological predisposition to the whole notion, saying "We oppose everything, we amend everything". In fact, this amendment will have no effect at the end of the day. For that reason, I will not support it.

Mr Quinlan: So you are going to pass the Bill tonight as well?

MR KAINE: I am going to pass the Bill, aren't you? I thought you said you were going to pass the Bill tonight, Ted. That is what you told me.

MR SPEAKER: Mr Kaine, are you moving your amendment at this point?

MR KAINE: I thought we were dealing with section (1) of Mr Quinlan's amendments.

MR SPEAKER: We are dealing with both actually, Mr Kaine.

MR KAINE: My amendment deals with section (2).

MR SPEAKER: Yes, but Mr Quinlan has moved both amendments together. He had leave to move both.

MR KAINE: Sorry, I did not realise we had moved on to that. Mr Speaker, I move the amendment circulated in my name to Mr Quinlan's second amendment. My amendment reads:

Omit amendment No. 2 and substitute the following amendment:

After the words "Australian Gas Light Company." add the words "The Assembly notes the offer from AGL and ACTEW jointly to 'provide fulsome reports on progress of the negotiations to the Assembly' and 'to appear before relevant committees to answer questions', and confirms that it will avail itself of the assistance offered".

Mr Speaker, here we are at the core of the debate. Everybody in this place, including Mr Rugendyke and I, are concerned that at the end of the day the arrangements that are entered into guarantee certain existing rights. We want to retain the rights of the ACT community to the assets that are inherent in ACTEW and that have been bought and paid for by the taxpayers. We want to ensure that the rights of the employees of ACTEW are perpetuated. We want to ensure that the entitlement to the delivery of services by this new organisation shall not be at a lower standard than what people are already entitled to. That, I believe, is the nub of the Opposition's opposition to this proposal. I and Mr Rugendyke and other members of this place are no less concerned than the Opposition that we retain these rights that currently exist. The question is how to achieve them.

Mr Quinlan's amendment to Mr Humphries' motion would place we 17 people as a black eminence, not a grey one, all 17 of us, in the board rooms of AGL and ACTEW when they are discussing these matters of business. That is not the place of the 17 members of this Assembly. I for one do not wish to be there. I am sure the Labor Party is adopting this hard-nosed approach because they see it somehow as a way of stopping the process somewhere along the road, and I do not support that either.

I think the process should go ahead and the parties should be allowed to negotiate an outcome, with ACTEW negotiating on behalf of the residents, the shareholders, if you like, of ACTEW. By the shareholders, I don't just mean the Chief Minister and her deputy who sit there as voting shareholders on ACTEW. When I use the word "shareholders" I mean 300,000-odd Canberrans, all of whom have contributed to the asset that exists in ACTEW.

I do not believe that we should be in the board rooms and participating in the very detailed debates that are going to have to take place to arrive at a satisfactory heads of agreement or a satisfactory partnership agreement. Certainly, when you get down to the operating contracts, who are we to involve ourselves in that process? I would say we are not competent to be there, even if we wanted to be.

So, if Mr Quinlan's proposal is not the way to go, how do we go? Well, I had to ask the question, "What is the role of this legislature?". It is not to get into the board rooms. It is not to get into the detailed discussion of how these things evolve. It is to monitor that and at the end of the day ensure that what the negotiations deliver complies with the principles that we set. I think we are pretty clear on what the principles are. They are that the interests of this community have to be preserved. You can define that in any way you want. I will be happy to have the Leader of the Opposition or Mr Quinlan spell out what they think those principles ought to be, and we can build them into the process.

What I am suggesting as an alternative is that the Assembly adopt its legitimate position of being a monitor of what is going on. Now, how do we do that? Well, Mr Speaker, I have made it clear, long before today, that I have not been sitting in my office twiddling my thumbs. I have been talking to a lot of people, trying to get the desirable outcome from this process. I have spoken to the chief executive officer of ACTEW on a number of occasions, and I have spoken to the manager of business development for AGL on a number of occasions. I have put to them what I have seen my objective as

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being, and I think it is the same objective that everybody else shares - that is, to preserve the interests of the ACT taxpayers, the ACT people as consumers and the employees of ACTEW.

I will table this document, Mr Speaker, because I think it is a significant document. Mr Mackay and Mr Pearce have written to me jointly and they have made certain undertakings in writing as to the preservation of employees' conditions and tenure as to the security of ACTEW's assets and as to the disposition of other parts of ACTEW including TransACT. More importantly, they have given an undertaking that they are willing to appear before relevant committees of the Assembly to answer questions, and to assure the Assembly that any contract or agreement meets all probity requirements and conforms with Assembly resolutions and law. They have also given an undertaking that they will provide fulsome reports on progress of the negotiations to this Assembly. I seek leave to table that document, Mr Speaker, because I think it is an important commitment from the two parties to the joint venture, and I would be interested to see whether anybody in this place is going to challenge the commitments given by those organisations to me and to the Assembly.

Leave granted.

MR KAINE: Having regard to what those two organisations have committed to me and now to the Assembly, I say that the role of this legislature is to monitor, to take AGL and ACTEW up on the offer that they have made. (*Extension of time granted*) Our role is to take them up on their offer and ask them to provide regular reports to this place on how those negotiations are doing, and to invite them, from time to time, to appear before the relevant committee of this place.

I would put the proposition that the relevant committee is the Finance and Public Administration Committee, of which Mr Quinlan is the chair and I am the deputy. You, Mr Speaker, are the other member. We three can properly monitor what those two organisations are doing in putting the arrangements together and report to this Assembly on how things are going. That is the normal process, I believe, and it ought to be an acceptable one. I put that forward as an alternative to the sledgehammer approach that the Opposition is suggesting.

What we are all looking for is a successful outcome, Mr Speaker, and I do not believe that attacking AGL and ACTEW with a sledgehammer is all that guaranteed to produce the outcome that we want. I do not think that is a sensible approach at all, but I do believe that we should take them up on their offer. We should be doing what our role really is, and that is to monitor what they are doing. I believe that as part of that monitoring process, as they get closer and closer towards the end product in terms of heads of agreement, partnership agreements, operating contracts and the like, we can invite them along and say, "Tell us where you are at. Give us an outline of what you are doing". That will give us an opportunity to ask any questions that we think are pertinent and at the end of the day we can come to this Assembly with a report, as all committees do, and say either that we are happy with the way things are going or we are not happy and we think some things ought to change. That, I believe, is the proper place of a legislature in this.

I am not a manager. I am not involved in either AGL or ACTEW. I do not want to be. But I do want to see those two organisations work towards a successful outcome. The bottom line, and both the signatories of that letter acknowledge it, is that if at any stage during the process of negotiating we as a legislature believe the outcome is not going to be what we are looking for, we, as a legislature, can terminate it. We can simply pass a resolution that says, "The Government should break off all negotiations on this matter". I think it would have to be a pretty serious situation before we would do that. This puts us in our rightful place, Mr Speaker, and I commend to the Assembly my amendment to Mr Quinlan's amendments to Mr Humphries' motion.

MR QUINLAN (7.59): I seek leave to speak again.

MR SPEAKER: In fact, you are speaking to Mr Kaine's amendment to your amendments, so you do not need leave.

MR QUINLAN: Mr Speaker, I put my amendments through on the advice received from the Clerk's office. Effectively, it swings on clause 11 (3) (b) of the Bill which reads:

... in the case of assets, rights and liabilities that are a main undertaking of ACTEW or a subsidiary for section 16 of the Territory Owned Corporations Act 1990 - , the Legislative Assembly has, by resolution, approved the vesting.

That means that the Minister may not, unless by resolution, approve the vesting of it. The purpose of my amendment is to water down the level of approval so that it does not comply totally with the Territory Owned Corporations Act. I think what we have here is a difference of legal opinion. I am not qualified to make a final judgment, but my reading of it says that my amendment would have had the desired effect. It would have permitted the Government to go ahead and negotiate, but it would not have permitted the Government to vest the assets, even using the Facilitation Bill once it is passed. That would have allowed both instruments to pass tonight but with that one qualification.

I have to add to that that we did discuss in my committee whether we would self refer this Bill and the majority decision was that we would not. All I can do, Mr Kaine, is submit to you that that was my intention. That was pretty well how we discussed it informally. I rather think that if we do not have this negotiation process we can be advised as to what is happening, but we can be advised without one scintilla of capacity to change what is happening. That would seem to me to be building a fairly hollow process. If in fact we got to a point where we did not like what was happening or where, as we have seen today, some of the numbers did not add up, or may not add up, we could not change that. We have given the full tick to the process and all we will get is progress reports from the parties. I think they will all be honourable people, but I just want to make the point that the words "negotiation of" must remain for us to exercise any level of responsibilities.

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I take my own responsibilities here fairly seriously. I think I have demonstrated through debate in this place that I am concerned as to the long-term future of ACTEW. If this Bill goes through as it is, I will remain severely concerned as to the long-term future of ACTEW. I hope that I have made that point of clarification and that we can pass the motion with my amendment and yours.

MR BERRY (8.03): Mr Speaker, this is the first I have seen of this letter. I note the amendment moved by Mr Kaine, but one thing that does surprise me is that, in here, what was a guarantee of two years for all employees is now all employees less 20. So there will be 20 that are going to go.

Mr Humphries: That was always what we said. You go and check the *Hansard*. You read what is in *Hansard*.

MR BERRY: It has struck me that, on the public record at least, so far as the news reports are concerned, everything was going to be guaranteed. I hear Mr Humphries saying that 20 redundancies was always going to be the case. He never trumpeted that very loudly.

Mr Humphries: That was said twice in the Assembly in the last week.

MR BERRY: That strikes me as an outstanding change from the position announced by the chief executive of ACTEW. He said everything was guaranteed for two years.

Mr Humphries: No, I did not. They did not say that. That is not true.

MR BERRY: I think he said it on the ABC. That is what I heard, I think.

Mr Humphries: Well, you did not hear it right.

MR BERRY: No, I would not hear it right, would I? No. No, I could not possibly.

Mr Rugendyke: I heard it.

Mr Humphries: I heard it too.

MR BERRY: You said it was 20, did you?

Mr Humphries: Yes.

Mr Rugendyke: Yes, I knew that.

MR BERRY: All right. Why didn't you mention it to the *Canberra Times* today?

Mr Rugendyke: I didn't need to.

Mr Humphries: Well, that is a good question.

MR BERRY: That you gave a tick for 20 jobs to go.

MR SPEAKER: Are we having a debate here or are we having a chat?

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety) (8.05): Mr Speaker, I do not want to speak for long because I think Mr Kaine very succinctly summarised why these two amendments moved by Mr Quinlan should not succeed. They amount to an adjournment of this debate. They amount to us saying, "Well, what we are going to do tonight is not indicate that the Assembly is prepared to approve the process of ACTEW and AGL going away and finalising an arrangement subject to the final overview of the shareholders". We are saying, "No, we are going to authorise the beginning of a process which will still end with a vote on the floor of the Assembly".

Mr Corbell: What is wrong with that?

MR HUMPHRIES: I will tell you what is wrong with that, Mr Speaker. The Labor Party will come back to that decision and it will still oppose the outcome. In fact the only reason it wants this de facto adjournment is because it wants to find the time to be able to go back and rally some sort of campaign to put pressure on members who are swinging voters on this issue. That is why you want to do it.

Mr Corbell: Are you scared? Are you scared of some public reaction? Are you scared of some community backlash?

MR HUMPHRIES: No. I will tell you what I am scared about. I am concerned about scare campaigns. I am concerned about campaigns that are based on misleading people about what the reality is on these matters. I am concerned about phrases like "Because Telstra is shedding lots of jobs, therefore ACTEW/AGL will shed lots of jobs". Could I be allowed to finish my remarks, Mr Speaker, without Mr Corbell's contribution?

MR SPEAKER: Yes, you certainly can. I do not want this constant interjection.

MR HUMPHRIES: Comments like "AGL is Canberra's equivalent to Patrick Stevedoring". For the second oldest Australian company - - -

Mr Corbell: Well, it will be. It will become a labour hire company.

MR SPEAKER: Order, please! I would remind you that you are still under warning. Stop interjecting.

Mr Corbell: He didn't refer to me, but I assume the Speaker is referring to me.

MR HUMPHRIES: Mr Speaker, those sorts of scares - - -

Mr Berry: Who said that? He is making the accusation.

MR HUMPHRIES: You did. You did.

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Mr Berry: Okay, thank you.

MR HUMPHRIES: You did. You said you likened the development of this joint venture to the advent of Patrick Stevedoring in the ACT.

Mr Berry: So it is not AGL now?

MR HUMPHRIES: No. Well, it could be ACTEW that is going to be Patrick Stevedoring. I concede that. Yes, I was a little bit hasty. It may be that Mr Berry was saying that it is ACTEW that is going to become the equivalent of Patrick Stevedoring. Either way, Mr Speaker, it is pretty insulting to the ACT's major utility or to AGL, one or the other.

Mr Speaker, I do not believe that there is a case for adjourning this matter. I believe that the evidence is now on the table as to whether or not this is a good proposition to further explore. I have to say that it is simply inconsistent for the Labor Party to say, "We want you to do some further negotiation and then we will give you the green light", when only a year ago they told this place that it was wrong for the Government to conduct negotiations before we had been given a green light. We have it in *Hansard*, Mr Corbell. There is no point shaking your head. It is in *Hansard*. You criticised this Government, again and again, day after day, for daring to go away and commission fairly major reports on things like valuation when - - -

Mr Corbell: We criticised you because you were breaking an election promise. Do you remember that one? An election commitment.

MR HUMPHRIES: No, that was not what you said at the time. What you said at the time was: "It is wrong for the Government to commission major reports on this matter in advance of an Assembly approval". You actually said at the time, "You have gone away and you have done these reports on valuation. How dare you do that before the Assembly has given an approval". Today we have heard the argument: "You should have done your evaluations before you come to ask for the Assembly's approval. How much is the equalisation payment going to be?". I have said not that I do not know, Mr Speaker, but that the valuation will have to be done before we can indicate what the payment will be, and that it is estimated, on my best advice at this stage, to be approximately \$100m; but no-one can make guarantees about what size, if any, that figure will be. That is a perfectly consistent statement to make. Because I cannot give you a valuation tonight, we are told we cannot pass this motion. Yet a year ago we could not proceed to consider the sale of ACTEW because we had already done the valuation.

Mr Speaker, those opposite need to be honest enough to concede to the ACT community that it does not matter how this issue is presented - - -

Mr Corbell: I take a point of order, Mr Speaker. Mr Humphries is suggesting that the Labor Party is being dishonest and I think that is highly disorderly. He should withdraw it.

MR HUMPHRIES: Mr Speaker, I am saying the arguments are dishonest. You have ruled on that in the past, Mr Speaker, as being an acceptable use of the word “dishonest”.

MR SPEAKER: The argument is. It is not an attack on the party.

MR HUMPHRIES: Mr Speaker, the dishonest argument we have heard tonight is this: “If you just do something different to proceed with this thing we will support your move. If you just look at the sale of ACTEW energy retail we will look seriously at your move. If you just talk to the company in Queensland that want to buy a great chunk of ACTEW, we will be happier with the move that you are making. Whatever you are doing you should not be doing. Something else is what we are after”. Mr Speaker, we do not know what the something else is.

Throughout this debate, throughout the last two weeks, the Labor Party have studiously avoided saying at any stage what it is that they would support. Mr Speaker, we know that that is for a very simple reason. We know that from an article that appeared in the *Canberra Times* on 28 June 1998. The Labor Party conference of that weekend passed a resolution opposing any form of privatisation at all, and we have heard from the debate in the last few days that Labor considers even the creation of a joint venture to be a form of privatisation. So it is clear that any of these proposals, no matter what form they take, even the proposal from the company in Queensland, would be unacceptable to the Labor Party. We know that, Mr Speaker. We know that perfectly well. These people are coming in here and telling us that in reality they just want something different, some different configuration, and they will be interested in having a look at that. Well, of course, they will not.

Mr Speaker, I have in my office a fairly simple test as well about what goes on in this place. The test in my office is that when the Labor Party starts calling people names it is a pretty clear indication that they are running out of arguments based on logic. We have heard tonight about how Mr Moore is stupid and Mr Rugendyke is being conned and - - -

Mr Rugendyke: No, stupid and conned.

MR HUMPHRIES: I beg your pardon. Mr Rugendyke was stupid and conned. In the last 48 hours we have had a litany of insults and abuse from the Labor Party about people on this side of the chamber, or anybody who is prepared to oppose their point of view.

Mr Stanhope: That is nonsense.

MR HUMPHRIES: You go back and check the *Hansard*, Mr Stanhope.

Mr Stanhope: You demean yourself, Attorney.

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MR HUMPHRIES: You go back and check the *Hansard*, Mr Stanhope, and you see what has been said in this place in the last few days. You have a look at what you have said. Mr Speaker, you will see on the record that the Labor Party, having run out of ideas, is resorting to abuse.

Mr Speaker, I think we should be clear about these amendments. The amendments moved by the Labor Party are nothing short of a move to adjourn the debate, effectively, until much later this year. I ask the Assembly not to cruel a viable and attractive proposition for the ACT community in the joint venture between ACTEW and AGL. The fact is that this is an acceptable and appropriate arrangement in all the circumstances.

The last thing I wish to say, Mr Speaker, is in response to Mr Berry's claims a moment ago that he has not heard about the 20 redundancies which are being suggested as a maximum loss of jobs by ACTEW if this particular deal goes ahead. I quote from the Assembly from Tuesday. Mr Corbell asked me a question about jobs and I said, in response to his question:

... if this arrangement is approved by the Assembly, there will be no more than 20 redundancies in the space of the next two years - that is, the redundancies from ACTEW will be contained to that number - and some 100 permanent direct and indirect jobs will be created by the joint venture ...

Mr Smyth: When did you say that?

MR HUMPHRIES: That was on Tuesday of this week and it was not the only time this week that I made that statement. Despite all these furchies and deceptions we are hearing from the other side, Mr Speaker, the fact is that the record is clear about this. What is the Labor Party's position? That is the question I ask.

MR HARGREAVES (8.15): Essentially, we are talking about the amendments moved by Mr Quinlan and a subsequent amendment from Mr Kaine. In essence, the Government has not proved a thing. It has delivered no numbers apart from some airy-fairy \$100m, which has about as much veracity as their \$4½m saving for the prison. It just disappears into thin air whenever they feel like it. It is about as good as the Government's promise to deliver its responses to this chamber by the end of this sitting. It is not worth the paper it is written on. It is the same as your verbal agreements, Minister. They are not worth the paper they are written on. What we are trying to do here is to say the Bill part is a "For Sale" sign.

Mr Rugendyke: Verbal agreements are not worth the paper they are written on?

MR HARGREAVES: Yes. The verbal agreement is not worth - - -

Mr Rugendyke: Say it again, John. Say it again, mate.

MR HARGREAVES: You should get into your history, Mr Rugendyke.

Mr Rugendyke: The verbal agreements are not worth the paper they are written on.

MR HARGREAVES: That is right, Mr Rugendyke. Get back. You are supposed to be a learned policeman.

Mr Rugendyke: John, sit down. You have had enough.

Ms Carnell: John, verbal assurances are not worth the paper they are written on. That is what - - -

MR HARGREAVES: Thank you very much, Chief Minister. I am glad for your correction. I am happy to take it on board and who said it. But who cares? Who cares?

Mr Rugendyke: I do.

MR HARGREAVES: Yes? Maybe you should.

Mr Rugendyke: That is why I am supporting this.

MR HARGREAVES: You clearly do not care enough to listen to what is going on at the moment.

Mr Rugendyke: I am listening.

MR HARGREAVES: Yes? All I can hear is your babbling. We need to understand what is trying to be achieved here. We are trying to say to you, "Look, just hang on a second". The motion is the bit which says go for it. Go and negotiate it. Fine. The Bill in fact is the "For Sale" sign. That is the bit to be concerned with. There is no screaming hurry for this. If you think you have seen enough information to be able to pass this thing, then be it on your own consciences. It is really silly because you have not got enough information. You have not got the figures. You have not got the cost benefit analysis. In fact, all you have is this guy's word that it has been done.

I do not believe that it has been done, and therein lies a problem. If we felt that it had been done and we got some sort of a cursory look at it, fine; but it has not been done. None of the substantive number crunching has been done. We have not had any assurances. All we have heard is little vague figures that come out of the ether. That is all we have got, and that is pretty flimsy for the size of the sale we are talking about.

The motion ought to be passed as amended, but not the Bill yet. Do not surrender your right as a MLA to scrutinise something of this size. That is what you are doing. You are just surrendering your rights.

Mr Rugendyke: You are wrong, John.

MR HARGREAVES: You are. You are surrendering your rights.

Amendment (**Mr Kaine's**) to proposed amendment (2) (**Mr Quinlan's**) agreed to.

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MR SPEAKER: I have a small problem here. The question is that Mr Quinlan's amendments, as amended, be agreed to.

Mr Humphries: Can we take the two parts seriatim, Mr Speaker?

MR SPEAKER: I think we will have to, Mr Humphries. Correct me if I am wrong, Mr Kaine, but it is my understanding that you amended the second of Mr Quinlan's amendments. Is that correct?

Mr Kaine: My amendment merely replaced part of Mr Quinlan's second amendment.

MR SPEAKER: Yes, thank you. Very well. Is it the wish of the Assembly to take them seriatim?

Mr Humphries: I will move that the motion be put in two parts, Mr Speaker.

Mr Berry: Why don't you want to do it as one?

Mr Humphries: Because we want to support one half and oppose the other. That is why.

Ordered that the question be divided.

Question put:

That amendment (1) (**Mr Quinlan's**) be agreed to.

The Assembly voted -

AYES, 8

Mr Berry
Mr Corbell
Mr Hargreaves
Mr Osborne
Mr Quinlan
Mr Stanhope
Ms Tucker
Mr Wood

NOES, 9

Ms Carnell
Mr Cornwell
Mr Hird
Mr Humphries
Mr Kaine
Mr Moore
Mr Rugendyke
Mr Smyth
Mr Stefaniak

Question so resolved in the negative.

MR SPEAKER: The question now is that Mr Quinlan's amendment (2), as amended by Mr Kaine's amendment, be agreed to.

MR OSBORNE (8.22): Can I speak, Mr Speaker, or do I have to wait until after the vote?

MR SPEAKER: You can speak if you wish.

MR OSBORNE: I apologise, Mr Speaker. I wanted to speak before the vote, but I was a little confused. Someone from the Labor Party said that there was agreement on that first - - -

Mr Berry: I thought Trevor was okay with it, because he only amended the second bit.

MR OSBORNE: I want to speak before we have the final vote, if I may, Mr Speaker. As I said, my understanding from the Labor Party was that there was agreement on that, and I was caught on the back foot. I do apologise.

Mr Speaker, this debate has its origin back at the time two former Labor leaders, Rosemary Follett and Paul Keating, got together and signed an agreement endorsing the Hilmer reforms on competition policy. That agreement, over a half decade ago, set about dismantling state and territory owned monopolies and deregulating industries to provide for full private sector competition. It did not really make front-page news at the time, because nobody thought it was all that important but, surprise, surprise, it was.

The sweetener for the States, of course, came in the form of substantial financial compensation, along with the threat to have payments withdrawn if any government became tempted to change their mind after they had signed on the bottom line. I know the Labor Party may not wish to be reminded of this, Mr Speaker, but it remains a fact all the same.

I would make it clear that I am not opposed to competition in the marketplace as a principle, nor do I have any problems with free market economics. However, one of the wonders of our age is how often economists are allowed to be wrong and still be considered wise. I guess this is not necessarily surprising, because economics is based on assumptions about how humans will behave and is therefore fatally flawed because people do not follow any regular set of rules.

It is taken as an article of faith that the public will suffer if competition is lessened. It is assumed that the public will always benefit through competition by way of lower prices and greater choice. Experience has proven that competition policy is not all it is cracked up to be, but we are nonetheless locked in as a parliament to following its path.

As an example, I believe that we are seeing quite clearly the dark side of this philosophy as it impacts on our small but vital milk industry. Instead of a state owned monopoly, we will most likely end up with a privately owned monopoly, with less choice for people at home. The small private operators are being squeezed out, and we saw once viable home delivery runs being sold at auction last week for just \$100.

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Making news earlier this week were reports of around 600 dairy farmers in New South Wales coming under threat as cheaper milk came in from Victoria. Yet somehow, while the price for milk at the farm gate has gone down and the margin for the home delivery operator has gone down, the price of milk to the consumer has gone up. We are told to accept this as a benefit to the public. I remain somewhat sceptical.

We are yet to see the full impact of the deregulation of water. Members will recall that we were required to pass legislation just under two years ago, under threat of having a portion of our competition payments withdrawn, to establish water allocations which would then be commercially traded. Obviously this concept has a number of environmental and commercial advantages. However, we are obliged, thanks to the Labor Party, to set up a marketplace for water. It was more than a little disconcerting to me that as a parliament we were largely flying blind at the time. The new system is not yet fully operational, but it has already begun to have negative impacts on some types of farming interstate.

Mr Speaker, this brings us to the deregulation of electricity and other energy sources. Once again, thanks to the efforts of the Labor Party in the past, we have been forced to embrace the results of the deregulated electricity market under the guise of there being a clear public benefit. The level of any public benefit is difficult to measure, given the wide number of variables that can occur. How, for example, are the recent decreases in price to the consumer attributable to deregulation or the current surplus of electricity in the market?

One impact of electricity deregulation that is very clear, thanks to the Labor Party, is that we are forced to have a debate like this one today. Since deregulation of electricity was first mooted some years ago, it was obvious there would need to be significant change to the structure and operation of ACTEW as a business. No longer does it have a closed shop, as it were, and protection from interstate competitors.

To date ACTEW has performed well as a business in its new competitive environment, but its future is far less certain. I think this is one point that all members agree on. Doing nothing is not an option. The main factors that I have judged this joint venture proposal on revolve around what is the best for ACTEW as a business and what is the best in regard to ACTEW for the people of Canberra. I think the temptation has been there to assume that these two are not one and the same, and they are clearly not.

This was no better illustrated to me than at the time Paul Baxter, the Independent Pricing Commissioner, brought down his first electricity price determination a couple of years ago. So valuable is the commissioner to the Canberra community now that I could not even conceive of giving this joint venture proposal more than a cursory glance were he not already in place.

I do not believe that the way this joint venture is structured constitutes a sale. The Labor Party has attempted to talk this up as a sale, but it clearly is not, as the assets that ACTEW would take into the two proposed partnerships would be returned should the partnership ever be dissolved. This kind of arrangement is not a sale, and Labor's attempts to scare people into believing it is has done them little credit.

There are a number of aspects to this joint venture proposal that I like. There appears to be potential for growth of the business, but in the drive for increased efficiencies these days growth does not necessarily translate into more jobs - in fact, all too often just the opposite. Today's front-page headline in the *Canberra Times* announcing a further 16,000 lost jobs in Telstra bears out that sentiment.

Much has been made of the new jobs that will come, if the joint venture goes ahead, from building and operating a gas-fired power station and establishing a local call centre. I think I speak for all members when I say that new jobs are good for the city, Mr Speaker. But, for me, they need to be considered within context. There are some industries in Canberra I would be happy to see pack up and leave town overnight, taking their jobs with them, so just creating any new jobs does not necessarily satisfy me.

The joint venture could see around 150 new jobs in Canberra, but these come in the context of gaining an interest in a gas distribution business and in becoming a electricity provider, an aspect of the industry we have historically been at pains to avoid. While both could lessen the risk to ACTEW as a business, especially the electricity retail side of the business, both also bring with them new risks. Unfortunately, these new risks have largely not been quantified and have been largely glossed over.

Until 1988, the distribution of electricity and the provision of water and sewerage in Canberra were provided by separate entities - electricity by a Commonwealth statutory authority and water and sewerage by the NCDC. At the time of self-government, these entities were merged into the old ACTEW - for which Mr Quinlan takes much of the credit - which subsequently, in 1995, became ACTEW Corporation.

Through each change in corporate structure, employees of ACTEW were forced to confront new challenges. Their working environment has changed a great deal as the years have gone by. Accountability structures and performance measures changed constantly as the business repeatedly went through the throes of efficiency-based adjustment. At the time of corporatisation in 1995, ACTEW had around 1,400 employees. That number has since been reduced to 900. Some have opted for voluntary redundancies, while others have simply not replaced when they have left.

I can well understand the reasons why many of ACTEW's current employees are nervous about this joint venture proposal. With each change in structure of the business, there has been a reduction in the number of jobs, and expectations of them in the workplace have constantly changed. They fear, not unnaturally, that becoming joined to a large private sector company will spark off a new round of job losses and that their wages and conditions will come under pressure.

It has been pleasing to see ACTEW's recent response in offering their workers a series of job guarantees should the joint venture go ahead. I do not know that the unions concerned will ever be completely happy with the joint venture between ACTEW and AGL, but I appreciate their great concern of the unknown and their overwhelming caution.

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Mr Speaker, I wish to make it clear that I do not believe it is our job as members of this Assembly to assist ACTEW management in the day-to-day decision-making involved in running the business. However, it is our job to ensure that the people of Canberra receive a quality product from ACTEW for a fair price and that their substantial investment in ACTEW is protected.

The Chief Minister and the Treasurer have said many times that doing nothing with ACTEW is not an option. I agree. However, I do not therefore agree that any option is necessarily a better one. While there are a number of things I like about this proposal, I am not prepared to give this Government a blank cheque yet. I want to make a decision with all the information on the table. I think that is the sensible thing to do. We need to make an informed decision.

I would like to thank especially Mr Mackay for his assistance on this issue. (*Extension of time granted*) I suppose it is my faith in Mr Mackay that has really got me to the point that I am at now. However, the alarm bells went off well and truly today when Mr Baxter handed down his report on AGL. Although the Government claimed to have all the answers, I think it has highlighted the need to approach this with some caution. I feel that I will be better placed to vote on this after we have all the information on the table.

MR BERRY (8.33): I would like to seek leave to speak.

MR SPEAKER: You do not need leave. The proper place for this debate is after this amendment has been moved, because I then have to put the question that Mr Humphries' motion, as amended, be agreed to. That can open the whole thing up for debate.

MR BERRY: I know that. I just want to follow Mr Osborne. Mr Osborne came in late after a vote and sought leave to speak. It was given to him and I just like to pick up on some of the things he said.

MR SPEAKER: Pardon me, Mr Berry, but Mr Osborne, as it so happened, did not speak to the amendment which he should have spoken to.

MR BERRY: That is right, and then he got leave after the vote was counted.

MR SPEAKER: He did.

MR BERRY: Usually the rules are that you do not get a say, but I thought it would be even-handed. I would not mind a little say on this as well, because Mr Osborne has raised a few things that need - - -

MR SPEAKER: Order! He has raised matters which can easily be debated after - - -

MR BERRY: They could have easily been debated before the vote was taken, too.

Mr Osborne: Mr Speaker, I made the mistake of believing something Mr Berry had told me before that last vote was taken, but I will know better in the future.

MR SPEAKER: There is no point of order, Mr Osborne.

MR BERRY: I am seeking leave. If it is denied, that is fine.

MR SPEAKER: Mr Berry, I am happy to call you after this.

MR BERRY: I will get called after as well. I am seeking leave to speak now.

Mr Moore: No.

MR SPEAKER: Order! Members will come to order. The situation is that any of you can speak only to this amendment, namely, the question that Mr Quinlan's amendment No 2, as amended by Mr Kaine, be agreed to.

MR BERRY: So we can all speak now, can we?

MR SPEAKER: Anybody can speak, to that amendment only.

MR BERRY: What was Mr Osborne speaking to?

Mr Moore: That amendment.

MR BERRY: Okay. I will pick up the issues that he raised. Thank you. Are we ready to go?

MR SPEAKER: If you wish to speak to that amendment, Mr Berry.

MR BERRY: I listened to Mr Osborne. I must admit it was quite a surprising speech which denied history. Mr Osborne was in self-denial. Yes, it is true that these agreements were signed by Rosemary Follett and Paul Keating. But strangely missing from Mr Osborne's speech was the period of John Howard and how it was interpreted, the period of Kate Carnell and how it was interpreted, and how Jeff Kennett had a say in this.

MR SPEAKER: Mr Berry, you are not speaking to the amendment. Get on with it.

MR BERRY: Yes, I am. You allowed Mr Osborne to speak, and I am speaking - - -

MR SPEAKER: And I am telling you that you have to speak to the amendment.

MR BERRY: I am, just as Mr Osborne was. Let us be even-handed here, Mr Speaker. Mr Osborne, you are deluding yourself if you think it was the Labor Party's fault. You are trying to create the impression that it was the Labor Party's fault that you support this Government on this score. How on earth could that be so?

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The interpretation of how governments should be run can be best characterised by some of the things that Kate Carnell has done. She has blown up a hospital and one of our citizens was killed.

MR SPEAKER: Relevance, Mr Berry!

MR BERRY: You endorsed that.

MR SPEAKER: Relevance, Mr Berry!

MR BERRY: She put in a futsal slab.

MR SPEAKER: Relevance, Mr Berry!

MR BERRY: She fixed up the Bruce Stadium.

MR SPEAKER: Relevance, Mr Berry!

MR BERRY: With illegal expenditure.

MR SPEAKER: I am getting very tired, Mr Berry.

MR BERRY: Those are the things that - - -

MR SPEAKER: You are under one warning already.

MR BERRY: They would put it back into context.

Mr Humphries: Mr Speaker, I have to take a point of order on this. It is totally unrelated to the amendment before the house. Mr Osborne's speech was probably also outside the relevance of that particular issue, but of course Mr Berry did not take a point of order on that.

MR WOOD (8.38): Mr Speaker, I wish to speak to the amendment and add to the correction of what Mr Osborne said. I have heard the Government on a number of occasions here try to blame the Labor Party for all these fire sales they are now going into. It is simply not the case. I was in Cabinet at the time when Rosemary Follett signed on to that. I remember quite clearly because we were very specific about it. We questioned Rosemary very deeply about it, and we got a very clear picture of what was and what was not required.

Mr Humphries: I take a point of order, Mr Speaker.

MR WOOD: You talk so much. You can sit down for a while.

MR SPEAKER: Sit down, Mr Wood. There is a point of order.

MR WOOD: No, he can sit down. He is a windbag.

MR SPEAKER: My goodness, it is a problem when we sit late, is it not?

Mr Humphries: Mr Speaker, this is not relevant to the amendment before the house, Mr Kaine's amendment.

MR WOOD: It is relevant to the debate we had. You were not on your feet a few minutes ago when Mr Osborne was speaking.

Mr Humphries: It is not relevant, Mr Speaker, and it is in breach of the standing orders.

MR WOOD: Mr Speaker, I will carry on.

MR SPEAKER: Just a moment. I will be the judge of that.

MR WOOD: I have a very clear memory.

MR SPEAKER: I will allow you to continue.

MR WOOD: Thank you. You just want to be a bit consistent, you windbag.

Mr Hird: Mr Speaker, I take a point of order. I cannot believe that Mr Wood would use that type of language.

MR SPEAKER: We all know that it is late. It is very strange but you do the Assembly no credit with this foolish wild exchange.

MR WOOD: Mr Speaker, I have a very clear memory of this. It was absolutely clear at the time, and I am sure it remained so, that with the competition policy that was being signed up to it did not follow that any utility should be sold. It was absolutely clear that the public - - -

MR SPEAKER: Order, Mr Wood!

MR WOOD: I am responding to Mr Osborne, who seems to want to do this.

Mr Humphries: I take a point of order, Mr Speaker. Mr Osborne quite specifically said that he did not consider this to be a sale, so Mr Wood's comments - - -

Mr Corbell: I take a point of order, Mr Speaker.

Mr Humphries: I am in the middle of a point of order.

Mr Corbell: Mr Humphries is debating, Mr Speaker.

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MR SPEAKER: I would suggest you all sit down. If you do not, I am going to adjourn the Assembly until the ringing of the bells. I suggest you are in for a long night otherwise.

MR WOOD: If Mr Osborne was suggesting that this was not a sale, he is even more incorrect in the assertions he made about Ms Follett. Let us put this on the record: The sale of public utilities was not a condition of signing on to that deal - absolutely, clearly, definitely, without any misunderstanding.

MR OSBORNE: Mr Speaker, under standing order 47, I seek to make a personal explanation. I have been misrepresented here. I can understand the embarrassment, especially of Mr Berry and Mr Wood, being members of the then Cabinet. All I said was that this debate has its origin back at the time when those two leaders signed the agreement.

Mr Wood: No, it does not.

Mr Stanhope: That is rubbish.

MR SPEAKER: Order! The house will come to order. If this keeps up people will be thrown out. There is no question about that. Do I make myself perfectly clear? I remind you again that I am not sure that anybody would wish not to be here for this significant vote.

Amendment (**Mr Quinlan's**), as amended, agreed to.

Question put:

That motion, as amended, be agreed to.

The Assembly voted -

AYES, 9

Ms Carnell
Mr Cornwell
Mr Hird
Mr Humphries
Mr Kaine
Mr Moore
Mr Rugendyke
Mr Smyth
Mr Stefaniak

NOES, 8

Mr Berry
Mr Corbell
Mr Hargreaves
Mr Osborne
Mr Quinlan
Mr Stanhope
Ms Tucker
Mr Wood

Question so resolved in the affirmative.

ACTEW/AGL PARTNERSHIP FACILITATION BILL 2000

Debate resumed from 17 February 2000, on motion by **Mr Humphries**:

That this Bill be agreed to in principle.

MR QUINLAN (8.44): Thank you, Mr Speaker.

Mr Moore: Are you going to do name calling on this one too?

MR QUINLAN: It was more an appropriate adjective than a name.

MR SPEAKER: Order! Mr Quinlan has the floor. I do not want any interjections, thank you.

MR QUINLAN: Is "hypocrite" name calling, Mr Speaker?

MR SPEAKER: If you regard it as such.

MR QUINLAN: I will not indulge in it. It goes without saying that we are a little disappointed with the position we find ourselves in now. I do not think there is much point in dwelling on it at length. Only time will tell. I anticipate a good 18 months of hoopla and openings as the new body goes through the same crass bread and circuses process we have become so used to.

The Bill, combined with the motion, confers incredible powers upon the Minister and no power whatsoever upon the ACT's legislature, which is a crazy situation.

Mr Stanhope: It is abrogation, not delegation.

MR QUINLAN: Even delegations have limits and are usually qualified in some way. I am not happy. This is a fairly sad commentary. I think it confers no dignity on this place that it made the decision it made today with the amount of information it had before it. Because of Mr Kaine's amendment, I think I am somewhere in the loop and I am going to be told what is going on. I commit to this Assembly to do my very best to ensure that the result of this exercise is the best of a very bad lot for the people of the ACT. I foreshadow that I will be moving whatever legislation I can move in this place to ensure that the merged ACTEW/AGL body cannot be asset stripped, as I rather suspect it will be.

There will be euphemisms like "It needs a capital restructure", "It is out of sync with the rest of the industry", "We could free up capital for growth". We have been promised growth all over the place. I suspect that it is never going to occur - or not much, at least. I foreshadow that I will return to this place with whatever legislative instrument I can muster to ensure that body operates to fulfil the promises that were made in this place in recent times. That will not be easy, but that is what I will be doing.

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While I am on my feet, Mr Speaker, I foreshadow that I am going to move several amendments to the Bill. I may as well speak to the foreshadowed amendments now, to save myself rising again. I received, at a very late hour of course, a copy of a letter to Mr Mackay from Stephen Skehill, Special Counsel, to ACTEW, which is largely a demolition job on the amendments I will be putting forward. Anybody who has had any association with a court case knows that there are generally two sides, and quite often your lawyer will tell you, "This is the best assessment we can give you to suit your particular position".

I do not know where that leaves us. ACTEW's special counsel is effectively trying to drive a truck through these amendments. These amendments were prepared by the ACT Parliamentary Counsel. They are the product of a number of iterations in dealing with that counsel to try to get the words right. I will run through the intent of them and I will leave it to the Assembly to decide exactly how they will handle them. I suspect that on the numbers they will get rolled, but I think some of them are quite - - -

MR SPEAKER: You cannot move them yet, Mr Quinlan. We are still at the in-principle stage.

MR QUINLAN: I am just speaking to them. I have just described them.

MR SPEAKER: Okay.

MR QUINLAN: You do not want me to speak twice tonight do you, Mr Speaker?

MR SPEAKER: As you were.

MR QUINLAN: The first amendment I foreshadow is largely a provision that I received advice ought to be incorporated into legislation like this. It virtually indemnifies us against any damages lawsuit if the negotiations go pear shape at some future time, which I doubt. I think it is a responsible measure to include in the legislation.

The second amendment attempts to create a link between this Bill and the Utilities Bill. This Bill confers upon the new, merged organisation an unfettered right of entry. I am aware that there are provisions in the Utilities Bill that do control entry onto property. I do not know which Act will take precedence or under which Act someone could storm onto my property at 4 am, ostensibly to fix something. All I have tried to do, with the advice of the Parliamentary Counsel, is to create a link between this Bill and the Utilities Bill. The latter Bill does apply restrictions to access by people representing utilities and ensures that utilities behave responsibly. In some areas at least, we have legislation that will control what is going on.

My other amendments are mainly designed to cover those assets that are not undertaking assets. We have talked in large part about what ACTEW does. We have talked about their electricity assets and their water assets. The Bill is fairly specific, which leaves in no-man's-land other assets of ACTEW such as the real estate it owns - ACTEW House, some of the large depots that it has north and south, and the equipment that goes with operating the utility. I am concerned that we have at least some measure of control over

what assets go in and what do not and have an understanding of what is happening with those assets. As I said, at the first opportunity I will be back to ensure that those assets are protected. We have been told that this proposal is not a sale and that we can have our assets back at any old time. If any old time turns up, I would like to know that they still belong to us and not to Macquarie Bank. I think that pretty well explains what my amendments are about.

We were a little concerned about the wording of the Bill. It seems that the merged organisation could vest an asset in some other organisation and then dispose of it. We have tried to close up the Bill so that it will protect all of the assets of our public utility. Where do we go from here with this letter from Mr Mackay's solicitor? I think we can speak of Mr Mackay's integrity ad nauseam, but we still have to realise it has become quite clear over past months that Mr Mackay has been promoting the merger. He may feel that is what he should do. This evaluation of my amendments has been brought forward by the solicitor acting on behalf of one of the parties that have been promoting the merger. It is lawyer's advice on how to handle one side of the case.

I would be happy, Mr Speaker, for this debate to be adjourned if someone wishes to adjourn it, and we could resolve these differences at some future time. We have not had that much time. Given the processes within this place, this side of the house has done a pretty fair job in the time available to cobble together its case in relation to the legislation. It would be quite unfair to dismiss these amendments out of hand simply because we want to get on with selling ACTEW. I foreshadow that I will move these amendments and I promise that, unless incited and enraged, I will not speak at length on them again.

MR SPEAKER: Mr Quinlan, at the beginning of your address you asked me whether the word "hypocrite" was unparliamentary. It is. I have ruled on it on a number of occasions. I do not know whether the word was addressed to you and I do not know who uttered it. If it was addressed to you, I would ask whoever did it to withdraw.

Mr Quinlan: It was not addressed to me, Mr Speaker. I was thinking of using it.

MR SPEAKER: In that case, it is all right.

Mr Quinlan: In our private moments I may seek a softer simile that I can use on a regular basis because I think it may be necessary.

MR SPEAKER: You cannot use the word "hypocrite". I will not allow it. I thought it had been addressed to you, and I wanted to make sure that it was withdrawn.

MR BERRY (8.57): Mr Speaker, this Bill will provide the mechanism to enact that which has been decided by the motion which has placed trust in the Carnell conservative Government, that right-wing government opposite. It is the sort of trust that you would have to have reservations about, given the history of experience in this Territory. I cannot believe that Independent members of this Assembly, even

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Independent members who have sold out and joined the Government, would give this amount of trust to a frontbench which has wrought so much havoc in the ACT - all of that on the basis of trust as well.

The first breach of trust in this term was amply demonstrated by Mr Moore's comments in the course of this debate. Before the first Carnell Ministry was formed Mr Moore negotiated with the Chief Minister about the future of ACTEW. Mrs Carnell told Mr Moore before he took on a position as a Minister - - -

Mr Moore: No, that is not true.

MR BERRY: Well, what is true?

MR SPEAKER: Order, please! This is not a question and answer session. This is a debate.

MR BERRY: Let us take it this far: Mrs Carnell told Mr Moore that she intended to sell ACTEW. We will check on the *Hansard* later to see exactly what Mr Moore said the first time. But I think there are some changes and some qualifiers coming, as is often the case.

Mr Stanhope: I think it was just the Libs.

MR BERRY: Do you think the qualifications were negotiated? Yes, I think you are probably right. Mr Moore let the cat out of the bag. What was not on the agenda before the election was on the agenda immediately afterwards.

Mr Stanhope: By March.

MR BERRY: Yes, by March or so. So here we have a significant breach of trust - not on the agenda one day, on the agenda the next. Thank you, Mr Moore for keeping us informed on this matter. I am not sure that the community will offer you much thanks for many things that you have done in recent times, but some might begrudgingly thank you for that. I will. That is the first breach of trust in this term.

But there have been many other breaches of trust in the history of this Government. In the last term this frontbench - not you, Mr Moore, but Mr Humphries, Mrs Carnell and Mr Stefaniak - carried through that most horrific event which was inflicted on the Territory.

Mr Moore: I take a point of order, Mr Speaker. Standing order 62 applies in two ways - both to tedious repetition and to relevance.

MR SPEAKER: Yes, I am about to raise the question of relevance, depending on what Mr Berry states.

MR BERRY: Mr Speaker, this whole endeavour is about trust.

MR SPEAKER: It is not. It is about the ACTEW/AGL Partnership Facilitation Bill 2000.

MR BERRY: No. This Bill is the mechanism for the implementation of a motion which was passed earlier in this place, in case you had not noticed.

Mr Moore: And now he is reflecting on a vote of the Assembly.

MR SPEAKER: Yes, that is true. Please be careful

MR BERRY: No, I am not. I just mentioned it. Is that a reflection?

MR SPEAKER: Just remain relevant to the matter before the house, please, Mr Berry.

MR BERRY: That gave this mob opposite the trust. This Bill gives them the mechanism. Why would you trust these people to do anything, given their appalling performances in the past when trusted to do anything? Mr Speaker, we will oppose this appalling piece of legislation, because it sets out to dispose of the community's assets. It puts in the hands of the people opposite a trust that they do not deserve.

Let us not forget that it was not that long ago when 100,000 were on the banks of the lake trusting Mrs Carnell, Mr Humphries and Mr Stefaniak to keep them safe, and one of them was struck down.

Mr Smyth: I take a point of order, Mr Speaker.

MR SPEAKER: Relevance, thank you, Mr Berry!

MR BERRY: We are the people who will have to rely on the Government to deliver the goods with this piece of legislation. We mistakenly relied on the Government in relation to the Bruce Stadium, and look where that got us.

MR SPEAKER: Relevance, Mr Berry!

MR BERRY: Mr Speaker, it is about form and performance. Surely that can be mentioned against the background of this legislation and the expectations we have that the Government will deliver a positive outcome for the Territory. You cannot have expectations that they will deliver anything positive when you look at things like Bruce Stadium, the hospital implosion, the futsal slab, the Kingston/Acton land swap deal and the way they have managed the International Hotel School since the day the school took its first students. They have driven it deeper and deeper - - -

MR SPEAKER: Order! You are now moving away from relevance.

MR BERRY: And there is the Hall/Kinlyside debacle. These are what you have to have in the background to make judgments about these issues. If you do not mention them, you do not have any history of judgment.

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MR SPEAKER: But you cannot debate them.

MR BERRY: Mr Moore and Mrs Carnell and co. would have it that we started from right now.

Mr Smyth: I take a point of order, Mr Speaker. You have ruled several times on the relevance of what Mr Berry is saying, and he is persistently and wilfully disregarding the authority of the chair. Under standing order 202, you should throw him from the house.

MR SPEAKER: Yes, I will be watching that, thank you.

MR BERRY: Mr Speaker, these matters of performance are relevant, because we are now embarking on a course where the Government will have a piece of legislation upon which it will take actions in accordance with a motion which was passed in this place. Surely performance in the past on other matters has something to do with that. Surely you can reflect on the poor performance of those opposite. Surely when we are making decisions about this we are entitled to reflect on the poor performance of those opposite.

It would be a travesty if people in this place were prohibited from talking about the appalling and dismal performance of this lot opposite, such as the illegal expenditure of funds. Here we are locking the Territory into what could be a financial disaster. We already have behind us the illegal expenditure of funds by this Chief Minister, the former Treasurer. This Cabinet, this sports Minister, this Urban Services Minister, this Health Minister, this Deputy Chief Minister, this Chief Minister - they were the ones who gave succour to the illegal expenditure and what became the Bruce Stadium fiasco.

One has to take those things into account when one is allowing a government to embark on a course with this sort of legislation. This Bill gives the mechanism for the Government to dispose of an important community asset. It gives the mechanism for the Government to affect forever the lives of people who work in that particular public institution. It gives this Government the mechanism to affect the future income to this Territory from this important public asset.

Mr Speaker, you cannot not mention the performance of this Government when you have to take those factors into consideration. It is impossible, and it would be unjust to require it. I know that those opposite would like us not to talk about their background and their performance in the past. So too would crossbench members, because they have now committed themselves to the embarrassment of giving these people their trust. I will not. I have seen the performance. It has been devastating for the community. It has left legacies for future generations to deal with.

Why would you give them the trust to implement this legislation? You never would. You could not. This is a serious piece of legislation which will possibly leave a scar on the economic landscape of the Territory such that we will despair about it for a long time to come. We are despairing of those other acts which I have mentioned earlier. We are despairing of, say, the hospital implosion. This Assembly failed to take action to cleanse us of the troublemakers on this issue.

We are yet to deal with the issue of the Bruce Stadium. I rather suspect that the perpetrators are going to get off again. I fear that. I feel as though one's involvement here, in not being able to call people to book for these serious offences against the community, becomes a worthless process.

Mr Speaker, I will not be supporting this legislation, and for good reason. There has never been demonstrated an ability to deal with issues of this magnitude. The Government are not up to it. They have demonstrated in the past that they are up to smart alec press releases and some bread and circuses. Day after day we see further examples of Bruce Stadium being drawn into disrepute, to the point where I think our performance at the Olympics is being badly threatened, and it is quite clear - - -

Ms Carnell: By action by AGL?

MR BERRY: No, I am talking about your performance. It is on the nose in the community, and people still remember the flying pieces of steel. This Government cannot be trusted to run anything, Mr Speaker.

Ms Carnell: Fortunately the community does trust us.

MR BERRY: I do not think they do trust you. Mrs Carnell says they do. They have no option at the moment, because you are being propped up. Mr Speaker, there is no doubt that the Territory will be the worse off because of today's performance. The thing I feel most troubled about is that here we are passing all of the mechanisms to give this Government the go-ahead, and we still do not have the numbers. Our last Treasurer does not have the numbers. The Chief Minister does not have the numbers. The Treasurer does not have the numbers. None of the other Ministers seem to care. Mr Moore just wants to get rid of it, it seems, and get it over with. It is too hard.

The first 20 jobs have been listed to go on the first day. Rusted into this are 20 redundancies. What a great effort! Mr Speaker, this has been an appalling episode, and here is hoping that the Territory is not scarred too deeply by it. You can rest assured that I for one and my Labor colleagues will be watching this closely, and at every turn of the wheel we will be making sure that the Territory's interests are protected, as far as we can by ourselves.

MS CARNELL (Chief Minister) (9.10): Mr Speaker, I have been listening to all of this debate today and earlier this week and to all of the fairly inane comments that those opposite have made. Maybe it is a good idea to use this opportunity - and it is the first time I have spoken on this Bill - to try to summarise where we are up to with this whole debate.

All of those opposite who have spoken - probably with the exception of Mr Berry, who just ranted and raved about the whole situation - have made the comment that they accept that we have to do something with retail; that the retail part of the ACTEW operation is risky and therefore does need to be addressed. The Australia Institute said that; Mr Quinlan said that; others in the Opposition have made that comment as well. That seems to be an issue that everyone agrees on.

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Mr Berry: No, not everybody.

MS CARNELL: Almost everybody, except Mr Berry, agrees that we have to address the issue of retail and that there are significant risks involved in the retail part of ACTEW. I am very interested that Mr Berry says that does not accept that. When you look at the millions of dollars that have been lost by publicly owned electricity retailers in Queensland and New South Wales, it tends to indicate that there are a few risks involved. In Queensland the reduction in value of the assets over quite a short period of time was about \$500m. That is a huge amount of money. It is the sort of money that, obviously, the ACT could never afford.

We have basic agreement that we have to address the retail issue. That could be done by selling it - the Australia Institute has said that - or by some form of joint venture. Whatever it is, it is about moving it off line. If as Mr Quinlan has suggested we sell the retail arm of ACTEW, what would happen? Immediately some 46 jobs would go, the jobs in the retail arm. What would happen then? This is really important. We would not then have the retail arm and therefore we would have removed the risk. What would be left? What would be left is a toll-keeping capacity. What would be left is our capacity to charge other people to use our wires. What would left in water and sewerage is a capacity to continue to service the people of the ACT. There would be no capacity to grow at all.

In the distribution part of ACTEW, there would be an inevitable reduction in the return to the Government, in our profit margin. Why is that? The reason is that already the price regulator has indicated in his five-year price path that what we will be able to charge for use of our wires will decrease over the next five years. Mr Quinlan knows this. What else would happen? Our costs would go up. Because we would no longer have the retail arm, we would have to run almost all of our costs, apart from the 46 people - things like billing - on a much smaller revenue base. We would still have to bill people for their water and their sewerage. We would no longer be billing them for electricity. The costs would be very similar but, as a percentage, would be higher. Costs tend to go up by about CPI, unless you shed staff and do other things.

Our costs would go up and our revenue would go down. What does that indicate to anybody with any capacity to understand this stuff? It means that our margins would get squeezed. As the margins became smaller, the return to the ACT Government would go down and there would be less money for health, education and other things.

What would we end up with? We would end up with less return to government, lower profit margins to ACTEW and inevitable reductions in staff and no capacity to grow. All that could possibly happen would be a reduction in our dividend. That is projected to reduce to \$36m and then further from there. That is real money to the ACT, and money we currently use on health, education and other things. I cannot believe that those opposite and Ms Tucker believe that that is a good option for Canberra. Without any doubt, we know that we would end up with reduced revenue and reduced job numbers for ACTEW simply because their capacity to pay, their profit, their bottom line, would get inevitably smaller over time.

It is the role of the Assembly to protect our investment in ACTEW. In fact, that was a comment Mr Corbell made this morning. I would agree with that. It is our role to protect our investment in ACTEW. That is what we are doing. We are ensuring that our investment in ACTEW is protected and that ACTEW's capacity to grow into the future is guaranteed - as much as you can guarantee anything in life.

It has also been very interesting to hear a lot of comments about the role of the board versus the role of the Assembly. It has been interesting to hear those opposite suggest that we should be negotiating this whole deal here in the Assembly; that it should be we who determine whether the evaluation is right or wrong. I can just see us all saying, "I reckon a few pipes are worth something or other". We would be absolutely great at that! We would have all of the information at our fingertips to determine whether the evaluation of AGL's assets and ACTEW's assets was right! But those opposite seem to believe that we have that capacity in this place. That is the board's job. There is no doubt about that. It is not the Assembly's role, and nor should it be. It is not the shareholders' role, and nor should it be. It is the board's position.

The ACTEW board will negotiate the best deal possible with AGL. I have no doubt at all about the competence of Jim Service and his board to negotiate a very good commercial deal. When those opposite ask how you could possibly trust people in the Government to negotiate a good deal, I have to say that there is no way we will be negotiating a deal. It is the board's role, and that is the appropriate situation. It is important to remember what the responsibilities of the ACTEW board are. They have responsibilities under law to do the right thing by the shareholders. They have the skills to do that, and I have no doubt they will do it well.

Those opposite have asked us to put all of the figures on the table - the value of the assets, what the future profits will be, what the price lines will be and all sorts of things. They say they need the figures to make a decision. They will oppose it anyway.

MR TEMPORARY DEPUTY SPEAKER (Mr Hird): Order! If the gentlemen on my left wish to discuss matters, I ask them to use the lobby. Thank you.

Mr Berry: We would not have a quorum then.

MR TEMPORARY DEPUTY SPEAKER: Are you speaking to the chair, Mr Berry?

Mr Berry: We would not have a quorum.

MR TEMPORARY DEPUTY SPEAKER: Resume your seat. You know the protocols in this chamber, sir, better than I do.

Mr Moore: Mr Temporary Deputy Speaker, he has been warned.

Mr Berry: I take a point of order, Mr Temporary Deputy Speaker. Would you mind considering at some time in the future the allocation of those little protective devices for our ears when you are in the chair?

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MR TEMPORARY DEPUTY SPEAKER: There is no point of order. Resume your seat, and do not be smart, Mr Berry. It is not becoming.

Mr Berry: Well, stop yelling at me.

MR TEMPORARY DEPUTY SPEAKER: Do not be smart, Mr Berry. You will make history very soon, sir, if you keep it up.

MS CARNELL: As I said, those opposite have asked us for things like the value of the assets, the future profit, what the equalisation payment will be, as if any of those things would make any difference to their position. It would make no difference at all. If the equalisation payment was a billion dollars, it would not make any difference. So what is this about?

Mr Stanhope: It is not about running pop concerts, Chief Minister.

MR TEMPORARY DEPUTY SPEAKER: Order! The Leader of the Opposition will come to order. The Chief Minister has the call.

Mr Moore: Warn him. He has not been warned yet. Warn him.

MR TEMPORARY DEPUTY SPEAKER: Mr Moore, I know you are trying to help but you are not.

Mr Quinlan: We are talking damage minimisation now.

MR TEMPORARY DEPUTY SPEAKER: And that goes for you too, Mr Quinlan.

MS CARNELL: It is simply a stalling tactic from those opposite, as we have already heard from Mr Humphries. Mr Humphries quoted Mr Corbell suggesting that we had got it wrong last time because we had done all the work before we got approval. We are not asking for approval of the deal. This is a facilitation Bill. It allows the negotiations to go forward with confidence that a deal can be struck if it works for both parties. If the board of ACTEW and the board of AGL believe that there is a deal that can be done in the interests of both parties, then a deal can be struck. But this Bill does not approve the deal.

We have been asked whether, if we were a private sector board, we would be given the imprimatur to go ahead without the figures on the table. The answer is yes. Private sector boards would not enter into significant negotiations and significant expenditure unless they were confident that, if things panned out, they could do a deal. They would not do it on the off-chance that somebody would knock it off at the death knell.

Why do those opposite want to bring this back to this place for another vote? It is simply so they can oppose it again. That is all it is about. It really does not matter what the figures look like. They will continue to oppose and oppose and oppose. It is sensible for us to pass this legislation tonight to allow the ACTEW board and the AGL board to get on with the job of assessing whether a joint venture approach, under the

requirements and the rules that have already been set, is possible to achieve. Everybody is very confident that it can be achieved. If it pans out for both sides, that deal can be done.

This morning we even had debate about what the remuneration of the board members should be. Mr Corbell made some comments about unjustifiable increases and all sorts of things. That is simply a ridiculous thing to bring up in this debate on a facilitation Bill.

Mr Berry: I take a point of order, Mr Temporary Deputy Speaker. I think that is a reflection on a vote of the Assembly. That was already voted on this morning, so I think the Chief Minister is reflecting on the vote.

MS CARNELL: No, I am not reflecting on the vote at all.

Mr Berry: You are reflecting on matters which were decided this morning.

MR TEMPORARY DEPUTY SPEAKER: I know you are one of the Temporary Deputy Speakers, Mr Berry, and I expect you to understand standing orders, which you do. Maybe you would like a turn in the chair. The Chief Minister has the call.

MS CARNELL: Again, it is just stalling tactics. A number of members asked, "If we are going into a deal with a company like AGL, how do we know that AGL will not just take all of our profits?". AGL's end-of-year figures that were recently released showed an increase in profit of 56 per cent. Unfortunately, ACTEW's profit did not go up. I am not suggesting that that is a bad thing for ACTEW. I think ACTEW are doing quite well in a very difficult market. But in terms of increase in profit, AGL has the runs on the board. Any view that somehow this is about AGL coming to pluck the ripe fruit of ACTEW is, to say the least, a reflection of a lack of understanding (*Extension of time granted*)

I think it is very important to finish by mentioning a couple of comments made by Ms Tucker. Ms Tucker said that there was going to be a \$38m dividend for ACTEW, basically in perpetuity. Even ACTEW accept that that will fall to \$36m and probably down from there over time. It is important in this debate to get the facts straight on what we are talking about. To do what those opposite want us to do - and that is to sell the retail arm of ACTEW - certainly is possible, but we would end up with a shrinking company, a company with no capacity to grow in the future, a company that would inevitably shed staff, and the dividend would go down. That would impact heavily on our service delivery. I do not believe that is something anybody in this place wants. Is it not a good idea for us to get behind this Bill, to take the assurances given by the ACTEW board and the AGL board and to get on with the job?

MR STANHOPE (Leader of the Opposition) (9.27): I will not speak for very long because we have already had this debate. As far as the Labor Party is concerned, the debate, to a very large extent, is about the appropriateness of the process which the Government proposes for the disposal of ACTEW's assets and the following merger of ACTEW with a major private sector corporation. As is quite obvious to everybody who

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has listened to this debate or who has taken an interest in it, the Labor Party has opposed the process. We have stated quite clearly what is wrong with the process, and we do not resile at all from any of our views or any of our statements or any of our concerns in that regard.

I will not go over the arguments in any great detail, other than to say that our major concerns go to the complete lack of detail on which to make a responsible decision and the process itself. It was a process which saw the selection of a single company, without any attempt to make it competitive, without any attempt to test the market, and without any attempt to address the real issue which the Chief Minister just averted to - the fact that the future of the retail arm of ACTEW is problematic.

As we have indicated, there are different views about the potential degree of difficulty facing the retail sector. The Government has made no attempt to deal with the identified issue. It has just taken this hatchet to the organisation as a whole. History will tell the extent to which this Assembly today and tonight has been reckless with the ACT's major material asset. History will tell us the extent of the recklessness of this Assembly in disposing of this major asset when we do not have a valuation of the assets to be merged. We do not have a value of the assets being pledged by AGL. There is no estimate of the future profits from the venture.

The Chief Minister has again tried to give some force to predictions of the profitability of ACTEW which fly in the face of the figures that ACTEW provided to ABN AMRO. The figures which the Chief Minister was so intent on relying on just over a year ago, as if her life depended on it, have now been scrapped. ACTEW provided those figures to ABN AMRO, and ABN AMRO reported on them. They are nothing like the projections the Chief Minister has just given. They are a completely different set of projections.

This is the environment in which we are making this decision - in the face of a government which is actually fudging in the Assembly. It is not giving information, and it is decrying information previously given. It has trashed the report which the chairman of the board of ACTEW tabled in the Assembly only a few short months ago - a chairman who tells us in his annual report that the corporation is coping well with competition. That is what Mr Service told us. I think his report was tabled in only September/October. That is how old it is! It was only a few short months ago that the chairman of the corporation boasted how well things were going.

Ms Carnell: But he also went on to say things had to change.

MR STANHOPE: He was expressing justifiable pride at how well the corporation was coping with competition.

Mr Moore: Put it in context, Jon.

MR STANHOPE: How you can speak about integrity is one of the wonders of this place, Mr Moore. As I went around Canberra talking to constituents, one of the things that struck me was that the fate which befell Billy McMahon at his worst and the fate which befell Pauline Hanson is the fate which I have discovered has befallen Michael Moore. As you meet with your constituencies and
go out into the community,

you cannot find a single Canberran who is prepared to admit that they voted for Michael Moore. They are all too embarrassed. It is one of the most amazing things.

Do you remember at one stage nobody would ever admit that they ever supported Billy McMahon at his worst? The same thing has happened with Michael Moore. There is not a single person in Canberra who is prepared to put their hand up and say, "I supported that bloke". It is one of the funniest things I have come across over the last year. It is really quite amusing.

Mr Stefaniak: No-one says they voted for Wayne.

MR STANHOPE: You know one person, do you, Bill?

Mr Stefaniak: No, who voted for Wayne. No-one usually admits to that either, but obviously a lot of people do because he is here.

MR STANHOPE: Many people did. This Government has failed a major test of responsibility. It was not prepared to put on the table in this place or release to the community for the information of the public this vital information. As my colleague Mr Quinlan has said, in his discussions of only two or three weeks ago, it was said that the equalisation payment could be as much as \$250m. On Tuesday of this week, the Treasurer admitted that it may be \$100m. Today in question time the Treasurer conceded there may in fact not be any payment at all.

These are the facts. Two weeks ago there was touted a possible equalisation payment of \$250m. Tuesday, two days ago, it was \$100m. Today, who can say? We all noticed that when the Treasurer said, "How can I, on my heart," he put his left hand across his chest and held his right shoulder. It struck some of us as quite prophetic that the Treasurer reached for his right shoulder when he was searching for his heart.

We do not know what, if any, equalisation payment there will be. We do not know the cost of this mooted - some of us in our cynicism think mythical - gas-fired electricity generator. I am sure there will be some keen bets laid by gamblers around town about the year or the decade or perhaps even the century in which the gas-fired generator is constructed.

Mr Quinlan: We'll get there.

MR STANHOPE: You think we will get a generator, do you?

Mr Quinlan: Yes, we will pay for it.

MR STANHOPE: Yes, if we pay for it we will get one. It would be interesting to see whether that turns up in any of the documentation, whether there is some contract. I wonder whether Mr Rugendyke or Mr Kaine got a promise in their letters about the gas-fired generator. I would like to know what the promises were in relation to the gas-fired generator.

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Most of the job projections that were made relate to the construction of the gas-fired generator. This very positive cloud was generated by the proponents around all the jobs that were going to be generated by the gas-fired generator and by the removal of some AGL staff from Queanbeyan across the border. They probably all live in Canberra anyway. These are the staff that we are achieving as a result of all this.

These are the things we do not know. We do not know about the comparative costings. We do not know any of the comparative costings relating to gas-fired electricity versus other options for purchasing electricity. We do not know any of that. They were the reasons that the Labor Party questioned and probed the Government. We sought answers which we felt were needed before serious consideration could be given to this proposal. The answers were not given.

It is on that basis that the Labor Party has opposed this reckless dealing with a major public asset; a public asset that has been built up over the years by generations of Canberrans and that has an affectionate place in the hearts of Canberrans. It is an organisation which the community trusts and wishes to retain in public ownership. It was ironic to see the latest pronouncements from Ziggy in relation to Telstra. History tells us that is precisely where ACTEW will go - down that same path.

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety) (9.37), in reply: I will try to be brief in light of the lateness of the hour. A number of issues have been laid on the table as guarantees or prerequisites which this Government and the ACTEW Corporation stand behind for this arrangement to proceed.

I do not think there is much to be added to many of those comments, except to offer some reassurances on a few matters. First of all, we have had the suggestion that it would be profitable for the ACT community to proceed with the sale of the retail electricity arm of ACTEW only. That is an argument which Labor has come back to time and again in the course of this debate. They are saying that we do not have to make this decision tonight. We do not have to sell ACTEW. We have an alternative. They say they will support consideration of the sale of the retail electricity arm of ACTEW only.

Let me make this quite clear. Essentially, that leaves ACTEW with its water and sewerage assets and its electricity distribution assets. There are a few other smaller things, but in the main the assets of value are the electricity distribution assets and the water and sewerage assets. With respect to the electricity distribution assets, the Labor Party expects that somehow we will be able to retain a level of profit from those assets retained by the Territory to ensure that we are safe and secure as a territory and able to generate reasonable dividends to the community as a result of that kind of business.

The Labor Party may not be aware that the Independent Pricing and Regulatory Commissioner, Mr Baxter, has already set a price path for the electricity distribution business of ACTEW. That price path is for the next five years, and he has projected a decrease of two per cent in the price paid to ACTEW for the return to ACTEW from its distribution assets.

Mr Quinlan: Sell it, quick, quick.

MR TEMPORARY DEPUTY SPEAKER: Order, Mr Quinlan! Mr Humphries has the call.

MR HUMPHRIES: We are seeing the value of the asset coming down in the sense of the value of the - - -

Mr Quinlan: Now we get half the two per cent.

MR TEMPORARY DEPUTY SPEAKER: Mr Quinlan, you should know better. You are the Deputy Leader of the Opposition. Mr Humphries has the call.

MR HUMPHRIES: Thank you, Mr Temporary Deputy Speaker. We see - - -

Mr Quinlan: I thought he was directing his remarks directly - - -

MR TEMPORARY DEPUTY SPEAKER: You are testing my patience and you may make history, Mr Quinlan.

MR HUMPHRIES: Because of this determination by IPARC, we will not see a growth in the return to the ACT community over the next five years from the electricity distribution assets. We already know that there will be a two per cent reduction in the return to the ACT community from the electricity distribution network. How do we know that? Because the Independent Pricing and Regulatory Commissioner has already said that that is the price path. There will be a two per cent reduction in returns from that asset.

We also know that, if we separate the retail electricity assets from ACTEW, we will get no significant reduction in overheads. What can we relieve ourselves of in order to reduce overheads? As Mr Quinlan has pointed out in the last couple of days, there are not many assets associated with that. So we will sell off the customer list in the contracts. We will still have our 47 employees, because it is most unlikely those employees who wish to be employed would be employed by the asset or the organisation which buys the retail arm. What will happen is that the overheads will go up, and the price path of what remains of ACTEW after you have taken out the retail arm will go down.

What will then happen is the dividend will be squeezed. The profitability to the people of the ACT will be squeezed because you cannot get the same return on your distribution assets, and your overheads will continue to rise. You are a smaller organisation, so your chances to spread risk into some other part of the organisation or to restructure or to expand your market base is diminished.

Mr Quinlan: Get out of it.

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MR HUMPHRIES: Mr Quinlan says, “Get out of it”. That was what a sale right was all about, and it was rejected by this Assembly. So we cannot minimise that risk; we cannot avoid it. It has cost us 200 jobs already, and it leaves us with no viable alternative. So we end up with a situation where - - -

Mr Quinlan: The first 200 out of 50. There are only 50 in retail anyway.

MR HUMPHRIES: Mr Speaker, can I please appeal to you for some assistance in being able to make my speech without constant interjection?

MR SPEAKER: Yes, you may certainly do so.

MR HUMPHRIES: It makes no sense to talk about the separation of retail and the sale of retail as a way of resolving this problem. The separation of retail from the rest of ACTEW simply results in - - -

Mr Rugendyke: Ringbarking.

MR HUMPHRIES: As Mr Rugendyke has quite aptly said tonight, it will result in the ringbarking of ACTEW. It cannot survive viably in that set of circumstances.

I want to respond to a silly argument from Ms Tucker that private sector utilities when they are involved in public assets run those public assets down. Let us look at the record. In New South Wales, for example, the two most conspicuous problems with the running down of public assets in the last few years has been the water quality scare in Sydney and significant power blackouts in Queensland and in Auckland, New Zealand. They are the biggest stories we have seen in the last two or three years to do with the failure of public infrastructure in areas of major utilities: the failure of the water system in Sydney, the failure of power in Auckland and the failure of power in Queensland. In every one of those cases, the assets concerned have been publicly owned, publicly operated assets.

There has been a massive scare over Sydney’s water quality. Sydney Water has had to pay \$75m in compensation to the people of Sydney because of the failure of their maintenance of public assets. We do not hear Ms Tucker saying in this place, “There’s obviously some problem with public ownership of infrastructure assets”, do we? We do not hear her saying that, but that is the logical conclusion you would take from that. If you look at the running down of public assets, it has mainly been public utilities which have been responsible for that lack of attention.

Mr Quinlan: That is Professor Hilmer. Run them down, then sell them.

MR HUMPHRIES: And who appointed Professor Hilmer to do his job in the first place? The Federal Labor Government.

MR SPEAKER: Order! This is not a dialogue.

MR HUMPHRIES: I wish to make a final point. We have been told that you cannot trust this Government; that if we give it a blank cheque it will go away and wreak havoc with ACTEW's assets; that it is crazy not to provide a final overview of what goes on. Let us be perfectly clear about the process from here.

If this Bill is passed tonight, the ACTEW board will go away and negotiate a deal with AGL. It will bring back that negotiated deal, assuming it is successfully resolved, to the shareholders and to the Government for the test of whether this is in the public interest of the ACT. Having provided for the opportunity for the Government to assess that matter, the Government will either tick it off or it will knock it back. If it ticks it off, it will then go ahead into a joint partnership between ACTEW and AGL.

In making that occur, the Assembly still holds the Government accountable for what occurs. If we approve a deal which is bad, which sells off the assets of the Territory at bargain basement prices, which puts the business of ACTEW at serious detriment vis a vis AGL, if we provide for a bad deal in any respect, if we do not honour the undertakings which we have given, if we do not provide the job guarantees that go with this arrangement, if we do not fully account to the Assembly in the way in which the amendment to the earlier motion moved by Mr Kaine has provided for, the Government wears that on the floor of this Assembly.

The idea that the Assembly has washed its hands of this process by passing this motion and this Bill tonight is simply nonsense, because those opposite will hold us to account for what occurs with this process from tonight. If they are going to hold us to account, if they are going to come back in here and question us about it and ask us to explain the process that will be used from this point, then clearly there is an ongoing exercise in scrutiny of the process which the parliament exercises.

That puts the lie to the claim that the Government has been written a blank cheque by the motion tonight; that you cannot trust this Government and we are losing control over ACTEW. That puts the lie to that claim. On that basis, I say that the Assembly is entitled to go ahead and make this decision. It is entitled to put this process in train, because it is up to the Government to come back and show the Assembly that we have made a sound decision in the circumstances. If we do not, we face the consequences.

Question put:

That this Bill be agreed to in principle.

9 March 2000

The Assembly voted -

AYES, 9

Ms Carnell
Mr Cornwell
Mr Hird
Mr Humphries
Mr Kaine
Mr Moore
Mr Rugendyke
Mr Smyth
Mr Stefaniak

NOES, 8

Mr Berry
Mr Corbell
Mr Hargreaves
Mr Osborne
Mr Quinlan
Mr Stanhope
Ms Tucker
Mr Wood

Question so resolved in the affirmative.

Detail Stage

Clause 1 to 4, by leave, taken together and agreed to.

Clause 5

MR QUINLAN (9.53): I move:

Page 2, line 29, add the following new subclause:

“(2) To avoid any doubt, the enactment of this Act is not, and is not to be taken to be, a consent or approval of the Territory or the Legislative Assembly for any law (including a provision of this Act), contract or agreement that requires or envisages such consent or approval and, in particular, is not a consent or approval to—

- (a) an agreement of the kind mentioned in subsection (1); or
- (b) a vesting of assets, rights or liabilities under this Act; or
- (c) any other matter consequent on or relating to such an agreement or vesting.”.

I did promise that I would not labour my amendments. I only say that I think they are appropriate amendments. They have been worked through in association with the Parliamentary Counsel, so I do take the demolition job that the ACTEW lawyer has attempted to wreak upon them with a grain of salt. I commend this amendment to the house.

MS TUCKER (9.54): I make a general comment about the timing of bringing forward different legal advice. This happened last week with some legislation that I introduced. Mr Smyth brought legal advice challenging the technical correctness of my legislation, and I was forced to adjourn the debate. I got support for that, because it was obviously totally unreasonable for people to have to make a quick decision. I was interested in ensuring that our legislation was not flawed even though it was developed by

parliamentary drafters. I got support to adjourn the debate, and we spent the lunch hour - the drafter got no lunch either - dealing h it, because it was given to us so late. Then after lunch I was able to argue that I was still of the conviction that our legislation was fine.

Tonight we have had more legal advice, another interpretation of amendments, dropped on the desk at the last minute. I think it is totally unreasonable, and I think it would be quite reasonable to move an adjournment of this debate until we have time to look at this advice, but I am not expecting to get support for that.

I have looked at Mr Quinlan's amendments and I think it is totally inappropriate for the Government to expect us to be able to make a judgment on them. If someone wants to move an adjournment, I will support. Does anyone want to move an adjournment?

Mr Berry: Just seek leave to do it.

MS TUCKER: I seek leave to move an adjournment.

MR SPEAKER: Just one moment please, Ms Tucker. You are referring to new advice. The chair is not aware of any advice, only Mr Quinlan's amendments.

MS TUCKER: So there is no alternative interpretation?

MR SPEAKER: Not as far as I am aware. There is a motion that follows the passage of this Bill. Is that what you are referring to?

Mr Humphries: No, it is something else, Mr Speaker. It is some advice that has been circulated in the chamber.

MS TUCKER: I seek leave to move a motion for the adjournment of the debate.

Leave granted.

MS TUCKER: I move:

That the debate be adjourned.

Mr Humphries: Can I seek leave to speak to the motion, Mr Speaker?

Leave not granted.

Question put:

That the debate be adjourned.

9 March 2000

The Assembly voted -

AYES, 7

Mr Berry
Mr Corbell
Mr Hargreaves
Mr Quinlan
Mr Stanhope
Ms Tucker
Mr Wood

NOES, 10

Ms Carnell
Mr Cornwell
Mr Hird
Mr Humphries
Mr Kaine
Mr Moore
Mr Osborne
Mr Rugendyke
Mr Smyth
Mr Stefaniak

Question so resolved in the negative.

Amendment negatived.

Clause agreed to.

Clauses 6 to 9, by leave, taken together and agreed to.

Clause 10

MR QUINLAN (10.00): Mr Speaker, I move:

Page 5, line 35, add the following new subclause:

“(9) To ensure the proper provision of utility services, the Minister may, by notice in the Gazette, determine conditions for the exercise of a right conferred by paragraph (8)(c) and, if any such conditions are determined, the right may only be exercised in accordance with the conditions.”.

According to the advice I have, it is rather important that we build a link between this Bill and the Utilities Bill, which governs the conditions upon which your private space can be invaded. I commend the amendment to the house.

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety) (10.01): Mr Speaker, I do not think the amendment is necessary, but I also do not think it hurts, so I am indicating that the Government will support this amendment.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 11

MR QUINLAN (10.02): Mr Speaker, I seek leave to move my amendments 3 and 4 together.

Leave granted.

MR QUINLAN: I move:

Page 6 -

Line 19, paragraph (3)(b), after “case of”, insert “a significant asset or”.

Line 22, after subclause (3), insert the following new subclauses:

“(3A) The Minister may, in writing, certify that an asset specified or described in the certificate is not a significant asset for subsection (3) and, if such a certificate is given, the asset is not a significant asset for that subsection.

“(3B) A certificate under subsection (3A) is a disallowable instrument for the *Subordinate Laws Act 1989*.”,

Mr Speaker, for those who were not here earlier when I went through it, these amendments relate to assets outside systems assets. If there is to be vesting of considerable real estate that ACTEW owns within this deal, then I think that should be a separate decision of this place.

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety) (10.03): I am very concerned about amendments 3 and 4. I think they represent a serious erosion of the decisions the Assembly has already taken tonight. Under clause 11 the Minister is allowed to declare assets vested in the joint venture. That can occur under the motion which has been passed and the Bill which is part way through being passed at the moment. You cannot make a declaration to vest those assets unless ACTEW and AGL have agreed to the terms of the declaration and the Assembly has, by resolution, approved the vesting. It has done that already tonight by the resolution which was passed a little while ago.

Mr Quinlan’s amendments take a new class of assets called “significant assets” and in effect say that significant assets cannot be dealt with except by a resolution of the Assembly. What is the difference between a significant asset and a main undertaking? Clearly, a significant asset could be a main undertaking, and vice versa. The lack of definition here worries me considerably.

I see what Mr Quinlan is getting at. He does not want something significant in ACTEW which might not be associated with the joint venture - I think that is what he is trying to do - sold or put into the joint venture without the Assembly approving it. That is fair enough, but the confusion between main undertakings and significant assets is such that it would cause a real problem in knowing whether a particular thing we propose to deal with under this arrangement was a significant asset or a main undertaking, or both. It could lead to the Government, because it is unsure, having to come back to the Assembly to get approval for a particular asset to be part of the deal if it was considered a significant asset, having to come back to this house for a further vote on whether
or

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not, in effect, an asset should be devoted to the joint venture. That would be a very unfortunate situation. It would remove the certainty which we have argued for already tonight that the Assembly should be giving to this process to allow us to go ahead.

I can assure members opposite that if any significant assets are to be sold or disposed of we will consult with the Assembly about that. That is my undertaking as the Treasurer on behalf of the Government. With respect, that is a more satisfactory arrangement than trying to build this confusing provision into the legislation. It will certainly compound the problem of knowing what is a significant asset versus a main undertaking in terms of how to deal with the movement of assets that the Assembly has now resolved to see take place.

Question put:

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

The Assembly voted -

AYES, 7

Mr Berry
Mr Corbell
Mr Hargreaves
Mr Quinlan
Mr Stanhope
Ms Tucker
Mr Wood

NOES, 10

Ms Carnell
Mr Cornwell
Mr Hird
Mr Humphries
Mr Kaine
Mr Moore
Mr Osborne
Mr Rugendyke
Mr Smyth
Mr Stefaniak

Question so resolved in the negative.

Clause agreed to.

Clause 12 agreed to.

Clause 13

Amendment (by **Mr Quinlan**) proposed:

Page 7, line 8, paragraph (1)(c), after "electricity", insert "or of assets formerly vested in ACTEW or a subsidiary of ACTEW that have been the subject of a declaration under section 11 that has been approved by the Legislative Assembly".

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety) (10.08): I have to indicate that I am concerned about amendment 5. This effectively says that at the end of a joint venture we would automatically transfer back assets which are referred to in clause 11 as having been vested originally in the joint venture. That sounds fine, except that if the joint venture lasted for 20 years and you were trying to identify what assets there at the beginning now have to be transferred back at the end you would have a definitional difficulty about what was the same asset.

For example, you have some pipelines laid through one part of the city of Canberra. In the 20 years that they have been part of the joint venture, the pipes have been dug up a couple of times and replaced. They have been widened to accommodate more cabling, the route has been changed to accommodate a new building and other things have occurred. How do you know at the end of the 20 years whether that pipeline is the same pipeline that was vested 20 years before pursuant to clause 11?

You could argue that basically it is the same pipeline; that it should be therefore re-vested in the corporation. You could equally argue that if things had been added to it or it had been changed it is not the same pipeline. It is the old argument about the man who had the same hammer in his family for 20 years. The hammer head was replaced three times and the hammer handle was replaced twice. It is and it is not the same hammer.

Mr Speaker, I think it is important not to create an impossible situation. The clear intention here is that the electricity infrastructure be returned to ACTEW at the end of the day, but being specific about what particular items are referred to within that framework is too difficult a constraint to put on the joint venture, particularly if it runs for a very long period of time.

MR QUINLAN (10.10): What Mr Humphries has said, using network assets as an example, makes a mockery of all the claims made about unscrambling the egg. If it is all that hard, why do we have all these provisions in the Bill, unless it is just one big con? The logic just does not hang together. I commend the amendment to the house.

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety) (10.11): Very briefly, Mr Speaker, it is about the overall infrastructure being returned. We propose that the overall infrastructure go back to ACTEW, but not necessarily each nut and bolt which was originally transferred on day one. It would be the same infrastructure in toto but not each minute component.

Amendment negatived.

Clause agreed to.

Clauses 14 to 22, by leave, taken together and agreed to.

Clause 23

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MR BERRY (10.12): This goes to an issue which was raised in particular by Mr Kaine in relation to employees. Mr Kaine made the point that he wanted to make sure that employees' entitlements were preserved in the scheme of things. The amendments are quite straightforward and it does not take much reading to fully understand them. They merely include the requirement for agreements to be reached with organisations representing employees in relation to the secondment of ACTEW employees. They are straightforward amendments to clause 23 subclause (1) and clause 23 subclause(2).

Mr Speaker, this goes to the fundamentals of ensuring that employees are protected as much as possible in the scheme of things. As we know, a labour hire organisation will be set up in the form of the old ACTEW, the new ACTEW or the joint venture, whatever it might be called.

Mr Stanhope: Just AGL

MR BERRY: Or AGL. That is probably closer to the truth. They will hire these people. But before they leave old ACTEW they need to be assured as much as they can be of their wages and working conditions and the terms of the secondment arrangements. The words "and organisations representing employees" have been included in those two respects.

MR SPEAKER: Would you mind asking for leave to move your two amendments together and then formally moving them?

MR BERRY: I seek leave to move the amendments as circulated in my name together.

Leave granted.

MR BERRY: I move:

Page 11 –

Line 7, subclause (1), after "joint venture entity", insert "and organisations representing employees".

Line 10, subclause (2), after "venture entity", insert "and organisations representing employees".

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety) (10.14): Mr Berry's amendments seek to give the unions to which he has referred effectively a veto power over the transfer of workers into the joint venture or out of the joint venture at any point in the course of the thing.

Mr Berry: No, you are wrong.

MR HUMPHRIES: It does, because the new clause would read:

ACTEW may, on such terms as are agreed between it and another joint venture entity and organisations representing employees, second to the entity, for the purposes of the joint venture, the services of any employees.

It would have to have agreement between ACTEW, the joint venture partner, say AGL, and the union. So there is a veto power there.

Mr Moore: Not just one union, all unions.

MR HUMPHRIES: Okay, unions. That makes it even more difficult. Presumably all the unions representing any employees in the organisation have to consent before there is any transfer of employees into or out of the joint venture. How do you expect the guarantees on employment to be honoured if there is no capacity to move those employees as is required by the needs of the joint venture, given the fact that terms and conditions of employment under awards and other entitlements, bargaining agreements are so on are guaranteed under these arrangements?

No employee loses his entitlement because he is now working for the joint venture as opposed to ACTEW. In fact, technically an employee still works for ACTEW all the time but is seconded to the partnership. If you cannot move the workers over to the partnership, then you have obviously lost the capacity to move the employees around in a way which serves the needs of the joint venture.

I am assuming a certain degree of lack of cooperation on the part of the unions concerned. I might be badmouthing them on that score, but the fact is that some of them have been hostile to this process so far. If, in the event of some kind of dispute or industrial confrontation, they decide to refuse to move employees between the two organisations, between the joint venture and ACTEW proper, the entire arrangement could fall down.

Mr Speaker, that would make it very hard to honour the promises about maintenance of employment levels in ACTEW. We take very seriously the promises we have made about being able to retain employment levels in ACTEW under this arrangement. We intend to keep them, but it is going to be very hard to do that if we are constrained in this way about where the employees actually work.

MR BERRY (10.17): That has to be seen as one of the most inaccurate Gary-s that he has tried for a long time.

Mr Moore: Mr Speaker, I take a point of order. Not only have you warned Mr Berry, but you have made it clear before on many occasions that members are not to use that expression.

MR SPEAKER: We have already decided that "Gary-ing" is unparliamentary. Withdraw it please, Mr Berry.

MR BERRY: If I was Gary, I would withdraw it too.

MR SPEAKER: Withdraw it, I said.

Mr Moore: He has been warned, Mr Speaker. He wilfully disobeys the authority of the chair.

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MR BERRY: Withdraw what?

MR SPEAKER: "Gary-ing".

MR BERRY: I withdraw it.

MR SPEAKER: Thank you.

Mr Kaine: You have just been Winstoned, mate.

MR BERRY: Young Winstoned. You are incorrect in the accusations you made, and you need to be exposed for it. You do this all the time, and less and less you should get away with it. Are you trying to tell me that unions, faced with the joint venture, would not understand that if they were not to transfer they would have nowhere else to go?

Mr Humphries: They can stay in ACTEW.

MR BERRY: What faces them there? There is no work. Only redundancy faces them, it would seem.

Mr Humphries: No. There is a job guarantee there.

MR BERRY: What are they going to do in ACTEW? There is going to be nothing there. It is merely a shell. It is a labour hire company. You do not understand your own legislation. If you look a little bit further down clause 23, you will get to subsection (3), where it states:

A provision in an agreement is void so far as -

- (a) it is inconsistent with subsection (2) or a right or a remedy arising from the subsection; or
- (b) it would make it unduly impractical or disadvantageous for ACTEW to exercise its power under subsection (2).

So that is one part of it covered quite clearly.

Mr Moore: No, it is not. You are amending subclause (1).

MR BERRY: Have a look at it. Do not give us that nonsense. In any event, despite all the argy-bargy that you are going on with, the fact of the matter is that employees in this organisation deserve to be represented by their organisations, notwithstanding the Liberal Party's abhorrence of trade unions. Say this is, in your classic terms, an ideological battle. I think unions should be able to represent their members in this important change in life where they have only a two-year guarantee on job security and you do not. Members can vote whichever way they like, but I will make my position clear in relation to this. This is going to be a very sensitive time for workers, and they deserve support and protection and they deserve to have an organisation which will stand up for them.

MR MOORE (Minister for Health and Community Care) (10.20): Mr Berry did not deny that under his amendments the unions will have the power of veto, because they require agreement of the unions. The reason he has not denied that is that he cannot. It would mislead the Assembly if he said that they did not have the power of veto. They do, and that is the difficulty.

MR BERRY (10.21): You are equally misleading and dishonest. The clause states:

ACTEW may, on such terms as are agreed ...

It is not an obligation in relation to ACTEW either. I expect Mr Moore to be anti-union. That has been in his style ever since he came here. He does not want to see people represented by a collective, because it empowers them, notwithstanding all of the rhetoric he comes out with. I am happy to have the matter voted on, and I will just watch who votes which way. Then we will wait and see what happens with workers.

Mr Moore: It is a veto and you know it.

MR BERRY: If it is a veto, it is not such a bad thing anyway. If the conditions are poor - - -

MR SPEAKER: I thought you were happy to have the matter voted on.

Question put:

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

The Assembly voted -

AYES, 8

Mr Berry
Mr Corbell
Mr Hargreaves
Mr Osborne
Mr Quinlan
Mr Stanhope
Ms Tucker
Mr Wood

NOES, 9

Ms Carnell
Mr Cornwell
Mr Hird
Mr Humphries
Mr Kaine
Mr Moore
Mr Rugendyke
Mr Smyth
Mr Stefaniak

Question so resolved in the negative.

Amendments negatived.

Clause agreed to.

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Clauses 24 to 30, by leave, taken together and agreed to.

Clause 31

MR QUINLAN (10.24): I move:

Page 14, line 21, subclause (2), omit the subclause.

The point of this amendment is to ensure that, through a two-stage process, AGL can drop out of this partnership and set up ACTEW with whatever partner it wishes. We are talking about a related body, but that related body has rights of its own, and this Bill confers some rights on it. I have a note here relating to the Corporations Law, section 9, dictionary. The closest term I can find is "related entity" in relation to a body corporate, and it includes a promoter of the body, a relative or a de facto spouse of such promoter, et cetera.

We do not suspect that AGL has a plan to involve itself in breaking down the partnership immediately or tailoring it to suit itself. However, the whole structure of an act is the lowest common denominator. If we trusted everybody, we would not have laws at all. So, if we are going to enact this Bill, this ought be included. I notice that the special counsel to ACTEW has criticised it, but I do not think the main reason was addressed. Again, it was developed in consultation with the Parliamentary Counsel.

I heard on radio this morning a recommendation that nobody should ever watch sausages or the law being made. I guess we have got to that most unattractive stage.

Mr Humphries: Where did you get that phrase from, Ted?

MR QUINLAN: I got it off the radio this morning.

Mr Humphries: So did I.

MR QUINLAN: We were all caught in traffic this morning, were we? I do not think the criticism of the Special Counsel for ACTEW - I guess that is a hired lawyer - addresses the main thrust of it. As I said, no law is made for law-abiding citizens. It is made just in case. This is one of those "just in case" provisions which ought be included. I commend the amendment to the house.

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety) (10.27): I want to briefly rebut the argument to this particular amendment. If law is like sausage-making - and this is real little weeny - what we are doing by removing subclause 2 is putting unnecessary restriction on what AGL may do to accommodate its needs as part of this partnership. It does not have an equivalent right to veto particular arrangements, such as restructuring within ACTEW that might be initiated at some point in the future. Why, arguably, should ACTEW have a right to veto some restructuring of the AGL Corporation?

We are not talking about AGL giving away its rights to Bastard Corporation or something. It still has to be AGL. It has to be a related body corporate to AGL within the meaning of the Corporations Law, but it allows them some flexibility to restructure. I think it would be quite unreasonable to require that that be consented to by ACTEW before it could take place.

Amendment negatived.

Clause agreed to.

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

Question put:

That this Bill, as amended, be agreed to.

The Assembly voted –

AYES, 9

NOES, 8

Ms Carnell
Mr Cornwell
Mr Hird
Mr Humphries
Mr Kaine
Mr Moore
Mr Rugendyke
Mr Smyth
Mr Stefaniak

Mr Berry
Mr Corbell
Mr Hargreaves
Mr Osborne
Mr Quinlan
Mr Stanhope
Ms Tucker
Mr Wood

Question so resolved in the affirmative.

PAPER

The following paper was presented by **Mr Smyth**:

Motor Traffic Act, pursuant to section 84 – The Nominal Defendant (Australian Capital Territory) Report for 1999.

ACTEW AND THE AUSTRALIAN GAS LIGHT CO. - JOINT VENTURE – PROBITY AUDIT

MR QUINLAN (10.31): Mr Speaker, I seek leave to move the motion circulated in my name in relation to a probity auditor.

Leave granted.

MR QUINLAN: I move:

That the Treasurer, after consultation with the Standing Committee on Finance and Public Administration (incorporating the Public Accounts Committee), appoint an independent Probity Auditor to oversight the establishment of the proposed partnership arrangements between subsidiaries of ACTEW Corporation Limited and the Australian Gas Light Company. The Probity Auditor will have terms of reference, not limited to but including the following principles:

- (1) to ensure that the steps taken to arrive at a process of direct negotiation with the Australian Gas Light Company are defensible and have been objective;
- (2) to minimise potential liability that might otherwise arise out of the conduct of the select process;
- (3) to ensure the probity of the selection process for the engagement of all advisers;
- (4) to take action to address all conflict of interest issues as and when they might arise;
- (5) to ensure effective contract risk management arrangements;
- (6) to ensure that all necessary steps are taken to optimise outcomes for the Australian Capital Territory and its people;
- (7) to ensure compliance with obligations regarding consultation with affected employees and their representative organisations;
- (8) to ensure a clear audit trail.

So we do not get a reputation for being totally fast and loose, I believe it is appropriate that an independent probity auditor be appointed to monitor what goes on from here. As a result of Mr Kaine's earlier amendment, there will be some reference to a committee. We are all aware that there are some limitations in terms of what time and effort a committee can devote to such a complex issue. We will certainly do our best. However, not only do we need to afford protection to the people of the ACT in getting the best deal – the best of a bad lot – but we must give the appearance that that has occurred.

The people of Canberra are entitled to the appearance of probity, proper checks and due process. It is important that we audit this process from step one, because it has been a less than conventional road to arrive at this one-on-one negotiation. There was an announcement on 9 April last year that a merger with Great Southern Energy was being investigated. The next day we had a hastily cobbled together invitation for expressions of interest which I contend and which is reasonable to assume was designed to validate, to some extent, the immediate process of going into one-on-one negotiations with Great Southern Energy.

The expressions of interest rolled in and over a considerable period of time received scant attention. When the Great Southern Energy deal fell through, they were immediately grabbed out and dusted off. At that time or since - I cannot exactly recall -

there has been a clear statement by the Chief Minister that these expressions of interest were not tenders. It is important to note that we are not talking about \$5,000, \$50,000, \$500,000 or even \$5m worth of assets or value. We are talking about extremely large amounts of money.

I believe the Territory needs to protect itself by being absolutely certain that what it has done to date can stand close examination now rather than at a later date when it could all come unstuck. It could come unstuck if some of the other organisations that are setting up in retail electricity or retail energy decide to challenge it. It looks like it is fairly predatory out there, and some of those organisations will have deep pockets. I would not like to see the Territory fighting a legal battle if it were totally unnecessary.

I believe it is incumbent on every responsible MLA in this place to ensure that that is where the examination starts. The terms of reference have been cobbled together using terms of reference already set down for the probity auditor of South Australia. It had enough wit to appoint a probity auditor from the very beginning. In fact, that probity auditor was appointed by the legislature. So the independence and the appearance of independence were both quite clear. The people of South Australia could rest in the knowledge that at least what had happened satisfied due process. The other terms of reference flow fairly naturally from that. I strongly commend this particular motion to the Assembly.

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety) (10.37): I think it is appropriate to consider the appointment of a probity auditor to oversee the process from this point onwards. I do not disagree with much of what Mr Quinlan has said, but I have suggested some amendments to the motion which Mr Quinlan has moved. Mr Speaker, I seek leave to move the two amendments together.

Leave granted.

MR HUMPHRIES: I move:

- (1) After the words "Standing Committee on Finance and Public Administration (incorporating the Public Accounts Committee)", insert ", on Friday 10 March 2000,".
- (2) Omit all words after "the following principles:", substitute:
 - (1) following passage of the ACTEW/AGL Partnership Facilitation Bill, to ensure that due process is followed at all stages of negotiation of the proposed Joint Venture between ACTEW and AGL;
 - (2) to ensure that, by the provision of proper, independent professional advice, the interests of ACTEW and its shareholders are protected and that any agreement is fair and equitable;

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- (3) to ensure that, by the provision of proper, independent and professional advice, the contract governing the joint venture complies with the law and any resolution of the Assembly or other pre-existing undertaking by ACTEW (for example, the jobs guarantee);
- (4) to ensure that the final contract reflects all terms, conditions and agreements – and that there are no side or undisclosed agreements;
- (5) to ensure the probity of the selection process for the engagement of all advisers;
- (6) to take action to address all conflict of interest issues as and when they might arise; and
- (7) to ensure a clear audit trail.

First of all, a person has been identified by ACTEW Corporation as the person who would conduct the job of probity auditor. However, I see that the motion entrusts the Treasurer with the task of appointing an auditor. So I will examine whether that person is an appropriate person and appoint that person immediately, given that the process of proceeding with this joint venture starts tomorrow. Therefore, I propose that the motion should say that the appointment should take place tomorrow.

There are a couple of points in the motion which I think need to be modified. First of all, principles 1 and 2 of Mr Quinlan's motion refer to the process of direct negotiations with the Australian Gas Light Co. Their aim is to ensure that the processes taken in the past are defensible and objective. Principle 2 aims to minimise the liability that might arise out of the conduct of the selection process – a process which has taken place in the past. How can a probity auditor find out what has happened in the past in such a way as to be able to audit the process?

Mr Quinlan: They do every day.

MR HUMPHRIES: For financial transactions, yes, but to assess the probity of what negotiations have taken place in the past, for example, would necessitate asking the various players to come back into a room to re-enact what was said in a room as discussions were taking place between those particular players.

I think it is misguided to expect that somehow the probity auditor can reconstruct the processes gone on up until this point. He can certainly check the figures and the processes that have been put down on paper. You would expect that to be the case. He can certainly check the things that have been reduced to writing, but to otherwise go over the processes as if he were involved from the beginning rather than from this point in time would be pretty hard to accept.

Principle 6 is a problem in that it suggests a role of the probity auditor should be to maximise outcomes for the Australian Capital Territory. The auditor's job is to sit over the shoulders of the people conducting the particular exercise - in this case, negotiations over a joint venture - and determine whether or not they are behaving in an appropriate

and ethical way, whether or not they are doing their duty according to their particular obligations, their fiduciary duties, their principles and in accordance with the legislation and so on. That is the role of a probity auditor.

It is not the probity auditor's role to get involved in the negotiations himself and say, "If we do this differently, we can get a better outcome. We might be able to screw them for a bit more money if we take this particular approach". That is not the role of a probity auditor, and I think principle 6 is probably not appropriate for that reason either.

Principle 5 refers to ensuring effective contract risk management arrangements are in place. I am advised that contractual clauses are generally drafted and interpreted by legal advisers, are often highly complex and technical, and assessment could require legal qualifications. We are not proposing to appoint a lawyer as a probity auditor. Obviously there would be some involvement in that process but not at the level of legal advice.

I have a slight concern with principle 7 as well. I do not believe that a probity auditor, generally, has a role in providing industrial relations advice or advice about consultation mechanisms. I think that is outside the usual role of a probity auditor. However, 8 is certainly not a problem, nor are 3 and 4. The amendments I have suggested remove those which are problems but address other things which would normally be found in the terms of reference for a probity auditor. I commend the amendments to the house.

MR QUINLAN (10.42): I have heard some flim-flam in my time, but that is getting close to the best.

Mr Humphries: That is what you have been saying all night. Apparently everything I have said tonight is flim-flam.

MR QUINLAN: Quite obviously, we do not want an audit. So we are going to appoint an auditor to do next to nothing. I for one, as an MLA, would like an expert opinion on whether the process we have followed to date can stand up to public scrutiny today, tomorrow and next week. I will take the expert's opinion and - - -

Mr Humphries: How will you know? How will the probity auditor know?

Mr Moore: You have been running the same argument all night and all day, Ted.

MR QUINLAN: No, this is now about due process. The argument that I have been running for a couple of months has been, "I don't like the way we've got it here", and I do not. I believe it should be examined. If it is examined and an independent probity auditor gives it a tick, I will happy back away. I will feel a lot more comfortable as a member of this legislature who has put this whole process in place if it has been done on a defensible basis. I would like that reassurance. I would rather think that responsible members of this place would also want that assurance.

Mr Humphries: How does he establish that what has happened in the past is appropriate?

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MR QUINLAN: By the records that are available. Most processes of the law and of audits involve looking back, examining and asking, "Was that right?"

Mr Moore: But this is a new joint venture.

Mr Humphries: But they are examining documents.

MR QUINLAN: But is it starting out on a legitimate base? If we have to have it, let us give it a legitimate start.

Mr Stanhope: Go from expressions of interest to single select.

MR QUINLAN: We will not debate it any more. Let us leave that to an independent probity auditor to decide. He does not have to sit in on negotiations, but to optimise the outcome for the Australian Capital Territory we need to make sure that he looks at it and says, "I think the right valuation bases are being used". That is another subject of debate here. So we get an auditor to look at it to ensure effective contract risk management arrangements. That sounds logical to me and it is a straight lift from South Australia.

If this house does anything responsible tonight, it has to make sure that where we started is the right place. If it is not the right place, we have the opportunity to fix it. I do not have to remind honourable members that we have got ourselves in a few fixes recently, with our bursts of enthusiasm and then worrying about the detail later. Let us worry about this sort of detail now. I commend the motion to the house as originally written and not totally emasculated by the Humphries' amendments.

MS TUCKER (10.46): I will be supporting this motion. I have listened to the arguments of Mr Humphries and the response from Mr Quinlan. I am particularly interested in the objections raised by Mr Humphries that looking back would be difficult. I was having the same thoughts that Mr Quinlan articulated; that that is the way we often make assessments about whether or not something was properly done. If Mr Humphries was saying that there is nothing particularly to look at, then I am even more worried than I was.

I assume that we would have a record of the arrangements, that there are records of meetings, that there are minutes and that people can understand the rationale for getting to the point that we are at now. I guess that is what many of us are interested in, and we feel that we have not had a really clear picture of that. I do not know why Mr Humphries would be afraid of that. If he is saying that it was all very informal and it is not something that someone could look at, and they would have had to have gone back in time to sit in the room, then it sounds like a very sloppy process.

Question put:

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

The Assembly voted -

AYES, 9

NOES, 8

Ms Carnell
Mr Cornwell
Mr Hird
Mr Humphries
Mr Moore
Mr Osborne
Mr Rugendyke
Mr Smyth
Mr Stefaniak

Mr Berry
Mr Corbell
Mr Hargreaves
Mr Kaine
Mr Quinlan
Mr Stanhope
Ms Tucker
Mr Wood

Question so resolved in the affirmative.

Motion, as amended, agreed to.

ADJOURNMENT

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

That the Assembly do now adjourn.

Mr Tom Duncan

MR SPEAKER: I wish to say a temporary farewell on behalf of all members to our Deputy Clerk and Sergeant-at-Arms, Mr Tom Duncan, who leaves tomorrow on a 12-month secondment to the New South Wales Parliament in Sydney. It is a temporary farewell because he is going for only 12 months, although I think that would certainly be long enough to visit Sydney, and I am sure a number of members are envious at his opportunity. On behalf of us all, we wish him well.

Mr Tom Duncan

MR MOORE (Minister for Health and Community Care) (10.51): This is not the first time that Mr Duncan's name has appeared in *Hansard*. If you look at the Hansard of 13 February 1990, when Mr Duncan arrived, Speaker Prowse took the chair, read the prayer and then said:

I wish to formally advise the Assembly that Mr Tom Duncan has now taken up his appointment as permanent Deputy Clerk of this Assembly. On behalf of all members, welcome.

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Mr Prowse then went on to deal with a controversy going on at the time as to whether the executive deputies of Mr Kaine – and members should recall that he appointed those executive deputies – should be able to take questions or not. Just as Mr Duncan landed in the Assembly in a time of controversy, it seems that he is going to depart for a short while in a time of controversy. No doubt when he returns to us, there will be some controversy as well. Thanks, Tom, for all the help that you have given us over the years.

Mr Tom Duncan

MR WOOD (10.52): I join with members in wishing Tom the best. He has been a great asset to the Assembly and has helped to keep us on the straight and narrow. He is going to a much quieter chamber than this one.

MR SPEAKER: Order! Porkies are out of order.

MR WOOD: Well, he will experience something different. It may not be quieter, I acknowledge that. We wish him well for the period that he is away.

**Mr Tom Duncan
Carnell Government**

MS CARNELL (Chief Minister) (10.53): I would also like to wish Tom well. Today has been a great day for the Government. We have got a piece of legislation through which we have been wanting for a long time. Today is our fifth anniversary. I would like to thank all of my colleagues for five great years in government. It is a day which also sees Tom leaving to spend 12 months in the New South Wales Parliament. I am sure he will come back knowing we are not that bad after all.

Mr Tom Duncan

MR KAINE (10.54): I would like briefly to add my good wishes to Tom. Tom has been around for quite a while now, almost as long as you and me, Mr Speaker. He, along with other members of the Secretariat, has to be commended for the way he goes about his job. The tasks of the Clerk and Deputy Clerk are as numerous as the days in the year multiplied by the number of members in this place. I am quite sure that every day Tom is inundated with requests and demands on his time. He always responds cheerfully, and the results have always been good as far as I am concerned.

I am sorry to see Tom go. I know that he will experience new things in Sydney, both inside the Parliament and out. It is an experience which I think he will find most valuable. I would like to think that he was coming back later in the year, but I know that he is then planning to take more time off and enjoy more experiences in a broader world. I think that is a wonderful thing to do. I wish him well. I hope that some time in the future, before the next election, he might come back and visit us, if not to come back permanently.

Mr Tom Duncan

MR HARGREAVES (10.55): I too wish to extend my good wishes to Mr Duncan for his little holiday in New South Wales. I know he is looking forward to a quiet time in that august chamber. When I first came to this place and found myself on the truly exciting Standing Committee on the Scrutiny of Bills, I could not believe my luck. I thought it had to be a thrill a minute, roller-coaster ride – and it sure as heck was. Without the assistance of Mr Duncan and the legal adviser, Peter Bayne, we would have got nothing done on that committee. In fact, if we have been at all effective, to echo the views of my predecessors on that committee and certainly Mr Hird, it is in no small way due to Mr Duncan's service.

We had a reasonable time in Darwin exchanging views on all sorts of exciting matters to do with scrutiny of Bills and national scheme legislation. With Tom's support, we got through it and we got through it well. We would not have done so without his help. I want him to know that he goes with our best wishes. I hope he does not get too attached to the New South Wales Parliament. I also hope that he has trained his successor to wear black and white underwear to work.

**Mr Tom Duncan
Carnell Government**

MR STEFANIAK (Minister for Education) (10.57): I see Tom is blushing after that comment. I have known Tom since he came to the Assembly. I reiterate what everyone has said but also thank you for all the advice and assistance you have given me and everyone else during the time you have spent in the Assembly. As Trevor Kaine said, the roles of Deputy Clerk and Clerk are incredibly difficult. The enormous amount of knowledge and advice you and the Clerk, Mark McRae, have given to members of this Assembly never fails to amaze me.

I did not know you were going. I was rather surprised to hear that. I certainly hope that we will see you back here again. Twelve months is not all that long. It should be an excellent experience for you. I hope you do come back. I can recall some wonderful times that I have had with you, such as the trip to Perth in 1991 with the Standing Committee on the Scrutiny of Bills. Some funny things happened there. There were dinners with Bronwyn Bishop and big Mal Colston. There was a time when we went, as Deputy Clerk and Deputy Speaker in the first Assembly, to Sydney.

I have many fond memories of working with you. I greatly appreciate all the assistance you have personally given me. I have found it incredibly helpful. I wish you all the very best. You will have a great time there. I hope we will see you briefly during your time there but, if not, certainly at the end of the 12 months.

Finally, I congratulate the Chief Minister and all my other colleagues on our fifth anniversary in government today.

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**Mr Tom Duncan
Canberra Capitals
Chief Minister**

MR BERRY (10.58): I thank the Deputy Clerk for his skill, care and attention.

I want to draw the attention of members to another matter. The Canberra Capitals will be playing in South Australia this weekend. They have had a sterling run-up to the finishing line. Women's sport in Australia does not get due recognition, as it ought to. There is not enough time and space devoted in our print media or other media to women's sport. Good luck to the Capitals. I hope they do well. Although not all Canberrans can go along and barrack, no doubt many will and they will enjoy themselves.

I would like to draw attention to a function which is to occur shortly, Opera by George. It is being held at a famous winery alongside Lake George. It is described as an "intoxicating performance of highlights from the world's most popular opera". It describes how you can be intoxicated either by music or by other means. I was going to ask the Attorney-General to ask the Chief Minister whether or not she is going. If she is, I was going to suggest that he might talk to his counterpart in New South Wales to ensure that there are adequate resources on the roads for the return journey and that he might talk to the Queanbeyan Police. If she is not going, we can all relax. In the event that she is going, perhaps he will give her a couple of cabcharges.

Mr Moore: You should name him, Mr Speaker.

Mr Hird: That is rude.

Mr Moore: He has been warned and warned, and that sort of imputation is totally unacceptable. He should withdraw it.

MR SPEAKER: Unfortunately, I cannot do much on the adjournment, but I think it speaks for itself.

**Mr Tom Duncan
Carnell Government**

MR HIRD (11.00): Firstly, I would like to congratulate Tom. The way the Clerk and the Deputy Clerk have performed their duties has been very professional. I wish Mr Duncan well in his sabbatical leave to New South Wales. I am sure he will have a good taskmaster in the Clerk of the Legislative Assembly of New South Wales, Mr Grow. I am not the only one saying, "Well done, Mr Duncan". There is someone else whom I call your guardian angel who is up there looking down on you. If he were here today he would be saying, "Go well, young Tom". We both know who that is.

I would also like to join with my colleagues in congratulating the Chief Minister. In the party room this morning - and normally we do not talk about what happens in the party room, but on this occasion I will break the silence –a motion was passed unanimously on the voices to support the Chief Minister, who has led not only us but also this Territory out of the doldrums in which it was placed by the previous Government. We are moving forward. We are stronger and better than before. Under her guidance we have been able to create jobs and opportunities, and make this Territory the great place it is as we move through to the year of centenary. This year is just one step towards a better future not only for this generation but for the next generation here in the ACT and the region. Well done, Kate Carnell.

Chief Minister

MR SMYTH (Minister for Urban Services) (11.02): I want to bring to the attention of the house perhaps the lowest act that I have heard conducted in this place in the last two years by a man who I believe is a coward. If Mr Berry wants to make that sort of statement, he should step outside this place and say it. It is beneath contempt that he would use the adjournment, the least known part of the proceedings, to attack the Chief Minister in that manner.

The Chief Minister, Kate Carnell, over the last five years in this place has moved the Territory out of the ruinous state that it was in. The previous Government, of which Mr Berry was part, racked up incredible debt and high unemployment and left the place in a shambles. The Chief Minister now has unemployment down to 5.3 per cent. We have a balanced budget and we have the best prospects in this country. What he has done is appalling. The man is simply a coward.

MR SPEAKER: Mr Smyth, I must admit it came very close to breaching standing order 54. Standing order 55, however, states:

All imputations of improper motives and all personal reflections on members shall be considered highly disorderly.

Unfortunately, it does not state anything more than that. As I said before, and I repeat it, I think the record will show Mr Berry's comments for what they were, and he will be judged accordingly by all fair-minded people.

MR SMYTH: Thank you for your guidance, Mr Speaker.

Chief Minister

MR STEFANIAK (Minister for Education): Mr Speaker, I seek leave to add a few comments to that.

Leave granted.

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MR STEFANIAK: I was also appalled by what Mr Berry said, especially after he started off quite reasonably with something all members could agree on, and that is congratulating the Canberra Capitals on an excellent season. They did very well in the run-up to the grand final. That is certainly something I would like to reiterate. But, as for the cheap shots against the Chief Minister, they are totally uncalled for and quite pathetic.

Assembly adjourned at 11.05 pm until Tuesday, 28 March 2000, at 10.30 am.

ANSWERS TO QUESTIONS

Government Sporting Facilities - Claims For Injuries

(Question No. 216)

Mr Quinlan asked the Minister for Education, upon notice, on 15 February 2000:

In relation to claims lodged against the Government for injuries sustained by individuals whilst using ACT Government sports grounds/facilities;

- (1) How many have been lodged since 1 March 1998;
- (2) From whom have the claims come;
- (3) What is the value of each of the claims made;
- (4) What is the total value of the claims made;
- (5) Which claims, of those listed, have been successful and for what amount; (6) Which claims, of those listed, are still being dealt with;
- (7) Which sports facility/facilities/oval/ovals were the subject of the claims made.

Mr Stefaniak: The answer to Mr Quinlan's questions is:

1. Three claims.
2. Two of the claims have come from persons injured while playing football on sporting fields and one is from a person injured at a swimming pool.
3. The two claims for persons injured while playing football on sporting fields are for the value of \$200,000 and \$50,000. The value of the claim in relation to the person injured at the swimming pool is \$50,000.
4. \$300,000
5. The claim for \$200,000 has been settled out of court. It was a condition of settlement that the terms are not to be disclosed. Accordingly, the Territory is unable to disclose which party was successful or any agreements in relation to payments of damages or costs.
6. The two claims for \$50,000, namely, a claim from a person injured playing football and a claim from a person injured at a swimming pool are still being dealt with.
7. The sporting fields/facilities that the claims relate to were:
 - Hughes Oval - claim for \$200,000
 - Farrer Oval - claim for \$50,000
 - Manuka Pool – claim for \$50,000

Gungahlin Police Station

(Question No. 222)

Mr Hargreaves asked the Minister for Justice and Community Safety, upon notice, on 17 February 2000:

1. What are the opening hours of the Gungahlin Police Station
2. How many police officers work in the Gungahlin Police Station in a 24 hour period on:
 - (i) Monday – Friday
 - (ii) Saturday; and
 - (iii) Sunday
3. How many burglaries have occurred in Gungahlin over the last three years.
4. What was the clear up rate for Gungahlin burglaries.

Mr Humphries: The answers to Mr Hargreaves' questions are as follows:

1. The Gungahlin shop-front is not currently open.

The Gungahlin area has been serviced by mobile patrols operating from Belconnen Station since 22 December 1999.

The decision to temporarily close the shop-front was taken by AFP management on the grounds that Gungahlin could be more effectively serviced by mobile patrols, which increase police visibility and responsiveness. As Gungahlin staff were primarily occupied with the processing of routine front office reports and inquiries, it was determined that police resources would be more effectively utilised by channelling these functions through Belconnen Station and the Communications Team, and releasing sworn personnel from the shop-front back to patrol duties.

It is important to note that there is no empirical evidence to suggest that staffing the Gungahlin front office acts as a positive deterrent to the commission of burglaries within the suburbs of Gungahlin.

It is envisaged that the injection of new members into the ACT by the end of March will allow the shop front at Gungahlin to be staffed on a more regular basis.

2. There are currently no staff working in the Gungahlin shop front. Gungahlin is patrolled as part of the wider Belconnen Patrol for the reasons outlined in response to Question One.

3. & 4.

Gungahlin area

Calendar year	Number of burglary offences reported	Number of burglary offences cleared	Apparent clear up rate
1997	126	8	6.3%
1998	138	20	14.5%
1999	227	8	3.5%

Source: PROMIS case-write off module as at 2 March 2000

The apparent clear up rate is the result of dividing the number of offences cleared with the number of offences reported. It is an apparent clear up rate because the offences cleared in a period do not necessarily relate to the offences reported in the same period.

Motor Vehicles - Stolen
(Question No. 223)

Mr Hargreaves asked the Minister for Justice and Community Safety, upon notice, on 17 February 2000:

In relation to motor vehicle thefts in the ACT: For each of the following years: (a) 1995, (b) 1996, (c) 1997, (d) 1998 and (e) 1999:

- (1) How many thefts were reported in the ACT.
- (2) What was the “clear-up” for the thefts.

Mr Humphries: The answers to Mr Hargreaves’ questions are:

- (1) and (2)

Year	Number of Thefts Reported in the ACT	Apparent “clear up” rate(a)	Apparent Percentage recovered (b)
1995	1557	16%	80%
1996	1569	13%	86%
1997	1568	16%	86.6
1998	2427	8%	**77%
1999	3393	10%	*

Source:

COPS database as at 1 December 1998 (for data prior to December 1998)

PROMIS database as at 2 February 2000 (for data since November 1998)

Notes:

(a) This is an apparent clear-up rate, as an offence can be reported in one period, and cleared in a subsequent period.

(b) This is an apparent percentage recovered rate, as an offence can be reported in one period, and cleared in a subsequent period.

* Figure currently not available for this period.

** Figure represents total to November 1998.

Police Force – Number of Resignations
(Question No. 224)

Mr Hargreaves asked the Minister for Justice and Community Safety, upon notice:

In relation to the resignation of police officers in the ACT Division:

- (1) How many have resigned from the Police Force in; (a) 1996-97, (b) 1997-98, (c) 1998-99; and
- (2) How many years of service did each resigning officer have.

Mr Humphries: The answers to Mr Hargreaves' questions are as follows:

- (1)
 - (a) 15
 - (b) 21
 - (c) 19

(2) years of service for 1996-97 and 1997-98 are not available from the current database. In July 1998, the Australia Federal Police introduced a new human resource database and not all details pertaining to past employees were transferred. Personal files for these employees have been archived.

1998-99 - 5, 18, n/a, 12, 4, 14, n/a, 9, 1, n/a, 15, 13, 26, 10, n/a, 4, n/a, 11 and 22 years.

Where the years of service are not available (n/a) this is also due to the introduction of the new HR database when information pertaining to employees who had indicated that they would be resigning was not given priority in the transfer of data process.

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Festival - Funding
(Question No. 228)

Mr Wood asked the Chief Minister, upon notice, on 2 March 2000:

1. What is the total amount of funds allocated to this year's Festival by the ACT Government or any of its Agencies?
2. What is the breakdown of that amount by Program?

Ms Carnell: The answer to the Member's question is as follows:

CTEC funding for the Festival in 1999/00 is \$350,000, continuing until 2002-03.

Listed below are details of funding assistance provided by other ACT Government Agencies in the financial year 1999/00.

Department of Urban Services	\$15,000
Arts ACT	\$20,000
Cultural Facilities Corporation	\$10,000
ACTEW	\$20,000
Total	\$65,000

The total funding provided by CTEC and the other ACT Government Agencies, together with financial and in-kind assistance from the corporate sector is used for the Festival's administrative and operational expenses as well as the running expenses of staging the Festival's entertainment program.

Australian Optic Fibre Research Pty Ltd

(Question No. 232)

Ms Tucker asked the Chief Minister, upon notice, on 2 March 2000:

In relation to the ACT Business Incentive Scheme, and specifically to the Australian Optic Fibre Research Pty Ltd, bought by the US telecommunications company, ADC and now trading under that name and your government's offer in 1995 of \$1.5 million, consisting of a \$300,000 cash grant, \$400,000 waiver on payroll tax and a gift of land worth \$800,000: which was made on the expectation that the company would treble its workforce of 1-30 by "the turn of the century" *The Canberra Times 9/10/1995*:

- 1 What was the actual employment growth in the business since the arrangement was made.
2. If employment growth is not satisfactory, what steps will the Government be taking to recoup the investment.
- 3 What research has been done with the business decision makers, both those who have located in Canberra and those who have not, as to the impact and significance of Government incentive schemes when making decisions as to location and investment.

Ms Carnell: The answer to the Member's question is as follows:

AOFR Pty Ltd, a subsidiary company of ADC, is an international manufacturer and supplier of fibre optic technology. AOFR is the dominant fibre optic connector producer in the world today exporting some 85% of its production.

The company's product is incorporated into major broadband communications equipment supplied to the transport and telecommunications markets worldwide.

1. AOFR employed 125 full time staff when the Agreement was signed in 1995. Without creating any binding obligations on the part of the company, AOFR formally agreed that it would use its best endeavours to employ 350 full-time staff by the end of 2000. As at 31 December 1999, AOFR employed 245 full-time staff.
2. AOFR is currently expanding the size of its existing facility that will result in a significant increase in both its output and employment. This additional capacity is likely to lift AOFR's employment to, or indeed above, the levels envisaged in the ACTBIS Agreement by the end of this year.
3. There has not been any formal research conducted by the ACT Government with business decision-makers as to the impact and significance of government incentive schemes. Anecdotal evidence would suggest that business decision-makers do consider incentives offered by various governments very favourably when making their decisions.

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Canberra Visitors Centre
(Question No. 237)

Mr Berry asked the Chief Minister, upon notice, on 7 March 2000:

In relation to the recent letter from the President of the Canberra Region Tourism Operators Association regarding the early closing on weekends in December 1999 of the Canberra Visitors Centre;

1. Why was it necessary to close the Centre early on weekends in December 1999.
2. Is a similar situation likely to arise in December 2000.

Ms Carnell: The answer to the Member's question is as follows:

1. The CVC is open 364 days of the year and the early closing on weekends in December 1999 was an experiment to implement a more economical way of operating the CVC during periods where visitor numbers are traditionally low. The restriction of opening hours was a trial to ascertain possible containment of the high cost of penalty rates of pay for staffing the Centre to times when traditionally visitor numbers are low. The Centre closed early for the initial three weekends in December.

The trial of restricted hours only occurred from 4 to 19 December 1999. Normal opening resumed on 20 December 1999 and has continued since then and will continue throughout the year 2000 when increased visitation to the ACT is expected. The trial did provide evidence of savings to the Visitors Centre and did not appear to adversely affect services to visitors at that traditionally quiet time.

2. The trial will not be repeated again.