



DEBATES

OF THE

LEGISLATIVE ASSEMBLY

FOR THE

AUSTRALIAN CAPITAL TERRITORY

HANSARD

28 March 2000

Tuesday, 28 March 2000

Absence of Speaker	913
Education, Community Services and Recreation - standing committee.....	913
Finance and Public Administration - standing committee	938
Questions without notice:	
Periodic detention centre	945
Housing - waiting lists	946
City Market	948
Schools - computer competencies tests	948
Bus interchanges - security cameras	949
Information on property sale.....	950
Gungahlin Town Centre - employment.....	951
Bruce Stadium - seats	952
Impulse Airlines.....	953
Goods and services tax	954
Canberra Cosmos	956
Standing orders 54 and 55 - offensive words and personal reflections.....	956
Authority to broadcast proceedings.....	958
Subordinate legislation (including explanatory statements) and a commencement provision	958
1999-2000 capital works program - progress report - December quarter (Ministerial statement).....	960
Financial Management Act - approval of guarantee (Ministerial statement).....	961
Financial Management Act - approval of guarantee (Ministerial statement).....	962
Planning and Urban Services - standing committee.....	962
Finance and Public Administration - standing committee	971
Health and Community Care - standing committee	982
Justice and Community Safety - standing committee	987
Planning and Urban Services - standing committee.....	994
Adjournment.....	995

Tuesday, 28 March 2000

The Assembly met at 10.30 am.

ABSENCE OF SPEAKER

The Clerk: Pursuant to standing order 6, I wish to inform the Assembly that the Speaker will be delayed today, 28 March 2000, and that until his arrival the Deputy Speaker, Mr Wood, will, as Acting Speaker, perform the duties of the Speaker.

MR ACTING SPEAKER (Mr Wood) thereupon took the chair and asked members to stand in silence and pray or reflect on their responsibilities to the people of the Australian Capital Territory.

**EDUCATION, COMMUNITY SERVICES AND RECREATION –
STANDING COMMITTEE
Report on Draft 2000-01 Budget**

MS TUCKER (10.33): Pursuant to order, I present the following report:

Education, Community Services and Recreation - Standing Committee - Report No. 5 - 2000-01 Draft Budget of the Department of Education and Community Services and Related Agencies, dated 27 March 2000, including a dissenting report, together with a copy of the extracts of the minutes of proceedings.

I move:

That the report be noted.

I think that the committee has produced a good report, given the timeframe in which it was working. A budget is a major policy statement of government and I am concerned about this draft budget process, as I said in this place in the original debate - not that I wish to reflect on a vote of the Assembly. A point of view was put very clearly then by a number of members, including by me speaking from the Greens' perspective. The view which was expressed then and which has to be repeated at this point was that a serious commitment to taking on the views of the community at a draft budget stage must allow for comments about whole-of-government expenditure and revenue issues. Therefore, the majority of the committee rejected the notion that it could only make recommendations which would improve or maintain the bottom line within the portfolio area.

28 March 2000

Obviously, we did not have much room to move as the Government, Mr Osborne and Mr Rugendyke supported the notion that, in fact, we should be restricted in our committee work. Therefore, the committee chose to make comments regarding funding issues and recommendations regarding broader issues of interest. In that way we were able to work in good faith with the community, which naturally is under the impression that members are interested in and able to influence in a meaningful way matters related to the budget, and to work within the direction of the Assembly.

We have a regrettable situation. It is particularly absurd to suggest that in the service areas of Education, Children's Services and Family Services there is enough capacity to take from one area and give to another or that in those areas we could introduce greater revenue-raising mechanisms. It does make one wonder what the Government would like us to do - perhaps double subject levies in our public schools, introduce the user-pays principle for families in contact with Family Services, and charge young people in youth refuges and fine their parents.

While on the subject of process, another concern I would like to raise is that apparently Mr Stefaniak and, I understand, Mr Humphries suggested to a community organisation which is fearful of losing funding that it petition the committee and, I understand, the Justice and Community Safety Committee. That means, apparently, that the committees are also responsible for determining who should receive grants. Obviously, that is ludicrous. Are the Ministers seriously suggesting that we write to the current recipients of grants - about 150 in Education, Children's Services and Family Services and another 200-odd in Sport and Recreation - and ask them to justify themselves so that we can make decisions about possible alternatives? Are the Ministers seriously suggesting that we have the resources to do that or that it is appropriate for a committee to do that?

I do regret that the Government has failed to think this process through because it is another blow to the credibility of the committee system in this place. I find it interesting that Mr Hird, in his dissenting report, is chastising the committee for failing to conduct this inquiry in the manner which he sees fit. Mr Hird needs to understand, as do the Government and the members who support it, that, as I have already explained, the process that they have set up is flawed in very fundamental ways and this committee has attempted to salvage the process to some degree.

While I am on the subject of process, I might as well deal with the dissenting report - not the substance of the report, of which there is little, but the committee process whereby Mr Hird demanded the right in the final deliberative meeting of the committee to put in a dissenting report and did not think that it would be necessary for the committee to have the opportunity to discuss his concerns; in other words, the dissenting report would be given to the committee after its report was tabled. It was of particular concern because Mr Hird said that he thought that some of his comments in the dissenting report would be consistent with those of the committee and the recommendations that we were making; so it is even more disturbing that we were not able as a committee, because of Mr Hird's actions here, to look at what we did have in common and come up with common recommendations or to have discussions about points on which he had a very different view from the rest of the committee so that we could work on that. As members are well aware, committees like to come up with a unanimous report, to see where there is common ground and, hopefully, come up with

something on which everyone agrees. Basically, Mr Hird's actions in preventing us from having that discussion were a very serious challenge to how our committee process works and I find that very regrettable.

I will now deal with some of the issues that we have raised in our report and, where appropriate, I will refer to the dissenting report as I go through. As I said, we have made recommendations which refer to process and work that needs to be done by the Government. On matters dealing with expenditure, we have made specific comments. As I said, we have been prevented from making recommendations on these matters in this case. A general comment I would make is that, once again, underresourcing and unmet need in the Education and Community Services sector were common concerns of many witnesses and many submissions. The Government's response to these claims was totally unsatisfactory and showed that little understanding exists in the Government in terms of the realities for community service workers and providers in Canberra at the moment.

Another general comment that I would make about unmet need and the resourcing of the community sector relates to Mr Hird's dissenting report. It is extremely regrettable, I have to say, that Mr Hird made the assertion that the committee's recommendations have not been tested. What is it exactly that Mr Hird is saying here? He says:

The Report makes a number of recommendations and draws a number of conclusions based on evidence which was put before it -

that is how committees work -

but the accuracy of which is largely untested.

We tested information that came to the committee by sending all the submissions to the Minister for an alternative view. The Minister had the opportunity to respond in writing, and did so, to concerns raised by the community sector. The public hearings were recorded and broadcast and, from memory, a departmental person was present at all times; so there was an opportunity for the Minister, which he took, to respond to what came before the committee.

The most regrettable thing about this matter is that there appears to be an implication that the community is lying, because Mr Hird said twice that we had not tested the evidence. I am looking forward to hearing Mr Hird say how he thinks we could have tested the evidence of the members of the community sector who gave their time to talk to the committee about the reality of their working lives and their experience with the services that they deliver. I look forward to hearing how Mr Hird thinks that that should have been done, apart from offering the Minister and the department an opportunity to give an alternative view if they have one, which they really did not do in their response, particularly on the issue of unmet need and underresourcing.

When we asked the Government for details of their analysis of this issue, they could not give them because they have not done one. We did get from members of the community sector an indication of unmet need through some data that they had collected. I have to say that the underresourcing and unmet need issue is not new to this committee. I am

28 March 2000

sure that Mr Hird is familiar with it. It is interesting that he has not accused us before of failing to test rigorously evidence from the community, but everything we were told in this draft budget process we had been told before in other inquiries of this Assembly and of the Social Policy Committee of the last Assembly, so the approach here of Mr Hird has been quite inconsistent.

Another general issue which came up and which has come up in every single inquiry I have been a part of since I have been in the Legislative Assembly is the need for government to put more energy and commitment into intersectoral or cross-portfolio action. I do, of course, acknowledge and commend the work that has been done by the Government on addressing this issue, but we are hearing from the community that things are still not working properly. It is obvious from reports on social matters that it is an issue for governments all over Australia. Recently, I read a book written by a couple of academics on policies about homelessness in Australia. The comment was made there that the intersectoral work, the coordination of different departments working together to provide support for the homeless people in this country, is a complex problem for governments to resolve. I think it would be silly for the Government to say that it is not a problem. What the community is doing is pointing out particular areas where we could improve the situation. I hope that the Government will take note of that.

The first recommendation we made deals with the grants issue, which I have already covered. The second recommendation is about social outcomes. Once again, I am very concerned about Mr Hird's comment on this recommendation in his dissenting report. The second recommendation of the committee reads:

The committee recommends that in future budget papers the Government address the issue of accountability for social outcomes.

As is said in the text:

... none of the key result areas in the draft budget relate directly or indirectly to the achievement of social outcomes. The Department of Education and Community Services, as the funding body for a wide range of social and community services, has a vital stake in the achievement of social outcomes. The committee is of the view that the Government needs to develop ways which demonstrate in the budget papers that it has a commitment to achieving social objectives.

What does Mr Hird say in the dissenting report? He says:

A number of recommendations made in the Report are of the type normally associated with post-budget Estimates hearings, and should have been retained for that format. Recommendations relating to the issues of accountability for social outcomes, and service purchasing processes are better debated at this time. These issues are difficult to reconcile with the terms of reference for this inquiry, and whilst no

one denies the right of the community to have a strong interest in them, their importance risks being discounted by their being considered out of context.

The passage headed “Key Result Areas” in the draft budget reads:

An integral part of the Government Plan is the development of Key Result Areas (KRAs). The Government has explicitly set out its targets and will report on their achievement.

The vision and the outcomes with their measures of success provide the long term focus for the ACT and guide the Government’s activities each year. The KRAs set out below provide the more immediate objectives of the Government, and they describe the specific initiatives and strategies that the Government will achieve in this term.

That is what the Government says about key result areas at the beginning of its draft budget. Mr Hird says that we are out of line because we are speaking about social outcomes. I just think that that is extremely regrettable. I think that it will be of grave concern to the community that a member of this Government should say that. I sincerely hope that the Government will distance itself from that statement because it will look quite ridiculous if it does not, especially as we are continually getting from the Government the statement that it sees the need to integrate social concerns into policy formulation and we all agree that the budget is a major policy statement of the government of the day. (*Extension of time granted*)

As I have already explained, the committee made comments relating to expenditure issues. The first comment is about the GST. We have recommended that the ACT Government fully compensate community-based service providers for their GST liability. Comments later go into more detail about how we think that this should occur. It is entirely unsatisfactory that the Government is undecided about what to do about that.

The next recommendation of the committee is one that would mean more work for the Government. The committee has recommended that the Government conduct an analysis of the effect on quality educational outcomes in the ACT of the predicted teacher shortage. We do think that the Government should take an interest in that issue.

The fourth recommendation is about the SACS award. It is a recommendation that we have made before. We are asking the Government to do a full analysis of the impact of the SACS award on non-government service providers. It was also a recommendation of the committee in its report on annual reports. Mr Hird has dissented from that, saying that it is not compulsory and, therefore, is not an issue. The understanding of the community services is that there is a requirement on them to ensure that the salary component is, in fact, respected. There is certainly a willingness in the community sector to provide reasonable salaries for workers in this often very stressful work area. It

28 March 2000

was a recommendation of the committee in its report on annual reports which Mr Hird did not dissent from. This recommendation is exactly the same, but he has dissented from it this time for some reason.

The next recommendation is that the Government conduct an analysis of the cost and work load increases experienced by the sector providing services related to care and protection. This recommendation came out of the evidence to the committee about the pressures on the sector. From sitting down and listening to the people talking to the committee about the services they are providing or receiving and from reading the submissions, you realise that in this area of government work you are dealing with the people in our society who are most vulnerable and at risk. For that reason, it is particularly important that a caring government take the trouble of doing a full analysis of the reality for people working in the sector as well as the needs of the sector, present and future.

We have also made a comment which could have some implications for the funding of our early intervention services because we have seen an increase in demand for those services. We talk at some length about student welfare in schools. Once again, all of that has come out in previous inquiries of the Assembly and we are conducting an inquiry at the moment into kids at risk of not completing their education. It is a subject with which we are all very familiar and we would like to see the Government take greater interest in it.

The P&C council's submission to the committee is of importance and interest. The committee has not taken a strong position on it one way or the other. That is why, once again, Mr Hird's dissenting report is quite hard to understand. It is as if he has not read the report. He is accusing us of taking a pro-P&C line. We agree with the P&C council that there are some questions around the effectiveness of benchmarking as a measure of success for any particular area. There are concerns about there being a race to the bottom and so on. The committee did not take a position on whether the Government has actually maintained the funding of education in real terms because it had not seen the report of the independent auditor - a copy of which came to my office on, I think, Saturday - by the time it finished its report. We have not taken a strong position on that. We had to stand back and wait until we had the results of the independent audit. I am not clear what upset Mr Hird so much because, really, we have said very little about that. I think that that covers Mr Hird's dissenting report pretty well.

We have made a specific recommendation about the Government looking at the number of homeless students. The P&C council made reference in its submission to the number of homeless children in our school system. When the Government was asked for further information on that it said, basically, that it was not the Government's business as schools manage that. That is totally unacceptable for a government that claims to be caring. It is a good example of what happens when you do not have a concentrated focus from government on what is the reality for some of the students and teachers in our schools and how other departments can be brought in to address the needs. That is where the intersectoral work would come in. The homelessness issue is a very good example of where the Government has adopted a hands-off approach, saying that it is not the Government's responsibility because school-based management is in place. That is quite unacceptable. That is why we have made a specific recommendation on that.

We have also made specific recommendations on the TAFE system. I think that it is very important to implement them because of the claims we get from government, such as the claim by the Federal Government that it looks after nursing homes. Everything is all fine there until something falls down. We do not see any really good quality assurance mechanisms being put in place. We are asking the Government to show us how they substantiate their claim that they have a high level of quality assurance for private providers, that they know what is going on, that they are monitoring and auditing the whole area thoroughly. They have claimed that they can assure us that it is of absolutely top quality there. The committee has asked for them to come up with justifications on that.

Mr Hird, in his dissenting report, expressed the belief that the Minister had not been given a fair go. I think I have covered that. We did choose, as a committee, to ask the Minister to speak first, which is entirely appropriate if that is the choice of the committee. I understand that it was the choice of Mr Hird's committee as well, so I am not quite sure why he is so incredibly offended by that. It will be of interest to members to know that 54 pages of response came from the Minister, although a couple still have not arrived. We did ask for some more information on the dollar implications of the work for the dole scheme and emergency relief services. We do not have an answer to those. *(Further extension of time granted)* Clearly, it is not correct to say that the Minister did not get a fair go. He did get a fair go - 54 pages of response, as I said. We were not necessarily satisfied with the quality of the responses and, as a committee, we have a right to make a judgment about that. I think that I have covered all areas. I look forward to listening to the debate.

MR BERRY (10.58): Are you going to have a go, Harold?

Mr Hird: No, I will wait for you to have a go. You are going to give it to me, so you might as well give it to me now.

MR BERRY: It would have been very interesting if you had got up and tried to argue your dissenting report. It would be refreshing, at least, to have had a chance to listen to it in here, because we never had a chance to listen to it in the committee. Not one issue on which there could be debate was raised in that committee by that member, Mr Acting Speaker.

Mr Humphries: You are the deputy chairman, Wayne. You should be going next.

MR BERRY: Mr Humphries interjects that I am the deputy chairman, as though I should be arguing Harold's case. He is big enough and gets paid enough to argue his own case, thank you very much, and I could not see any ideological similarities between him and me on education.

Mr Humphries: Thank goodness for that.

28 March 2000

MR BERRY: Indeed, thank goodness for that. Last sitting I had a motion, which I withdrew, in relation to a contribution by Mr Hird on another report. I need not go into that, but I do want to raise a couple of important matters mentioned by Mr Hird in his report. I will do that after I have dealt with some issues concerning the general proposal.

I make no secret of the fact that I have been sceptical of this approach to the budget from the outset, and for good reason. It is a case of the Executive abdicating its responsibility for the budget in the ACT and playing a smoke and mirrors trick on the rest of the Assembly in the name of so-called consultation. Here we have the least laden ministry of any ministry since self-government attempting to abdicate responsibility to the committee system in order to deflect some criticism from itself. You just cannot get away with that when you take the money. If you take the money, you take the pain. You are responsible for the budget. This attempt at deflection is quite shallow and will be seen to be so by the community.

The Treasurer will climb to his feet and be critical of the Assembly committees because they have not been able to come up with an alternative budget. Would you expect the committees to come up with an alternative budget in a few weeks without the resources that the Ministers greedily hang onto for themselves? Each of the Ministers have each of the departments working hard for them all year round on putting together a budget and when we get close to budget time the Government says, "This is a bit too hot to handle. Let us flick it to the committees and if they recommend any changes we will make sure that they take the heat and we do not. We will deflect some of the heat from ourselves". If you cannot do the job, give up. You have demonstrated that you cannot do the job, Mr Treasurer. Hand it over to somebody else.

This process has been most unsatisfactory and has not delivered good value for the community. It has demonstrated that we have an Executive, the least laden Executive since self-government, that is not up to the job, not prepared to accept its responsibilities under the Self-Government Act. Shame on the lot opposite! I think the members of the community who have had to involve themselves in this process have found it to be severely wanting. I must say that I think that the Assembly was misinformed in coming to a decision in relation to the terms of reference here.

Mr Humphries: Mr Acting Speaker, I take a point of order. A number of speakers have now come very close to criticising the decision of the Assembly on the last sitting occasion to have a draft budget process within certain parameters. I would ask you to remind members that criticism of the decision is a reflection on the vote of the Assembly and is outside standing orders.

MR ACTING SPEAKER: As we understand the definition of that, the point is made.

MR BERRY: I am on top of that one, Mr Acting Speaker. I turn now to Mr Hird's contribution to the debate, or lack of it. At a meeting on 23 March of the Standing Committee on Education, Community Services and Recreation, Mr Hird told us that he would be presenting a dissenting report and therefore - listen to this one - would not be participating in discussion on the recommendations of the chair's draft report. What an outrageous position for a member of a committee to adopt! I can understand a member saying to a committee that he has not finalised all the details, but is opposed to this

particular point, that particular point and so on throughout the report, but Mr Hird never offered a single word of opposition to any of the matters which were contained in the report; in fact, he is on the record as refusing to do so. How on earth can a committee consider the contribution of a member to a report and try to reach consensus in relation to a range of matters if it is being treated with such contempt?

Mr Hird advises us in his dissenting report:

The Minister was not given the chance to explain (or defend) the Draft Budget in light of any views, statements or opinions which may have arisen in later submissions.

Mr Hird, are you trying to suggest to us that the Minister was not listening to what was going on, did not know what the public submissions were about, although they were all made public by the committee, and did not have a chance to respond? Do you think that the Minister would avoid the opportunity to make a written submission to the committee about a particular matter if he was upset about it? I think not. I think that you are treating the committee process with contempt if you are suggesting that the Minister would sit idly by and not take note of a committee inquiry and, in fact, would not devote at least one member of his staff to a watching brief of the committee's deliberations. Stop kidding us, Harold. That is a joke.

Mr Hird went on to say:

This is in direct contrast to the methodology normally adopted by Standing Committees where the relevant minister and officials are given the final opportunity to address the Committee.

Did that happen with your own committee? No, it did not. It did not happen with the committee you chaired, yet you criticised the committee to which you refused to make a contribution for not allowing it and, dare I say, never asked it to do so - not from my memory of the deliberations, anyway.

This dissenting report is a poor reflection on the Government's ability to deal with the committee system. I have no doubt that Mr Hird is having some pressure put on him from various quarters to be critical of committee processes which are critical of the Government. But to completely deny us the opportunity to discuss any of the matters that he had a problem with and then go through this appalling pretence that in some way there had been deliberation of these matters is just a joke. The fact of the matter is that it has been exposed now that there was no debate about them. Mr Hird refused to contribute to the debate and never criticised any of the recommendations which were put forward. We were never able to consider his views.

Ms Tucker has dealt with most of the issues and the report speaks for itself, but I will deal with a couple more issues which I think are worth talking about. The first is teachers' salaries. Many times we have debated in this place the need for final detailed negotiations between industrial organisations and various arms of government and the argument always has been put that we should leave it to the negotiators on the various sides to sort out the final detail. Mr Hird seems to be suggesting that we ought to have

28 March 2000

been making a recommendation in relation to teachers' salaries that would improve or maintain the operating result. He seems to be suggesting there that we should be recommending a figure for teachers that could be cut from the schools budget. That is, in fact, what the Government is going to do. That became clear to me throughout the deliberation of issues which gave rise to this report. The fact of the matter is that no specific funds have been put aside for increases in teachers' salaries. In fact, any salary increases which are negotiated will come out of the schools budget. Didn't you notice that?

Mr Moore: But you are paying teachers.

MR BERRY: Mr Moore, I would not enter the education debate if I were you. You have sold out; everybody knows that. I would not even enter into the debate if I were you.

MR ACTING SPEAKER: Order! Just stick to this report.

Mr Moore: Watch, Wayne; I will indeed.

MR BERRY: You accepted the Government's rubbery promises as your own when you accepted the position of Minister; so do not try to tell us anything else. You are a mere shell of your former self, Mr Moore.

MR ACTING SPEAKER: Order! Address the chair, if you do not mind.

MR BERRY: You have gutted the principles. Mr Acting Speaker, we have here a situation where any negotiated outcome on teachers' salaries will, as sure as night follows day, result in cuts in funding to other areas within the education budget. Of course, the Government has got a different version of its promise every day you talk to it. It has always said that it is only talking about schools, but the Government created the impression at the outset that the education budget was not going to be interfered with, that it was going to be maintained in real terms. It never talked about schools in the scheme of things.

Mr Humphries: And it was.

MR BERRY: Mr Humphries interjects that it was. Ask the people at central office how they feel about those resources that have been taken from schools. Ask the college system how it feels about having resources taken from it. If that is not a cut - - -

Mr Moore: Where is your recommendation on that?

MR BERRY: It would not be a cut to you, Mr Moore. You are just blush free when it comes to hypocrisy about the education system.

Mr Moore: You have said nothing so far; you stoop to personal attack again.

MR ACTING SPEAKER: Order! Members who rise to a point of order on interjections should recall that.

MR BERRY: Finally, I mention the social and community service - SACS - award. Mr Hird said:

Again the majority of the Committee has presented a recommendation which appears to ignore a select part of the advice presented to it. The situation is clear: the award does not have compulsory application in the ACT, and it is therefore not possible to undertake an analysis of its effect.

Mr Hird, are you telling me that the SACS award has no application in the ACT? Did you not know that awards of the Industrial Relations Commission do have compulsory application in the ACT in the workplaces which are covered by those awards? I think that you have misjudged the situation in relation to that matter.

I put it to the Assembly that this dissenting report should be ignored. It is a dissenting report which does no credit to the Government and I would urge the Government to instruct its members to give more attention to their duties on committees, otherwise we will have a situation each time where members will be able to sit through the process and look as if they agree with everything that happens and then at the end of it go through this charade of producing a dissenting report, not having made a contribution initially. Why bother coming along at all? It might be better if you went off and turned your mind to other committee duties around the place. I know that you are busy, but I think that is a poor reflection on the way that committees operate and it does not assist us if we are not able to debate the issues. I commend the report to the Assembly.

MR HIRD (11.12): It is interesting, Mr Acting Speaker, that I sit on five standing committees and only one of them gives me a problem, that is, the one on which I am about to talk. Mr Berry's attitude is that it is not good enough if you do not agree with him and he subjects you to a barrage of personal attacks. It just so happens that sometimes I do agree with Mr Berry. For example, he referred to a matter on which he was woefully wrong and corrected the situation. I congratulated him on that.

Let me say, Mr Acting Speaker, that after careful thought I have come to the conclusion that the parliament should not accept this report. The report makes a number of recommendations and draws a number of conclusions, based on evidence which was put before the committee. However, the accuracy of much of the evidence is largely untested. The Minister responsible for the preparation of the draft budget, and it is the Minister's draft budget, was not given the opportunity to respond. Both of the earlier speakers said that my committee - the Planning and Urban Services Committee - did not follow that procedure. We did not need to. It was not felt that we should bring back the Minister for Urban Services because there was no need to. We discussed this matter in committee and it was agreed that we would not bring him back. That was the committee's choice, not the Minister's choice. If the Minister had wanted to come back to the Planning and Urban Services Committee, we would have given him some encouragement to come back.

The Minister for Education was not given the opportunity to come back to this committee. He should have been given the opportunity to defend himself or dissect that part of the evidence which was questionable. I think that it is only reasonable for the Minister whose budget we were looking at to analyse the evidence. After all, the budget is the responsibility of the Minister and he must be given the opportunity to answer the criticism which was levelled against him or the Government. The report contains a number of recommendations which are based on the evidence provided by the witnesses to the inquiry. It cannot be disputed that the Minister would have contradicted some of this evidence, but the final report automatically accepts the evidence given by other witnesses as being sound.

It must also be disputed whether the terms of the resolution to send the matter to an inquiry have been adequately addressed and whether the terms of reference were dealt with in the way a committee is supposed to deal with them. The report as presented made little or no effort to make recommendations which would result in the maintenance or improvement of the operation resulting from this appropriation unit, as required by this place. The majority of the committee appears to have bypassed completely the opportunity to have input to the budget process at the draft stage. I had some reservations in respect of this process. However, I think that it is very clear from all the committees on which I served that there is some justification for this process. The mover of the original motion, Mr Osborne, has indicated that at the early stage he was not absolutely convinced that this process would work, but now he is. I am sure that Mr Osborne will speak for himself when he brings in his own report.

I have noted that the report makes little or no reference to revenue estimates or to the capital works program, despite their being specifically mentioned in the terms of reference. The committee has noted that it had to work within a tight timeframe to prepare its report, but that cannot be used as an excuse for not addressing the issues resolved by this place. In that regard the work of a large number of public servants during the Christmas break to prepare this information should not be overlooked. Alternatively, it could be argued that the committee spent too much time on issues outside its reference and that was the major reason that it could not fully meet its responsibilities.

To summarise, Mr Acting Speaker, it is argued that the majority of the committee has reached its findings on a number of issues on the basis of untested or incomplete information, that the Minister has not been given adequate opportunity to respond to issues raised in the course of the inquiry and that the report has not responded adequately to the provisions of the resolution establishing the inquiry. As well as the general issues mentioned, I have also addressed a number of specific elements in my dissenting report. I am sure that they will be addressed more fully by my colleagues in due course; in particular, the Minister. The committee worked hard and the witnesses expressed their heartfelt views. They are entitled to do that, as I am. However, it is my recommendation that the report presented by the majority of the committee is unsound and that it not be accepted.

As I said when I opened my remarks, I am on five standing committees and only one of them gives me heartache and problems. That is because the people opposite, particularly Mr Berry and Ms Tucker, push their own barrows, rather than taking into consideration the full picture. Before I sit down, I would like to thank all the witnesses who appeared before the committee and the secretary of the committee.

MR MOORE (Minister for Health and Community Care) (11.19): I rise to deal with a number of issues coming out of the report. The one that is most fundamental to me is the issue that Mr Berry raised and offered a challenge to me about, that is, the guarantee of funding in real terms. I must say that I am very pleased that an independent arbiter, KPMG, has now looked at that and reported on it - I know that Mr Stefaniak will go through it in detail - and has verified that the Government has, as it has always claimed, managed to deliver real terms funding. I think that it is important to have a history lesson on this issue because Mr Berry sits there and accuses me of doing away with my principles. Why did we come to this position where, first of all, the Labor Party and then the Liberal Party actually guaranteed real term funding in going to an election? It goes back to 1993.

Mr Stefaniak: Did they, too?

MR MOORE: I believe that they did. In 1993, Labor in government set about cutting education funding. They set about cutting, as I recall, 90 teaching positions. I made it very clear at the time that if they proceeded down that path I would consider that to be reprehensible conduct and reprehensible conduct was enough for me to lose confidence in the Chief Minister at the time. Ms Szuty, my colleague in the Assembly at that time, agreed with me on that position. In other words, we made it very clear to the Labor Government that we would not support their budget, that it would be the end of the Labor Government if they proceeded to cut education funding. Mr Berry, a Minister at that time, wanted to cut education, and he set about doing it. He provided for it in the budget. That is what the debate was about. That is how this got started.

I went into the next election saying, "From now on, I want to make it really clear that if someone sets out to cut school funding" - not education funding - "they will lose my confidence". I considered that to be reprehensible conduct. Indeed, I went through the next few years and the next two elections putting that down as part of my election platform. The Liberal Party, presumably wanting to come back into government and recognising that that clearly would be a demand from the crossbenchers, said, "If we are going to have that demand made on us, let us at least put it in our platform and go for the same thing". But the reality is that the reason the school budgets have been protected is that I took that stance.

Mr Berry: Ha, ha!

MR MOORE: For Mr Berry, who now laughs, to stand here and accuse me of losing principles is for him to forget the history. The history is very clear. It was Labor's attempt to cut the school education budget when Wayne Berry was a Minister of the Government that brought about this approach. That is exactly what brought about this approach. What is more, I am very comfortable in standing here and saying to this Assembly without any fear of misleading that I have maintained my promise. I would

28 March 2000

never cut school funding. I would not allow it. I would lose confidence in a government that set about it. Mr Berry and other people have been saying that we have cut it and we have been saying, "No, that is not true, just read the budget papers". But we did not leave it there. We said, "Let us get an independent arbiter to look at it. Let us get a very prominent firm, KPMG, to look at it and tell us whether we have misunderstood something. Is there something that we have done where accidentally" - it was certainly not intentional - "we have cut the schools budget?". When people keep telling you that you have done it and when it keeps appearing in the media, particularly the *Canberra Times*, that you have cut the education budget, you begin to say, "Maybe there is something behind this. Maybe there is a different way of reading it. Maybe there is something we have missed. Maybe we will have to correct the situation".

That is what we were concerned about, so we said, "Okay, let us get somebody separate who understands accrual accounting and who understands the budget process to tell us whether we have done it properly". Their conclusion - this is the only part of it I will deal with; I will let Mr Stefaniak go through the detail - at paragraph 1.3.2 reads:

the budgeted funding levels, afforded to ACT primary and secondary schools -

ACT schooling, in other words -

during the period 1995/6 through 1999/2000, have been maintained at real levels.

Thank you very much. They have been maintained at real levels, and that is the reality. For Mr Berry to stand here and put a new spin on it, saying that we have not allowed for teachers' salaries, as though we should treat teachers' salaries as separate from the budget, is just total nonsense. Mr Berry, you know and I know that over 80 per cent - Mr Stefaniak probably will be able to give us the exact figure - of the education budget is teachers' salaries.

Mr Berry: That is right. Did you just wake up?

MR MOORE: You are so difficult to argue with, Mr Berry, because you are totally irrational. The reality is that our claim has been verified by KPMG, which is not exactly a minor firm in terms of these things. They have confirmed that I have kept my promise and this Government and the Liberal Party have kept their promise. They happen to run to the same things. Mr Berry, the reality is that you are wrong, and the *Canberra Times*, in the way that it has written it up a number of times, is wrong. At least, have the good grace now to say, "Yes, you kept your promise". The reality is that I stand here very comfortable with the fact that in 1993 I set about maintaining, at least in real terms, school funding. What is more, not only has it been maintained in real terms, but also it has been increased significantly.

Mr Berry: Find me a teacher who believes you.

MR MOORE: Mr Berry asks me to find him a teacher who believes me. Yes, you have run a fantastic campaign of misinformation. I have not missed that. Mr Berry, I have to tell you that it is incredibly frustrating to have those lies - wherever they come from, not necessarily from you - going through the education system because the reality is and the truth is that school funding has increased in real terms every single year. It has not been cut. To be accused of breaking my promise is incredibly frustrating for me because the reality is that people ought to be grateful for what I have done. But that is not politics.

Mr Berry: No, it is the truth.

MR MOORE: I understand the politics that you play, Mr Berry, but I expect Ms Tucker, in particular, to look very carefully at that report. I know that she will look at the facts in front of her and understand that we have actually delivered on our promise. I have delivered on my promise. It has been verified by KPMG that I have delivered on my promise, as I have always believed. I have the verification of that now and Mr Berry's constant carping will not change anything.

MR STEFANIAK (Minister for Education) (11.28): I will elaborate on a couple of the points Mr Berry made by referring to the KPMG report because it is very important to do so. I just heard Mr Berry say, "It is the truth", in relation to the myth about the Government cutting school funding. Are we to believe KPMG or Mr Berry?

Mr Hird: The umpire.

MR STEFANIAK: Are we to believe Wayne Berry or the umpire? I know whom I would rather believe and I know whom the community would rather believe, too.

Mr Moore: And the evidence.

MR STEFANIAK: I will come to the basic evidence shortly. Firstly, I want to make a couple of comments on the terms of reference for the committee. I am interested in seeing what other committees have done in this whole process and whether anyone has come up with some sensible suggestions about moving moneys around within the global limits of each portfolio. I can remember spending about half an hour on that when I made some opening comments to the committee. The whole point of this exercise was to involve the committee and groups in the community more in the budget process. The revolutionary step of putting a draft budget on the table was a means of involving more people. It was completely consistent with having more open government. It is something that no-one else in Australia has done. I would hope that at some stage today we will see some of the committees actually making some suggestions.

I have not had a close look at this report. There may be some very good suggestions in it for the Government to look at quite seriously. I have to study the report in detail. I have had a flip through it and there are a few things in it that I do not agree with in looking at them superficially. But, to give some credence to it, we will look at the report in detail and respond during the budget process. I think that it is very important in this process for committees to make some suggestions as to how the Government can improve this

28 March 2000

budget. I accept that it may be difficult to do that, but I think Ms Tucker has missed the point on that. I have not seen too much of that from a cursory glance at this report. I would hope to see it in other reports.

Mr Berry raised a couple of points in relation to the approach of Mr Hird. I was at the hearings of the committee for some hours and Mr Hird did not seem to me to be agreeing with a lot of the points that Mr Berry was making. He seemed to have quite a different view on a number of things that his colleagues on the committee were putting. I think Mr Berry might be being a little churlish, once again, in terms of the approach of Mr Hird.

Mr Berry: You were not at the deliberative sessions, Bill. That is where the decisions were made.

MR STEFANIAK: He certainly was not on the same wavelength as you, Wayne, and thank God for that.

I come now to the education budget and the criticism of it by the P&C council. I note that Ms Tucker has not come up with any comments in relation to that. She got the report on the independent audit on Saturday. I got the final report on Saturday, too. I am glad that the delivery system works very efficiently. I appreciate that the P&C council has not seen the final report, but I am amazed that it is still on the same tangent. The Government has maintained its promise in real terms. It has maintained the promise it made in 1995 and it has maintained the promise it made in 1998 in relation to keeping funding in government schools, primary and secondary, at real terms. In fact, as this report shows quite clearly, not only has the Government honoured its promise to maintain education funding for schools in real terms, but also it has spent, when one extrapolates the graph I will be tabling from the report, approximately \$37m over six years - assuming that what the Government wants to spend on education gets through this budget process - over and above the actual ACT consumer price index. So it has spent considerably more than promised.

It is fairly obvious why that is the case. As this report points out quite clearly, sometimes the Government adopted a CPI which was greatly in excess of the CPI in real terms for a particular financial year. That is acknowledged in the report. As a result of the enterprise bargaining agreement with teachers in 1996 - Mr Berry might like to listen to this - the Government put some more money in there. In 1997-98 the Government put extra money in for its excellent computer initiative for the government school system and it will flow right through to the 2001-02 budget, about \$20m worth of information technology. There has been the occasional program where extra money has gone in. Other programs have been funded as the result of this real terms guarantee. I wonder whether they would have been able to proceed were that not the case.

There have been movements within the system. Sometimes we might have liked to get an increase of \$10m and only got \$8m. There have been some changes in the system; we do not resile from that. That is just part and parcel of good administration. But we have certainly done better than the previous Labor Government did. I think there was to be a cut of 84 teachers under them. I do not think it was 90, as my colleague Mr Moore

said; I will correct him on that one. But the number of teachers that that lot over there - Mr Berry being a Minister in that Government - were going to take out of education was significant. I think Mr Moore is quite right in the points he makes on that.

The conclusions of this report are worthy of putting on the record. There are three of them. Firstly:

the method used to determine the annual indexation amount, including the base amount, is both reasonable and consistent with the budgeting practices encountered in other public sector jurisdictions;

Secondly:

the budgeted funding levels, afforded to ACT primary and secondary schools during the period 1995/6 through to 1999/2000 have been maintained at real levels. Moreover, providing the budgeted rate of inflation matches the actual rate of inflation in the year 2000/01, then it is our opinion that maintenance of real funding would also continue through the 2000/01 financial year;

Thirdly:

the actual funding levels from government, as recorded in the audited financial statements for Government schooling from 1995/6 through to 1998/99, did not differ materially from budget funding levels.

I hold up an interesting graph. The green line shows the actual increase in CPI from the 1995 level. The pink line shows the actual increase in government expenditure on secondary and primary schooling in the Territory, including the extrapolation for 2000-01. It shows a gap of about \$10m for the coming financial year. Doing the sums for six years, it shows that this Government has spent and intends to spend through this budgetary process for 2000-01 some \$37m over its actual promise. That is something that has to be noted.

Maybe the P&C council's calculator needs new batteries, otherwise I am at a loss as to why they continue to maintain the argument they have used during this budget process that it all changed in 1998. Maybe, in fairness to them, they still have some problems with accrual accounting. The way the Government has done its expenditure has not changed. They say that there should be double dipping on items such as Commonwealth grants, which are indexed, and superannuation, of which we have to pay a certain amount each year regardless. They are money in, money out items, items on which we pay the full fare. Insurance is another. We might have to pay \$2m one year and \$3m the next year. Those items used to be in another part of the budget, in a central part of the budget, but, as a result of accrual accounting, they have been devolved to agencies. The P&C council is saying that the CPI should be attached to them and it is or they are items which are totally fully funded anyway. That is something no other government does. That is where the fallacy arises. They do not seem to be able to grasp the effect of accrual accounting.

The KPMG report shows that in a series of graphs. There is a good one at attachment 8. The red line on the top shows a big increase from 1997-98 to 1998-99. That was when we moved to accrual accounting. Below that there are two other lines, a pink line and a yellow line, which virtually merge. That shows that the Government has done exactly what it promised it would do in terms of its budget papers. It seems that the P&C council have a little bit of trouble with understanding accrual accounting. Maybe I am being a bit too generous to them there; maybe there are some other reasons. Maybe they are being political and are saying, "We would like to see some more money". For example, the P&C council has said that about \$6.5m has come out of the system over the last two years. That is wrong. (*Extension of time granted*) You would know it if it had. If \$6.5m had come out of our education system, we would have about 130 fewer teachers in our schools now. I reckon that if we took \$0.5m out of the system you would know it. It is a strange argument and they seem to be going off on a tangent there.

I have never had any drama with any interest group which says, as the P&C has done in the past, "You have maintained your promise. You have continued to increase education funding in real terms, but we would like some more". I can remember Grant Battersby conceding, quite properly, on the ABC recently - it might have been before Cathy Van Extel left - that the Government had spent an extra \$6.2m, I think it was, in the current budget on education, saying, "But we would like some more. We do not think it is enough". One might not necessarily agree with that when one has to consider what we are trying to achieve for the whole Territory, but that is a valid point for an interest group to make. It is telling it straight and it is telling it quite openly and honestly. I am a little disappointed with them for going off on this tangent. It would be no drama for me if the P&C council had said that it would like \$6.5m more. I would say that I would look at it and make a decision, but may not be able to accommodate them. But they should say that, rather than going off on a tangent.

That is why we were quite happy to have an independent audit. We invited comments from the P&C and the AEU. I understand that the P&C sat down with KPMG, agreeing with the terms of reference. The P&C were given a draft report and asked to comment on it. There was a fairly short timeframe; I think it was two days. I understand that they did not comment on it. Of course, the final report is now out, but they are still maintaining their original position, which is unfortunate. I would certainly ask them to reconsider it because KPMG is a most reputable firm. No-one had a problem when we announced that it would do the audit. The two most relevant players, the P&C and the union, have had their input and the umpire has come down with its decision. It is a decision that Mr Moore accepts. It is a decision that most sensible people in our community will accept because it is the decision of a firm of experts after looking at the facts. I hope that this Assembly will accept it. Whether you like it or not, there it is. Mr Acting Speaker, I table the KPMG report and the chart to which I referred.

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety) (11.41): I want to make a few comments, as Treasurer, on this report of the Standing Committee on Education, Community Services and Recreation. Although I have only read this report briefly, focusing particularly on the recommendations and the comments, I have to say that it constitutes a very disappointing report on the part of the committee and one which is clearly outside the terms of reference and expectations laid down by the Assembly, admittedly not with the

agreement of all members, in debate on this matter only a few weeks ago. The committees were told that the draft budget process was about attempting to build a better budget through taking comment and feedback from the community and helping to refine and distil elements of the budget, to improve the budget outcomes and to test the Government's allocation of priorities within the budget framework.

That, as I understand it, was what the draft budget process was all about. It was about putting the document itself, the budget, on the table in a draft form and saying, "Here is how the Government sees and reads the priorities and what it proposes to spend in the coming financial year. Tell us how we should change them, given that we have only a certain amount of money to spend. We do not wish to increase our borrowings. We want to spend as much as we have earned, given that we are projecting a balanced budget. Tell us how to reorganise this budget to achieve better priorities within that framework".

In those terms, the Standing Committee on Education, Community Services and Recreation has failed utterly to address those priorities. None of the recommendations relates in reality to the priorities outlined in the draft budget. They are all recommendations that relate, in effect, to what I would describe as estimates-type processes - processes about collecting information, government going off and doing further work, improving reporting requirements by providing more information in certain areas, et cetera, the sorts of recommendations that we usually see out of estimates committees.

That was not the task that was given to these committees. Each committee was not meant to be an estimates committee; it was meant to be a draft budget committee. The committees were meant to do the sort of work the Government does in developing its budget. It looks at what departments put forward by way of suggested priorities for the coming year and decides whether it agrees with them. None of that is in this report. That, I have to say, is a gravely disappointing state of affairs.

Mr Berry and Ms Tucker repeated their opposition to the draft budget process. Fair enough, we understand where they are coming from in this exercise. But it is a pity that they have let their personal views about this matter override the views that were clearly laid down and accepted by a majority in the Assembly about the way in which this budget process was to work. There is nothing in here that the Government can look at, I would suggest, that should change significantly the way in which the budget is brought forward, at least in terms of the recommendations of this report. There is nothing on which to go back to Cabinet and say, "They recommended that we change this priority in favour of that and we shift money from here to there in the budget. What do we think about that?". There is nothing at all, Mr Acting Speaker.

There are some comments which could be said to go to the question of budget allocation, but those comments do so without recognition of the basic parameter which this Assembly imposed on the committees, which was that they should do so in a budget neutral way. If they want to spend more money on something, they have to say, just as the Government has to say it, where they would find the money for it. We have been told that that was not possible because, firstly, there was not enough time and, secondly, there was not enough money or there were not enough resources to be able to do that.

28 March 2000

On the first question, I want to remind members about the issue of how time was allocated to the committees to conduct this exercise. Members will recall that I outlined to committees in December last year how the Government saw the draft budget process working. As a result of the Government's position, a letter was received by me from the chairman of the Standing Committee on Finance and Public Administration saying that there was not enough time, that they would not have the time to properly assess all the issues that went into the development of the draft budget. I wrote back to the committee on, I think, 17 December last year, saying, "We have decided that we will take up the points that you have raised and extend the period that the standing committees have to consider the draft budget. We will do that by pushing out the date for the presentation of the budget itself from early May 2000 to 23 May 2000. The extra time created by that" - something like 10 weeks, as I recall - "allows the committees to have further time to consider the budget". I had no reply to that letter and I assumed that that was acceptable to the committees.

As I have said before in this place, the 10 weeks or so to consider the budget put forward in draft form is actually about the same timeframe as the Government has from when the budget is presented in the budget Cabinet to when it has to make a decision on what the budget should look like. If the time is long enough for us, I would submit that it is long enough for the standing committees.

The second issue is not having the resources to be able to formulate a draft budget. I wonder how many of the committees actually came forward to the Government and said, "We would like you to help us to identify areas where money can be found to meet budget priorities that we would like to identify in our report". I know that the Justice and Community Safety Committee did. They approached me and said, "How can we actually find more money to be able to meet what we see as emerging priorities?". I went back and I suggested some ways in which they could reorganise budget priorities and identify issues. The committee, I imagine - - -

Mr Hargreaves: You did not. You just suggested an amount of money.

MR HUMPHRIES: I am sorry, I had correspondence from the chair of your committee asking me for - - -

Mr Hargreaves: You did not suggest any alternative method. You just said, "Here's a bunch of dough".

MR HUMPHRIES: I had correspondence from the committee asking me to identify ways of being able to fund the priorities which the committee was proposing to recommend. I had correspondence with the committee and my officers had further discussions with it about how we might be able to achieve that exercise. Where was that attempt on the part of - - -

Mr Quinlan: It was a clever move by you and Ossie. It was a good move.

MR HUMPHRIES: I was corresponding with the chair of the committee to address the concerns he raised about the issues that committee was facing. That is perfectly reasonable and I would do so for any committee which chose to approach me, as would any of the other Ministers, I am sure.

Mr Stefaniak: I would be delighted to get an approach like that.

MR HUMPHRIES: Indeed. Of course, it did not happen. There were no approaches on the part of other committees to the responsible Ministers. There were no approaches and there was no attempt on the part of the committees to try to work out for themselves how they would reorder priorities. That was the task that you were given and you seemed to find it very difficult to contemplate that task.

Mr Quinlan: Mr Acting Speaker, I take a point of order on relevance. We have before us a report on the education portfolio and I think that Mr Humphries is delivering a speech on the Justice Committee.

MR ACTING SPEAKER: There is no point of order. It is a broad matter of principle.

MR HUMPHRIES: Mr Acting Speaker, I will confine my comments to the Education Committee. That committee did not approach me or the Education Minister, saying, "Help us to reorder priorities in this portfolio", which is the task that they were given by the Assembly. That is quite clear. That is there on the record and the report reflects that fact. There is no attempt in this report to identify a reordering of priorities. On the point of not having the resources to be able to second-guess the Government, I remind members of this Assembly that the Liberal Party in opposition in 1994 actually produced a draft budget to answer the comment that we were prepared to criticise without being constructive. We said, "Okay, we will produce a draft budget", and we did. We did so with no more resources - in fact, fewer resources - than members currently have in opposition. (*Extension of time granted*)

I remind members that the education committee - I know that this applied to other committees as well - was offered extra resources to help it to identify the work that it needed to do to meet the task that the Assembly had set for the committee. Did the committee take up that offer? Apparently not.

Ms Tucker: Do you know why? I will explain later.

MR HUMPHRIES: No doubt, Ms Tucker will answer that question. Do not tell us that the resources were not there because they were offered to you and they were not availed of. Even if they were not availed of, we managed to produce a draft budget in 1994. Mr Kaine will recall that exercise because he was part of that process. In fact, we drew on that draft budget for the first budget that we presented in government in 1995; so it is possible to do. It does not involve magic or smoke and mirrors; it involves simple hard work - work which the Education Committee apparently was not prepared to do.

I want to make some comments on the GST impact which the committee has referred to in comments. The committee has commented - effectively, it is a de facto recommendation; it was not prepared to indicate how it would fund it, but it was

prepared to recommend that it should happen, in effect - that the community organisations which are the recipients of grants or service provision arrangements from the ACT Government be fully compensated for the effect of the 10 per cent GST. When this issue was received by the committee, the Minister indicated that his expectation was that there would be simply an increase of 10 per cent in payments by not just DECS but other government departments to the community organisations from which they purchase services to allow the community organisations not to be disadvantaged by the payment of GST.

The effect of that would be a 10 per cent increase in payments by the community organisations and, because that is a cost and government is exempt from the payment of GST under the intergovernmental agreement, we will receive that extra cost back from the Commonwealth as a compensating payment under our guaranteed minimum amount arrangements. Under that arrangement, we can guarantee that the community organisations will be no worse off. The Minister foreshadowed that. Perhaps he did not make it absolutely definite, but it is clear that it will be the case that there will not be any adverse impact on the part of those organisations as a result of that.

But there is another issue here which the committee has not grappled with, perhaps because it has not asked the question. Not only will community organisations not have to meet the 10 per cent GST, but also there is the question of savings which those organisations will make from the embedded wholesale sales tax which they will no longer have to pay. The estimate that we have used in the ACT for the savings that community organisations will achieve as a result of that abolition of the embedded wholesale sales tax is approximately \$1.2m across the whole of the government service provision sector - \$1.2m.

The committee has not commented on whether the community organisations should have their 10 per cent adjustment reduced to account for the windfall which community organisations will actually receive. I am surprised about that. I am surprised that it has not been raised with the committee. Perhaps there is an explanation for that. Perhaps the committee did not have the issue brought to its attention. If that is the case, I will accept it. But the point I am trying to make is that there are two sides to this coin. There is the issue of extra costs if they were being forced to pay the GST, which, as I have indicated, they will not be forced to pay, in effect, and there is the question of the savings that they will make because wholesale sales tax is being abolished. I hope that the committee will consider that if it revisits these issues, for example, in the context of the estimates process. I will close by saying that I am disappointed by this report. The committee was given a clear task by the Assembly and it has failed completely to engage in that task.

MS TUCKER (11.56), in reply: In closing the debate, I will address Mr Humphries' comments first. I need to correct a couple of things. I think he has misrepresented the report. First of all, Mr Humphries suggested that we had used time constraints as a reason for not meeting fully what the Government perceived to be our brief. We did not say that in the report. We did make a comment in the report about the timing issue, but we did not actually say that it was a factor in how we finally determined to present the report in terms of having recommendations dealing only with broad issues, which was how we worked within the spirit of the motion of the Assembly. On the issue of funding, we were put in the impossible situation of not being able to reshuffle money

because in every single area we were being told that there was unmet need and underresourcing. Obviously, we were not able to do the shuffling that Mr Humphries seemed to want committees do. We chose instead to make comments relating to the funding matters; so we did work within the spirit of the motion of the Assembly. Therefore, I reject Mr Humphries' comments on the timing issue.

Mr Humphries said that we should have asked for a briefing and help to work out how to reshuffle the money. Mr Humphries might like to know that we did have a private briefing from officials of the department. We did not ask them to talk to us specifically about how to reshuffle the money, but we did ask for a private briefing and it was very helpful. I acknowledged that when we spoke with the Minister. I recall that we thanked him for making his officials available. We had a private briefing at which we had the opportunity to look in detail at a number of issues relating to the budget, and that was helpful, but that would not have been a briefing at which we could have been told how we could reshuffle the money because, obviously, the work of the committee was to listen to the community and deliberate on whether there was room within that portfolio area to move money and it was the considered view of the majority of the committee that we did not have that ability.

Of interest to me is that, I understand from Mr Kaine, Mr Humphries offered the chair of the Justice Committee \$1.5m at one stage. I am not sure what happened to that. If we had known that we could go to Mr Humphries and say that we wanted more money, we would have done so. I just was not told that we could do that. It is really useful to know that, if this happens again, I can go to the Treasurer and say that we want more money and we might get it, depending on what happens with the Justice Committee.

Mr Kaine: And you might not.

MS TUCKER: We might not, as Mr Kaine says. Maybe the Justice Committee will not be getting it after all; but it is an interesting concept. Mr Humphries was very indignant - in fact, he was gravely disappointed - about the way in which we presented this report. He said that we had the job of refining and distilling elements of the budget, which is work that government does. He said that it is hard work being in government, but we should have done that. I totally reject that. I assume that a government would not look at each portfolio area separately and make decisions about funding only within that area and not move outside it. If that is how government works, I am fascinated. It sounds like a bad way to work.

Mr Humphries did not want to increase borrowings and said that we were being irresponsible in that regard. I need to address that. By making comments about the particular portfolio area that we believed could well need greater resourcing, we have been accused of forcing the Government into debt. That is a silly argument because, obviously, the Government can make broad decisions across portfolio areas as to where the priorities lie and it can make decisions about revenue measures. That is something that we bring up every year. Expenditure cannot be separated from revenue raising and we need to have discussion on that in total if we are serious about working together on looking at budgetary matters.

28 March 2000

Mr Humphries said that we were offered support by government on this issue. That is correct and we considered it seriously. We sought advice from the Clerk on whether it was appropriate to second an officer to work for the committee. The view of the majority of the committee - it may have been unanimous, but I do not think it was - was that it was getting to be worrying because it would be blurring the line between the government of the day and the committees of the Assembly. In what position would we be putting a public servant who was seconded to work for a committee? Would they be taking off their Public Service hat and not working to the Minister, which we understand to be the requirement under legislation, or would they be working as independent persons, as members of the Secretariat do for the committee system in this place? After considering the matter, the committee did not take up that offer for those reasons.

I was interested in the comments that Mr Humphries made on the GST. I was not familiar with the savings. It will be great if there will be savings. I know that the community is very concerned about cash flow issues with regard to the GST obligations on them. I will look in more detail at the information that Mr Humphries brought up today.

I need to respond to a couple of the issues that Mr Hird raised as well. On the matter of teacher shortage in the education system, he said:

The majority of the Committee makes a recommendation based on the concept of teacher shortages. There has been no basis provided for this assessment, apart from a throwaway line provided by the Australian Education Union.

It worries me that Mr Hird has said that because I understand that there has been a full analysis of the teacher shortage situation across Australia. Mr Hird went on to say:

Conveniently ignored is evidence given by the Minister that a recent advertisement for teachers in the ACT drew 1000 applications for 240 positions. This statement would satisfy most people that the teacher numbers position in the ACT at least, was not a problem.

It does not satisfy me at all; in fact, I think that it is insulting. If the Government had cared to look at the work that has been done on this issue it would know that a detailed analysis has shown that in some areas there will be a teacher shortage. It is convenient for the Government to pull out broad figures like that and say that there is no problem. The Government has not done the work, but I believe that Barbara Preston has done a full analysis of this issue and come up with real concerns about shortages of teachers, particularly in the areas of mathematics, science, industrial art and information technology, areas which this Government claims that it wants to pursue and for which it wants to have high standards in the ACT.

Mr Stefaniak, they are the areas in which shortages are projected after a full analysis. It is an analysis which your Government not only has not done but also discounts in this insulting way by just using broad figures. We need to have a full analysis done of this issue and I hope that the Government will reconsider the statement made today by

Mr Hird in his dissenting report. I hope that is not the Government's position and that we will actually see a genuine attempt by the Government to look at the issues that have been raised in the report. It was far from a throwaway line from the AEU. It seems to me that the AEU does more work than the Government on half the issues of concern around education.

Mr Hird, in his dissenting report, raised a number of concerns about the committee not going into a lot of detail on capital works. Mr Berry commented on that. I have to agree with Mr Berry's comments. Mr Hird did not raise this issue in committee. He had the opportunity to do so. He may recall that we did talk about capital works in the private briefing. He did not at any point in the committee's proceedings make a big issue of it. We were not given any evidence by the community to raise concerns about it and Mr Hird did not raise it as an issue, so it was not something that we addressed in any detail.

The dissenting report is really of a very poor standard in terms of how the arguments are put. There are some quite serious allegations in it if you care about the calibre of work of committees. He keeps talking about unsound methods. I am assuming that he is talking about the problem he had with having the Minister speak first. I have addressed that issue. At one point in the dissenting report Mr Hird says that earlier evidence given by the Minister contradicted evidence of other witnesses and that we had chosen to take the view of the other witnesses. It is meaningless and really silly to put such a thing in a dissenting report if you do not substantiate it with examples. How can anyone respond to it? (*Extension of time granted*)

I think members would be happy to give leave to Mr Hird to explain why he is making these accusations. If he told us specifically what evidence he is talking about here, I could respond because I do take the responsibility of chairing a committee seriously. I am interested in criticism and I am interested in looking at how we can work better, but I have no idea what he is talking about here. He really does need to be much clearer if he is making such a strong statement of criticism of the committee.

Mr Hird said in his speech that Mr Berry and I were pushing our own barrows, once again. That is an allegation that is worth substantiating with evidence. Unfortunately, it is just a line. I have explained the evidence. The evidence is attached. The Government's response is attached.

Mr Stefaniak: I take a point of order on the use of the word "lie" in referring to another member of the Assembly. I think that it should be withdrawn.

MR SPEAKER: If the word "lie" was used, please withdraw it.

Mr Berry: No, she used the word "line".

MS TUCKER: I did not say "lie".

Mr Stefaniak: I am sorry.

28 March 2000

MS TUCKER: It is just a line. It is a line that has not been supported by strong argument. For that reason, it is not satisfactory. As I said, the committee has attached to the report the terms of the submissions from the community and the Government's response to them, so the basis for the recommendations will be really clear to anyone who takes the trouble to read the report.

Question resolved in the affirmative.

FINANCE AND PUBLIC ADMINISTRATION - STANDING COMMITTEE
Report on Draft 2000-01 Budget

MR QUINLAN (12.09): Mr Speaker, pursuant to order, I present the following report:

Finance and Public Administration (incorporating the Public Accounts Committee) - Standing Committee - Report No. 5 - Report on Draft 2000-01 Budget for the Chief Minister's Department; Draft 2000-01 Budget for the Department of the Treasury and Infrastructure; Draft 2000-01 Total Territory Financial Position, dated 28 March 2000, including a disclaimer, together with a copy of the extracts of the minutes of proceedings.

I move:

That the report be noted.

Mr Speaker, first of all I seek your guidance on whether it is appropriate to read the disclaimer into *Hansard* immediately?

MR SPEAKER: No, there is nothing contrary to the standing orders in doing that if you wish.

MR QUINLAN: Well, I am asking for an indication, really, because I thought you might want that said beforehand rather than after what I say.

MR SPEAKER: Right.

MR QUINLAN: This is a disclaimer from Mr Cornwell, a member of the committee, and it reads as follows:

As a member of the Assembly Select Committee which produced the Report of the Review of Governance and as a member of the Government, I supported the 9 December 1999 Assembly motion to refer the draft 2000-01 Budget to relevant general purpose standing committees and further, that the draft total Territory financial position be referred to the Standing Committee on Finance and Public Administration (incorporating the Public Accounts Committee) of which I am a member.

I now believe that the original concept of referring the draft Budget to the total Assembly through its various committees to have been a mistake.

In the accompanying Report, the committee has stated that it had inadequate time and resources and, more importantly, inadequate information to carry out the task with which it is charged.

As a result the committee has commented and criticised as it saw fit and has made a number of recommendations. However, much of this process, I submit, is identifying funding areas that the committee found questionable or might have funded differently - and which might not have found their way into the report if further consultation had been possible with government, thus resolving differences.

Inevitably, I believe, political views will surface in commenting upon such a document as the draft Budget (just as they do each year following the presentation of the budget itself).

While I have no quarrel with this approach, it being a fundamental of the democratic process and the Westminster system itself, I cannot associate myself with everything said in this report.

However, because of the limitations outlined earlier and the absence of feedback the first of these restrictions inevitably imposed, neither am I able to identify those matters and recommendations I might have supported as opposed to those I would not.

Therefore I write this disclaimer dissociating myself from this Report and its recommendations.

In conclusion however, let me state that while I now believe the original idea of referring the draft Budget to Assembly committees was a mistake, I agree that until this was done the implications of such an innovation could not have been recognised.

MR SPEAKER: Thank you, Mr Quinlan.

MR QUINLAN: Okay. I now refer to the report that we brought down. I guess, along with other committees, we did question the process. We did go to the fundamental question of whether this draft budget process fits within the Westminster system. Is a budget the primary political document of a government? Do government Ministers who enjoy the trappings of office and the authority and the power that goes with it also bear the responsibility of putting forward a budget to the Assembly and, through the Assembly, to the committee as a statement of their political directions for a given year? The budget is then open to debate within the Assembly, and questioned not necessarily for its strengths but more for its weaknesses. Nevertheless, we have this balancing process. We have what I would term the sort of constructive tension that parliaments to a large extent are built upon.

This budget became, unfortunately, very much a vehicle for government announcements over the holiday break. One element after another after another of the budget was announced to the media before it was presented to members. I think that is an unfortunate process. I think to some extent it shows a lack of goodwill for the process, and to some extent a degree of cynicism in the Government's approach. Overall, the test of this process will be the goodwill with which the Government does accept the reports of various committees, it being a process done for the first time. I look forward to seeing the Government's attitude in about 12 months time when it faces the question of whether it does it again or whether it does not want to do it, given that that will be about nine months away from an election.

In relation to the budget process, the question of community consultation arose fairly quickly. Quite clearly, there were conflicting messages promulgated about the respective roles of the Government and the committees in relation to receiving public submissions. I think, to some extent, they were resolved, although I think the Treasurer stuck with the statement that he did think that this was still the best vehicle for community consultation.

I have made the point before, but I would like to make it again - we have made it as a committee in this report - that there are very compelling reasons why this draft budget process could not be used as a vehicle for public consultation. First of all, I do not think anything should stand in the way of access by interested parties and groups within the community to a direct hearing on the budget. Committees, with the best possible intent in the world, must become filters, and whatever they present must necessarily be a function of the interpretations placed on submissions.

Committees are comprised of cross-party representation. If there is goodwill within the committees, they will be seeking to provide consensus and compromised views. Again, this is a dilution of the process that might otherwise be available to stakeholders and to interested groups. Stakeholders will often find that their submissions transcend portfolio boundaries.

We think that the resolution that set up this process in the first place was quite restrictive, as we all know, and that the transcending of some interest beyond the artificial boundaries that we have between portfolios would weaken the strength of any particular submission made to government, and certainly could put two different constructs on it within the same system. I do not think stakeholders should be hit with and constrained by the same proscription that the Government placed on this of not being able to alter the bottom line in a particular portfolio area. So the committee has concluded and recommends to the Government that this review process, should it be continued, should not be seen as acting as a replacement for the Government's process of consultation with the community and its responsibility to remain open to those stakeholders and those interested groups.

For its part, the committee still accepted its role and accepted the resolution of the Assembly. It advertised, as the Government advertised overall. The advertisements went out for interested groups to make submissions. This committee also directly invited some 100 business and community groups to make submissions and received in the

order of 28 responses. We know that a number of these submissions were also sent to other committees. That was done because those particular stakeholders faced that difficulty of cross-portfolio topics.

Some organisations found some difficulty in understanding the process and what their role was and what their opportunities for consultation were as a result of the communications that were made public and the process. I think that if the process is to be continued the Government has to be a bit clearer in relation to the public consultation process.

Moving on to the budget itself, I have to say that the Finance and Public Administration Committee is not a committee that relates to the spending processes within budget. The spending portfolios are quite outside our purview, so to some extent we were limited by the resolution and by our role in otherwise having a good time spending government money.

We were concerned that one of the inhibitions on this process is that the draft budget is prepared so early in the reporting cycle for the current financial year. I think the best numbers or the latest numbers we saw when we were doing this process were prepared in November of last year and, quite obviously, they were not up to date in terms of the full accrual accounting process. We rather suspect that those public servants who worked on this budget, such as the work was, would have had some difficulty in extrapolating from the figures that were available. Certainly, we found, as a committee, that there was not a great deal of value to be had in the reports that we had to date. So one of the difficulties with this process that I think the Government has to accept is that we are working without the benefit of much information at all on the current financial year and any new directions that might have been taken by the prevailing budget.

We note that the base point of the budget is based on fairly optimistic assessments. We note that the national economy is particularly buoyant at the time and that the ACT is bubbling along in concert and in parallel with that.

Mr Humphries: We are ahead of it. We are rather better than the national economy.

MR QUINLAN: Yes, we do tend sometimes to oscillate around the national trend, but we certainly follow it. We still remain somewhat cautious as a committee that consumption has been high; that the economy is buoyant; that the ACT economy has probably benefited from expenditures on Y2K in the immediate past because of its central nature and the fact that the city operates largely on the information industry of one sort or another, whether it be government or non-government. We are also concerned that there is the possibility of corrections within the economy, as they are euphemistically called, because of the high consumption rate and high retail sales post GST.

The committee does have genuine concern as to what may happen post GST, given that we know that there is tremendous activity in some sectors of the economy as a function of the impending GST, such as in the building industry. Some people are already getting caught now trying to get work done before the GST hits them. They are finding

difficulty getting the right tradespeople or getting particular work done. That does not portend well for active post GST activity. Only time will tell. Nevertheless, we expressed that reservation in relation to the budget.

At the time of its publication the draft budget showed an operating surplus. (*Extension of time granted*) The draft budget showed an operating surplus of \$2.1m, which is within a few thousand dollars or so of the forward estimates included in the prevailing budget. The Treasurer has since advised this place that he had issued instructions that the budget should meet that particular target that gave rise to the back in the black claims when the last budget was published and tabled back in May last year. I have to say that my observations of the draft budget do not coincide with the claim that it was the function of a full, rigorous budget round. It looked very much to me, in the time we had, that it was the previous forward estimates with some adjustments made. Nevertheless, at the time of the production of the draft budget we had not done the budget round. When we questioned the Treasurer in relation to the time available and the process itself we were told something like, "Well, if it was good enough for all these public servants to work through Christmas, it should be good enough for you to work as well". I am not sure that I see evidence of a complete process there, and I am happy to be contradicted on that particular observation.

We notice that since the time of the draft budget we look like receiving something in the order of \$21.3m in additional Commonwealth funding. In relation to that, the committee recommends that the Government, during the creation of its genuine budget, look towards examining the cash flow processes as opposed to the operating statement to try to start for the first time contributions to the superannuation liability that are not pulled out of ACTEW or are not just contributions made by the business enterprises in the place; that we actually have some real, genuine ongoing process of contributions to the superannuation liability out of the Government's operations.

I want to concentrate to some extent on the bottom line. Although it is claimed that with this budget we will be back in the black, it is my contention that that is a very dangerous conclusion to make. In fact something in the order of \$74m is either interest received on our superannuation that we have set aside or it is this notional adjustment of a previous correction of the superannuation liability, and that has been brought above the line for the first time this year. It now becomes a credit, a revenue if you like, that makes the operating year look like we are performing at about break even. Now, that is simply not the case.

The best example I can give you is if you own a business and you break even on everything you do other than earn interest on the superannuation you have set aside for your employees, according to actuarial advice, and you make some profit, you make some earnings, on that interest. You cannot spend that money. You cannot. You cannot declare a dividend and you cannot spend that money, otherwise you are eroding the superannuation that you have put aside. The measurement we make of the superannuation liability is that amount of money we need now to invest and earn interest on to pay bigger sums of money later. If we spend the interest now, then what we put aside will be inadequate to pay the larger sums of money later. It is just purely how we measure the net present value of the superannuation liability.

So just two items in this budget, the interest earned on superannuation, about \$50m, and this process that we have invented of taking an actuary's adjustment to our liability above the line - even though we have not funded it, for God's sake - add to something in the order of \$70m. If this Government turns this draft budget into the budget that they are going to live by for the next year, then we are selling ourselves down the river to the tune of about \$70m. If we claim that that is an operating result, then we are flattering ourselves by accounting processes.

I have checked those accounting processes. I did write some letters, too, during this process. I wrote to the Auditor-General and the processes are technically acceptable according to his standard. One of the processes used is an American standard that has been used in the absence of an Australian standard. However, this is where we have to be very careful that we recognise that we are not breaking even in our normal day-to-day operations.

As a consequence of that, the committee recommends to the Government that they include in the final budget a clear statement of an actual operating result net of these two superannuation accounting treatments. If it does not do that it is telling this Assembly and the people of the ACT that they are \$74m better off than they are. We will be selling off the farm to some extent in terms of our superannuation. (*Further extension of time granted*)

I want to go back to one thing about superannuation. I would like to read into *Hansard* a paragraph from Bernie Fraser's report entitled "Review of Investment and Other Operations of the Superannuation and Insurance Provision Unit and the Central Financing Unit". Paragraph 31 says this:

... it is understood that the ACT Government is considering the introduction of legislation which would have the effect of ensuring that provisions made for superannuation could be used only for superannuation purposes. This would require that monies in the fund could be used only for superannuation; that all interest earned by the fund would stay in the fund; and that there be no drainage of the fund over time. These seem prudent arrangements.

Without referring to operating results, I think the sentiment of what Mr Bernie Fraser has said, and has said directly to this Government, confirms what I have just said in relation to delusion as to the bottom line, which is a function of accounting and not a function of an operating result.

In relation to the GST, I think enough has been said. The results are clouded by that to the degree that we have sympathy with the Government. I have to say that the implementation process at a national level looks like a dog's breakfast. There is still a lot more information to come forward and a lot more definitions to be crystallised before we know exactly where we are in relation to the GST. That does not inform the members of committees when they are looking at the budget. When the Government does form its position on GST, we ask that it have the good grace to furnish us with a statement on the draft budget and how the GST will affect that. Certainly, you are going to have to sort this out before you put together the final budget for next year. We

28 March 2000

are virtually recommending that you give us an interim report before that budget on just how the GST affects it so that we can at least digest that with a view to reading and understanding that further budget, using the knowledge and the understanding that we have gained by being involved in this particular process.

When looking at the budget itself, the committee sees that there are positives in that within the improving financial situation. The easing of payroll tax seems to be a very positive move. The committee would like to think that the Assembly has some measure of the effect of that. It might report back to the Assembly on the impacts of that particular relaxation so that we understand what impact it did have and, when we look at it in future, we have some frame of reference. You probably have heard already in this debate, and you will hear again, no doubt, that people were concerned about the amount of information they had and the limited timeframe in which to do the job that this Assembly gave them to do.

Obviously we applaud the research and development grant scheme that has come forward. We know that Canberra's future lies in the development of a knowledge-based economy. I only have to refer you to my policy speech to the ALP conference of last year in relation to that. We would give a tick to the capital works, particularly in the development of Gungahlin. People who have spent considerable amounts of money to develop their houses and to settle in Gungahlin deserve to receive at the earliest possible moment the basic services you would expect in a planned city like Canberra.

A matter of concern is the tardiness that is evident in the construction of capital works. For the last year that we have any report on, 1998-99, we only started 50 per cent of the projects that were promised in money terms. It is pretty easy to budget for a capital works program full of promise if you do not really intend to fill that promise. The committee has had an episodic battle - I guess you would call it that - with Treasury officials in terms of getting a capital works budget process that is a closed system. If something goes in, it does not fall off, or get forgotten, or get reannounced the next year as an initiative even though it has been promised for one or two years beforehand. We will, no doubt, return to that battle again.

Within the budget there are some initiatives which we hardly see as initiatives. We think it is a bit spurious to be making claims such as health and community care funding going up when it hardly keeps pace with financial indexation. We think that making announcements like spending \$4.5m on Australian Federal Police, on which you have no choice, hardly rates as an initiative. Topping up funding for ACTION because the system that you have implemented has caused a drop in patronage hardly seems an initiative. Abiding by requirements of an intergovernmental agreement on the first home owner scheme hardly seems an initiative as well. Then there is a whole list of what essentially must be routine maintenance that has also been given the spurious title of initiatives.

I want to mention undesirable budget provisions. The reduction in hospital and acute care funding, \$25m over four years, in the pursuit of national averages is scary stuff. We are rather concerned about that. When we hear all the reports from across the States of

hospital systems in crisis and we say we are going to match that, I think there needs to be a bit more of a rationale behind what we do over and above the national averages. We know that, in the main, hospital systems across Australia are facing crisis.

The report includes some discussion in relation to general rates. We have a basic system in place, but that system is manipulated each year in very inventive ways in order to achieve a particular outcome. That, to a large extent, makes a nonsense of the formula in the first place.

MR SPEAKER: The member's time has expired.

MR QUINLAN: I seek an extension.

Mr Humphries: How many is this?

MR QUINLAN: Did you want the job done or not?

Mr Humphries: The fourth one. Okay.

MR SPEAKER: Excuse me, Mr Quinlan. Members, we are approaching the time when we suspend for lunch. I wonder whether you want to adjourn at this time and allow Mr Quinlan to continue his remarks later. Would that be a preferable arrangement? Is it the wish of the Assembly to suspend for lunch?

Mr Humphries: Yes.

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 12.40 to 2.30 pm

QUESTIONS WITHOUT NOTICE

Periodic Detention Centre

MR STANHOPE: Mr Speaker, my question is to the Attorney-General. On 2 September 1998 the Attorney advised the Assembly that the Auditor-General was investigating a complaint about the conduct of officers of ACT Corrective Services and the termination of the contract of the person who made the complaint. The complaint was accepted as a public interest disclosure, and the Auditor's investigation was conducted under the provisions of the Public Interest Disclosure Act. Mr Speaker, can the Attorney say whether the Auditor's report has been completed? If it has not been completed, does he have an explanation of the delay? If the Auditor has, can the Attorney advise the Assembly when it may be released?

28 March 2000

MR HUMPHRIES: Mr Speaker, I thank Mr Stanhope for that question. I have not received the report. Inquiries of my office about when it would be expected have not produced any anticipated arrival time for the report. As to the reason that it has been delayed, I can only assume that the Auditor-General is consumed with other matters.

MR STANHOPE: I ask a supplementary question. We await both reports with interest. Can the Attorney confirm that the Government has briefed counsel to defend an unfair dismissal claim lodged by the officer whose contract was terminated?

MR HUMPHRIES: Yes.

Housing - Waiting Lists

MR HIRD: Mr Speaker, my question is to Mr Smyth as Minister for Urban Services. Minister, over the last 12 months much has been said about the size of the waiting list for public housing, especially in light of the Government's big-flat strategy. How has the waiting list moved over the last 12 months, and how does this list compare with other levels?

MR SMYTH: Mr Speaker, over the last few years the Government has attempted to put in place quite a number of reforms in the provision of public housing in the ACT. We see it as a very important part of our social agenda. This Government, in its promises to the electorate, is not simply about balancing the books but about delivering the services the people of Canberra expect and want delivered. We have always tried to target our programs to help those in need. We have tried to move away from forms of housing that are no longer appropriate and we have tried to match our stock much better with the needs of our tenants. Over this period others have responded in the only way that they know how. They have opposed the reforms of this Government.

Mr Speaker, with the implementation of our big-flat strategy, Mr Wood issued a press release stating that the bulldozers were waiting. He implied that all that was needed at Burnie Court and Lachlan Court was some minor maintenance and that a lick of paint would solve all the problems of tenants there. We have been criticised every step of the way as we have been attempting to help tenants through the provision of better housing.

Mr Wood predicted on radio that huge rises in public waiting lists were sure to occur. He said that the Government could not close these big flats without the world falling over and the streets being flooded with erstwhile housing tenants searching for the stray flat that might be found around the city. Unless he has hidden it, Mr Wood has certainly not built his own ark to save them, and the blowout of waiting lists has not occurred.

In June last year the waiting list stood at 3,064 and currently it is 2,966. But you have to put this in perspective. Who has been better at looking after those most in need? Who has been better in looking after those who were on the waiting list? In 1985 the waiting list was 2,889. By 1990, some five years later, the waiting list stood at 3,034. That was an increase of 145 over five years. The list then is comparable with the current waiting list.

So far it seems as though the Government has maintained the waiting list at about the level in 1990, roughly when self-government began. There has been no huge blowout on our part and no huge change. But we have to look at what happened between 1990 and 1995. There is only one word to describe what happened to the housing waiting list under Labor, under the alternative government, under those who claim to care. What is that word? It is a “disaster”. It was an absolute disaster.

By 1993 the waiting list was up to 10,592. It had more than tripled what the ACT had inherited at self-government. Under whom? Under the Labor Party. By 1994 they had managed to cut that list to 8,822. But a year later, where was it? It was back to 9,013. All of this was under Labor. Who presided over those figures? Who saw the list rise to 10,000? Who did nothing to bring it down? The Labor Party.

But what has happened since then? We have said that you can manage better and you can deliver on your promises to the people of the ACT to have sound financial management, but at the same time you can achieve your social outcomes. As I have already said, we have been able to do that. By 1996, we had the list down to 4,000 and, as I have said, it is under 3,000 as we speak.

What has happened that has enabled us to achieve that? What are we doing? We are doing all the things that those opposite criticise us for. We are looking at places like Macpherson Court and saying they are no longer acceptable and they should be closed. We are saying that places like Lachlan Court no longer meet the appropriate needs of the tenants and they should be closed. We are saying that the money we have made from Lachlan Court can be then put into other spots like Burnie Court to further provide better housing for the housing tenants of the ACT. At the same time, with proper management, we can reduce the waiting list as well. The auction of Lachlan Court put some \$6.63m back into the housing capital program. We will spend that money on refurbishing and renewing parts of Burnie Court.

Mr Speaker, this Government is not just about achieving economic goals, although we are proud of the way in which we do that. This Government is also about making sure that as you achieve those goals you do not forget those most in need. This Government can do that, unlike those opposite, who allowed the waiting lists to blow out to such a terrible extent.

MR HIRD: I ask a supplementary question. I thank the Minister for his very precise answer. While those overall figures are quite encouraging, Minister, how is the Government responding to the needs in particular segments of the community? Canberra youth particularly come to mind.

MR SMYTH: As members would know, the residential market is very tight at the moment. Clearly those who suffer the most when that occurs are those with the least resources. Over the last couple of years this Government has put significant effort into looking after older Canberrans. Our aged persons accommodation program will deliver appropriate accommodation at appropriate locations to look after those in need.

My colleagues the Minister for Education and the Minister for Health and I held a round table recently to look at needs, particularly those of youth. We invited all those with an interest in the sector to make sure that as a government, working together, we were able to look after those in need in the youth sector as well. I believe a report is just about to be delivered to the three Ministers. We will look at that. We will always look at those most in need to make sure that we look after their needs as best we can as a government that is capable of balancing the books without forgetting the social needs of our community.

City Market

MR QUINLAN: Mr Speaker, my question is to the Minister for Urban Services. I have already got my 10 points on Brendan bingo, so you do not have to give the same speech. In the wake of the results of the Waldorf Apartments development, which sent several business to the wall, is the Minister aware that some retailers trading in the City Market in Civic have not been able to renew their leases pending the result of redevelopment plans? Will the Minister act to ensure that established retailers are not disadvantaged by this redevelopment?

MR SMYTH: Mr Speaker, it has not been brought to my attention that retailers in the City Market have been disadvantaged. I would be interested in more information and would take on board anything Mr Quinlan has to offer.

MR QUINLAN: I ask a supplementary question. Would the Minister also take on notice that the retailers affected by the redevelopment would like assurances that they can continue trading in some form during that redevelopment?

MR SMYTH: The commercial relationship between any tenant and the holder of the property is not something that I genuinely believe is for the Government. There is legislation that condones and governs the activity between a landlord and his lessee. If something untoward is being done, I am sure the Government would like it brought to its attention. I am not aware of what Mr Quinlan is speaking of. When you are approaching any redevelopment, of course there is some angst amongst the leaseholders. But if you have specific things that you think are in violation of any legislation, I would be very pleased if you brought them to my attention.

Schools - Computer Competencies Tests

MR KAINE: Mr Speaker, my question, through you, is to Mr Stefaniak, Minister for Education. This must be a first. Minister, my question flows from the article in the *Canberra Times* on 22 March entitled "Computing test stumps Year 10s". I thought that that article highlighted somewhat the sorry condition of contemporary education standards. It points a figure of accusation at the teachers for their failure to inculcate in students the ability to conceptualise, to synthesise the information given and to inquire where it leads and also points the finger at the people who set the test for failing to understand the level of comprehension of students, who seem to have been short-changed by the system somewhat. Although they are pretty serious matters, they are not the basis of the question I want to ask you. My question is this: When most of

the students taking a test fail it, is it the reaction of your department not to inquire why this happened but rather to set a new test a little less difficult, presumably in the hope it will yield a higher pass rate so statistics look better?

MR STEFANIAK: I thank the member for the question. It is a very good question, but I can answer that that certainly is not the case. This Government, as part of Affirming the High School Years and as part of its 10 key results, wants to see 95 per cent of Year 10 students, which is about the realistic maximum, gain computer competencies. The competencies will be at three levels. There will be a basic level - not everyone can be absolutely excellent in any field - a credit level, as it were, and a very advanced level. The aim is that at the end of 2001 each student will have a certificate showing their degree of computer competency, ranging from satisfactory through to excellent. We aim to see that for 95 per cent of students. That is setting a very high standard.

As part and parcel of that, we needed to trial what test we would be using. What was trialled was set largely by computer people rather than educationalists. Some of the jargon was somewhat indecipherable. I do not know how good you are on computers, Mr Kaine, but I certainly would not be able to understand it. Quite clearly, a number of the students can do some of the things that were set. Whether they could understand the question was another matter. The whole idea of the trial was to iron out any bugs and come up with something that was reasonable but challenging and would achieve the aim. That is what we are in the process of doing.

Everyone across the system is intent of having a full trial. We are a little bit advanced on our original timing, so I would hope that by the end of this year we will have trialled all students to the extent that we can give them grades. I am hopeful that we can bring forward to the end of this year what we intended to do by the end of 2001, and that is assess the ability of students to handle information technology. It is crucially important that our students be able to handle information technology, to use it properly.

The Government, since putting greater emphasis on information technology, has provided a substantial information technology to our schools, and this is just a logical extension. I can certainly assure you that the department is very keen to test students as much as is realistically possible. As a government, we believe in the pursuit of excellence. That is something our education system here in Canberra does very well. Accordingly, the ultimate tests will have three different levels of achievement.

Bus Interchanges - Security Cameras

MR HARGREAVES: My question is to the Minister for Urban Services. At the bus interchanges at Woden, Belconnen and Tuggeranong there are security-type cameras. Can the Minister confirm that the cameras are keeping watch on customer safety, or are the cameras merely monitors designed to check bus employee workloads? Can the Minister say whether the cameras have a recording facility? If they do, what happens to the tapes? Are they wiped and recorded over, or are they archived?

MR SMYTH: I will have to check on the process. I am aware that we do have the cameras and we use them for security. I will get the member some further details.

28 March 2000

MR HARGREAVES: I ask a supplementary question. Can the Minister advise the Assembly by close of business today of the answers to those questions and also whether there has been any down time in respect of these cameras? In respect of Belconnen interchange, can the Minister advise whether the cameras have been in working order for, say, the past six months and, if not, for what period they were not working?

MR SMYTH: I will have to ask the department for that information and, as quickly as I can provide it, the Assembly will have it.

MR SPEAKER: Questions are getting a little longer again.

Information on Property Sale

MR OSBORNE: My question is to the Minister for planning, Mr Smyth. Minister, I recently received a letter from a Tuggeranong constituent about the apparent distribution of his personal information by, he thinks, your department. His letter states:

In June last year, my wife and I finalised the purchase of our unit. The sale was privately organised, as we purchased the unit from our, at the time, landlords, and the only 'outsiders' involved were the solicitors who undertook the brokerage on our behalf. Shortly after settlement, we received an envelope addressed to me personally, which contained a flyer from [a company in] Mitchell -

I will not name the company, Mr Speaker -

congratulating us on the purchase of our new property and offering a discount on [their services].

I rang [the company], to ask how they got my details and was advised that the details were on a mailing list they received. So, I rang the Land Titles Office to find out whether or not they provide vendor/buyer details to commercial companies. The lady I spoke to advised that typically, the title information on land was freely available to anyone, but not the details of purchasers. She did advise that they forward details of property sales to Actew so they can ensure that there is no defaulting on outstanding accounts by the vendor.

The writer went on to explain that they contacted your office several times last year and were assured that the matter would be investigated. However, they have received no information since October last year. Minister, can you yet explain how information of this couple's personal business affairs was apparently obtained from a government department by a private company without their permission, and when do you think your office will be able to get back to the couple about this issue?

MR HUMPHRIES: As the Minister responsible for the Land Titles Office, I can probably answer at least part of that question. When a person purchases land in the ACT, there are a number of formal steps to be taken, one of which of course is a notice of alienation, I think it is called, which requires the parties, both the vendor and the

purchaser, to put on public record the fact that the ownership of that particular land has transferred from one party to another. That is a public document. It can be searched by any person at any stage, and I understand that a number of private companies do in fact search the record regularly to be able to approach people who have purchased new homes to offer them a variety of services.

It is in the interests of the community that we know who are the owners of land at any given time, not just in records held by the department but in records available for public scrutiny. These days those records may even be accessible electronically by firms. That is part of the process of making it easier to do business with the Government in electronic ways. Mr Smyth can speak for himself in respect of inquiries to his office.

MR SMYTH: I will get the details from the member after question time. I would be disappointed that my office had undertaken to research something and had not contacted the constituent. I will make sure that we answer the questions as quickly as we can.

Gungahlin Town Centre - Employment

MR CORBELL: Mr Speaker, my question is also to the Minister for Urban Services. Can the Minister explain to the Assembly why the Government is not pursuing a strategy to provide for a diversified employment base for the Gungahlin Town Centre?

MR SMYTH: Mr Speaker, this Government has done an immense amount for the people of Gungahlin. This year we have continued to provide the essential infrastructure which government should provide to the residents of Gungahlin. We are duplicating sections of Gungahlin Drive to make sure that it copes with the traffic flows. Adequate sites are being released for housing. The Gungahlin Development Authority, which Mr Humphries is responsible for, is making sure the development of the town centre goes ahead. Mr Stefaniak and I, in conjunction, are building a combined community and library facility this year.

As is appropriate, the Government is continuing planning for Gungahlin. There is some unmet demand for office space in Gungahlin, and we need to ensure that opportunities that should be presented out there are. This Government is doing what it can to ensure that the adequate infrastructure to support not only the community but also business is available in Gungahlin Town Centre.

MR CORBELL: I did not hear “employment base” mentioned once, Mr Speaker. My supplementary question is: Will the Government pursue similar incentives for the Gungahlin Town Centre as are contained within the Our City program, such as discounts on stamp duty and other measures to encourage investment and, if not, why not?

MR SMYTH: Mr Speaker, when the report from the Urban Services Committee on the draft budget is released later today, it will be interesting to see whether we find Mr Corbell’s suggestions there. We have had a process whereby those opposite have had an opportunity to have their say in the budget, and I look forward to the report from the Urban Services Committee to see whether Mr Corbell took his opportunities to do so.

Mr Speaker, the Government has spent a large amount of money in Gungahlin. Over the last few years Gungahlin has soaked up, quite appropriately, a large amount of the money the Government has put into the capital works budget to put in place the infrastructure to support the community, to support lifestyle and to support employment in Gungahlin, which we will continue to do, as is appropriate.

Bruce Stadium - Seats

MR WOOD: My question is to the Minister for sport. It is about the old Bruce Stadium seats. Minister, what happened to them? Were they promised to the upgraded Manuka Oval at a price of \$10 each? If this was the case, did the Government renege on that arrangement?

MR STEFANIAK: I thank the member for the question. I think you will see, Mr Wood, if you go to Manuka - I assume you go there; if you have not been, you should go and have a look - a whole lot of seats there which have come from Bruce Stadium. ACT Cricket wanted some extra seats there. I think some might have been sold elsewhere and there are some discussions going on between ACT Cricket and the Government, and we will see what we can do. I understand that some seats have been sold to other sports and have been disposed of, but there is some discussion - it is not so much contention - in relation to ACT Cricket wanting some more seats. If you have a look at some parts of Manuka Oval, you will notice some extra seats, although not very many, Mr Wood. I think that might well be the problem. But if you do go to Manuka you will see a considerable amount of old Bruce Stadium seating there.

Mr Wood: Did they get all they were promised?

MR STEFANIAK: I am not quite sure on that, Mr Wood, but they certainly got a very significant number. There is some problem in relation to some seating they did want there from Bruce Stadium. I think that seating has gone elsewhere. I am delighted that the redevelopment of Manuka is going on apace. Obviously, they will not be able to get all the seating they wanted from Bruce Stadium, but the development is proceeding. That is despite the fact that there is some doubt as to where the Comets might be playing next year. Hopefully, they will be in the national competition. There is some excellent lobbying going on on their behalf.

MS CARNELL: Mr Speaker, may I add some further information to that?

MR SPEAKER: You may.

MS CARNELL: I had a discussion with ACT Cricket on this issue a few days ago. It is not an issue of the number of seats available; it is the types of seats available. Manuka needs seats with a different back from the ones available from Bruce Stadium. We still have quite a lot of seats that could be moved to Manuka, but the problem is that, to put them into Manuka, Manuka would have to change the lie of the stands to attach them. To change the lie of the stands would be more expensive, according to ACT Cricket, than buying new seats.

MR WOOD: I ask a supplementary question. I thank the Chief Minister for that. She might have cleared up some of the confusion and angst. If the Minister can tell me what has happened to the surplus Bruce Stadium seats, where they have gone and at what price, I would be very happy.

MR STEFANIAK: Off the top of my head, Mr Wood, I do not know exactly where they have all gone, but I could certainly get that information for you. They have gone to a number of places and been utilised in a number of sporting venues.

Mr Wood: You will come back to me, will you?

MR STEFANIAK: I will give you some details as to where exactly they have gone.

Impulse Airlines

MS TUCKER: My question, directed to the Chief Minister, relates to her announcement that the Government will assist Impulse Airlines to establish an operations base in Canberra. Chief Minister, the statement of intent with Impulse Airlines that you provided to members was signed on 22 March, last Wednesday, and presumably took some days to prepare. I also note that the study by Access Economics into the economic impacts of investment by Impulse Airlines was dated 24 March, which was last Friday, and was commissioned two weeks before. The report states that it was meant to provide an input into the Government's consideration of the level of support to be offered to the airline but, not surprisingly, the report notes that "little time was available for the analysis". It goes on to state:

We have therefore had to use a simple methodology, involving approximations and drawing on analysis by others.

Given that this report was finished after you had made your decision to provide assistance to Impulse and it is only a superficial report, how could it have formed any meaningful input into the Government's decision-making process, or was the report really meant to justify a decision that had already been made?

MR SPEAKER: Chief Minister, let that go - what you can of it.

MS CARNELL: No, that is simply not the case. As you would be aware, the document that was signed by me and Impulse Airlines last Wednesday is a non-binding document. It is a memorandum of understanding and agreement but is non-binding on the parties, because we indicated at the time that we were going to bring the issue to the Assembly in an open and accountable manner. The Access Economics statement, in its final form, is available and was distributed to members as soon as we got it. That was very appropriate.

Ms Tucker quoted one bit of the report. Access Economics goes on to make the point that they did not have a lot of time so they used very conservative assumptions in their report. They state:

We find that, even on quite conservative assumptions, the Impulse Airlines' project would have a strong positive impact on ACT employment, Gross Territory Product and budget revenues. Allowing for higher budget outlays required by higher population growth, the net impact on government finances is positive, even if there is a subsidy payment to the project's proponents.

And there is in this case. It makes the point quite clearly that they did not have a lot of time, because we needed to make this document available to members of this Assembly in the timeframe required. Why would you need to do that, Mr Speaker? I think all members who wanted to be briefed have been briefed. Impulse Airlines wants to be in the skies in July this year and we have a budget that we have to get onto the table in this place. If this money is to be agreed to, then fairly obviously it has to be added to the budget prior to us tabling . are two very good reasons.

But there was a third reason that I know members are aware of, and that is the fact that Impulse has agreed not to enter into the Dutch auctions that seem to be happening around Australia at the moment, which are won by States much bigger than we are, as happened with Virgin Airlines. Recently the Victorian Labor Government outbid the Western Australians for a golf tournament. Just yesterday, BHP IT ended up going to South Australia after a Dutch auction. This was not an auction. Impulse has given us an undertaking that they will not go to the market this month. So without the not very productive approach of much larger States outbidding us, we have an opportunity to make a sensible, rational and very public decision here.

MS TUCKER: I ask a supplementary question. Could you provide the Assembly, please, with any documents that show how the Government determined the amount of the assistance that was necessary - that is, why \$8m?

MS CARNELL: Quite clearly, that was the amount of money that Impulse required to come to the ACT. It is certainly true that we could go to the market and see what other people would offer. Looking at what happened with Virgin, I would suggest that the amount of money would be significantly higher than what is currently on the table. That dollar value came from Impulse.

Goods and Services Tax

MR BERRY: My question is to the Treasurer. Is the Treasurer aware of the report in the latest *Yellow Pages* small business index that shows that support for the Federal Government's goods and services tax reform package has deteriorated sharply - surprise, surprise - in the last quarter? Is he was aware that in the ACT almost a third of small businesses now nominate the GST as their major concern?

MR HUMPHRIES: Mr Speaker, I am aware of that. Last night I was at the Focus on Business dinner at Parliament House, where the Prime Minister spoke and in fact acknowledged that a very large number of problems had been described, in particular by opponents of this process, and had been thrown up in the path of the GST. He said that it was hardly surprising - in fact, it was to be expected - that a large number of untrue things would be said about the GST, the object being to make political capital out of

a process which even the Labor Party, if it is prepared to be honest about this, would concede is an important reform that Australia needs to embark upon. This is the same Labor Party that back in the mid-1980s had elements pushing very strongly for such reform. If I have got that wrong, perhaps members would like to describe what sort of GST they were pushing for back in the 1980s when the Tax Summit was being held.

Mr Speaker, I am also aware that the *Yellow Pages* survey has also polled confidence from business in governments in Australia, and confidence in the ACT Government has increased on the last survey. I think we are now the second highest ranked government in the whole of Australia. That is a pretty good record.

MR BERRY: I ask a supplementary question. What specific support, if any, is the ACT Government providing small businesses striving to come to grips with this inequitable tax system, this Liberal onslaught on the community, that will commence on 1 July and will impose on them the obligations of tax collectors?

MR HUMPHRIES: What the Prime Minister said last night is coming true, even as we speak. Mr Berry said that people will become tax collectors. People are tax collectors now, Mr Berry. Many businesses in this community collect wholesale sales tax and other forms of taxation on behalf of government. The GST is an attempt to simplify a variety of national and state taxes into a more coherent form. What support is being offered? Mr Berry ought to be aware that the Federal Government has offered to spend approximately \$500m.

Mr Berry: I talked about the ACT Government. I am not interested in the Federal Government.

MR HUMPHRIES: Yes, I heard your question, Mr Berry, and I am answering it. The Federal Government is spending \$500m on assistance to the non-government sector - community groups

Mr Berry: What ACT government support?

MR HUMPHRIES: Yes, I heard your question, Mr Berry. If you will just be quiet for a minute, you will get an answer. The Federal Government is spending \$500m across Australia in assisting business, both big and small, and community organisations to understand and to embrace the GST. The ACT Government has also been involved in that process. I, for example, have attended a number of meetings and information sessions to explain to various industry sectors how the GST will impact on them. We are intending to continue the process of assisting as best we can, acknowledging however that the basic question of implementation of the GST is a matter that the Federal Government has taken on for itself.

It has been agreed between state and territory governments and the Commonwealth that the Commonwealth Government will handle that process. For example, every State and Territory has agreed that there will be no state or territory information service available on the GST. That is not going to be provided, because that would be a duplication of effort, and the Commonwealth is best placed to be able to implement and explain the

28 March 2000

tax. Consistent with that agreement which other States are honouring, we are not providing a specific service on the GST, but we are involving ourselves in helping ACT community organisations to understand the effect of the GST on them.

Canberra Cosmos

MR RUGENDYKE: My question is to the Chief Minister. Chief Minister, I was interested to read a story in the *Canberra Times* last Wednesday concerning the Canberra Cosmos and the club's despair at their poor crowds this season. I was particularly surprised to read one part of the story referring to Cosmos chairman, Ian Knop, which said:

Knop said yesterday that the three-year commitment to the club he had made to Chief Minister Kate Carnell expired in May, and that the time had come to assess whether the Cosmos had a viable future.

Could the Chief Minister elaborate on the details of this commitment from Mr Knop and why it was necessary for him to give you this commitment?

MS CARNELL: Mr Speaker, all that information has been put on the table in this Assembly before. That may have been before Mr Rugendyke was elected, so I am more than happy to make that information available again. As I said, Mr Rugendyke, it is on the public record. The Cosmos also get funding under the elite sports teams program, and there has also been a loan to the Cosmos, which was public.

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

STANDING ORDERS 54 AND 55 – OFFENSIVE WORDS AND PERSONAL REFLECTIONS

MR SPEAKER: During the adjournment debate in the Assembly on 9 March, Mr Berry made certain comments regarding the possible attendance of the Chief Minister at a function on the outskirts of the Territory. Standing orders 54 and 55 prohibit the use of offensive words against any member and provide that all imputations of improper motives and all personal reflections on members should be considered highly disorderly.

I have considered and have read the proof *Hansard* record of what was stated on the evening in question, and I have concluded that the words used were offensive and reflect on the Chief Minister personally and, therefore, were highly disorderly. I therefore call on Mr Berry to withdraw the personal reflection unequivocally in relation to the Chief Minister.

Mr Berry: Speaking to that matter, Mr Speaker, if I may - - -

MR SPEAKER: No, you may not. I want you to withdraw. Standing order 202(b) states that if any member has been guilty of disorderly conduct that member may be named by the Speaker.

Mr Berry: Don't waste your breath, Mr Speaker. I am not withdrawing. I will use the three hours productively.

MR SPEAKER: In that case, if you are not prepared to withdraw, I am going to have to name you, Mr Berry.

Mr Berry: That is fine. If you allow me to speak to the matter, I will draw some matters to your attention.

MR SPEAKER: No.

Mr Berry: In that case, I move to suspend so much of the standing orders that would prevent me from moving a motion of dissent from your ruling.

MR SPEAKER: I have not ruled yet, but I will rule now. Under 202(b) - - -

Mr Berry: You ruled, Mr Speaker.

MR SPEAKER: I will therefore name you.

Mr Berry: I draw your attention to the standing orders, Mr Speaker. I moved to suspend so much of the standing orders that interrupts all speakers and I - - -

MR SPEAKER: You cannot yet. I have named you. You will have to wait until the leader of the house moves the relevant motion.

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

That Mr Berry be suspended from the service of the house.

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.

Mr Berry was, therefore, suspended at 3.14 p.m. for three sitting hours under standing order 204, and he accordingly withdrew from the chamber.

AUTHORITY TO BROADCAST PROCEEDINGS

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

Legislative Assembly (Broadcasting of Proceedings) Act, pursuant to subsection 8(4) – authority to broadcast proceedings of:

The Assembly debate on the ACTEW/AGL joint venture on Thursday 9 March 2000;

The public hearing of the Standing Committee on Planning and Urban Services on Friday, 24 March 2000 for its inquiry into Gungahlin Drive given to:

The students of the University of Canberra's Advanced Broadcast Journalism, dated 24 March 2000; and

The "Save the Ridge" group, dated 24 March 2000.

SUBORDINATE LEGISLATION (INCLUDING EXPLANATORY STATEMENTS) AND A COMMENCEMENT PROVISION

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

Animal Diseases Act – Animal Diseases (Bees) Regulations 2000 – Subordinate Law 2000 No 3 (No. 9, dated 2 March 2000).

Children's Services Act – Instrument of appointment of specified person to act as an Official Visitor (No. 11, dated 16 March 2000).

Chiropractors and Osteopaths Act. *See* "Health Professions Boards (Procedures) Act".

Duties Act –

Exemption from duty of certain vehicle registration applications as a result of nationally agreed requirements – Instrument No. 83 of 2000 (S8, dated 1 March 2000).

Exemption from duty of applications to correct errors in details supplied in applications exempted from duty mentioned in Instrument No. 83 of 2000, if made within 30 days of the application – Instrument No. 84 of 2000 (S8, dated 1 March 2000).

Health Professions Boards (Procedures) Act –

Instrument of appointment of Chairperson of the Chiropractors and Osteopaths Board of the ACT – Instrument No. 92 of 2000 (No. 11, dated 16 March 2000).

Instruments of appointments of members of the Chiropractors and Osteopaths Board of the ACT – Instruments No. 93, 94 and 95 of 2000 (No. 11, dated 16 March 2000).

Independent Pricing and Regulatory Commission Act – Variation to specified requirements under section 16 relating to investigations – Instrument No. 67 of 2000 (No. 9, dated 2 March 2000).

Justice and Community Safety Legislation Amendment Act 2000 – Notice of commencement (1 July 2000) of amendments and repeal specified in subsection 2 (2) commence (No. 12, dated 23 March 2000).

Justices of the Peace Act – Instrument of appointment of Justices of the Peace – Instrument No. 87 of 2000 (No. 11, dated 16 March 2000).

Land (Planning and Environment) Act –

Instruments of appointments of members of the ACT Heritage Council – Instruments Nos 99 and 100 of 2000 (S9, dated 15 March 2000).

Determination of conditions – Instrument No. 88 of 2000 (No. 11, dated 16 March 2000).

Legal Aid Act – Instruments of appointments of Commissioners of the Legal Aid Commission (A.C.T.) – Instruments Nos. 101 and 102 of 2000 (S9, dated 15 March 2000).

Legislative Assembly (Members' Staff) Act –

Terms and conditions of employment of staff of office-holders pursuant to subsection 6 (2) – Old contracts – Instrument No. 77 of 2000 (No. 10, dated 9 March 2000).

Terms and conditions of employment of staff of Members pursuant to subsection 11 (2) – Old contracts - Instrument No. 80 of 2000 (No. 10, dated 9 March 2000).

Terms and conditions of employment of staff of Members pursuant to subsection 11 (2) – Instrument No. 81 of 2000 (No. 10, dated 9 March 2000).

Terms and conditions of employment of staff of office-holders pursuant to subsection 6 (2) – Instrument No. 82 of 2000 (No. 10, dated 9 March 2000).

Liquor Act –

Determination of fees – Instrument No. 96 of 2000 (No. 11, dated 16 March 2000).

Instrument of appointment of Chairperson of the Liquor Licensing Board –

Instrument No. 103 of 2000 (No. 12, dated 23 March 2000).

Instruments of appointments of members of the Liquor Licensing Board – Instruments Nos 104 to 106 of 2000 (inclusive) (No. 12, dated 23 March 2000).

Parole Act – Instrument of appointment of member of the Parole Board of the Australian Capital Territory – Instrument No. 97 of 2000 (No. 11, dated 16 March 2000).

Public Health Act –

Declaration of a public health risk activity – Instrument No. 85 of 2000 (No. 10, dated 9 March 2000).

Determination of a drinking water quality code of practice – Instrument No. 86 of 2000 (No. 10, dated 9 March 2000).

28 March 2000

Public Sector Management Act – Management Standards – No 2 of 2000 (No. 10, dated 9 March 2000).

Road Transport (General) Act –

Approval of protective helmets for bicycle riders – Instrument No. 89 of 2000 (No. 11, dated 16 March 2000).

Approval of child restraints – Instrument No. 90 of 2000 (No. 11, dated 16 March 2000).

Approval of protective helmets for motorbike riders – Instrument No. 91 of 2000 (No. 11, dated 16 March 2000).

Supreme Court Act –

Corporations Law Rules 2000 – Subordinate Law No 16 of 2000 (No. 12, dated 23 March 2000).

Supreme Court Rules Amendment – Subordinate Law 2000 No 17 (No. 12, dated 23 March 2000).

1999-2000 CAPITAL WORKS PROGRAM – PROGRESS REPORT – DECEMBER QUARTER Paper and Ministerial Statement

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety):
For the information of members, I present the following paper:

1999-2000 Capital Works Program – Progress Report – December quarter.

I seek leave to make a short statement.

Leave granted.

MR HUMPHRIES: This capital works report is the second progress report for the current financial year's program. In line with the reforms that were first introduced in 1998-99, the December quarterly capital works report provides detailed information on the progress of expenditure in the current capital works program with particular focus on individual projects. This initiative has allowed for more extensive monitoring of the progress and funding of the individual projects.

This report incorporates quarterly and year to date expenditure information on all projects included in the 1999-2000 capital works program. It also includes an update from agencies of expected expenditure in the 1999-2000 financial year and presents all information at the project level according to departmental responsibility.

Territory departments incurred expenditure on capital works of \$16.4m in the December quarter, representing 17.6 per cent of the budget funded capital works projects. The Department of Urban Services was the largest contributor to the capital works program expenditure in the December quarter, with \$5.674m of capital works performed. Projects controlled by the infrastructure business unit, such as the Monaro Highway rehabilitation, Manuka Stage 2 Development and the Gungahlin Drive duplication, incurred the majority of expenditure in this quarter.

The new works program is progressing reasonably, with year to date expenditure of \$19.597m. This is about 32 per cent of the budgeted amount for the new works program and 21 per cent of the value of new works committed in the current year. This compares favourably with the previous year's expenditure on new works, which has historically attained a completion level of 28 to 35 per cent of the value for the full year.

The quarterly report is project specific. It recognises that changes to expenditure estimates do occur and, where applicable, these updates have been provided. The major variation to date is the inclusion in the program of the ACT Hospice project, at a financing cost of \$3m this financial year.

FINANCIAL MANAGEMENT ACT – APPROVAL OF GUARANTEE Paper and Ministerial Statement

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety):
For the information of members, I present the following paper:

Financial Management Act, pursuant to subsection 47(3) - Approval of guarantee under an agreement between the Australian Capital Territory and the CPS Credit Union Co-operative (ACT) Limited under the Small Business Loan Guarantee Scheme, dated 10 March 2000.

I ask for leave to make a short statement.

Leave granted.

MR HUMPHRIES: For the information of members, and pursuant to subsection 47(3) of the Financial Management Act 1996, I present an approval for a loan guarantee to the CPS Credit Union for an applicant of the small business loan guarantee scheme. The underlying principle of this scheme is to provide small businesses with finance for capital investments in the expectation that they will succeed in establishing and developing their businesses and increasing their potential for future business growth.

It is intended that the scheme will give eligible applicants access to loans to a maximum of \$10,000 over a period of up to four years for an approved financial institution. The CPS Credit Union has agreed to support the principles of the scheme by providing concession rates to eligible applicants, and has been selected as the loan provider.

The attached FMA instrument has been approved by the chief executive, the Department of Treasury and Infrastructure (as Delegate), pursuant to the small business loan guarantee scheme. The loan guarantee is for Mr Damien Colburn, who has submitted an application and business plan for financing under the scheme to establish an autoparts warehouse and workshop.

I stress that these are guarantees, not loans, grants or any other form of financial assistance and that the maximum exposure under the scheme is capped at \$500,000. To date, loans to the value of \$42,270 have been approved under the scheme.

28 March 2000

**FINANCIAL MANAGEMENT ACT – APPROVAL OF GUARANTEE
Paper and Ministerial Statement**

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety):
I present the following paper:

Financial Management Act, pursuant to subsection 47(3) - Approval of guarantee under an agreement between the ACT and the CPS Credit Union Cooperative (ACT) Limited under the New Enterprise Loan Guarantee Scheme, dated 23 March 2000.

I seek leave to make a short statement.

Leave granted.

MR HUMPHRIES: I have explained the principles of the scheme already. The attached instrument has been approved by the chief executive, as my delegate, pursuant to the small business loan scheme. In this case, the loan guarantee is for Mr Samuel Kerekes, the owner of Thermofix Australia Pty Ltd, an ACT company that operates in the gas and solar appliance and service industry.

I stress that these are guarantees, not loans, grants or any other form of financial assistance and that the maximum exposure under the scheme is capped at \$500,000. To date, loans to the value of \$51,820 have been approved under the scheme.

**PLANNING AND URBAN SERVICES – STANDING COMMITTEE
Report On Betterment (Change Of Use Charge)
Government Response**

MR SMYTH (Minister for Urban Services) (3.22): For the information of members, I present the following paper:

Planning and Urban Services - Standing Committee - Report No. 41 - Betterment (change of use charge) (*presented 2 March 2000*) – Government response.

I move:

That the Assembly takes note of the paper.

In early 1999, Professor Des Nicholls of the Australian National University presented his report on the effects of the change of use charge on investment in the ACT. The report generated considerable interest at the time, and the Assembly referred it to the Urban Services Committee on 1 July 1999. The committee conducted lengthy public hearings on the report and tabled its report to the Assembly on 2 March this year.

In the week that the Nicholls report was released, Mr Corbell announced to a meeting of industry representatives that, although he had not had the opportunity to read the report in detail, he would be opposing it. He has been true to his word, and the committee's report is divided into a majority report by the committee from Mr Hird and Mr Rugendyke and a dissenting report from Mr Corbell.

I think this is unfortunate. The committee's process for conducting hearings on the Nicholls report gave every opportunity to members of the academic and general community to come forward and express their views. Many people did so. However, the views expressed in the dissenting report are not entirely reflected in the evidence given to the committee. They are, to an extent, only the views of one member of the committee, and their expression in the dissenting report has served only to divide the power of the committee to deliberate and recommend to the Assembly an appropriate course for the Territory to take on this most important issue.

That aside, the committee's report in total presents to members of this Assembly an opportunity to engage in a detailed examination of the system for charging for development rights in the ACT. It is certainly time that such an examination was undertaken.

If we are fully to meet our obligation to the whole community in considering changes that might flow from the Nicholls report, we must first acknowledge several things. Firstly, the system clearly needs to be changed in some way. It is confusing, costly and extremely cumbersome. Secondly, there has never been a period during which all of the increase in land value has been recovered from lessees, even under the early system that required all lessees to pay rent. Thirdly, if lessees are not entitled to claim any of the increase in the value of their land, they should not pay full value to obtain their lease. Fourthly, it is becoming clear, even to the most traditional commentators, that the pure leasehold system of land tenure is impracticable. There must be some recognition of modern thinking and practices in any review of the change of use charge system. Fifthly, whatever changes are made to the system, this Assembly has a responsibility to ensure that the changes are not undone or compromised in the near future. There must, above all, be some stability in our development approval processes. I think we have had something like seven changes in the last nine years.

The Government's response to the report of the standing committee recognises the value of the committee's work in obtaining and reflecting a broadly based analysis of the Nicholls report. The committee should be congratulated on the determination of its members to hear all the available evidence on this issue and to express its various views in a forthright and dutiful manner.

Also recognised in the Government's response is a very strong message, in the Nicholls report and the report of the committee, that the rate of change of use charge should be returned to 50 per cent - a level that applied for 20 of the last 30 years - and that it should remain at that level pending a longer term examination of the Territory's development rights charging system.

The Government is therefore of the view that, among other actions agreed to in the response to the committee's report, the following should occur. The standard rate of change of use charge should be changed to 50 per cent of added value. Lease variations that currently attract a 100 per cent charge, such as concessional leases, should continue to do so. Development applicants should be required, before receiving final approval for a lease variation, to submit to the Territory valuations to be used to determine the change of use charge payable. The agreement between the Commissioner for Land and Planning and the Planning and Land Management Group should be reviewed and made available to the public.

There should no third party appeals in relation to determinations of change of use charge. If an applicant seeks a review of a change of use charge determination, that review should be based on the valuation evidence provided at the time of the determination. It is not appropriate to build a case on evidence obtained after that time. Work should be undertaken immediately to further develop a land database that consolidates all planning and leasing information. In saying this, the Government recognises that a great deal has already been done in this regard, and it is expected that the Government will be in a position to report further developments to the Planning and Urban Services Committee within the next few months.

Finally, work should also be done on the development of a methodology for permitting staged payments of change of use charge in circumstances where the approval itself is capable of staging. However, care must be taken to ensure that no rights are conferred until the corresponding change of use charge payments have been made. While these changes have some priority, there are several other important actions identified in the Government's response. We will be considering those actions during the coming months.

This Government is determined to ensure that the long and confused debate over betterment or change of use charge rates will come to an end, at least for a reasonable time. Seven changes in nine years are too many. It is our responsibility to give this issue our careful and even-handed consideration to try to reach a workable and collaborative solution, both for the short term and for the future.

MR CORBELL (3.28): It is clear from the Government's response today that the Government is going to abandon the fundamental principles of leasehold administration in the Territory. It is that simple. This response confirms the fact that this Government is prepared to give away 50 per cent of the total value of all the land in the ACT that goes through a lease variation to the private leaseholder with no return or benefit to the Territory.

That is a massive giving away of a public asset. It is unbelievable that a government so concerned about managing the ACT's economy in a way which returns more revenue to the Territory so that services can be provided is prepared to give away gratis that level of value in land. It is a complete abandonment of the leasehold system. That is confirmed in the Government's response to recommendation No.1, which says that there will continue to be a lack of transparency in the existing system of development control while land use is controlled both by leases and a statutory plan in tandem.

The Government believes we can have either leases or a statutory plan but not both because it is too confusing. It is quite clear that this Government's intention is to get rid of leases. It does not want leases anymore as a system of development control or planning control or a system for protecting public interests. This Government is ramming a nail into the coffin of the leasehold system because it wants to bury it once and for all. It is absolutely disgraceful.

Mr Smyth made some comments in his tabling statement today which are not backed up in any way. Mr Smyth claimed that I, as a member of the committee, informed representatives of the industry when the Nicholls report was first released that, although I had not had the opportunity to read the report in detail, I would be opposing it. That is simply a misrepresentation of what I said. What I said to industry representatives was that there were certain key issues on which the Labor Party had a very clear position, and we were not simply going to back down on those for no apparent good reason.

The fact that we were not prepared to support the key recommendation of the Nicholls report, which was a 50 per cent change of use charge, was not that there was a lack of evidence from the Labor Party in assessing the proposal and arguing its case but that there was a complete lack of evidence in the Nicholls report that justified a reduction to 50 per cent.

Indeed, during the public hearings on the Urban Services Committee inquiry into the Nicholls Report and the change of use charge in the ACT, it became quite clear that the change of use charge was regarded by industry representatives as only one element in deciding whether or not projects should proceed in the ACT. Indeed, they conceded that it was not the key problem with development in the ACT and that there were a range of factors of which it was simply a part.

This Government is charging ahead with the recommendations in the Nicholls report, failing to recognise that there is absolutely no justification for a reduction of 50 per cent and, in effect, is giving away a community asset. It is a rip-off to the Canberra community to charge only a 50 per cent change of use charge. This is a rip-off which the Labor Party is not prepared to accept.

The Minister went on to make some other claims. He said that the views expressed in the dissenting report were not entirely reflected in evidence given to the committee. I note that he does not go on to identify in any way where that is the case. He just asserts it. That is not a satisfactory response. If Mr Smyth had read my dissenting report carefully - or at all - he would have seen that it relied heavily on evidence given to the committee by industry representatives and community sector and planning representatives as well as key reports on planning and leasehold administration in the ACT, predominantly the Stein inquiry into the ACT leasehold system, which is well known in this place.

It would be a complete abrogation of the responsibility of this committee if it had failed to look at that evidence. It seems to me that the Minister does not want any evidence considered which disagrees with his point of view. I was prepared to have the discussion and the debate with industry representatives during the public hearing. I was prepared to question them on exactly how relevant the change of use charge was to their decisions

28 March 2000

on whether or not investment and development proposals went ahead in the ACT. This Government is not prepared to question that. This Government is prepared to roll over and give away 50 per cent of the Territory's land as a completely indirect, non-transparent and untargeted subsidy to development in the ACT. That is a rip-off to the Canberra community. It is a ripping off of the Canberra community.

This Government's response today is, quite frankly, an extraordinary concession. They are saying that the leasehold system will no longer be relevant in planning and land management in the ACT if they have their way. I note that in point (b) of his outline of the Government's response the Minister states that development applicants should be required, before receiving final approval for a lease variation, to submit to the Territory valuations to be used to determine the CUC payable. The applicant is to provide valuations. I am sure they have no vested interest in the level of valuation that is to be made and, therefore, how much they will pay. I find it quite extraordinary that the applicant will have to provide the Territory with valuations.

This runs contrary to the recommendation of my dissenting report which states that the most sensible way of achieving certainty and transparency in the level of CUC charged was to implement a development rights register, as was outlined in the report into the administration of ACT leasehold to provide greater certainty for prospective developers.

The Government's response did not address the substantive issue. The Government simply said that it has looked at this report before and it is not going to talk about it any more. This Assembly should be talking about it. This Assembly should be protecting the public interest in the amount of money it receives for the sale of development rights - the sale of rights held by the community and provided to the developer.

The Government just wants to give those rights away. If the Government continues down this course, there will be a substantial debate in this place about exactly what should occur with the leasehold system. It will find that there will be a very strong argument that the public interest is being abandoned. The Government is giving away 50 per cent of the improved value of land because it believes it is a disincentive to investment, even though there is no substantive evidence which backs up that claim. It is entirely anecdotal. The evidence presented to the Standing Committee on Urban Services confirmed that the change of use charge was only one factor in decision-making by developers in whether or not a particular development proposal should proceed.

If that is the type of logic that this Government is going to use in justifying a massive subsidy to the development industry and in justifying a massive giving away of the community's assets, then it is going to have a very hard argument to make in this place. This Government's response is completely inadequate. It is a signal that this Government has no commitment to the leasehold system and no commitment to protecting the public's interest in the land of the ACT - land held under a leasehold system on behalf of all residents of this city and residents of the nation overall.

MR MOORE (Minister for Health and Community Care) (3.38): I do not think there has been an occasion in the last 12 years or more when the change of use charge or betterment issue has been debated in the Assembly that I have not taken the opportunity to speak to it. Because that is the case, because my views are very clearly on the record, I will be brief. I want to reiterate the comments which Mr Corbell has just outlined quite effectively. It is a great joy that the Labor Party has come around to this way of thinking. I know that has been no small effort from Mr Corbell.

Mr Corbell: Better late than never.

MR MOORE: Much better late than never. Instead of handing over 50 per cent of the community's assets, we now have the opportunity to ensure that proper consideration is given to the change of use charge. I am afraid that both the majority report of the committee and the Government's response to this report are entirely inadequate. It will not surprise you, Mr Speaker, to know that this is one of the elements I stood aside from in Cabinet, and you can see the result. I should have stayed in there and been persuasive enough to convince Mr Humphries on my right and Mr Smyth on my right - I am not quite sure which one is further to my right on this issue - that what we should be doing is ensuring that the community asset is protected.

What I find most difficult to understand - and I put this to Mr Rugendyke because I know he has come into this with an open mind - is that those who are the strongest advocates of removing as much possible of the change of use charge are the landlords. The irony is that, if you said to those landlords that we want you to hand over to your tenants the benefit from any changes they make to the property, the landlords themselves would be horrified. That is exactly what they are asking us to do.

It is almost invariably but not always the case that landlords are developers. These people are asking us to hand over to them certain rights. These same business people would never dream of handing over rights to their tenants. Yet they are our tenants - the tenants of the people of the ACT. We ought not be handing over those rights; we ought not be giving them large sums of money. What we should be doing is optimising the return from the change of use charge.

We have never had the opportunity to do that. When I last spoke on this issue, I said that perhaps the best method of resolving this was a referendum. Members should give that further thought because, the more I think about it, the more I think it is a good idea.

MR QUINLAN (3.42): I am one of many members who have lobbied the Government on this issue. I want to make the point that, as land values or property values increase because the city has grown and it has prompted redevelopment and therefore a change in use, and that change in use in turn increases the particular value of that land, there are three parties who could be classified as beneficiaries. They would be the community, the leaseholder - or, as Michael has pointed out, the landlord; we have an orgy of agreement here, Michael - or the developer.

The first person you would chop off that list, by any reasonable logic, would be the developer because they are going to benefit from growth in a city. The benefit would accrue to the person holding the property if there were an increase in the property's

28 March 2000

value. It is the community that makes a decision that the use will change. We are talking only about the value of the change of use. We are not talking about the value of the installation or the establishment placed upon it; it is the change of use. There is no logic to that value accruing to the developer. There may be a debate as to whether it should accrue to the landowner versus the community. I cannot see that there should be a windfall gain or a development subsidy that goes to someone because they have decided they would like to exploit this particular position. It has only happened because the city has grown and there has been a change in the whole topography of the place.

So, of the three, I think the developer is the first out. Once the developer is out, you are getting very close to forgetting about a change of use charge other than 100 per cent - the new value. Why should the community bequeath that to someone just because they want it? Sure, they are going to lobby the Government and lobby them very hard, but I have not yet seen the logic that says a developer should be the beneficiary of a change of use.

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety) (3.45): I want to endorse both the government response to the report of the Standing Committee on Urban Services and the report itself. The committee has carefully examined the evidence available to it on the impact of the change of use charge on appropriate development of our city. It has quite rightly, based on evidence in front of it, concluded that there is a deleterious effect on development by having a 100 per cent tax rate on the improved value of that development. It is hardly surprising to consider that, when you tax something at the level of 100 per cent, you provide a disincentive for people, particularly when compared to a lower rate of taxation.

Let me be clear about a couple of things Mr Corbell said in this debate. He said that there was no evidence of people being discouraged from appropriate development by virtue of the change of use charge.

Mr Corbell: No substantive evidence.

MR HUMPHRIES: No, you actually said both things. You then said, "There's no evidence at all". That is what you said, Mr Corbell. I listened very carefully. Mr Corbell went on to contradict himself when he said that developers, in giving evidence before the committee, said that this was only one factor. If it is one factor, there is obviously evidence. If the developers are saying to the community, "This is one factor in our consideration", then it is an issue, is it not?

Mr Corbell: No.

MR HUMPHRIES: It must be an issue. If developers are saying to the committee, "There is a problem with our decision to proceed with development because of, among other things, the change of use charge", then the change of use charge is an issue and has to be examined. Logically, that is the case.

Mr Corbell also said that there was only anecdotal evidence that the change of use charge deterred development. I ask members to cast their mind back to the origins of the report which Professor Nicholls produced and which the committee used as the basis for its report. Professor Nicholls took rather a long time to produce the report, I concede that, but the report was - - -

Members interjected.

MR HUMPHRIES: It is true that I commissioned the report when I was planning Minister, and it took some time after I ceased to be planning Minister before it was released. If my department was responsible in any way for that, then I certainly express my regret.

We need to know where the momentum came for Professor Nicholls to be commissioned to produce the report. The ACT business community approached the Government in I think 1997 and said, "We are really concerned about the impact of the change of use charge on development in this town. We see it as deterring a great many projects and dampening appropriate employment opportunities in the construction industry in particular".

Mr Quinlan: Surprise, surprise!

MR HUMPHRIES: There is no surprise in that. "Appropriate development is being held up by this process. We believe you should do a study into this matter". The reason the Government went ahead and commissioned the report, coupled with a reduction in change of use charge at the time from 100 per cent to 75 per cent, was not that the business community came through the door and said, "Please do this to give Canberra a fillip", it was that the trade union movement also came through the door and said, "We need support from you to reduce this impact on ACT businesses".

I hope Mr Quinlan is listening to this. It was not the business community that convinced us to do that; it was the CFMEU that convinced us that there ought to be an inquiry of this kind. It was the CFMEU which said, "Reduce the change of use charge to 75 per cent". If there is no evidence that the change of use charges is a dampener on building activity in the ACT, why did the Labor Party back in 1997 support the reduction of the change of use charge to 75 per cent, as they did? If there is no evidence of that, why do it? Any suggestions from the Labor members on that subject? If there is no evidence that the change of use charge was a deterrent to appropriate development, why did you agree to reduce the change of use charge to 75 per cent?

Mr Kaine: They just had a strong hunch.

MR HUMPHRIES: They just had a strong hunch – or was that a strong lunch, Mr Kaine? I did not quite catch that. What was the reason?

Mr Hargreaves: I raise a point of order, Mr Speaker. You have tossed somebody out for language like that. I ask the Minister to withdraw. He is impugning the members here by saying that they may have had a long lunch and it may have affected their decision-making process. Either he withdraws it or you name him.

28 March 2000

Mr Kaine: On the point of order, Mr Speaker: I do not think Mr Hargreaves was here then.

Mr Hargreaves: I wasn't, but I heard "long lunch" and I did not like it. I took exception to it.

MR HUMPHRIES: Mr Speaker, it was "strong lunch" not "long lunch" that I said. I was actually quoting what I thought Mr Kaine said. If any offence was taken, Mr Speaker, I happily withdraw.

We have ruled out long lunches. So what other reason was there for Labor supporting a 75 per cent change of use charge rate back in I think 1997? If those opposite say that there is no evidence of it having an effect on these matters, why did they support the change of use charge? In the absence of any suggestions from the Opposition, I will give them the answer. Their colleagues in the building unions came forward and said, "Development in this town is slowing to a standstill. We need to get something moving. Give us a lower change of use charge. That is an incentive to get building development under way and to get the construction industry alive again and to have" - - -

Mr Hargreaves: You and the CFMEU are just like that, are you not?

MR HUMPHRIES: On this occasion, yes. I was very happy to accept that advice, and so was your party on that occasion. You guys said, "Yes, we will go along with that. We do not want to make too much of a fuss about this". At the time you were sort of crouching in a small ball to avoid being too conspicuously picked out on this. But the fact is that you people agreed to a 75 per cent change of use charge, and you did it because the building union said to you, "We need to get development moving in Canberra".

Mr Hargreaves: You can make that claim if you wish.

MR HUMPHRIES: If I have misrepresented the Labor Party, I am very happy for them to explain to us why they agreed to the 75 per cent change of use charge.

Mr Hargreaves: What other paranoid conspiracy theories are you going to throw across the chamber, Mr Humphries?

MR HUMPHRIES: There is nothing paranoid or conspiratorial about it. It was a very simple thing. Business and the unions came to my door and said, "We both believe you should be doing this. We both believe you should be taking this step". So I went to the Labor Party's planning spokesman at the time and said, "Well, what about it?". And she said, "Yes, we agree. We agree not only to the 75 per cent change of use charge in the interim; we also agree to Professor Nicholls conducting the inquiry" - an inquiry which Labor has now backed away from.

Mr Corbell: So it is in the interim. "In the interim" seemed to be the key words.

MR HUMPHRIES: Yes, we heard the words, Mr Corbell. The question still needs to be asked why even in the interim did you agree to a reduction in the change of use charge? What was the advantage, even in the interim, in reducing the change of use charge? Apparently I am airing conspiracy theories. I am very happy to be corrected. I am sure that, instead of adjourning this debate, Mr Hargreaves would be happy to tell us what the real reason was that Labor went to a 75 per cent change of use charge.

I also remind members that just a few months ago there was trenchant criticism of government members for failing to accept the so-called umpire's decision on certain matters relating to maternal health information. In this particular matter, the change of use charge, we had an umpire who was agreed to by the Labor Party whose submissions and findings have now been rejected. The evidence we need to conclude that there is benefit in lowering the change of use charge can be found in the actions of the Australian Labor Party itself.

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

FINANCE AND PUBLIC ADMINISTRATION – STANDING COMMITTEE Report on Draft 2000-01 Budget

Debate resumed.

MR QUINLIN (3.56): (*Further extension of time granted*) I do not suppose anybody wants a recap. I will recap a bit. I recognise that something here may or may not be so in terms of the superannuation debate. We have been trying to nut out the numbers. The interest inclusion may be accounted for in the most convoluted of fashions by updating the liability and then taking off the last year's and adding the payment that goes out. As soon as I discovered this I spoke to my colleague Mr Kaine. This is part of my input and I take responsibility for it. I have not spoken to Mr Cornwell because Mr Cornwell has a disclaimer on this, and probably well to his credit.

It is still the case that the treatment of the adjustment for superannuation, which has now been amortised under some American standard, has been shifted above the line to flatter the final bottom line of the budget. Although the Auditor-General gives that a tick in terms of accounting principles, it still gives rise to the fact that we are telling ourselves we have made, in a given year, in this particular year of performance, a substantial amount of money over and above that which we have done.

What follows is that this exercise and the elements that were discussed here, rightly or wrongly, give force to the notion that we really should separate the accounting for superannuation outside operations, so that we have the following clear statement in the operating statement: This is the superannuation expense for the year. Then that transfers into superannuation.

It does not necessarily follow with cash, but there should be at least a notional superannuation trust set up. The Commonwealth has set up its own superannuation fund. Many major corporations have their own superannuation trusts, with a separate set

28 March 2000

of directors, and the incomes and the comings and goings of those trusts do not necessarily distort the entries and the processing, the financial accounting, within the companies themselves.

With Mr Kaine's indulgence, this will be revamped. My recommendation is that the Government take a look at that so that the following is clearly stated: The expense for the year; the treatment of the fund itself; what we are putting into the fund; what we are taking out of the fund to pay emerging costs actual; and what is the real fund. Apologies to members for any inherent confusion.

Mr Humphries: Did you withdraw your press release?

MR QUINLAN: I will have to, will I not?

MR SPEAKER: Are you tabling an amendment to the report?

MR QUINLAN: In a verbal fashion, yes. I will do it in *Hansard* tomorrow. I mentioned capital works and initiatives. I had not spoken of the emergency services levy. Our report discusses the emergency services levy and asserts - it has been confirmed by the evidence we have taken - that this is a most unpopular tax. It is an inequitable tax.

I understand that the Treasurer has made statements that there are more people with insurance than there are ratepayers. This seems extremely odd. Maybe people are getting counted twice because they are paying the levy twice - once on their property and once on their contents. However, there are a lot of people not paying this tax because they do not take out insurance. Yet those people probably own property, reside in property and enjoy the services that this levy purports to cover.

This levy did not apply to emergency services. There was no increase in emergency services as a result of that levy being applied. It is simply, and always has been, a tax. The revenue has flowed into Consolidated Revenue.

Our report discusses what we consider to be the inordinate level of policy support that accrues to Ministers. We have now seen, as an initiative, a new policy group, some transferees from other departments, nevertheless some \$6m over four years, flowing to personal support for the Chief Minister, over and above all of the personal staff that we have in the policy area, the advising area.

This is for a Chief Minister who has, during last year, divested function as opposed to taking it on. The objectives of that policy group are all about strengthening, support - about existing stuff - so it is not as if we stand to gain much. We look like getting a lot more of the PR that flows so steadily from this Government.

There are comments about InTACT. My one observation is that much of the expenditure of InTACT was previously justified as Y2K expenditure. Y2K has come and passed, and yet the expenditure goes on. Either those assertions were wrong or we are doing something new. We would like to see in the final budget what InTACT is doing that is new and different, seeing that we are well through a modernisation process and we are past the Y2K hump.

The report discusses ACTBIS. There is fairly public debate about it. The committee recommends that the Government, wherever possible, avoid cash grants. We have been assured previously that the Government intended to do this. Furthermore, the committee recommends that once a package is granted, after the deal is done, details be immediately supplied to this place, and that those details give us the milestones that are included as well as just the amount of money.

There are a couple of other recommendations in relation to some of the people who came to see us. Home-based business seems to be missing out on government support just because they cannot afford to send people to courses and seminars. (*Further extension of time granted*) The Government offered special rates if you could send two people. When a business is two or three people, they usually cannot send one. We made some recommendations in relation to some on-line access and support for home-based business and the micro-businesses that have spawned some of the good small businesses we have in this town.

It is probably on the edge of our responsibility, but there is a recommendation in relation to green-waste bins and their impact on small businesses. Trash pack businesses in the ACT will definitely be affected by the introduction of green-waste bins. We must give further thought to what process we go through if those green-waste bins are to be introduced in households and to how we protect people who have mortgaged their homes to buy trucks, frames and other things that support their business. The possibility is that this would take them below the break-even point and gradually send them to the wall.

One of our members - the Speaker, Mr Cornwell - confirms the difficulty we had with time. It is simplistic to say that the committees have had so many weeks. As we know, all members are very busy on other issues, on other committee matters, on such small items as ACTEW debates and now the Impulse Airlines proposals. Those sorts of things take up time as well. It behoves the Government to accept with a certain degree of goodwill the reports that they have received from all of the committees in relation to the draft budget.

Of course, there are political dimensions contained within these reports, but at the same time quite obviously a lot of work has gone into this preparation. If this turns out to be a stunt that was put on as a oncer, as a vehicle to provide for a stream of announcements at the end of a very poor year for a government and as a process that was only intended to have a shelf life of a few months, I will be very disappointed and I think this house as a whole would take a very jaundiced view of that approach.

I commend the report, as amended on my feet today, to the house.

MR KAINE (4.08): Mr Speaker, I believe that today we have come to the end of one phase of an experiment in budget development. The process is yet incomplete. We will not see the budget for some time yet. We now have to see what the Government, and the Treasurer in particular, will do with the products of this phase that has just ended - that is, the committee reports.

28 March 2000

I think it is fair to say that many of us, perhaps even some members of the Government, have approached this exercise with real reservations. I made it clear in December, when the motion was debated by the Assembly, that I had real reservations about it, and I explained why, but I also said that I would give it my best because I thought it was worth a try, in all fairness to the Government. I think today I can claim that I have met that obligation.

Part of the problem with this experiment is that the rules of the game were, and still remain largely to this moment, undefined. How were we to go about this process? We tended to make up the rules as we went along. I imagine that each committee made up a different set of rules for itself in the absence of any clear guidelines as to what the process was supposed to be. Indeed, the question that has run through my mind is: What was the purpose of this exercise? What did the Government expect to achieve by referring a draft budget to the various committees of this place? Was it just a charade? Was it just an attempt to demonstrate how consultative and open the Government was? Was it a genuine attempt to get a better budget?

After engaging in the process for some weeks, I am still not clear just what the purpose of the process was. That probably explains why I still have the feeling that we needed some clearly defined guidelines and rules as to where we could go and how far we could go. Importantly, the starting point - this document called a draft budget - was considerably lacking in clarity and certainty. The Minister himself identified the fact that the base parameters were changed. At a stage when the Government itself had probably put only eight to 10 weeks into the development of its budget, with parameters that it was acknowledged were going to be variable, the draft budget was put to us and we were expected to make something out of it.

On reflection, the draft appears to be a little more than the basic forward estimates from the 1999-2000 budget; that is, it was a beginning point for a budget. It was not a progress point in the development of a budget. The Government had not moved some way towards developing its budget and was not handing it over to us to be massaged. It was just the beginning point for the next year's budget. The bottom line appeared to be variable, because it became clear during our inquiries that an additional \$21.3m was available from the Commonwealth, although this bottom line was not variable in the hands of the committees.

There were some tacit rules. One of them was that the committees could not change the bottom line. If the committees could not change the bottom line, and if the committees could not contemplate cross-portfolio implications - and I do not see how they could have been expected to do so - then what scope did the committees have to improve the draft budget in the form in which it came to us? All of this led to some reticence on the part of committees. They were not sure of what the rules were. They had a document that was only partially defined. Some rings were put around what we could and could not do, although by and large the operating rules had not been defined. As time went by some of us became perhaps even concerned rather than reserved about what the process was intended to produce and what value the output could have.

The net result after all this time is that the outputs, the committee reports, are so hedged with qualifications, doubts and reservations as to be largely, I submit, of little value to the Government in formulating its formal budget, which it is now bound to put on the table very soon. This is exemplified in the dissenting reports. We have three reports on the table today - and one has yet to be tabled formally - and three dissenting reports. That indicates that many of the people on these committees were not happy with the process, they were not happy with the result and they do not feel that they can get behind the recommendations the committees attempted to make.

What value do these reports have? In one case, Mr Speaker, as you are well aware, one member totally dissociated himself from the report. He said he thought the whole thing was a mistake and he could not commit himself to anything in the report - not one word, not one paragraph, not one recommendation. To me, that puts real question marks on the value of this process.

Permeating all of this were the concerns about the GST. I do not think we know now what the impact is going to be. In fact, I do not think the Government knows. So I am not too sure how the committees could deal with this matter without knowing what the outcomes were likely to be.

Despite all of those reservations, Mr Speaker, despite all the problems and the shortcomings in the system as I see it, we persisted. Most of us have tried honestly, I submit, to get a useful result. I do not think we succeeded. Frankly, I doubt that the experiment will be repeated next year, unless we can be much clearer on what the process is and what its purpose is.

So much for the process. As to the draft budget, I think I can honestly say and I believe you, Mr Speaker, can honestly say that we have done our best to make something out of it. We have not shirked it. We have not pushed the problems aside. We have produced a report that shows that we looked fairly thoroughly at the issues. We went into the assumptions and the variability of those assumptions. We looked at the budget base. We looked at the bottom line. We looked at important issues such as superannuation and GST. Unusually for committees, we came up with some budget positives. We think the Government has done one or two good things in that part of the draft budget that we looked at.

We also had some criticisms which we went into in some detail. We thought that there were some things the Government needed to look at. They include how rates are determined and collected, whether the emergency services levy should continue, the funding of InTACT, how much money is spent on giving the Government policy advice, the establishment of the new executive support and policy group, and the implications of the fact that some \$40m in round figures is spent by the Government each year on policy advice. It seems a very large sum of money. Perhaps the Government ought to be convincing us that the money is well spent and we are getting a return for it.

Finally, Mr Speaker, we have attempted to present a fairly detailed outline of the community's input into this process. The best we could do with that was to refer the community's opinions to the Government, since we were not able to make any recommendations about giving them more money. It is a matter for the consideration of

28 March 2000

the Government as to how much attention they focus on, and to what extent they are prepared to change their budget to accommodate, issues such as support for micro-business, public housing, youth services, a green-waste bin trial, a range of social and community issues, the environment, health and education. All of those matters were presented to the committee.

Our job, basically speaking, was to look at the budget of the Treasurer and the Chief Minister. Because of the broad-ranging responsibilities of the Finance and Public Administration Committee, we were approached and had submissions made to us by people across the whole spectrum of government activity, so there may well be some duplication of what other committee reports contain. We felt that the best thing we could do was summarise what the community had said to us, pass it on to the Government and see whether or not they could make something of it in the public interest. We made 11 recommendations. There is some material in them for the Government to consider, but I will be waiting to see how much of it is reflected in the final budget when it is brought down by the Government in a few weeks' time.

Mr Speaker, in summary, the Finance and Public Administration Committee has done its part in an attempt to make the experiment work, despite the reservations that some of us had. What we need after this is an evaluation, preferably an independent one, of just what this process has contributed to the development of the budget, having regard to the fact that it has diverted the committees away from other things that perhaps we could and should have been doing more thoroughly than we might have done at the end of the day, to see whether or not the attempt to involve the standing committees of the Assembly in the budgetary process at this stage of the budget was a good thing to do or a bad thing to do. I suspect that if a proper evaluation is done - I did signal before that I did not think this would be repeated next year - of how effective it has been, we might well conclude that it was not worth the effort.

As the chair did, I commend the report to the Assembly and to the Government. I will wait with interest to see in what way, if at all, this report changes the budget in its final form.

MR HUMPHRIES (Treasurer, Attorney-General and Minister for Justice and Community Safety) (4.20): As I indicated before, the Government will bring down a formal response to the reports of all the committees, but I want to make a few comments now. I have to express again some disappointment in the thrust of the report of the Standing Committee on Finance and Public Administration. In doing so, I suppose I agree with much of what Mr Kaine has had to say. Looking over the report, I suppose I have to concede that there is not a great deal the Government is going to be able to take out of it which is going to be useful to it in refining its budget in May. There are no recommendations, pursuant to the flavour of what the Assembly commended the committees to do, which was to provide a basis for the Government to say, "Here is how we are going to improve our budget as a result of community consultation and committee consideration".

Where I part company with Mr Kaine is on who is responsible for how that has come about. As I have said before, I reject the assertion that there was not the capacity either in time or in resources to be able to deal with the issues which the Assembly put before

its committees. There was the time, there was the capacity, and I hope there will be at least one or two committees which will have taken up that task in a serious way and which will make recommendations that do accord - - -

Mr Quinlan: It depends on who chairs them, does it not, Gary?

MR HUMPHRIES: Mr Quinlan interjects. He says that it depends on who chairs them. I think he summarises there pretty well what the answer is. It is not a question of time or resources; it is a question of philosophical approach to the exercise. Some members took the philosophical approach that this exercise was not going to work, and they made sure it did not work, by approaching it in a way which did not allow the budget to be given that kind of consideration which the Assembly's resolution in the last sitting period suggested that it should have.

Mr Speaker, the proof of that is that some committees, I gather, will be reporting in terms of the Assembly's parameters and some will not. I am rather surprised that we have in this report of the Finance and Public Administration Committee a list of concerns raised by the community, things the community feels should have a priority placed on them in the budget. Page after page of these comments have been made in this report, and the committee has basically said in respect of all of them, "Sorry, we cannot form an opinion about these things, because we are not playing the game that the Assembly has told us to play. We are not abiding by the rules that the Assembly has given us for producing our report".

Organisations have said, "We believe we have a good case for increased funding". What is more, this committee had the means to be able to fund at least some of these proposals. I wrote to the Finance and Public Administration Committee and said to it, "Here are some policy considerations to do with taxation issues which the Government is considering". In the spirit of the draft budget, I wrote to them and said, "Here are the issues". In effect, I was saying, "If you decide to make decisions in your committee that we should take certain steps in terms of taxation issues, revenue issues, then you will produce amounts of money which are available to spend on the sorts of issues that the community is raising before your committee".

I put it on the record that the committee wrote back to me and said, "The issues you have raised are basically matters that we do not feel we are able to deal with. It is a matter for the Government. You consider it". So we have the simultaneous views that spending more money on certain issues was too complex and too difficult for the committee to consider, and on the other side of the ledger proposals that would give it the money to spend on those issues were also too complex and too difficult for the committee to consider.

At the end of the day, we have this report, which makes a number of estimates-type comments on presentation and format and further work the Government should go away and do but makes no serious attempt to give the Government clues about how, based on this very large amount of community consultation that took place, it should go away and construct a better budget. If I was one of those community organisations which submitted to this committee, I would feel fairly disappointed that my effort was cast aside.

The committee is saying, "Here is the effort that you put into this, but as a matter of principle we are not going to take up any of your recommendations. We are not going to improve the budget, because we do not believe in principle that we should be asked to do that, even though the Assembly had already asked the committee to do that".

Mr Speaker, the tone of the report is also a little disappointing. The report is full of barbed comments. A very cynical tone is adopted throughout. I would assume that members of the community would expect to pick up these reports and see in them reasonably objective assessments of the matters that were put before the committees. I detect a very strong flavour of Mr Quinlan in this report. It reads like some of Mr Quinlan's speeches, with very Quinlanesque phrases and comments. That is fine for one of Mr Quinlan's speeches, but I am not sure it is appropriate for a report of an Assembly committee which is meant to be an objective assessment of the evidence placed before the committee. That is up to the committee, I suppose.

There are a number of issues in this report that I want to respond to in due course - the emergency services levy, the issues to do with other taxation measures and a whole host of other issues. It is a bit disappointing that the committee did not come back and put some of these issues to the Government for it to respond to so that it could have put some issues on the record in that respect. Had Mr Quinlan done so on the superannuation issue he has just raised, he might not have had to modify the statement he has made to the house today on this subject. This underscores what I think has been a disappointing exercise.

Mr Kaine might be right. Maybe there is not much value in the report that has been handed down if we have to go back to square one and make decisions for ourselves on what the budget should look like in May. That obviously was the intention of Labor members of this place, but it is not what we have tried to do in the spirit of the recommendations of the Select Committee on the Report of the Review of Governance of the ACT. We identified the need to make some changes, and we are disappointed that there is not a similar commitment on the part of those on the other side of the house.

MR SMYTH (Minister for Urban Services) (4.28): Mr Quinlan, in his recommendation 10, talks about the bio-bin. The recommendations states:

The committee recommends that the trial green waste bin services proposed by the Department of Urban Services is referred to the Independent Competition and Regulatory Commission to ensure there are no major competition policy issues.

I would like to clear up the misconception that we are offering the green-waste system that Queanbeyan has recently introduced. That is not the intention. We see this as a bio-bin, and the trial will be tightly focused on what it is we are after. Half of the waste that goes into the green garbage bin that we all have at home is compostable. That is not collected by people who run trash pack services. There is no way for them to get into that bin to collect that trash. We want to split it at source. If we can get it out of that bin, it will not go to landfill. A large amount of that waste is meat and dairy products, which are normally unsuitable for composting at home. I am told that such waste may

attract vermin, snakes, whatever. Therefore, people tend not to compost that at home. A large number of Canberra residences now are flats or town houses, for which composting is not suitable. Their rubbish goes into the green bin. It is the green bin we need to attack in our next step towards no waste by 2010.

I believe the review suggested in recommendation 10 of the report is not necessary. We have had legal advice that indicates that such a collection is not a business activity as such, but it is quite legitimate to consider it as a normal function of government. Therefore, the Trade Practices Act does not have a role in this case.

It is very important that people understand that 52 per cent of food waste goes into the current domestic bins. That is about 23,000 tonnes a year going to landfill. It is not going into trash packs; it is going straight to landfill. We want to get it out.

Trash packs contain large amounts of bulky green waste, but it is often with a mixed load. Other things are thrown in trash packs, and therefore they have to be dumped at the tip face. The ability to recycle their contents is extremely limited. There seems to be little attempt by the trash pack businesses to sort and stream the waste. I would like to see that happen. We will talk with the proprietors of those firms to make sure that they understand exactly what it is we are doing. But you have to understand this is not an attack on the trash pack industry. We have clear objectives through the policy of no waste by 2010. We know the sort of waste that is going into the domestic bins and is therefore not collected by the trash pack services. This is a trial of a bio-bin. It is not a green-waste bin like that in Queanbeyan. That is something we have to do if we as a community are going to achieve the objective of no waste by 2010.

MR MOORE (Minister for Health and Community Care) (4.31): Mr Quinlan has been gracious enough to admit one mistake, so I think I had better draw his attention to another. He has not just made a mistake in this report but he has repeated a mistake that he made during the Christmas break, when he mixed up some figures. I refer Mr Quinlan to paragraph 6.2 on page 14 of the report, where he refers to Health and Community Care. Mr Quinlan suggests in this report, as he did in a press release about 10 weeks ago, that a \$4.2m injection of funds is for price indexation. He has managed to turn it into a negative number. He has taken two separate government funding injections, one of about \$5m and one of about \$4m, and deducted one from the other.

A brief look at the details of the published budget papers reveals the true situation. The ACT government funding figure shown on the portfolio operating statement for 2000-2001 is \$337.376m, an increase on last year's budget of \$8.864m. The budget papers go on to help explain in detail the components of the increase. This makes Mr Quinlan's mistake, first in January and now in this report, even harder to excuse. The government payment for outputs figure is an increase on the latest estimated results for the end of year of \$7.092m, and at the top of page 93 of the draft agency budget estimates document there are further details of the increase in government payments for outputs:

... funding initiatives (e.g., Supervised Injecting Place and Nucleic Acid Test) and increased services (\$7.023m) ...

28 March 2000

But there is more. The commentary goes on to list the price indexation increases at \$4.259m. This is the allowance the Government has made for inflation. It is real new funding - not, as Mr Quinlan seems to believe, a negative number. Mr Quinlan's comments show that, for no apparent reason, he has simply deducted the positive price indexation figure from the new "growth needs" funding figure. He ignored the total value shown on the operating statement, leaving him with an \$8m error in the response in January.

In January I understand that an article appeared in the paper explaining Mr Quinlan's mistake at that time. Yet we find exactly the same mistake repeated here. It is not just a little mistake. Note the similarity between the words at the bottom of page 14 of the report and the words on page 5 of Mr Quinlan's media statement. The media statement reads:

The claimed injections of funds are no more than price indexation.

This report reads:

The claimed injections of funds are no more than price indexation.

They are the same words. In January he said:

The claimed increase for 2000/2001 is \$5.111 million, while price inflation is estimated at \$4.259 million.

The words here in front of us are:

The claimed increase for 2000/2001 is \$5.111 million, while price inflation is estimated at \$4.259 million.

They are exactly the same words. In January he said:

This leaves precious little room for growth in demand, let alone service improvement.

We read in the report:

This leave precious little room for growth in demand, let alone service improvement.

I admire Mr Quinlan for getting his press releases into a committee report. But for Mr Quinlan, having made a mistake and having had it pointed out to him, to continue to follow it through is a little over the top. To make a mistake is human. I admire the fact that you acknowledge your mistake about superannuation. It is a shame that one of your colleagues, who is not in the Assembly at the moment, was not able to do the same. Unfortunately, it is not an isolated incident. In another part of the media statement in January Mr Quinlan said:

The Draft Budget indicates that funding for hospital and acute care is to be reduced by \$25 million over four years, justified by reference to national averages.

That comment is totally false. Nowhere in the budget is there any such statement. In fact, the operating statement for the Canberra Hospital, at page 273 of the draft budget, shows a net increase in ACT government funding - user charges - of \$6.916m. There is no justification for Mr Quinlan's claim.

Mr Quinlan, I think you would now recognise, on behalf of the committee, not on your own behalf as chair, that the two figures mentioned in paragraph 6.2 - the \$5.111m and the \$4.259m - are both injections. You simply cannot take one from the other. It would be appropriate to recognise that this is yet another problem with this report.

MR QUINLAN (4.38), in reply: With the superannuation, we relayed a confusion that is part of the draft budget and its convoluted accounting. I will leave it at that. Mr Smyth mentioned that the waste bins were bio-bins. I suggest to him that he get in touch with the trash pack industry and assuage their fears. They certainly think that these bins are likely to have a severe impact upon their livelihood and their capacity to meet their mortgages.

In the overall context, I guess this whole process is operating according to script. We have had the draft budget. We have had all the contrived leaks or pre-budget announcements. We have had the committee's report. I repeat as forcefully as I can that, given the various activities that non-government members or non-Cabinet members are involved in - I include you, Mr Temporary Deputy Speaker - and given the number of debates they are involved in, the time and resources were tight. As soon as you finish a report, you have your heart in your mouth because you know that people are waiting to tear the thing apart. That is all part of the script.

Nevertheless, the committee I chaired went out of its way to make sure it did what it could in relation to the draft budget. Mr Humphries brought forward the criticism that we had the temerity to relay to the Government the concerns of some of the community organisations that came to address the committee in its hearings but said that we did not put forward some measures. Not all the community organisations came to us. This is part of the flaw in the system. We saw some of them. Some of them thought that coming to our committee was the only way they could have input to the Government on the draft budget or the formal budget. Others had read the later information that came out that said that they could go to the Government direct.

We took a responsible approach by including a synopsis - sure, it is our synopsis - of what they said. I cannot see that as running counter to the process. We could have said, "Those matters have nothing to do with the portfolio areas that we look at. We will not mention them at all". I do not think that would have been responsible, and I do not think that would have been an appropriate reaction to the people who bothered to write a submission and to bring the submission to the committee. I defend that part of the report most vigorously.

28 March 2000

We were accused of not bringing forward taxation issues. Do you know what the draft budget says about general rates? It says, "We have not done it yet. We cannot give you information on that". I think that is a reasonable position for the Treasury people to be in, if they were to have their Christmas break, which quite obviously they did. I repeat the claim that this draft budget is not a function of a complete budget round and analysis. It is a fairly hastily cobbled document, and from what I am hearing from the Treasurer in his response to the reports that have come down, I am starting to get the sense that it is all part of a script. I am sure that I will hear some positive things about at least one or two committees during the process, to give balance. But the outcome of the process is as I predicted publicly some months ago.

I commend this report to the Government and thank the other two members of the committee who worked with me, including Mr Cornwell, who agrees, to the point that his duties precluded him from being able to get inside the detail of the draft budget to the degree that is required, as is now obvious from the debate by Mr Moore over this figure and that figure. The draft budget says that we are going to match national standards. That is not a really very high aim to hold for our hospital system.

Mr Moore: We will always be higher than national standard. We will always be higher than even national costs.

MR QUINLAN: I only have the documents to go by, and they clearly communicate that we are going to cut costs in hospitals, in acute care, on the basis of national averages. I would like to close this debate by commending the report and commending the work that has been done by so few. As I expected, the report will be tossed out the back and chewed up. I guess that is just part of the script.

MR MOORE (Minister for Health and Community Care): I wish to make a personal explanation under standing order 47. I believe part of my speech was misunderstood and misquoted when Mr Quinlan suggested that the hospital was going to be brought to national standard and cut. I said in my speech that Mr Quinlan had suggested in January that the draft budget indicated that the funding for hospitals and acute care was to be reduced by \$25m over four years. He has repeated that. I had just finished telling him that that is just not the case; that it is another mistake. That is where he has misunderstood me and misquoted me.

Question resolved in the affirmative.

HEALTH AND COMMUNITY CARE - STANDING COMMITTEE

Report on Draft 2000-01 Budget

MR WOOD (4.46): Mr Temporary Deputy Speaker, pursuant to order, I present the following report:

Health and Community Care - Standing Committee – Report No. 6 - Report on the Inquiry into the 2000/2001 Draft Budget”, dated 22 March 2000, together with a copy of the extracts of the minutes of proceedings.

I move:

That the report be noted.

This report covers two broad aspects. The first is the committee's comment on the whole draft budget process, and the committee notes that it was not an easy task to carry out. A number of our recommendations relate to that aspect. The second aspect is our report to the Government on the needs expressed to us by community bodies - needs that we believe to be of a very high priority. I will deal with each aspect.

I believe we can substantially describe this as a unanimous report. There is only area of disagreement amongst committee members, and if you want to find that go to the last two paragraphs of the report. I hope Mr Humphries does not again follow the script that Mr Quinlan has described. The committee, and I as its chair, respect the decision of the Assembly that we should make this report. When the Assembly makes a decision binding on the Government, the Assembly expects the Government to do so. I take the view, and my colleagues took the view, that the committee too should respect the decision of the Assembly, whatever other views we may have. So we genuinely took the view of the Assembly and decided to do the best job we possibly could in considering the draft budget.

The report notes that the committee neither rejects nor accepts the health budget, but we make comments upon it. Members reserve the right subsequently to make what comments they wish on the budget when it is finally brought down. The committee states in its report that the Executive is still responsible for budget decisions and that this report that we now present is an aid to the Government's decision-making.

Let me note the first difficulty we encountered, and it is not unique to this committee. Those making submissions had to indicate, if we are to make ground, why bodies should get further funding, and associated with that was the need to suggest what other areas may need to be reduced in funding. We found in our deliberations that community bodies were not prepared to do that. If someone wants to read the transcripts of our meetings with those bodies they will see that. They were not prepared to say that some other area should be reduced in funding so that they may get more. Not surprisingly, the committee itself had the same view.

I am sure that Mr Humphries, therefore, is going to be as disappointed with this report as with the two that have been commented upon so far. Mr Humphries' position is totally unrealistic. In his comments on Mr Quinlan's report he was critical because, he said, Mr Quinlan did not respond to community bodies. I expect that Mr Quinlan did. Certainly, our committee did because the community bodies were not prepared to take the steps that Mr Humphries seemed to require.

In any case, we could not change those bottom lines. We could not validly do so. There is simply not enough program detail for meaningful analysis, and we make that comment in the report. There was not enough program detail. Just in terms of money amounts, we could not tell. But, more than that, there is no information about how those amounts were reached. There are no priorities, there is no background, there is no needs

28 March 2000

assessment and no information about how decisions were reached. The Government did not provide that to the committee. How could the committee then take on that task itself? Now, this is not unique.

Mr Humphries seems to think we want to do things a whole new way, but I do not think governments in the past or other departments have any different view. I want to quote something, and I do this only as a matter of fact, not necessarily as a point of criticism. The Minister, Mr Moore, was asked, "How did you come to these decisions?", and I quote from what he said, as shown on page 12 of our report:

I would love to be able to say that we do an overall assessment of needs and then we allocate the money according to those needs, but I think it would be naive to say that ...

I do not dispute that. That is how the system seems to work. We might like to change it, and maybe over years it will be changed. But Mr Humphries, in his comments today, wants us, at the click of the fingers, to be able to do better than that. It is simply not possible. It cannot be done. The committee cannot second-guess the Minister. We do not have the resources that the Minister has. If the departments, with all their resources, have not provided this information, how could the committee? Mr Humphries thinks they can. He thinks it is not a problem. Perhaps Mr Humphries ought to start to pay attention to what is persistently coming through in these committee reports. He should pay attention to what is being said in each report. There is a very strong thread through all of them, so listen and do not merely accuse committees of being political. Maybe Mr Humphries wants to look at himself.

I do not think time was a problem but, with the resources the committee had, it was not reasonable to expect us to go back and do the job that the departments themselves do not do. Perhaps we have higher standards than the Treasurer, perhaps we require more information on decision-making than the Treasurer does, and perhaps we can see evidence of that in some of the rushed decisions that have been taken by the Government over the last year or two that have caused enormous trouble. Perhaps it is that we just have higher standards.

Let me move on now to the second aspect of our report, which is our reflection on what the needs of the community are as expressed by the community. This is a major point I now want to make on behalf of the committee. Our report says:

There is no higher priority in the budget than the areas covered by the health and community care portfolio.

I repeat, "no higher priority". Members of this Assembly do not have to be on the committee or to be the Minister for Health to know that. I am sure they keep their ears to the ground. They know what the priorities out there are and they know the difficulties that people come to them with. When we hear the succession of accounts from this sector, its priority is inescapable.

Mr Temporary Deputy Speaker, this committee responded to the terms of reference in the best possible way, as best we could. We have drawn attention to the priorities expressed to us, and I would not claim for a minute that they cover every priority. I think we had more submissions than any other committee, but I would not say that every aspect of that area was covered in the approach to us. I know there are some areas that were not able to respond to us. They are too busy on the ground doing the work. We accepted the terms of reference and we did not change that bottom line. We would like to do that. I know that members would wish to do that as we assess the priorities, but we did not.

At this point let me express a concern of the committee. I want to read in full paragraph 3.6 of our report, which appears on page 17:

This committee has kept its recommendations and comments well within the restricted terms of reference laid down by the Assembly. While the committee is not aware of the recommendations of other committees, this committee would be most disturbed if the Government agreed to recommendations made by other committees that went beyond these terms. In particular, the committee would find it extremely problematic if the Government responded positively to particular committee recommendations that urged specific portfolio expenditure increases in dollar amounts that did not maintain or improve the operating result as identified in the draft budget papers.

We did what we were told by this Assembly, but I picked up clues today indicating that that has not been universal, and Mr Humphries now seems to be preparing the ground to say, "Well, that's all right; I've done a deal with another committee. I have done a deal and I can find a way that you can increase the bottom line". Mr Humphries is preparing the ground to announce that he has scuttled his own process. I would be very concerned about that because, as the committee says, there is no higher priority than some of these areas in community care in particular.

Now, there will be changes. Simply because of the Grants Commission process, and perhaps even as the GST is factored into the budget, there will be changes. If those changes emerge, we will express the urgency of those areas. We have highlighted that in our report. A very large part of our report deals with just that. Look at mental health; look at outreach services for women; look for assistance to volunteers. There are strong claims for a mental health peak body. There are further needs for advocacy services. I mention for example the urgent case of one constituent who was assessed by all processes for her child to get more services, but they did not come. Well, money is tight. Money needs to be provided.

We hear of pressures on training because of the pressures on community bodies. The need of the Alzheimers Association has been well expressed throughout the community, as have the needs of autistic children and the needs for counselling. All these areas can overwhelmingly demonstrate their priority for funds. If there are more funds to come, I would strongly urge that members pay attention to the committee report which says, "We know the areas. You attend to those areas, because that is where the needs are".

28 March 2000

There is a lot more work to be done on the budget, and I would hope that the Minister and the Government can see where those needs should be met.

MR RUGENDYKE (4.59): Mr Temporary Deputy Speaker, I applaud the Assembly and I applaud the mechanism by which this trial budget process has been conducted. I am very pleased with the way the trial has gone. I am fully supportive of the concept of a trial budget, and it is in that vein that I commend this report to the house.

There is, Mr Temporary Deputy Speaker, one recommendation that was not unanimous. I draw members' attention to recommendation 18. Two members of the committee, Mr Hird and I, disagreed with the allocation of \$750,000 in each of the next two financial years for the establishment of a drug injecting clinic. Mr Hird and I were of the view that these funds would be much better spent in providing improved drug education in the community.

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 Moore: What a shame to interrupt you just there.

MR RUGENDYKE: Yes, it was a very timely interruption, but I will pick up my thread of thought. In recommendation 18, Mr Hird and I recommend that the Government redirect funding proposed for the supervised injecting room trial to improved community drug education measures. Mr Temporary Deputy Speaker, this will be an appropriate test for this trial budget process. Will the Government accept the recommendation of the majority of the committee and reallocate that money to drug education? One thing the Health Committee did discover was that it was not really argued that there is a large degree of unmet need in the health and drug area.

I must say though that Mr Wood's dissent on this point is a valid one from his point of view because the Labor Party has supported the drug injecting clinic. I do not hold that against Mr Wood. I think it is quite appropriate for him to dissent in that way. Whether or not the Government will reallocate this money as recommended by the majority of the committee is a good test for this trial budget.

Mr Temporary Deputy Speaker, I commend this report of the Standing Committee on Health and Community Care to the Assembly. It is a very good and thorough analysis of the proposed budget. It is a good process that allows community groups a couple of bites at the cherry for input into the budget and discussion of budgetary issues prior to the tabling of the budget. I see it as a very good and worthwhile process.

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

JUSTICE AND COMMUNITY SAFETY - STANDING COMMITTEE
Report on Draft 2000-01 Budget

MR OSBORNE (5.05): Pursuant to order, I present the following report:

Justice and Community Safety - Standing Committee - Report No. 9 - The 2000/01 Draft Budget of the Department of Justice and Community Safety and Related Agencies, dated March 2000, including a dissenting report, together with a copy of the extracts of the minutes of proceedings.

I move:

That the report be noted.

As other members have already mentioned, this is the first time we as an Assembly have attempted to look at the budget in a draft form. This trial, as we have heard today, Mr Temporary Deputy Speaker, has not been without its detractors and it has not been without some measure of difficulty. However, on the whole, I think the majority of members of the committee have found it to be a positive move with considerable merit, and the committee has recommended that this approach be continued for some time. I understand that Mr Hargreaves has some additional comments to make about this and some other aspects of the report. I will leave it to him to explain.

One of the comments that continually came from community groups when making their submissions to the committee was the supposed lack of time to scrutinise the draft budget. Some of them, it seems, were unable to put a detailed submission together within the four weeks timeframe that they were allocated. Their comments indicate to me, Mr Temporary Deputy Speaker, that perhaps they need to adjust their internal communication structures so that they can respond next time within a month. I also believe that some detractors of the draft budget process need to remember that this is the first time in the history of the ACT Assembly, and maybe the first time in the history of government in Australia, that the community has had an opportunity like this. I accept that this first attempt has not been perfect, but it is well worth persisting with.

Another comment that came from almost every submission was over the lack of excess funds within the portfolio. The Department of Justice and Community Safety seems to be fairly streamlined and efficiently managed, which made the identification of funds that could be redirected to new projects quite a problem.

Part way through this inquiry I wrote on behalf of the committee to the Attorney-General to ask for his assistance on this. The committee had found a number of projects worthy of funding but could not readily identify where cuts could be made. Mr Humphries wrote back to explain that up to \$1.5m could be available to this portfolio due to changes in the way sales tax would be applied under the GST. Unfortunately, the committee did not have the time to go over these issues thoroughly and did not make a recommendation in relation to this, but, from a personal perspective, Mr Temporary Deputy Speaker, they are changes which I would support. Accordingly,

28 March 2000

the committee has made recommendations about how this extra funding could be spent. I understand that Mr Hargreaves has additional comments about this which I am sure he will try to explain.

Mr Temporary Deputy Speaker, the committee supported allocating funds to several projects, but the two that I wish especially to draw attention to are the funding of beat police and a range of support programs for families. The beat police program has been used previously in a few Canberra suburbs, and I believe it worked very well. People appreciate and respond well to the country town policing approach. This approach, I believe, is more focused on crime prevention, the maintenance of order in the community and managing social crises than just responding to reported crime.

Research has shown that when crime is reported to beat police they are in a position to respond much sooner and more effectively than the conventional call to the station. Unfortunately, after an extended trial period, beat police were not persisted with by AFP management. However, the committee believes that their renewed use in Canberra could bring some benefits. The committee felt that this option was something the Government should seriously look at, regardless of the fact that the committee is about to undertake an inquiry into police services in the ACT.

Mr Temporary Deputy Speaker, the second area of funding I would like to highlight from this report is the one in relation to family support programs. The committee was provided with the results of a study by the Australian Institute of Criminology that shows that for every dollar spent on family therapy programs society can gain up to \$11 in benefits. I believe that it makes a lot of sense for us as a community to invest money in families that are struggling. This could come in the form of assistance with parenting skills, providing counselling and other practical types of help, such as providing kids with time on their hands with leisure activities or simply making sure they have enough to eat.

Some other things which have worked well overseas include programs for preschoolers, assistance at home for mothers with young children, and initiatives in school to make sure kids learn properly. With more research being done these days, it is becoming much easier to identify families that have problems before things get too out of hand. That makes it much easier to break cycles of behaviour and give these families a chance to get back on an even keel.

Mr Temporary Deputy Speaker, the committee has provided a degree of flexibility within its recommendations and comments by not allocating programs with amounts of money and by suggesting a range of options for the Government to consider. This came about because of the confusion over where the money was actually coming from, the extra \$1.5m, and reluctance on the part of some members of the committee to make specific recommendations in relation to dollar amounts because of the time constraints. The committee hopes that this report will spark community debate, and we look forward to hearing the responses of other members and the Government.

As I said earlier, I think there were some problems in this attempt at a draft budget, but I should remind members that this was the first time in the history of this Assembly that those of us on the crossbench who are not part of the Government could have some

input into the way that money is spent prior to the budget being handed down. Perhaps those opposed to this process have some realisation that at some stage they will control the purse strings and they do not wish to include anyone else in the drafting of the budget. In an Assembly of this size the people who control the purse strings control the parliament, and ways of putting the power back onto the floor of this Assembly rather than on the second floor of this building are long overdue. I thank all the other members of the committee, you, Mr Temporary Deputy Speaker, Mr Hargreaves, and Mr Kaine. It was a difficult process at times, but it was one that I enjoyed, and I look forward to doing it all again next year.

MR HARGREAVES (5.12): Mr Temporary Deputy Speaker, I wish to comment on my dissenting report which is at the end of this rather large tome. I concurred with 14 out of the 17 recommendations of the committee, which in a sense says something about the level of compromise that each of the members brought to the process. Like Mr Osborne, I would like to pay a tribute to members of the committee for the compromises they came to. One other compromise was reached but was not taken up. Before getting on to the dissenting report, Mr Temporary Deputy Speaker, I would like to put on the record my appreciation of the work of the committee's secretary, Fiona Clapin. In my view she did an incredible job in stitching together the views of the witnesses who came before us and presenting a coherent report. I think she did an excellent job and she should have recognition for that.

Mr Temporary Deputy Speaker, the major area of dispute that I had was the process. It is quite reasonable that standing committees be involved in the contemplative stage of budget development. In this sense I agree with my fellow committee members that there is a role to be played by standing committees in this Assembly. The community, through the process of the standing committees, can be involved meaningfully in the consultative process, and can inform the standing committees and the non-Executive members of the implications that a draft budget may have on the services that impact on them. This process also enables the standing committees to scrutinise the programs that the Government is proposing to introduce in the following financial year. In some cases, if the consultation process reveals something the Government was not aware of or has not taken into account, it can be a braking mechanism. That is a point on which all on the committee agreed.

We agreed that our role in the contemplative stage of budget development was a vital one and a good one, and I wish to commend the Government for that part of it. But, Mr Temporary Deputy Speaker, standing committees ought not to be regarded as distribution agencies. It is not their role to be distribution agents for the Executive arm of government. Governments are elected on their platforms and programs and often stand or fall on whether or not those programs are funded. It is not up to a standing committee of the Assembly to find money or to receive money and then distribute it according to priorities that it sets, which may or may not be in accord with the Government. I accept that the Government may very well return and say, "Hang on a second; at the end of the day we are going to accept or reject the recommendations of standing committees".

To be quite frank, Mr Temporary Deputy Speaker, I do not trust that process because I believe that deals are often done. I cannot support this process which has the standing committees being a budget section within the bureaucracy. As Mr Wood quite rightly pointed out, governments have a full department to determine the impacts of budgets and to do the number crunching. Ministers' offices have a significant number of staff to do this sort of thing. Committees have a secretary and we have our own staff, but, as you would know, Mr Temporary Deputy Speaker, we do not sit around in our offices waiting for budget reports to be developed. There are many other things that occupy our time. Quite simply, we do not have the resources, and often some standing committees do not have the experience, the expertise or the education to be a budget section of the Executive arm of government. I just want to reiterate that opposition and crossbench members are not accountable to the community for the distribution of money to facilitate government programs.

Standing committees ought not be given a bucket of money by the Executive and encouraged to allocate funds to priorities of its choosing, as I have said before. In this process, as my chairman has indicated, the committee was offered - whether formally or informally matters not - \$1.5m, which eventually dropped to \$500,000, for us to distribute by way of recommendation to the Government. Of course, if the Government picked up that recommendation and there was public flak over it, the Government could point to the committee and say, "Well, you did it". It is not our role to perform part of the functions of the Executive Government.

On top of that, Mr Speaker, the numbers did not stack up anyway. The million dollars was there and then it disappeared. It disappeared because it was predicated on three options that the Government had the choice of picking up, and there was no indication to the committee of whether or not the Government had them up. Had the Minister said to the committee, "The budget for the Justice and Community Safety Department is now this figure and would you like to look at priorities within that?", the process may have been workable. Merely to give us a bucket of money and say, "Here you are, give this to your favourite program", does not work. In fact, it meant that members on the committee had to make choices about priorities, which they ought not have had to do.

Mr Speaker, in my report I have listed those items with which I concur and I will not address those. I will leave them for members to consider at their leisure. In terms of the recommendation for beat policing services for the ACT, essentially what we are recommending is a change in the nature of the delivery of policing services in the ACT. I think the committee was unanimous in saying that the idea was a good one. The trial that Mr Rugendyke took part in in Kaleen was evaluated as a good one and ought to be continued. We did not reject the evaluation, as it appears the AFP management has, and then roll it into some obscure concept of the complete constable. In fact, I take Mr Rugendyke's point. Your country town policeman is as near to the complete constable as you are ever going to get. We are united, I think, in believing that this process ought to go on.

However, I want to point out to the Assembly that there is a possible inconsistency here. The Standing Committee on Justice and Community Safety has received a charter put forward by our chairman to conduct an inquiry into policing services in the ACT, and that is because there is disquiet out there in the community about the level of policing

services and the perception of safety. Mr Rugendyke's proposal is a way to address that perception of community safety. Whilst we agree with that, some may think it is premature if we try to change the nature of the services before the inquiry is concluded.

I also note the opposition of the ACT's Chief Police Officer to the introduction of the model, if his public statements are any indication, so it would take a bit of muscle flexing and an expression of will on the part of our Minister to insist on it. I do not know whether he would get away with it between now and when the purchaser/provider agreement is done, but we will see the metal of the Minister at that time.

I also wish to point out that we did agree that if money was available we would like to see the extension of Mr Rugendyke's proposal, as he said to us when he gave evidence. His initial proposal was to have two suburbs served by one policeman and that that would be in three regions. I think he was doing that because he had one eye on the budget and one eye on what he actually wanted, and that was a responsible way to go about it. But he did say that ideally we ought to have coverage across all of the residential suburbs in the ACT. By my reckoning, Mr Speaker, that would be 50 policemen. Based on the average salary and some on-costs, you are looking at something around the \$4.5m mark. That, according to my calculations, is roughly 25 per cent of the cost of the car race. So it is not a figure which is way out of the realms of possibility. It is well within the realms of possibility. I would like to have further justification given to us in the context of the inquiry before making a particularly strong recommendation to the Government about that.

On top of that, Mr Speaker, the proposals were costed by the Government. I thought it was remarkable that the Government could cost that so quickly, yet they cannot cost the prison. We are still waiting for that, nine months down the track. We are still waiting. Naughty, naughty. Of course, sometimes, if you are a little bit hasty, a little bit too quick, you can make mistakes, as I think the Government has done in its costings. I think my report shows the numbers so I will not go into those, Mr Speaker.

I also disagreed with the approach the committee took on the recruitment of firefighters. We did agree that there was enough money provided. The Government has said that it will provide a number of firefighters. The numbers vary between 12 and 17. I am happy to see that. The Government was saying that they wanted to get away from the college training model and do a little bit of lateral recruitment, a little bit of basic recruitment, but I could not quite figure out what they were talking about. I believe that they ought to stay with the older method. We ought to be resourcing this under the older method until such time as the stakeholders have come to an agreement under the enterprise bargaining arrangements because in that way we will have a combination of the minds of all of the people affected. They will know how the change in the process will affect them. I am sure that the United Firefighters Union will not sign off on something which will work to the detriment of the members.

I want to make two further points about the Fire Brigade, Mr Speaker. More than 12 months ago I asked for a breakdown of the budget for the Fire Brigade and I was told that it was not possible to drag out the figures. I told the management and the Minister and the chief executive of the department that it was possible to pull them out from ORACLE. I had that in my previous experience before coming here. "No, it is not

28 March 2000

possible”, I was told. Twelve months. Then, blat, Mr Speaker, b-l-a-t, they appeared miraculously. Why it was not possible long ago, Mr Speaker, remains a mystery to me. I know it was possible, they said it was not, and yet it materialised. I hope that we do not get such a stupid comment from those people ever again. It is possible and they ought just admit it and say they do not want to give it to us for whatever reason. Let us have the truth instead of smoke and mirrors.

Mr Speaker, I think more than 12 to 17 firefighters ought to be recruited. I think you will find that they are about 30 members down. I believe that we can have a recruiting process which will put that number of firefighters on within the existing budget because at least \$1m existed in the base budget, and nothing will convince me otherwise. It has been appropriated by the Emergency Services Bureau and applied elsewhere within the bureau. It exists within that portfolio, within that bureau. It was taken from the Fire Brigade. The Fire Brigade is now in need.

MR SPEAKER: The member’s time has expired.

MR HARGREAVES: I ask for a small extension, Mr Speaker.

Mr Humphries: We agreed that we were not going to have any extensions this afternoon.

MR HARGREAVES: I recall other members having quite a number of them, Mr Speaker.

MR SPEAKER: Is leave granted? Let us get on with it.

Mr Hird: Yes. Only a short extension.

Leave granted.

MR HARGREAVES: A short extension. Thank you. Mr Speaker, I have said enough about the Fire Brigade. I want to say that I was particularly concerned about the de-funding of the Women’s Legal Service, the Environmental Defender’s Office and the Welfare Rights and Legal Service. If you look at the chart for legal aid, Mr Speaker, the budget went up this financial year over the last by \$324,000. However, the Women’s Legal Service dropped \$39,668. The Environmental Defender’s Office went from \$23,000 to nothing. For the Welfare Rights and Legal Service it went down \$7,258. Why they should go down, I do not know. The Women’s Legal Service provides support services to some of the most disadvantaged people in our society. These are the women who suffer domestic violence. These are the people who have nowhere else to turn. We were not given any explanation as to where these people go to access these services. There was none of that.

Mr Humphries: You did not ask.

MR HARGREAVES: I will ignore the stupid remarks from the Treasurer. In fact, Mr Speaker, there were questions. Mr Humphries ought to go back and have another look. On top of that, we should not have to ask when something as draconian as this is

being introduced. This is absolutely appalling, Mr Speaker. With regard to the way the committee treated this, I have to make the comment that I wanted the committee to recommend that the Government reinstate that amount of money. Two members of the committee rejected that recommendation, and a third, to his credit, offered a compromise position. Basically, that was that the Government be asked to go back and think again. I was prepared to accept that compromise, but that was rejected by the other two members, Mr Speaker. Therefore I was forced to make this particularly powerful statement. I do not see, for the life of me, any other reason for their reduction other than a personal vendetta from the Minister across the chamber and others because these people disagreed with them.

Mr Hird: I think that should be withdrawn.

Mr Humphries: Mr Speaker, I raise a point of order about this matter. I am sure that Mr Hargreaves will sit down while I am making the point of order.

MR HARGREAVES: Certainly.

Mr Humphries: Mr Speaker, what Mr Hargreaves has just alleged, in effect, is that I, as Attorney-General, have perverted the duty that I owe to members of the community to deal impartially with them because of personal views that I hold on issues relating, presumably, to abortion. That is an allegation of corruption. It is most improper and I ask Mr Hargreaves to withdraw it.

MR HARGREAVES: Mr Speaker, I do not wish to have anybody think that any member of this Assembly is corrupt. I withdraw any suggestion or implication that there is corruption or that there is any graft. However, I do not withdraw my comments in this dissenting report, Mr Speaker. I believe them to be true.

MR SPEAKER: That is a matter that will be investigated.

Mr Humphries: Mr Speaker, I have to say that my concerns about that remain for that reason. I would ask you to look at that matter.

MR SPEAKER: Yes, I have undertaken to look at that matter.

Mr Osborne: The inference I got was that I too was the target of Mr Hargreaves' allegation, and I too wish to register my disappointment.

Mr Hird: And me.

Mr Osborne: The allegation was never raised within the committee hearings, Mr Speaker. I made it very clear to Mr Hargreaves that I accepted the Government's reasoning behind this. From memory, Mr Humphries said that it was done on advice from the department. I said that a number of times in the committee. Mr Hargreaves never once raised this allegation within the committee, which would have been the proper way to do it. So I too wish to register my disappointment.

28 March 2000

MR SPEAKER: Thank you. The matter will be investigated in relation to the report and I will report back to the Assembly.

Mr Humphries: Thank you, Mr Speaker.

Question resolved in the affirmative.

PLANNING AND URBAN SERVICES - STANDING COMMITTEE
Report on Draft 2000-01 Budget

MR HIRD (5.33): Mr Speaker, pursuant to order, I present the following report:

Planning and Urban Services - Standing Committee - Report No. 43 - The draft 2000-01 Budget for the Department of Urban Services [DUS], dated 23 March 2000, together with a copy of the extracts of the minutes of proceedings.

I move:

That the report be noted.

I am pleased to say that this is a unanimous report. It is in a new style for the committee. The first part, the green pages, sets out the guts or the strong information in the report, the 15 recommendations and the rationale for them. This is followed by a summary of the whole inquiry in two sections. The first section spells out the way we conducted the inquiry, and the second section summarises the evidence we received, both written and oral. We think that this innovative layout facilitated the speed at which our secretary and the committee produced the report. It also draws immediate attention to what people want to see, namely, the recommendations and the reasons for them. The committee will be interested in any comments on this layout.

Turning to our recommendations, Mr Speaker, one of the first lessons we learnt, and I mentioned this this morning in respect of another report, is that it is imperative that the Minister and his departmental officers be given the final chance to address the committee prior to a report being put together. The draft budget is, after all, the responsibility of the Minister, and he or she must be given the opportunity to address any issues raised during the inquiry.

A number of recommendations are aimed at improving the clarity of the documentation. This is really important in the case of the Territory's budget. However, most of the recommendations are aimed at the draft budget itself. One recommendation picks up a constant theme of the committee in past years, and that is the need for an accurate, easily accessible land data system that is able to be used by anyone in the Territory. The committee feels very strongly about this issue.

Another recommendation refers to the usefulness of one submission in particular, namely, that from the National Parks Association. The careful detail in this submission is to be commended, Mr Speaker. Interestingly, the National Parks Association took

seriously the suggestion that calls for increased funding should be accompanied by suggestions about where the money should come from. The National Parks Association outlined four ways of raising more money to be spent on the environment, and I dare say that the Treasurer will be interested in that. Our report urges the Government to take these suggestions on board in framing the final budget.

Another recommendation is highly topical in light of the committee's current round of public hearings on the proposal for the Gungahlin Drive or John Dedman Parkway extensions. This is also dealt with in recommendation 13, together with other comments on recommendation 12. Our recommendation is that the Government consider placing a priority upon construction of the full extension of Horse Park Drive in Gungahlin to Majura Road, or Majura Drive as it is now referred to, under the Federal Highway at the new overpass. The committee thinks that these measures would significantly aid access to and from the new area of Gungahlin.

Finally, our report notes the great effort made by government officials over the Christmas/New Year period in producing the draft budget in time for not just our committee but all committees to examine it in the early stages of the budget cycle. We thank the Minister for Urban Services and his officers for their cooperation and willingness to take a wide range of questions from members of the committee on the points that were raised.

I also would like to thank my colleagues Mr Rugendyke and Mr Corbell and our hardworking, energetic committee secretary, Mr Rod Power.

Question resolved in the affirmative.

ADJOURNMENT

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

That the Assembly do now adjourn.

Assembly adjourned at 5.37 pm