



DEBATES

OF THE

LEGISLATIVE ASSEMBLY

FOR THE

AUSTRALIAN CAPITAL TERRITORY

HANSARD

16 May 2002

Thursday, 16 May 2002

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The Assembly met at 10.30 am.

(Quorum formed.)

MR SPEAKER (Mr Berry) 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.

Petition

The following petition was lodged for presentation, by Mr Stanhope, from 24 residents.

Fireworks

To the Legislative Assembly of the Australian Capital Territory. We the undersigned petitioners support the continued retail trade of fireworks in the Australian Capital Territory and request that the Legislative Assembly amend the Dangerous Goods Act to ensure the safe and continued retail trade of fireworks in the ACT.

The Clerk having announced that the terms of the petition would be recorded in Hansard and a copy referred to the appropriate minister, the petition was received.

Duties (Insurance Exemptions) Amendment Bill 2002

Mr Quinlan, pursuant to notice, presented the bill and its explanatory memorandum.

Title read by Clerk.

MR QUINLAN (Treasurer, Minister for Economic Development, Business and Tourism, Minister for Sport, Racing and Gaming and Minister for Police, Emergency Services and Corrections) (10.34): I move:

That this bill be agreed to in principle.

Mr Speaker, there are growing concerns that insurance companies are either charging inflated premiums or declining to provide public liability cover even for low-risk activities for bodies with proven no-claim records. Small events that traditionally raise funds for community projects or local charities are being cancelled because they cannot find adequate public liability insurance.

Members may be aware that Treasury is working with various forums at national level to assess the reasons for the large premium increases and the extent of the lack of availability of public liability insurance, particularly for small sporting and community groups. These global issues are outside the scope of this bill, and solutions are being sought in cooperation with other jurisdictions.

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The government does not wish to make a windfall gain in the form of increased duty on higher premiums, and the proposals in the Duties (Insurance Exemptions) Amendment Bill 2002 are to provide price relief in the hands of the end user.

Mr Speaker, the bill amends the Duties Act 1999 to allow the minister to make guidelines which will limit the exemptions to private liability insurance and other general insurance prescribed by the guidelines. The guidelines are a disallowable instrument, and they will state the circumstances in which an exemption from duty is permitted, the extent of the exemption and the procedures to be followed to apply for the exemption.

Under the guidelines, immediate assistance will be provided to amateur sporting and community bodies which are run on a not-for-profit basis and pursue their objectives and incur expenditure principally in the ACT. Supporting evidence will be provided to the satisfaction of the Commissioner for ACT Revenue, who will determine eligibility. The guidelines will be tabled in the Assembly as soon as is practicable after the passage of the bill.

Exemption will be extended to cases where eligible group or pooled policies are taken out on behalf of an eligible not-for-profit body, and the proportion of premium that applies to, and has been paid for by, the ACT body will be exempt from duty.

Mr Speaker, I commend the Duties (Insurance Exemptions) Amendment Bill 2002 to the Assembly.

Debate (on motion by **Mr Humphries**) adjourned to the next sitting.

Cemeteries and Crematoria Bill 2002

Mr Wood, pursuant to notice, presented the bill and its explanatory memorandum.

Title read by Clerk.

MR WOOD (Minister for Urban Services and Minister for the Arts) (10.37): I move:

That this bill be agreed in principle.

I have pleasure today in presenting the Cemeteries and Crematoria Bill 2002. The bill has been developed in response to the national competition policy review of the Cemeteries Act 1933 and the Cremation Act 1966. The report of the review examined the ACT cemeteries and cremation legislation to ensure that the protection of public cemeteries and the management of public cemeteries and private grounds occurs as effectively and as efficiently as possible, in accordance with the national competition policy.

The review report was provided to the former government, which accepted two of the consultant's three major recommendations:

- streamlining the legislation covering cemeteries and cremation in the ACT, including removing outdated parts of the legislation and regulations and consolidating the two acts into one; and
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- removal of the legislative restriction which limits the right to ownership and operation of all ACT cemeteries to the Canberra Public Cemeteries Trust.

However, the former government did not accept the recommendation to limit post-burial tenure of gravesites at public cemeteries. Private cemeteries would have been free to offer a variety of services that reflected market demand, which could have included limited post-burial tenure of gravesites.

This government has decided to accept the same two review recommendations and rejects the recommendation concerning limited post-burial tenure of gravesites. Perpetual tenure of gravesites will apply in all current and future cemeteries in the ACT, whether public or private, and it is intended to make regulations to this effect.

The objective of the bill is to establish a consistent and contemporary framework for the regulation of cemeteries and crematoria in the ACT, replacing the outdated Cemeteries Act 1933 and the Cremation Act 1966.

Codes of practice are another key feature of the bill. The minister may determine one or more codes of practice dealing with the operation of cemeteries and/or crematoria, and these codes of practice will be disallowable instruments.

Perpetual care trusts are one of the innovative features of this bill. The most important issue in provision of cemetery or crematorium services is the funding of ongoing and future maintenance. Under the proposed perpetual care trust a percentage of the cost of each interment or memorialisation will be invested in a trust fund which can then be used to pay for maintenance.

The success of a perpetual care fund depends on whether the initial interment levy is high enough, the skill with which it is managed, and the standard of maintenance of the cemetery. Although no financial arrangement can guarantee against fraud or mismanagement, the advantage of such a fund is that maintenance-specific funds become identifiable and auditable, and their adequacy can be monitored and assessed.

A cemetery or crematorium operator would be required to set aside in a specified account (the perpetual care fund) a percentage of all future interment fees to fund ongoing cemetery or crematorium maintenance. The minister would specify the percentage. This account would be part of a cemetery's or crematorium's assets and would transfer to a new operator.

The government is ensuring the ongoing viability of the perpetual care fund, because the money deposited in the fund will not be able to be used to pay an operator's general debts or be used to satisfy a judgment against the operator.

I come to improvement notices. The purpose of an improvement notice is to enable the chief executive to require an operator of a cemetery or crematorium to carry out improvements such as structural work or repairs to upgrade the facility so that it complies with the required minimum standards. Where the chief executive is satisfied that the operator has contravened or is contravening the act, then a show cause notice may be issued, provided that the identified contravention does not constitute an offence against this bill.

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The notice would specify the contravention that had occurred and the chief executive's reasoning, and invite written submissions within a specified period of not less than 14 days on why the operator should not be required to cease the contravention, remedy the consequences of the contravention, or do both.

If, after considering any written submissions from the operator, the chief executive is still satisfied that the operator should be required to cease the contravention, remedy the consequences of the contravention, or do both, he or she may issue an improvement notice to the operator.

The bill establishes the Capital Territory Public Cemeteries Board, replacing the Canberra Public Cemeteries Trust. The board will be a corporation with perpetual succession, may have a common seal, may sue and be sued in its corporate name, and may acquire, hold and dispose of property—all the usual things.

The function of the board will be to effectively and efficiently manage public cemeteries and crematoria, for which the minister has appointed a board as the operator. It will be required to operate on a commercial basis and will not receive any government funding, as is the current situation of the Public Cemeteries Trust.

The bill provides for a continuation of the existing arrangement whereby the board may arrange with the chief executive to use public servants in the board's secretariat but still under the chief executive's control. Management of public servants by the board would be subject to the Public Sector Management Act.

In line with the principles of natural justice, the bill provides that where a cemetery or crematorium operator is aggrieved by a decision of the minister he or she may apply to the Administrative Appeals Tribunal for a review of the decision.

The bill provides the power for the executive to make any necessary regulations on issues such as the protection of cemeteries and crematoria, their conduct, permits for burials and cremations, and the requirement of certificates from doctors for permits for burials and cremations.

The Cemeteries Act 1933 and the Cremation Act 1966 will be repealed. Repealing the Cemeteries Act 1966 removes the existing monopoly of ownership and operation of cemeteries by the existing Canberra Public Cemeteries Trust. The Canberra Public Cemeteries Regulations made on 30 June 1939 are also repealed.

The Land (Planning and Environment) Act 1991 is amended to include crematoria in the definition of cemetery. Also schedule 1 of the act is revised to redefine the management objective of a cemetery or burial ground as being to "provide for the interment and cremation of human remains and the interment of ashes of human remains".

A cemetery and crematorium would be established by the creation of executive lease for these facilities under the Land (Planning and Environment) Act. A sublease would then be granted to a person or a company to operate the facility. This provides a very simple and flexible administrative mechanism to provide for the opening, closing or transfer of ownership of a cemetery or crematorium.

Section 12 of the Coroners Act is repealed, and the substituted section is inserted as detailed in clause 43 of the bill. This amendment has the effect of widening a coroner's powers so that he or she has the power to issue a permit to cremate human remains in certain circumstances.

I commend the bill to the Assembly as a framework which provides for flexible and appropriate regulation of cemeteries and crematoria in the ACT.

Debate (on motion by **Mr Cornwell**) adjourned to the next sitting.

Road Transport Legislation Amendment Bill 2002

Mr Wood, pursuant to notice, presented the bill and its explanatory memorandum.

Title read by Clerk.

MR WOOD (Minister for Urban Services and Minister for the Arts) (10.48): I move:

That this bill be agreed to in principle.

This bill introduces a written-off vehicle register (WOVR) into the ACT, allows for the retention of digital images of persons issued with a drivers licence or proof-of-age card and streamlines the procedures for authorising persons under the road transport legislation.

Vehicle theft and identity fraud are significant problems. This legislation will enable the ACT to address these issues, both at a local level and as part of national efforts to address these problems. It is being brought forward now because the written-off vehicle register and image retention initiatives are linked to the current development of the ACT Road Transport Authority's new rego.act computer system.

A written-off vehicle register is a key element in addressing vehicle theft, removing from use vehicle identifiers that can be used to rebirth stolen vehicles. In April 1999, Australian Transport Council ministers agreed to the development of a written-off vehicle register in each jurisdiction. The ACT written-off vehicle register legislation is based on national guidelines, as well as corresponding legislation in New South Wales, where a written-off vehicle register is well established.

Rego.act will introduce digitally produced drivers licences and proof-of-age cards, and provide a capacity to retain licence photographs and signatures. Retention of images will assist with identity fraud problems by improving the integrity of the driver licensing and proof-of-age card system. Legislation and processes for the retention of images are already in place in New South Wales.

The need for tighter identity fraud controls needs to be balanced with full respect for privacy issues. The Road Transport Authority, as an ACT government agency, is bound by the Privacy Act 1988. Sections 33C and 33D of this legislation clearly specify the lawful uses and limited lawful disclosures that can be made of the stored images.

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The Road Transport Authority will use the stored images primarily to validate identity where a person requests a replacement drivers licence or a proof-of-age card but cannot provide adequate photo identification to back up that request. This is a current area of high risk of identity fraud.

Protocols covering the collection, storage and security, use and disclosure of the stored images have been submitted to the Privacy Commissioner. The protocols set out the details of how the authority will control, use and disclose the stored images. The protocols will be complemented by security procedures and data integrity measures in the rego.act computer system.

The bill also includes some minor amendments to streamline the workings of sections relating to the appointment of authorised persons for the purposes of the road transport legislation.

Mr Speaker, I seek the support of all members for these amendments, which will enable the Road Transport Authority to do its part in better addressing vehicle theft and identity fraud issues.

Debate (on motion by **Mr Cornwell**) adjourned to the next sitting.

Territory Plan—Variation No 58

Ordered that Assembly business order of the day No 1 be made an order of the day for the next sitting.

Executive business—precedence

Motion by **Mr Wood** agreed to:

That executive business be called on.

Postponement of notice

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

That consideration of Notice No 4, executive business be postponed until after consideration of executive business No 5.

2002-03 federal budget

MR QUINLAN (Treasurer, Minister for Economic Development, Business and Tourism, Minister for Sport, Racing and Gaming and Minister for Police, Emergency Services and Corrections) (10.55): I move:

That the Assembly expresses its deep disappointment with the 2002-03 Federal Budget.

Coincidentally, last year was an election year for the federal parliament and an election year for the ACT Assembly. This year is not an election year in the federal jurisdiction and is not an election year in the ACT. Last year the federal government brought down an election budget replete with what one would call middle-class welfare and vote-buying measures.

Mr Humphries: It obviously worked.

MR QUINLAN: It obviously worked in conjunction with the *Tampa* incident and the dishonest children overboard exercise.

Last year the ACT government brought down an election budget also. It quite clearly had the intention of spending or committing every available dollar. It obviously did not work.

The federal budget, from the ACT perspective, is “underwhelming” and, from the general community perspective, quite disturbing. I looked at a number of dimensions of this year’s federal budget from the ACT perspective. First, I looked at the general economic predictions and conditions which might spill over into the ACT. I hold the theory that our economic fortunes are tied to the economic fortunes of the much larger nation that surrounds us.

I looked at capital projects to see what injection of moneys will come into the ACT by virtue of various construction works and acquisition works. I looked at the grant funding that will flow to the ACT. It is clear that our fortunes over time have changed more because of a change in grants funding than because of any other influence in the ACT since self-government. I looked at public service numbers in the ACT to see whether there will be cutbacks in the public sector that will affect the ACT. I looked at the fallout for the Canberra community.

As for the economic predictions, I was quite pleased to see the federal Treasury bullish about economic growth. Predicted conditions are generally paralleled by the predictions in the ACT territory. As I said, I think we are tied to national fortunes.

I turn to capital projects. When we get our little bundle of books for the federal budget at about 7.30 on budget night, we also get a couple of letters that I want to refer to. The first is a letter from Mr John Howard telling us various things about the budget and what his government is doing for us. He mentioned in that letter that there would be considerable expenditure, some \$65 million, on the Australian Institute of Sport. That is great news for Canberra, we are told. However, that expenditure does not commence until 2003-04. The expenditure committed for 2003-04 is not much more than \$3 million. So plans for expansion of the AIS do not kick in until 2004-05. The influence of that project is a long way off. That should be recognised if that project is to be hailed.

Some cynics amongst us have said, “What a coincidence, by the way, that there is this long-finger promise of development of the Australian Institute of Sport at about the time we are debating the positioning of a road through that precinct.” Let us hope that there is absolutely no connection between the two events. I must refer to Mr Bartels’ assertion that you do not build an institute of sport near a freeway. I think the planned easement or path of the freeway was in place long before the AIS. That should be noted. The AIS has been positioned near the planned road. Yet now, because the AIS is there, the road

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should not be there. I understand from a report that was bandied around yesterday that a road on either side of the AIS is now not a good thing.

I move back to the budget. It includes construction works on the Defence Network Operations Centre. How embarrassing was that for the federal government in terms of where we were going to spend the money and where the centre was going to be placed. And wasn't that also a vote-buying exercise in Eden-Monaro?

The actual capital funding to flow from the federal budget to the ACT in the near future could not be considered funding on a grand scale.

When you look at the grants funding, you see some ups and downs. You see some decreases in housing and community care, for example. Overall, it looks quite flat, particularly if you factor out of those grants the middle-class welfare that was part of the vote-buying budget of last year—the concessions to the class of people whose support the government decided to try to acquire by the expenditure of public funds in the lead-up to the election. That is rather disappointing, given the predictions that are supposedly in the intergenerational assessment and given that there is general acceptance of a growth in need for disability, aged and health services.

Public service numbers will increase overall but we do not know where. I made the comment yesterday that a lot of the money in the budget is there for border protection and that I do not think it will be for protecting the ACT borders. So it is likely that some of those positions will not be in the ACT, but I do expect that there will be an addition to the number of brass hats in Defence and the police force. At least the numbers in the ACT may hold, with increases in taxation offsetting decreases in the Bureau of Statistics and the Electoral Commission following an election and census year.

Of concern to the community is the tightening, the reduction, the crackdown—whatever euphemism you want to use—in the disability pension that will affect so many people. I want to put on the record here some words that were included by Amanda Vanstone in a letter she wrote to accompany the budget. She said that the change in conditions and eligibility for the disability pension was to encourage people with disabilities to maximise their potential.

Mr Humphries: That is fair enough. What is wrong with that?

MR QUINLAN: I am happy for you to repeat them wherever you like, Mr Humphries. It virtually says to the disabled, "You are not being ripped off by your government. This is for your own good." I think Senator Vanstone used the most unfortunate of terms in trying to sell this process whereby disabled people will be paying for increases in detention centres.

There have been claims that the Howard government has done well by reducing Labor's debt. I will tell you how they reduced Labor's debt: they flogged off Telstra. Big deal! This is the feat of economic management.

Mr Humphries: Which you were going to do anyway.

MR QUINLAN: But we were not claiming it as being the hard work of paying off debt. You flog off public assets, pay off the debt and say it is an economic miracle. Last year's budget was a fraud inasmuch as it was a deficit in disguise. Included in last year's budget were asset sales as income but payments to the states as loans. It was a fiddle. This year's budget does not look a lot different. Even beyond last year's fiddle, it still produced a deficit, a deficit that will create pressure on interest rates. This year's budget may well be the same.

I refer next to the increased costs of pharmaceutical benefits. I want to do this by example. A friend of mine, whom I will call Tommy O'Brien even though that is not his name, although he does have an Irish name, is in his 40s and crippled with rheumatoid arthritis. There is medication that offers relief to people in his position. This medication is not on the pharmaceutical benefits list and he cannot afford it. He cannot afford the medicine that would make him well.

What this government has done in this budget is to push other people towards the position of my friend Tommy O'Brien, who suffers every day. He cannot work. He is not a lazy person. He suffers everyday because the medicine that can assist him is out of his economic reach. It has been trialled. It has been successful. It is a very sad commentary on the society in which we live when pharmaceuticals that can bring relief from pain and allow individuals a decent style of living are becoming less available by virtue of their increased costs.

You would have to summarise this budget as being a budget that makes the disabled and those who need assistance in their lives through the pharmaceutical benefit scheme pay for the fortress Australia attitude that the Howard government has and used in the last election unashamedly to appeal to the redneck vote in the ACT. Why is Pauline Hanson no longer around? Her followers have a larger party to follow.

MR SPEAKER: The minister's time has expired.

MR HUMPHRIES (Leader of the Opposition) (11.10): Mr Speaker, the first observation that needs to be made about the federal budget, particularly from the point of view of our opponents, is that it is not anything like as bad as they were hoping it might be. They were expecting, and hoping no doubt, for a very severe budget, a budget that would create a great many opportunities for kicks at the head of the Liberal Party. Overall it is true to say that that has not been furnished to them. So the exercise we are going through today is a slightly desultory one of saying, "The federal budget has been brought down. We always oppose a Liberal government budget. Let us have a bit of a kick of their head." The fact is that there is not much fire in this, and I can well understand why.

The 2002-03 federal budget provides a strong foundation for both the security of business in Australia and the security of Australia in general. It is a budget that will provide benefits across the board for the ACT in particular, in areas like jobs, tourism, sport and the aged.

An underlying factor in this budget that needs to be acknowledged is that there is evidence that the GST pie, which the ACT ultimately will be a very significant beneficiary of, is firming up nicely for the ACT's benefit in future years. The ACT's

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increase in GST revenue this year is \$50.5 million. In addition, the ACT receives \$22.8 million in transitional funding in the early years of GST revenue to bring the ACT's total to the guaranteed minimum amount of \$609.7 million.

On top of this, the ACT receives a budget balancing windfall of \$10.7 million as an out-of-the-blue, catch-up payment to compensate for a previous underpayment of the budget balancing assistance scheme. I wish they had discovered it when we were in government. Nonetheless, there it is, and it is significant. It brings a total GST revenue flow of \$620.4 million to the ACT economy in the 2002-03 financial year.

As I understand it, that does not yet make us GST positive. It does not mean that the amount we are getting from the GST exceeds the amount we were getting under the old arrangements. But I think it suggests that the ACT is rapidly approaching the point where we will be GST positive. What that means is that this territory, like ultimately every other state and territory in Australia, will receive significant additional amounts of money to expend on important projects. As I recall it, within about seven years revenue in the ACT will amount to something like \$100 million extra. On these figures, it may be much more than that, and possibly sooner than the expected GST positive date of 2004-05.

It is important to make that point, because a common refrain in this Assembly in the last 13 years, particularly in the first six or seven years of self-government, when the federal government was reducing payments to the territory as we transitioned to a full, self-governing status, has been that there has not been the money to do the things we want to do as a community; that there has not been the growth funding which is essential to address long-term, serious community problems in health, education, community safety, public transport, and so on.

That money is now within sight. That money is going to come to this territory, and it is going to come sooner than was previously expected, on the basis of the figures in this year's federal budget. That makes the outlook for this territory, on the basis of the new tax system, very bright indeed.

The federal government's recent budgets have contributed to the territory's strength, they have helped keep our economy growing, and they have created a national environment in which the ACT can capitalise on a whole range of opportunities in the next year or two.

I am disappointed of course that this year's budget, the 2001-02 federal budget, is in deficit, even though it is expected to bounce back to a small surplus in 2002-03. Despite the many things the ACT Treasurer has had to say about deficits and surpluses in recent years, he has not criticised the federal government budget for being in deficit. I listened carefully to his remarks this morning. There was not one word about the federal government budget being in deficit.

That is strange, because at the breakfast I was at yesterday Mark Latham had a great deal to say about that. I have heard Simon Crean talk about that. I have heard Bob McMullan talk about that. So the Labor Party is well aware of the fact that the federal budget is in deficit this year. There was no mention of that fact today. I wonder why.

The reason is very simple: Mr Quinlan is planning a deficit of his own. He is all in favour of deficit budgeting. As he has told us, a \$1 surplus over the space of the next three years is good enough for Ted Quinlan. Hence there is no taking up with enthusiasm, if at all, of the catchcry of the federal Labor Party that budgets must be in surplus, particularly when the economy is growing so strongly.

A predicted growth rate of 3.75 per cent in 2001-02 and 3.5 per cent in 2002-03 is good news for the national economy, and it should be the basis on which the ACT can plan for reasonably good growth in this territory as well. A national unemployment rate of 6 per cent should spell the capacity for the ACT to retain a low unemployment rate here, hopefully much lower than the national rate. Our present position is 4.2 or 4.3 per cent, and I hope we can retain that for the coming financial year, given the strength of the national employment market.

Mr Quinlan: Will it be our fault if we keep it below the national level?

MR HUMPHRIES: Of course it will. Let us be clear that this federal budget has brought significant benefits to the ACT. It provides \$22 million for ACT roads—funding for completion of the Barton Highway duplication, untied local road grants and black spot funding. There is \$0.9 million for the High Court of Australia to fund special sittings and the related legal conference to mark the centenary of the High Court's first sitting.

There is \$37.2 million for the National Museum of Australia, demonstrating once again that the federal liberal government is the only federal government of recent years that has really been serious about support for this national institution which is so important for Australia. There were years of talking about it by the Keating and Hawke governments but never any delivery. The federal Liberal government is both building and funding this important national institution.

There is \$65.4 million over four years to improve the Australian Institute of Sport. Somehow Mr Quinlan finds reasons to look that particular gift horse in the mouth, but the fact is that \$65 million over four years is pretty big money in anybody's terms, and we should be seeing that as the positive boost for the local economy which it really is.

There is a boost in financial assistance grants, FAGs, for local government functions—\$30.2 million for the ACT, an increase of 3.4 per cent on funding last year. There is \$21 million in recognition of Canberra's role as the national capital, including funding for policing, fire protection, local government, national parks and wildlife.

The biggie of them all, with some 12,000 members of the Australian Defence Force and the Department of Defence based here in the ACT, is that more than \$1 billion in extra funding to the defence sector will have a major flow-on effect on the ACT economy, particularly with the building of the headquarters Australian theatre in the Canberra region close to Bungendore. That will have a tremendous effect on employment in the ACT and in other economic benefits. Some \$18 million will be spent on defence in the ACT alone in 2002-03.

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This budget also includes measure to rein in expenditure. Mr Quinlan referred to the pharmaceutical benefits scheme, for example. Obviously, no-one likes to see expansion reined in. No-one likes to see money having to be cut or saved. But a certain amount of crocodile tears is being shed over these matters in this place. The idea of increased co-payments for pharmaceutical benefits, for example, reminds me that it was a federal Labor government which first suggested co-payments for Medicare services. So I do think Mr Quinlan can beat his chest with any great realism and say how shocking it is that people should be asked to pay additional amounts for provision of basic health services.

An important part of this federal budget is the intergenerational report examining the impact of current policies and trends on the Commonwealth budget over the next 40 years. That has very important implications for state and territory governments as well—direct ones, such as on health and education spending; indirect ones, such as consequences for the care of aged people and the product of our immigration policies over the next few years.

It is important that in the ACT we take up the issues raised in that important paper and we make sure we act to project a forward frame of mind on the way in which this territory can position itself to be financially secure in the same time frame as is talked about for the period of this paper—that is, until 2042. It means that in the ACT we need a disciplined approach to budgeting; we need to continue transparent reporting of both intentions in the budget and outcomes; and we need accountability for decisions and for results.

Obviously, this federal budget has serious implications for the ACT budget, which is just one month away. Given the steady growth of the federal budget and the economic stability of recent federal and territory Liberal budgets, it is important that that stability not be upset by what happens in the ACT. As we know, it is increasingly unlikely that the territory will be in loss this financial year, and the basis for the government to conduct a slash and burn budget is increasingly shaky. I hope the lesson that you can be tough but strong, you can be forward-thinking even when you are managing the bottom line in a responsible way, is a message which is getting through to the local Labor government.

I want to respond to a couple of things Mr Quinlan said. There was a bleat about how the federal government won the last election—the “we was robbed” line. We have heard that before, and I think we will hear it again. It fails to acknowledge some serious problems with federal Labor which some of Mr Quinlan’s federal colleagues are facing up to. It is a pity Mr Quinlan does not face up to those as well.

Mr Quinlan complains about election budgets here and in the federal scene. I find that very hard to understand. If Mr Quinlan is saying, “We will never deliver an election budget,” then I will take him at his word and I will rest assured he can make these criticisms. But I have never seen a Labor Treasurer anywhere of any complexion who refrained from delivering election budgets. I very much doubt, with great respect, that Mr Quinlan is the man who is to break that mould.

It was commented yesterday in the Assembly that there was no money for education in the federal budget. That is also bunkum. The federal government has allocated a record \$6.6 billion to Australian schools in 2002-03. That continues the trend of the last six Howard government budgets. Since 1995-96, Commonwealth funding for schools has grown by over 80 per cent in Australia. That sounds to me like a pretty significant commitment to education.

To prepare young Australians for the work force, \$35.7 million is being invested over three years to improve literacy and numeracy in the education system. The recent results of the year 3 and year 5 tests demonstrate that there is some success with this kind of program. The quality-teacher program is being expanded at a cost of \$82.4 million over three years—also not mentioned yesterday. Funding to government schools has increased by 5.7 per cent over last year. That represents a 52 per cent increase since the Howard government was elected in 1996.

The claim has been that this has been funding only for non-government schools. That is not the case. A 52 per cent increase over seven years not just big; it is massive. An estimated 2,000 students will benefit from an extension to the postgraduate loan scheme.

Mr Speaker, there is plenty of good news in this budget. It is a pity that some people are too blind to see it.

MS GALLAGHER (11.25): I would like to use my time today to reflect on the federal budget's impact on people who have a disability. While many members of our community will feel the negative impact of the federal budget, it disappoints me that yet again the Howard government seems intent on pursuing those people who are the most vulnerable and who often require support from the state in order to participate in the community.

Let us look at what the government introduced on Tuesday night. On the surface, it looks good—\$100 million for continuing services for people with a disability—but look behind what this money will be used for. It does not mean any new services; it does not address the increases in unmet needs over the past five years; it does not address any future demand, which ACOSS estimates will require a further 20 per cent over current levels of funding.

Let us also look at the significant impact of new budget initiatives, if you can call them that, on people who currently receive the disability support pension. This pension is currently \$421.80 for a single person or \$352.10 for a couple. Newstart is \$369 for a single person and \$322.80 each for a couple. So there is a significant difference in the amounts.

The federal government has decided that in order to reduce costs and the number of people receiving the DSP the guidelines or the criteria to receive that pension should be tightened. The 30 hours someone could work and receive the DSP is reduced to 15 hours. If you are able to work more than 15 hours, then you will be ineligible for the DSP and will be moved on to the dole.

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Some organisations are estimating that up to 250,000 Australians will be affected by these changes. I think the government knows this is a cruel initiative. This is shown by the fact that they are giving people one year to get used to this idea before the cuts are implemented.

For the people who are moved off the disability support pension and on to Newstart, which is a nice word for the dole, the financial impact is significant—up to \$52 per fortnight less, loss of pensioner education supplement, loss of pensioner concession card.

One can only wonder what this will mean for people with a disability who work more than 15 hours per week on the supported wages system or in sheltered workshops. The decision to introduce a new work test of 15 hours per week presumes that people who work more than that and who receive the disability support pension are earning decent wages. This is often not the case.

It also presumes that those who are on the DSP and who work more than 15 hours per week should be treated in the same way as a person without a disability who is receiving the dole. You could, on the surface, argue that this is the federal government embracing the theory of normalisation. That is, if we are to support a person with a disability, then they should not have a special benefit but rather be treated as anyone else would be treated. However, I am a little cynical and I do think that is the real agenda.

The federal government is simply cost cutting and extending their program of mutual obligation to another group of disadvantaged people within our community. A discussion on mutual obligation and the impact of this policy on local services is perhaps a separate debate of its own, and I look forward to that debate, but here in the ACT the reality of the budget decisions on disability support pensioners will mean that local services will again have to pick up the slack and make up the difference.

We should also consider this change to the disability support pension in light of its impact on women. From what I have read about the federal budget, it was pretty light on initiatives for women. The change in disability support pension will have an impact on women. Women's work patterns are different to those of men. Women often have multi-roles in that they seek part-time employment. These proposed changes will have a disproportionate impact on women.

The changes will also act as a disincentive for people with a disability to enter the work force. This can isolate women, or further isolate them if they are already isolated, and confine them to their homes.

In addition, the Commonwealth's attempt to make its contribution to services to people with a disability conditional on the passing of laws needed to take other people with disabilities off the disability support pension is unconscionable. This is holding to ransom the services for some people with a disability in order to reduce income support for other people with a disability.

People have described this budget as only providing for upper-class welfare, not a budget for disability support pensions, help for the unemployed or medicines for those who need them.

I support federal Labor's attempt to secure equitable outcomes for all Australians from this budget—not division, not persecution and not waste.

MRS CROSS (11.31): I would like to briefly respond to some of the supposed criticism the government has made of the federal budget. The Howard government's seventh budget provides a record \$64 billion over the next four years to continue its commitment to Australia's future success and prosperity.

There is more money for higher education. The employment prospects of up to 46,000 older Australians will be enhanced through a four-year, \$23 million budget initiative to improve their information technology skills.

Australia's high skill base will benefit from two new apprenticeship initiatives worth \$54 billion over the next four years in innovation and school-based training. There is also more money for schools and school teachers. Commonwealth spending on schools, a record \$6.6 billion in this budget, has grown by over 80 per cent since the Howard government took office in 1996.

A record \$3 billion is allocated to developing science, technology and innovation, and a further \$445 million will be available during the next financial year for improving indigenous students' skills, both skills at school and those needed for the work force.

Contrary to the predictable Labor rhetoric, this is not a cruel budget. Opposing parties have made a rather crude attempt in the media to paint a picture of the sick and disadvantaged being asked to fund a boost in defence and border protection. This is a nonsense, and the opposition knows it.

The electorate sent a clear message that it was concerned about border protection, and that message includes a clear understanding that steps will be taken to boost protection of our borders. This does not come without some cost. Added to that has been the vastly changed international security picture resulting from the September 11 events.

Those who oppose spending to increase our defence and security capabilities would like to think Australia operates in a vacuum. It does not. We are part of the global community, and being part of that community brings many social and economic benefits. But it also brings responsibilities, and this budget has recognised those responsibilities and acted upon them.

The nonsense that the sick and disabled are being made to pay for the added protection the country and community will enjoy from this budget does no credit to those who spout it. The community is paying for the extra comfort and security, both of which are of great importance to Australian families.

As I have stated, there are too many positives in this budget to fully list here. But this budget has been designed to support Australia's economic recovery and see that our future is assured.

The changes to the PBS do not target the sick or poor. In fact, there is a safeguard of 52 scripts a year, after which the drugs are free. So the chronically ill and aged will not shoulder the responsibility. Those on the other side of the chamber might do well to heed

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the words of one they so reverently worship, Mr Keating. In 1990 Mr Keating said of changes to the PBS:

It took almost 40 years—from 1948 to 1985—for the costs of that scheme to grow to half a billion dollars.

It took only another 4 years for the costs to grow by another half a billion dollars ...

The alternatives are stark: reconstruct the scheme so that it remains fair for everyone, or lose the scheme altogether, so that access to complete health care would only be available to the wealthy.

This budget ensures the scheme remains accessible to all, while boosting vital areas of education, roads and a raft of other areas to enhance the wellbeing and quality of life for all of us in this country. It is time those on the other side of the chamber got their heads out of the sand and accepted that this budget is for the benefit of all of us, even those of us who oppose it.

MS DUNDAS (11.35): The budget handed down by the federal Treasurer is certainly about fortress Australia. The war waged on asylum seekers is a costly exercise. We now have a military-based war on asylum seekers, and domestically the Treasurer is waging war on the most vulnerable in the community: the sick, the poor, the disabled and the unemployed. Let us not pretend it is anything else. This is a budget that wages war, as I have said, on the most vulnerable in Australia and abroad.

The taxpayers of Australia and the community of Canberra are now spending five times as much protecting Australia from a trickle of asylum seekers coming here in leaky boats as we are spending on the CNN-named “war on terror”.

The federal government boasts of the economy going gangbusters, but the government cannot find any more money to invest in our future. It appears that the Liberal Party cannot keep its commitment to keep Australian borders safe from the world’s poor and needy without hurting our own poor and needy.

This budget continues the Liberal love of middle-class welfare. The rebate on private health insurance continues unabated, uncapped and not means tested, giving millionaires tax rebates to go to private hospitals. The ill-planned baby bonus of up to \$510 million by 2005 will benefit wealthy Australians while paying less to those on lower incomes. Even Mrs Cross in the Assembly yesterday admitted that it was ineffective and ill targeted. I am pleased that Senator Natasha Stott Despoja will introduce legislation in the Senate today to start a national paid maternity leave scheme.

Also key to this year’s federal budget are the nasty cuts to the PBS. The federal government will seek to claw back \$1.1 billion over the next four years from the poorest and the sickest people in our community. The Democrats have instantly stated that we will fight these proposed changes, and we welcome the added support of the ALP opposition announced late yesterday.

I watched the budget speech on Tuesday night, and on Wednesday morning I awoke feeling used and neglected. I thought I definitely needed a morning-after-the-budget pill but feared it was probably not going to be on the PBS.

The attack on our disabled is the meanest we have seen for years. Quite simply, 180,000 people are being forced from the disability support pension on to Newstart. This will immediately remove \$52 a fortnight from their allowance, and then they will wait. Many will be breached because of the harsh breaching processes of Centrelink. Then they will be left with nothing.

Yes, there is something in the budget for youth. Youth allowance records will be linked with parents and siblings on pensions or other payments—again, more focus on tools to breach disadvantaged young people in our community. What a great initiative for youth!

The budget does not acknowledge the serious problems that exist in higher education. Ten universities had a negative balance in 2000 and, according to data released by the Department of Education, Science and Technology this week, staff/student ratios were deteriorating again in 2001. If this Treasurer wants to look forward 40 years, he is not doing it with foresight for our universities. If Mr Costello will not properly invest in universities, where will the graduates and new knowledge that will create new jobs over the next 40 years come from?

As I mentioned yesterday, the women's budget statement is more about families than it is about women. This year's women's budget statement has as much information about how the government spent the money they targeted for women's programs last year as any information about new initiatives in this budget.

Also disappointing to see in the new federal budget is the \$9.9 million funding for a nuclear waste dump.

This federal budget ignored women, students and the environment. They were just not on the agenda this year.

MS TUCKER (11.40): We have not had time to do a full critique of the federal budget, but there are a few key points that people have already addressed or not addressed in this debate. I am still waiting for Liberals here who are defending this budget to respond to concerns about the disability proposals. If you talk to anybody who has a disability or supports people with a disability or cares about the issue, it is pretty clear that this is appalling.

It is quite sneaky for the federal government to suggest that they are putting extra money into the disability sector. They were going to withdraw funding. Now they have said they will not withdraw it, and they are calling it new money. As Ms Gallagher pointed out, the mere continuation of money that it would have been impossible for them to pull out without meeting incredible flak is not going to meet unmet demand.

They said they had put this money in for a period of time, so they realised they could not pull it out. They said they would not pull it out, so they said it was new money. People know that is nonsense, and they know that there is unmet demand in the area. A government that disregards the plight of vulnerable people in the community in that way has to be condemned.

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Mr Humphries said that there are serious implications for our budget from the federal government, which he described as tough but strong. I do not know what that means. I would agree that the federal government's inaction and lack of responsibility are creating a greater social deficit. That social deficit gives us a problem in the ACT and gives the government a problem. Once again, vulnerable members of our electorate are made more vulnerable by the federal government.

We have to make some hard decisions about how we can step in and ensure that vulnerable people are not left alone. We know from inquiry work that has occurred here that moving more people on to Newstart is creating a serious situation for people who are extremely vulnerable. I have to keep repeating that word, because that is the reality of it. It is hard to understand how the federal government could breach people with a disability for not filling in forms the right way. The very strong picture coming from the community sector involved with people who have a disability is that this is exactly what would happen. The Liberals can protest all they like. I am much more inclined to listen to those people who are living with the everyday reality of the federal government's policies than to listen to the Liberals' political responses.

Mrs Cross said that we have to do these things so that we don't have a huge blowout and because Mr Keating said so. There are other options that can be looked at. The whole question of private health insurance which Mrs Dundas raised is raised by Liberals. A recent proposal from community doctors and nurses outlines an alternative health budget proposal. It calls for the 30 per cent private health insurance rebate to be scrapped and the money reinvested in other areas of the health budget.

Professor Peter Sainsbury, the president of the Public Health Association, said that \$2.35 billion is wasted on the private health insurance rebate and that we could spend that money much better. We could improve our public hospitals, Aboriginal health services, aged care services, dental health and the use of medicines, and still have money left over for other initiatives. A 10 per cent increase in funding of our under-resourced public hospitals would cost \$650 million and would take the pressure off our overcrowded emergency departments.

Aged care is struggling with inadequate regulation and chronic understaffing. The national secretary of the Australian Nursing Federation said a 10 per cent increase and the aged care budget would cost \$300 million and make a very big difference.

An excellent dental health scheme for elderly and disadvantaged people would cost \$750 million and would end the ridiculous current situation of more taxpayers' money being spent per person on dental care for the rich than is spent on the elderly and disadvantaged.

The government wants patients, including the poor and sick, to pay out of their own pockets for the blowout in the cost of pharmaceuticals. I guess Liberals understand that people moved from the pension to Newstart will not be as eligible for support as disadvantaged people. The president of the Doctors Reform Society has made the point that \$200 million spent to educate doctors about drug prescribing and to reduce their susceptibility to the huge marketing power of the pharmaceutical industry could save hundreds of millions every year and avoid increases in the unfair and regressive patient co-payment.

It requires more than money to fix the health of Aboriginal and Torres Strait Islander people, but a 10 per cent increase in funding would cost only \$80 million and would go some way to redressing the significant underfunding of primary health care services.

Recently we had a debate about access to primary health care for people on low incomes in our city with the closure of the city practice that bulk billed. This is a serious social justice and public health issue. It is also an economic issue. If you do not have access to primary health care services, then you lose the opportunity to prevent more serious illness from occurring. It does not make any sense on a social level or an economic level.

For the environment there are quite serious inadequacies in the budget, which is not surprising. In the current year, \$211 million or 15 per cent of proposed spending by the Howard government on the environment has been moved out. Other cuts include biodiversity, \$67 million; sustainable land use, \$122 million in 2002-03 on top of the \$84 million underspending this year; and the national action plan on salinity, \$150 million over four years.

There is a massive increase in spending on border protection, the detention centre on Christmas Island and the Pacific solution, which are being given top priority by this government. Other members have spoken to this. The Greens have consistently expressed concerns about this ill-thought response to the problems of violence and fundamentalist responses and reactions to poverty and inequality. It is totally consistent with this federal government's manipulation of circumstances that they continue to push this as a means of giving us security in this country.

It is important to discuss what security means. Is security about feeling that you can trust your government, trust the police and feel secure to express your points of view? We have the right of dissent in this country—or we thought we did. Some of us are proud of it and some of us are fearful about the federal government's willingness to diminish that right of dissent. Surely security is about feeling secure that the government is in charge of, and responsible for, federal policy and understands its obligations to the citizens of Australia in a comprehensive way.

It was interesting to hear a UK conservative politician on *Foreign Correspondent* last night discussing UK treatment of asylum seekers who enter Britain. They are looking at housing these people in a country town. This conservative politician clearly recognised that they had human rights obligations which meant they could not just lock these people up. As a country we claim in some debates to care about children and the rights of children, but that seems to have gone by the by.

MR SPEAKER: Order! The member's time has expired.

MR WOOD (Minister for Urban Services and Minister for the Arts) (11.50): One distinguished commentator said of this federal budget that it is really Mr Howard's budget. That the case. I give the current national Treasurer, Peter Costello, more credit than to think he would bring down a budget like this.

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As to local issues: I notice that the ACT Council of Social Service accurately expresses concerns over many of the measures. ACTCOSS makes a good point. They say, "Are we creating a country worth defending?" Why is this federal government looking to the poor, the physically and mentally disabled and the disadvantaged to fund its grandiose fortress Australia policy?

The big issues in the ACT—disability services, improved service for people on low incomes, and affordable housing—do not get any positive impact from the budget.

As the past shadow minister for community services, I am concerned by the changes proposed to the disability support pension. Other members have expressed their concern this morning. The changes show the distance of the current federal government from what is really happening in disadvantaged areas around Australia.

The change to reduce the work criterion from 30 hours a week to 15 is very difficult. It had to be achieved by altering the definition of work for the purpose of DSP in the Social Security Act. There are probably other definitions that need changing too. The changes would apply from 1 July 2003 for all new applicants. All continuing DSP holders will progressively be reviewed and some will be forcibly transferred to Newstart.

I do not think the federal government realises that people with disabilities spend a lot more in certain areas—in medication and in support needs—than average citizens. Most people do not have to spend in those areas. I expect everyone in this chamber has heard the accounts of people who, because of their disability, spend more on particular medical support products. This federal government is going to remove people from that pension and put them where not so much money is available to them.

As part of the background propaganda, a disgraceful generalisation is being spread that DSP has been, to quote someone in the federal sphere, an early retirement scheme. That is just mean. Yes, let us have justice, by all means, but let us protect the innocent. In fact, many people on DSP were transferred under government policies. Because Newstart is a completely inadequate and inappropriate scheme of income support, it just has not worked for the federal government.

More people with disabilities will now have the activity test applied to them. That was shown to be a serious problem in the recent independent breaches inquiry. This will mean is that we will probably see lots of breaches, and the disadvantaged will become even more disadvantaged.

The changes to the pharmaceutical benefits scheme will mean that changes for basic medications will impose undue hardship on families living on low incomes. The ACT's rapidly ageing population will find this increase alarming.

I share the concerns already expressed by the Chief Minister that, given the issues identified by the Gallop report, there has been no real increase in funding for the Commonwealth-State Disability Agreement. The ACT will again be left to pick up the Commonwealth's share of the cost of addressing the rising unmet need.

Many groups are not represented in a positive way in this budget. These include indigenous people, people with mental illness, young people, and people facing housing disadvantage and drug addiction.

With my new hat on as Minister for Urban Services, I am concerned with the slashing of the roads to recovery program by \$100 million. It may now become the roads to nowhere program. Many roads around the nation are in urgent need of work. That is especially the case in rural and regional areas, but the ACT also benefits from that program.

The Local Government Association has put out a media release which I think is very pertinent. I quote from that:

Apparently, no thought has been given to the consequences for local communities, now forced to cover a \$100 million financial shortfall in order to meet their road construction commitments or pay unknown but potentially huge penalties for breaking contracts with construction companies.

Mr Smyth would know that contracts are let because there is considered to be an assurance of continuing Commonwealth funding under established policies. We are affected by that, as local authorities are. Just recently, as the opposition would know, as part of the continuing process we have let contracts for the Monaro Highway at Dairy Flat, a \$12 million project. We now have officers urgently trying to find out whether the expected commitment of money from the Commonwealth is going to come forward. We have let contracts and we are desperate to see whether we can now cover those contracts in full. That is a great trouble for us. I will report back to the Assembly when I can get some more information on that.

One of my persistent themes is housing. I will not develop that today, because I will make a ministerial statement later on and I had something to say on it yesterday. The Commonwealth budget has nothing to say about housing. We are still negotiating with the federal minister, Amanda Vanstone. There will be a new Commonwealth-State Housing Agreement. There is more than a hint that it will not be of the order that it was previously.

I add my deep regret at the impact that this budget will have in those areas that need additional assistance most.

MR STEFANIAK (11.57): I am not going to go into points raised by my colleagues Mr Humphries and Mrs Cross. Suffice it to say that it is always difficult bringing down a budget for a year, be it a territory budget, a household budget if you are just making ends meet, or a federal budget. Whilst the federal government appears to have made some hard decisions in its budget, there are some very worrying signs about what would happen if they did not. It may be there are areas they could have cut rather than some of the areas they have. But that is always a decision for a government.

Today I heard some horrible figures on the pharmaceutical benefits program. It cost about \$500 million back in 1985. By 1989 the cost had jumped to a \$1 billion, and now it is \$4.2 billion. There are some problems with how we manage as a nation with an ageing population. There are a lot of issues. Locally and now federally we are trying to get

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people to live healthier lifestyles. That will have a big impact on federal health bills. It is always a difficult decision. I am not going to go into that any further.

Ms Dundas made a comment which I found a little annoying. She said that the government had declared war on the disabled. She seemed to have big problems with some areas where the government increased funding.

Mr Wood asked, "Are we creating a country worth defending?" The government has increased expenditure on border protection. I suspect that the majority of the Australian community is behind that. I am not going to go into the rights or wrongs of that issue either, save to say that the majority of the Australian community seems to be relatively comfortable with what the government is doing.

Australia takes more refugees per head of population for humanitarian reasons than any other country in the world except, I believe, Canada. That is a record we can be proud of.

To talk of declaring war on the disabled is incredibly emotive. Some commentators and newspapers say that defence expenditure should not have increased at the cost of individuals with disabilities. As I said in the adjournment debate earlier this week, Australia's expenditure on defence—I am not talking about money for border protection, which is largely separate from money spent on our defence forces—has been run down considerably over the last 15 to 20 years. It has gone down from about 3 per cent of GDP to 0.9 per cent in 1983, to about 1.7 per cent several years ago. I am pleased that following the defence white paper that is finally being addressed and extra money, albeit not particularly much in this budget, is being put into defence.

The federal government sent Australian men and women into East Timor on a magnificent humanitarian mission. We are very lucky that did not become a big shooting war. We were immensely stretched putting 5,000 troops into Timor. The white paper was to address issues such as that, so that our service men and women would not be in situations where they were so stretched they had supply problems with ammunition and tools to do their job. East Timor showed that this country had to reverse a very bad decline in defence expenditure. I am pleased that this budget has kept faith with the 2000 white paper.

Australia was ill prepared for Timor. It was ill prepared for World War II, because defence forces had been run down to an alarming rate. Believe it or not, we were probably fairly well prepared for the problems we suffered in that war. It was not a lack of preparedness but incompetent generalship by certain British generals, including General Haig, especially during the Gallipoli campaign. In World War II, apart from General Percival and the disastrous Malayan campaign, the main problems we faced were a general unpreparedness, obsolete equipment and not enough effort being put into defence. We came perilously close to being invaded in that war.

Defence is not a particularly sexy object. It is something the population does not concentrate much on, except in times of danger and need. Timor raised the consciousness of the Australian population about defence, as the invasion of Afghanistan by the Soviet Union probably did before that. I cannot think of anything in the intervening period in which defence was an issue.

If Ms Dundas is suggesting that defence spending should not have been increased, she is sadly wrong. Defence is the first duty of government. One pleasing aspect in this budget is that there was an increase in defence spending.

Over seven years now the coalition government has done very well with its sensible, well-managed budgets that have seen real progress in this country for all members of our society—people who are well off, middle and lower income earners and people who are not quite so fortunate as most of us in this community.

Overall, a strong economy has benefited all sections of our society. That has been because of seven pretty good budgets. There are never going to be things in the budget that please everyone—that is just a fact of life—but governments do have to be responsible, as I hope our current ACT government is finding as it struggles to put together its first budget.

MR PRATT (12.04): Mr Speaker, I rise to speak in support of the federal government's budgetary initiatives. I also rise to take issue with a number of comments made in this place this morning about the Australian government's priority spending and allocation of expenditure to defence and security areas.

The budget has had to undertake essential expenditure planning in areas that we as a community probably would prefer to see them not spend that money. We would prefer to see money spent on education, hospitals and family programming. But the reality of this world is that security is even more of an issue than it was a couple of years ago and the government has had to react. If in its safety management responsibilities the government did not look to putting money aside to take care of contingencies, it would be irresponsible.

To criticise the federal government for allocating expenditure for the war against terror and for allocating money for internal security contingencies is breathlessly naive. This country of ours has to take a broad approach to helping intervene in and stop the troubles around this world. That means a package of international aid, peace-making, long-term development aid, and forces to assist in the making of peace. It is naive to say that we can head off the problems that arise from the war against terror by simply spending funds in countries which have problems. We have to make the peace first, or we have to make the peace and provide umbrella support to those we send overseas to undertake international aid programs.

The comments made by Ms Tucker in relation to this expenditure were monumentally naive, as were her comments that we should not be looking to spend so much money on internal security. This is the language we often hear from the rabid left. As usual, it is expressed in emotional, ideological terms.

The government has to introduce appropriate measures to protect the majority of Australians. We know that there is a risk. It is there for anybody who wants to assess it. There is a risk of internal security incidents in this country at the moment, and the government would be irresponsible not to put in place the correct procedures to ensure that these issues are taken care of. The government has to spend money to protect the national interests, and it has to spend money to protect the majority of Australians. That is why these measures are being brought into place.

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I am sure that the federal government will not deny the rights of every person in this country. The federal government will not deny civil liberties. The federal government will not deny the right of dissent. The federal government will not deny the right to demonstrate. We cherish these rights. The federal government cherishes these rights. We on this side of the house cherish these rights. But to expect that you can allow people to exercise these rights without taking care of the cold, hard reality of putting in place security measures is naive.

I would commend the federal government's budget. I would commend the federal government for the money it has had to spend—it has no choice—on defence and security so that we can get on with ensuring that our other programs can proceed effectively in an environment of peace and security.

MR STANHOPE (Chief Minister, Attorney-General, Minister for Health, Minister for Community Affairs and Minister for Women) (12.09): Mr Speaker, I will make some broad comments on the Commonwealth budget that was delivered this week. Much of what I would have said has been said by the Treasurer. I characterise the federal budget as both mean and tricky. It is mean to the extent that it focuses very much on cuts to the health and welfare sector as the basis for paying for increased expenditure on defence and border protection.

Mr Stefaniak has just made a quite coherent statement about the importance of national defence and security. None of us denies or gainsays that. National security is a fundamental requirement and something that attracts universal and bipartisan support. None of us argues with that.

There is an issue, though, around how we achieve an appropriate level of expenditure on defence and internal security. In discussing those issues, we need to put this budget into context, as was indicated by my federal colleague Bob McMullan on budget night. The federal budget cuts to health and to welfare are bigger than the increased spending on defence and border protection.

We need to stop and contemplate what was done in this budget. Significant cuts were made to the disability program, and a 30 per cent increase in the price of prescriptions was imposed on families. To counterbalance those savings of \$1 billion or more, there was an increase in expenditure on internal security and defence. That is the point that is being made. Nobody is arguing about the need for us to ensure that the nation is secure from attack and that our borders are secure. But there has to be a major question mark over the financing of those adjusted priorities by attacking the most disadvantaged and vulnerable people within the community—people with a disability, for goodness sake.

Putting it in that context, one really has to take exception at Mr Humphries' description of those who raise these issues as people crying crocodile tears. That is extremely offensive to people with a disability or who face significant bills for scripts for illness within their family. That is what we are facing in this budget—a requirement that people with a disability, struggling families and people who are disadvantaged, on the edge and struggling from day to day basis to make ends meet pay for the reordered priorities.

What is the context in which the priorities were reordered? Three years ago the Commonwealth Treasurer, Mr Costello, forecast for this financial year a budget surplus of \$13 billion to \$14 billion dollars. In the space of three years an anticipated budget surplus of \$13 billion to \$14 billion was reduced to a deficit of \$1.2 billion. And we are asked to applaud this budget as recognition of the sound financial management that heralds the stewardship of the nation by the federal Liberals. Turning an anticipated \$13 billion deficit around in three years to produce a \$1.2 billion deficit is not the sign of a government or a Treasurer that is managing appropriately.

I characterised the budget as mean for those reasons. I characterised it as tricky for the fine print or the print that is not there. I went into this in some detail in question time yesterday in the context of how the ACT has been explicitly excluded from the additional Commonwealth funds for GPs and GP services, despite the fact that the latest Productivity Commission report on the state of government expenditure identifies the ACT as a place with severe pressures in relation to the number of GPs per capita.

I also explained in some detail the basis on which it seems almost certain that the federal government has excluded the ACT as a region that will benefit from radiation oncology. I hope that that is not the case and that the budget is simply silent on how the regions that will be selected for radiation oncology funding will be identified. But on experience we are nervous about that.

As Ms Gallagher explained, there is also a whole range of smoke and mirrors tricks or achievements in relation to the new arrangements for disability pensions. The proposal to convert a couple of hundred thousand disability pensions to the dole over the next couple of years requires a major jump in our understanding of the responsibilities of governments and the community to people who are disadvantaged.

The proposal to convert 200,000 or more recipients of disability pensions to dole applicants comes at the significant cost of \$52 per fortnight. That is why it is being done. It is being done in the most patronising terms. Senator Vanstone's letter explaining why the disability pension would be removed and disability pension holders required to apply for the dole is one of the most offensive and patronising documents you will ever see from a disability minister. It says that people who have a disability and are currently receiving a disability pension will be required to apply for the dole in their interests. The disability minister is telling disability pension holders that they are being asked to go on the dole because the government thinks it is in their best interests. It is in their interests that they be forced to apply for the dole! It is in the context of those significant changes to the way we deal with issues around disabilities that we can characterise this budget as extremely tricky.

I think we all view with some cynicism the government's promotion of this budget as its first attempt to address the intergenerational report, which it is now propounding as a visionary blueprint for the future. It is almost as if the federal government had suddenly woken up to the fact that we are a rapidly ageing population. It is something we talk about in this place probably every time we meet. All communities are facing a major issue in the ageing of the population. I talk about it constantly. It is of concern that Mr Costello has just discovered that this is a major issue. Once again, one cannot help avoiding the feeling that it is all about explaining the major cuts to health and to welfare.

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There are a couple of other issues I want to touch on. The Treasurer, in his half-hour 20-page speech, did not use the word “Aboriginal” or “indigenous” once. It is a major concern that the government’s commitment to reconciliation and advancing the interests of indigenous people in this nation does not score a reference in the annual budget. Mr Howard and others within the federal government have constantly referred to a commitment to practical reconciliation. The federal government will not say sorry. It will not acknowledge the wrongs of the past. It will not acknowledge the need for us to be serious about reconciliation. It moves the debate from reconciliation to this new practical reconciliation but then, in an apparent avoidance even of the commitment to practical reconciliation, it does not mention indigenous people within the budget speech or within the budget itself. We need to focus on this.

The budget cuts the indigenous education strategic initiatives program by 27 per cent nationally. That is major blow to the emerging indigenous communities in Australia.

There is no real mention of education and the importance of education to the nation. The absence of support for education is the major flaw in this budget. There is no recognition of how important education is to the future of the nation not just because of its social justice implications but because it is a major driver of economic development.

MR SPEAKER: Order! The Chief Minister’s time has expired.

MR SMYTH (12.19): Mr Speaker, we have heard many words here today, but I have not heard the government suggest any solutions or ask the federal government what they mean. It is easy to stand up and say, as the Chief Minister just did, that the federal budget is mean and tricky. What has he done about it? He says that it is tricky because we do not know the detail of funding for GPs in the metropolitan fringe and we do not know the detail of oncology funding across Australia. Has he bothered to ask? Has he bothered to ring Senator Patterson’s office and ask, “What is the detail?” I did. If you ring, you might find out. Doctors will go to the perimeters of the six major capital on the basis of the areas of most need.

I put it to Senator Patterson’s office that we have a dilemma in Lanyon Valley, which has a very small number of doctors for a very large population. They said that they will look at that. I asked them to give me the figures so I can see where we fall on the list. Chief Minister, instead of just bleating, you can ask and find out.

The Chief Minister said that he does not know about the oncology program and he hopes that we might be included. Again, what have you done about it? Answer: nothing but come here and bleat. I also asked how those areas will be decided? A study is being done to determine the areas most in need of these additional services so that those who need them most will get them first. Last night Senator Coonan, the Assistant Treasurer, said, “You have to understand that we are a region. The Canberra Hospital provides an enormous number of services to surrounding New South Wales.” She said she would take that into consideration.

It is all very well to move a motion that says the federal budget is bad, bad, bad, but what do we do about it? Those opposite simply bleat.

A proposal was put to our part-time Minister for Health that may have come up with a solution for the problem in Tuggeranong, and he said no. Tuggeranong Community Services, in association with a developer, proposed basic health services there in the hope that it would lead to a doctor coming to that location. What did we get from our Chief Minister, our part-time Minister for Health? He said, “No. Forget about it. It is not going to happen.”

To achieve what you would like to achieve through policy development to look after the less well off, you have to be in a good financial position. The dilemma we faced when we came into office in 1995 was the \$344 million operating loss the previous Labor governments left us. It took us five of our seven budgets to make up for that loss. The current budget, put in place by the previous government, looked at addressing poverty and early intervention. The federal government’s economic management has allowed it to put more money into programs that we would all support.

Because of their sound management, the federal government have also been in a position to cover things that have made us the envy of economies around the world. In a back page article one economist rated the economies of the world, and the only one that shines is the Australian economy. We are defying all the trends. Yesterday Steven Kates, the Chamber of Commerce and Industry economist, said that we are the only ones bucking the trend. Why? It is because of good management.

Look at some of the unexpected dilemmas the federal government has had to cope with—the Asian meltdown, the HIH collapse, Timor, the war on terrorism, the need to reverse the fuel excise. They have been able to deal with these matters because they have had surpluses. It is unfortunate that we have drifted into deficit this year, but it will come back next year. It is important to put things in context instead of dealing with them in isolation and saying, “This is bad.”

My first piece of advice to the government would be that instead of moving motions such as this they should try developing a relationship with ministers in the federal parliament. They will have to deal with them for at least another two and a bit years. Instead of coming here and bagging people, and instead of saying, “No, no, no,” which is apparently all the Chief Minister can use the phone for, why don’t you talk to federal ministers, develop a relationship and get an understanding of where the federal budget is going?

Mr Quinlan mentioned the pharmaceutical benefits scheme and his friend with arthritis. He said what a terrible thing the budget was. I think you need to look at your own back yard first, Mr Quinlan. I have had correspondence from a constituent who has cerebral lupus. This woman needs full-time pain management. Our last full-time pain management specialist quit in December. Mr Stanhope’s answer—Mr Quinlan, you might keep this in mind—is that the Canberra Hospital chronic pain unit is participating in and taking a lead role in the development of an ACT-wide pain service incorporating TCH, Calvary and Community Care, and a proposal to enhance this service remains under consideration. A fat lot of good that is for somebody in pain.

MR SPEAKER: Mr Smyth, could you tell me what that has to do with the motion in front of me? A bit of relevance, please.

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MR SMYTH: The relevance is that if you want to talk about how one budget or the activities of one government disadvantage certain groups you need to do so in the context of what you might have done yourself.

Mr Stanhope said that the federal budget hardly mentioned education. Since 1995-96 Commonwealth funding for schools has grown by over 80 per cent. Commonwealth funding for government schools is increasing 5.7 per cent over last year, representing a massive 52 per cent increase since the Howard government was elected in 1996. That is hardly an understatement of activity in that regard.

Mr Stanhope talked about indigenous issues. The shadow minister for indigenous issues, Carmen Lawrence, put out a press release which has embarrassed her. The government's press release states that the government has allocated a record \$2.5 billion for indigenous specific programs and services. However you calculate the budget, the government is providing more funding in real terms directly to indigenous people than did previous Labor governments. There is detail there. You need to read the whole document. You need to find out what it is about before you come here and spout forth on what you think is bad. Speaking in ignorance in this way is most unfortunate.

There are many initiatives in the federal budget. Many of them favour the ACT, including extra financial grants and increased funding for the AIS and for the National Museum. The federal Labor government talked about the National Museum for many years but never committed itself to it and never put a cent into it. It is unfortunate that you do not present the whole picture. You might not agree with all the initiatives or the track the federal government is taking, but your bleating is unfortunate.

If my memory serves me right, Mr Stanhope was in the Labor Attorney-General's office when the Labor Party was opposing land rights in the High Court. They never once in their 13 years in office said sorry. This became some sort of mantra after they lost office, after they failed to apologise, after they fought land rights and after they lost in the High Court. Mr Stanhope, your record is a bit scratchy. You need to cast your mind back and think about what your own governments did in the past.

I could go on about many of the initiatives that will particularly benefit the people of the ACT.

Mr Stanhope: Who introduced the Native Title Act? Who implemented the Mabo decision?

MR SMYTH: I would be happy for you, Chief Minister, to bring on an MPI about the way indigenous people have been treated. We as a local government are very proud of our record. We can go back to the referendum in 1967. I will have to get out my copy of Clyde Holding's book. Clyde said, "It must be remembered that more has been done for indigenous people under Liberal governments than has ever been done under Labor." I will find the quote. It is great quote. It is one of my favourites. I will dig it out. It is very interesting.

One could go on about the windfalls that come to the ACT from this budget. We get solid growth, low unemployment and conditions that will allow a surplus budget to continue in the ACT if it is managed wisely. I wonder what comments we will be making on 25 June when we finally get to see the first Stanhope budget.

Question resolved in the affirmative.

East Timor—Independence

MR STANHOPE (Chief Minister, Attorney-General, Minister for Health, Minister for Community Affairs and Minister for Women) (12.29): I move:

That we, the Members of the Legislative Assembly of the Australian Capital Territory, offer our warm congratulations to the national parliament and people of East Timor on the achievement of independence at midnight on 19 May 2002 and extend our best wishes to East Timor's future progress.

Mr Speaker, the government would like to send a message of support and best wishes to the people and new government administration of East Timor as they prepare to welcome their country's independence at midnight on 19 May. The East Timorese people overwhelmingly voted for independence in 1999 and will embrace this historic occasion with a renewed sense of hope for the future. The vote for independence represents a new era for East Timor. The East Timorese people now possess a new vision and an opportunity to build the independence they so overwhelmingly voted for in 1999.

That said, East Timor faces enormous challenges. The country is still undertaking the massive task of reconstruction. During the turbulent years of 1999, lives, numerous families and entire communities were destroyed. About 70 per cent of the country's infrastructure was substantially or partially destroyed. Reconstruction must entail not only the restoration of East Timor's physical infrastructure but also the restoration of its culture. In May 2001 it was estimated that around 10 per cent of East Timor's 1999 population was still living abroad, mostly in squalid refugee camps across the border in West Timor. This is their opportunity to return home.

But while independence brings freedom, it will not immediately bring prosperity. As academic Peter Timmer said recently, the elimination of poverty is a task which even the most effective government can only hope to accomplish over decades or generations. Today East Timor also faces this challenge, but it is a challenge that can be addressed within the framework of liberty. The task ahead is immense and involves the establishment of appropriate infrastructure, institutions and economic policies that will help rebuild what is now a small and devastated land into a viable, self-sufficient, democratic state of the 21st century.

No emerging country should be left to shoulder this challenge alone. My government intends to support a community relationship between Canberra and Dili. Canberrans are committed to democracy. The East Timorese people have also made this commitment, and as such they are deserving of the support of Canberrans and this Assembly.

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On 20 May East Timor will become the newest member of the world's family of nations. The East Timorese people have inherited a war-torn and extremely poor country, but catastrophe also offers opportunity. The East Timorese people can now realise their full potential, and I on behalf of all Canberrans wish them the very best as they assume control over their future.

Sitting suspended from 12.32 to 2.30 pm.

Questions without notice

ACT budget

MR HUMPHRIES: My question is directed to Mr Quinlan, the Treasurer. On 2CN news this morning, Treasurer, you were quoted as saying,

In the context of a budget that turns over \$2.3, \$2.4 billion, either way it's pretty close to zero. Now I know there's a psychological point of zero—surplus or deficit—but that's about where we are now. I hope we do recover. I need the money next year.

On 14 April this year, when you were still arguing that the ACT was in deficit this year, you stated in the *Canberra Times* that the so-called commission of audit projected a \$5 million operating loss, which you said was due to the “colossal financial mismanagement of the Canberra Liberals”. Yet, on 21 March this year, you outlined the fiscal policy of the Stanhope government as follows: “I have it in mind that the ACT Budget will be in surplus over a three- or four-year period . . . [if there is] a \$1 surplus in four years, I will be happy.”

Treasurer, do you acknowledge a certain inconsistency in these statements? Why is a \$5 million loss—in your words “pretty close to zero”—evidence of colossal financial mismanagement, but a net \$1 surplus over four years, also “pretty close to zero”, responsible budgeting?

MR QUINLAN: Actually, mainly because you have never had it so good. I am not sure that I used the term “colossal financial mismanagement”. Did I use “colossal financial mismanagement”?

Mr Humphries: I am afraid you did.

MR QUINLAN: I must have been wound up that day. I do not usually use such terms. The point I have made is that you set out a year ago with a budget in what was probably the best of times for the territory so far, in terms of economic activity and revenue flowing in. At 30 October, we measured that and thought that there was something in the order of a \$5 million deficit. After all the argy-bargy, I think we have come to agree that the final tally is going to be decided on the last day of the year.

The sense of it is that you have actually lost, over the current financial year and in terms of investment, about \$63 million out of the budget. I do not think that actually losing that money in investments is your fault, because most superannuation funds are losing money this year.

Mr Humphries: So what was the colossal financial mismanagement?

MR QUINLAN: The colossal financial mismanagement obviously occurred when you looked at the situation for the current financial year, and said, “We must spend all the money. We will take no notice of the longer term.” I probably indicated in one of the statements you referred to that I felt that, over a period of time, a \$1 surplus is okay, but you quite clearly set out on a cynical scorched earth financial policy, intending to actually burn the excess cash, or to commit it. It is quite clear, on a reading of your budgets, that this is the election ploy you adopted. I call that financial mismanagement.

MR HUMPHRIES: Do you consider it acceptable for an ACT government to have an operating loss if the economy is growing strongly?

MR QUINLAN: You would have to have the right conditions. I would consider it acceptable if the economy is growing strongly and it is not overcommitted in some areas, and if you are not coming off a very high expenditure year with revenues falling away. We might be enjoying economic growth, but I do not think anybody is prepared to bet bottles of wine on the fact that, for example, our stamp duties from real estate conveyancing fees will not decline next year.

We have received a huge windfall this current year—you may want to base your reputation on estimating that we will maintain this year’s level of, say, stamp duty receipts through next year—but there will be a decline in revenue. We can still be enjoying economic growth in various areas, but the impact on the revenue lines of the ACT government itself may not be as direct as it is with the very heated housing market, for example. It is quite conceivable that you could have a deficit and still be managing responsibly, because you are coming from a peak year.

Gungahlin Drive extension

MS GALLAGHER: My question is to the Minister for Planning. Can the minister inform the Assembly of the government’s view on the Australian Institute of Sport’s statement, reported in today’s *Canberra Times*, that it “will go west”?

MR CORBELL: I thank Ms Gallagher for her question. Isn’t it interesting, Mr Speaker, that those opposite greet this with some mirth when what we are talking about here is whether or not the people of Gungahlin are going to have this road on the alignment that they voted for at the last election? They voted for that alignment, and the Canberra community voted for it, at the last election.

Mr Humphries: We are laughing at you, Simon.

MR CORBELL: Just check the booth returns. The revelations yesterday by the chairman of the Australian Sports Commission made it clear to the government that the AIS and the Australian Sports Commission have made up their minds, before any detailed analysis has been concluded, that the western alignment for Gungahlin Drive is unacceptable. They have clearly already made up their minds, and are seeking to stop this government from implementing its election commitment. Today, Mr Michael Scott—

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MR SPEAKER: Order, Mr Corbell! Members of the opposition, would you stop the cacophony? Other people might like to hear what is going on around the place.

MR CORBELL: Thank you, Mr Speaker. Today, director of the AIS, Mr Michael Scott, is quoted as saying, "We may have to expand our campus to the west." This raises the obvious issue: is this simply a ploy by the Australian Sports Commission to deny this government the opportunity to build the road on the western alignment?

It would appear to me that this is highly likely: Mr Scott need only look at the federal government's budget papers, which highlight that only \$3.3 million will be available in the federal government's current term for any expansion at the AIS. Most of the much-vaunted figure of \$60 million or so does not become available until after the next federal election. In fact, the overwhelming majority of that amount does not become available until after the next federal election.

This only raises further concerns for this government about a Commonwealth agency, aided by its Liberal cronies in the federal government, and its Liberal cronies over here on this side of the Assembly, that would seek to stop this government from implementing its election commitment to build the Gungahlin Drive extension on the western alignment.

We have news for them. The land designated for the Gungahlin Drive extension is territory land, under the control of the territory. Clearly, we believe that the priority for the use of that land is the construction of the Gungahlin Drive extension for the residents of Gungahlin, to meet the demands of that growing area of the city. It would appear that the only people seeking to hinder this government in its attempt to honour its election commitment are those people opposite—

Mr Smyth: Arrogance.

MR CORBELL: Arrogance? What do you call an election, Mr Smyth? What do you call going to the electors and saying we will build the road on this alignment? Is it arrogant to implement an election commitment? Is it arrogant to say you will honour that commitment? Is it arrogant to follow through on that commitment? No, it is not Mr Smyth. The only arrogance—

MR SPEAKER: Order! Mr Corbell, resume your seat. Members, if you do not tone down your behaviour, I am going to ask Mr Corbell to do this again.

MR CORBELL: The only people who are arrogant in this debate are those who seek to hinder this government from honouring its election commitment to build the Gungahlin Drive extension on the western alignment. The finger can be firmly pointed at those opposite and their federal Liberal cronies, who have attempted to stop that from occurring.

MS GALLAGHER: Minister, what action is the government proposing to take in response to those statements from the Commonwealth?

MR CORBELL: Despite the campaign by the Liberal Party and the Australian Sports Commission to stop the Gungahlin Drive extension we will continue.

Mr Humphries: Not true.

MR CORBELL: Not true? What did Mr Bartels say in the paper yesterday? He said that the executive of the commission “will continue to work with the ACT government to stop the road”. That is what was said by Mr Bartels, well-known steerer of the Liberal Party.

Mr Speaker, we will continue to work with the Australian Sports Commission to undertake studies to plan the best outcomes for the Gungahlin Drive extension. We will work with the commission to ensure that access to the campus facilities, and the integration of traffic and car parking is considered in the development of the Gungahlin Drive extension. We will continue to adopt that cooperative approach, even in the face of the concerted campaign being conducted by those opposite and their federal Liberal cronies.

Substitute parents

MS DUNDAS: My question is for the Minister for Health. Minister, are you aware that the provisions for obtaining a substitute parents order under the Artificial Conception Act are due to expire, and hence will not apply for children conceived after June this year? How will the government be responding to this change in the regulation of surrogacy arrangements?

MR STANHOPE: Thank you, Ms Dundas. Certainly, there is a sunset clause in that particular legislation. The legislation was passed two years ago to allow three families in the ACT to regularise arrangements in relation to surrogate children born as a result of actions taken here in the ACT at the fertility clinic. I recall that the debate within the community and here in the Assembly raised a number of difficult and sensitive issues concerning surrogacy and reproductive technology generally.

At the time of that particular debate, the Labor Party, then in opposition, took the position that it would support the legislation at the time, but wanted to see a broad and general investigation into issues related to reproductive technology. I had discussions with the Chief Minister at the time about the Labor Party’s position in relation to the legislation, and in relation to surrogacy generally. I came to an agreement with her that we would support her private members bill on the proviso that there would be a two-year sunset clause, but on the basis that the then government would agree to support a Law Reform Commission inquiry into assisted reproductive technology and all its aspects.

The then Chief Minister promised to do that. Unfortunately, it has not happened.

Mr Humphries: That is not true. It has happened. It was commissioned. It is under way.

MR STANHOPE: It was commissioned? I could actually give you the files. Let me just complete the answer. It was commissioned and no work has been undertaken.

Mr Humphries: That is hardly our fault, is it?

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MR STANHOPE: I am not suggesting that it was your fault. I am simply giving you the facts. The facts are that I came to an arrangement with the previous Chief Minister that we would support a private members bill that she introduced on the proviso that there was a two-year sunset clause, and that during that two-year period the government would sponsor a Law Reform Commission inquiry into assisted reproductive technology in all its aspects. The government actually referred the terms of reference to the commission, and that was it. No work was done because the Law Reform Commission was not given the necessary support to allow it to undertake the investigation. That is what happened.

Mr Humphries: That is not true.

MR STANHOPE: I do not want to dispute this. The facts of the matter are that a reference was provided to the Law Reform Commission. The undertaking of the previous government was that the inquiry would be completed within two years, hence the two-year sunset period. The fact is that the inquiry has not been undertaken. The fact is, as Ms Dundas has indicated, that the sunset clause expires, or actually comes to fruition, in a couple of months time.

I am aware that it does that, and I am aware that the work has not been done. To answer the question, as a result of the fact that the work has not been undertaken on the reference, I have instructed the department of justice to prepare legislation to extend the sunset period for another two years.

MS DUNDAS: I wish to seek a little bit of clarification on that last point. Minister, will you be introducing legislation before the end of June to ensure that surrogacy arrangements in the territory remain regulated?

MR STANHOPE: That is my intention, Ms Dundas. I have issued instructions to the department of justice to arrange for the drafting of legislation to extend the sunset period by a further two years.

Ms Dundas: Will we see that at the next sitting?

MR STANHOPE: Yes. I would expect and hope that that legislation would be in place before the existing sunset period concludes.

Aged care

MR SMYTH: My question is for the Minister for Health, Mr Stanhope. Mr Stanhope, given that the president of the ACT Health Care Consumers Association, Mr Russell McGowan, is reported in today's *Canberra Times* as saying that the continuing pressure on Canberra Hospital's resources reinforces the need to build a convalescence or step-down facility, ensure nursing home beds are provided, and set up an after-hours doctors service, when will you stop sitting on your hands and use the funds left by the Liberal government specifically for the purpose of a step-down facility?

MR STANHOPE: Thank you for the question, Mr Smyth. I welcome the opportunity to set the record straight and to explain how ignorant your position is on this particular issue. Certainly, there has been some pressure at accident and emergency at the Canberra Hospital over the last few days. Since taking over the portfolio, I have made it clear to

the Canberra Hospital that I want it to be proactive in its advice to the community about pressures being faced by the hospital. That is why you now see the Canberra Hospital issuing press releases when it does have difficulties in accident and emergency, and elsewhere at the hospital. It seems to me quite sensible that the hospital should advise—

Mr Smyth: What, to say, that if you are sick, do not come to accident and emergency?

MR STANHOPE: Absolutely, because that is what happened. What happened on this occasion was that there was some significant pressure at the Canberra Hospital. Twenty-eight beds are currently occupied by nursing-home-type patients. In addition to that, as a result of work being undertaken in one ward at the hospital and the absence of a number of doctors, there was significant pressure being experience at accident and emergency.

As a result of that, the head of the hospital did what I had asked. He issued a press release advising that there were pressures at Canberra Hospital, and suggesting that one way of alleviating those pressures was for people whose cases were not emergencies to go to their GP, utilise Health First or utilise Calvary Hospital. As a result of this advice, there was a downturn in presentations at Canberra Hospital and significant pressure was relieved. In addition, Canberra Hospital took a number of other steps, and has advised today that accident and emergency is effectively back to normal.

There are a couple of interesting aspects to the issues facing the hospital at the moment that members may be interested in. Activity across the hospital is up by 1.2 per cent this month, compared to this month last year. Occupied bed days for nursing-home-type patients in the hospital increased by 123 per cent over the year to March and, as I indicated, a ward was closed.

What the hospital did to respond to the pressure in accident and emergency was make available an additional 10 bed days, defer six elective surgery matters and, as I said, through its announcement, ask people to utilise either GPs, Health First or Calvary during the course of these next few days, if they could. It is pleasing that, despite the pressures, elective surgery was not delayed for any category one patients. All elective surgery for those patients was completed. As I say, the pressures are dissipating and the hospital expects to be back to normal in the next couple of days.

The issue raised by Mr McGowan, and also grappled with by Mr Smyth, is that of a step-down or convalescence facility. The government is committed to a convalescence or step-down facility. Mr Smyth keeps referring to budget provision made by the previous government for a step-down facility. Let me just say this once more. I have said it many times, but I will repeat it, so we get the record straight on this: this government is determined to provide step-down or convalescence facilities for the people of the ACT as a means of continuing to relieve pressure on accident and emergency in public hospitals.

To do that, we must determine which facility is appropriate. We must also commit money, on a recurrent basis, to staff that facility. Two sorts of money are required: we need some capital and we need some recurrent funds. In the previous budget, the previous government actually allocated some capital and allocated some recurrent funds, then Mr Moore spent the recurrent funds at Morling Lodge. He spent \$261,000 of the recurrent funds. He spent—

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Mr Smyth: You claimed credit for it.

MR STANHOPE: I opened the facility, but there was a change of government. During the term of the previous government, Mr Moore spent the money. The government spent the recurrent funds. It is very difficult to run a convalescence facility without staff. I know the previous government tried to run Hennessy House without staff and it did not work.

You launched it, and you tried to run it. It was a pity there were no patients there. You tried to run a psychiatric facility without staff. I would have expected you to learn from that. You cannot run a convalescence facility without money to provide for staff.

You spent the money at Morling Lodge on the provision of 11 transition beds. The 11 transition beds at Morling Lodge are full, and it is of concern that the 11 transition beds at Morling Lodge are occupied by nursing-home-type patients. This is a major concern. Mr Humphries knows this and I have heard him speak on it: this is classic cost shifting. It is a real concern that, having funded 11 transition beds, not nursing home beds, at Morling Lodge, we now have nursing-home-type patients in those beds. We have 28 nursing-home-type patients in the Canberra Hospital.

Mr Smyth has suggested in today's *Canberra Times* that we develop a convalescence facility and move the nursing-home-type patients in the Canberra Hospital into the convalescence facility. Let me tell you something, Mr Smyth, you do not convalesce from growing old. Convalesce means to get better. We do not want to put nursing-home-type patients in a convalescence facility, in a step-down facility. That is not what you have a convalescence facility for.

A convalescence or step-down facility is to ease the transition from hospital to home for acute care patients who need some time to recover, so they can care for themselves. Mr Smyth, you should understand this. You do not develop a convalescence facility and put your nursing-home-type patients there, and transfer your bed block from your acute beds to your convalescence beds, because, if you do, you have achieved absolutely nothing. We are finding this at Morling Lodge. We have moved our nursing-home-type patients from acute beds at the hospital to transition beds at Morling Lodge, and actually all we have done is picked up the Commonwealth's obligation.

It is classic cost shifting. We are now paying for nursing-home-type patients at Morling Lodge who are the Commonwealth's responsibility. That is what you want us to do with the convalescence facility. You need to understand these simple aspects of health care, Mr Smyth. Get a grip on your shadow portfolio. In the first instance, the recurrent money has gone and we are not going to open a convalescence facility without staff. We are not going to follow your precedent, and move nursing-home-type patients into a convalescence facility. That is absolute nonsense.

Mr Smyth: When are you going to open the facility, that is the question.

MR STANHOPE: We are going to open it after we budget for it, because you spent the recurrent money. There is no money there for a convalescence facility. We have determined that some capital funds are available. We will utilise the capital funds, and

we will open a step-down facility when Mr Quinlan, if he survives trying to find a way through the mess that you have left us, actually ensures that we meet the commitments that we made to the people of Canberra.

MR SMYTH: Minister, last week you informed this Assembly that you were the most popular Chief Minister and the busiest person who has ever been seen. Have you been too busy to keep your eye on the TCH emergency department, and will the current problems at the hospital adversely affect your self-proclaimed immense popularity?

MR STANHOPE: It is good to get the measure of these things. Of course, I am interested in numbers too, Mr Smyth. I was reflecting on it before. What was it about the previous government that led to 45,000 more Canberrans abandoning it? What was it about the previous government that led to a 16 per cent shift of votes from the Liberal Party to the Labor Party?

Did you ponder this at Bungendore? What was it about the way you operated? Was it your disregard for the fundamentals of government? Was it your disregard for health care? Was it your disregard for people with a disability? Was it your disregard for people with a mental illness? Was it your disregard for the law? Was it your disregard for the fact that you broke the law in the redevelopment of Bruce Stadium? Was it those things, or was it actually the sheer incompetence of the cabinet?

Let me go through the cabinet, one by one: Mr Humphries has always done all right in the polls. He has a certain reputation as being not too bad, except he is a little bit lazy. Who could object to Bill? Nice bloke, harmless, bumbles along, holds his own, good sort of a bloke. Then there was Michael Moore, who was not even one of you, so we actually cannot hold it against him. However, there were four ministers. Gary was doing all right, with a 40 to 50 per cent approval rating. Michael Moore does not count, because he was not even a Liberal. Bill, bumbling old Bill, good bloke, nobody minds him. That only leaves one—Brendan.

You have to have a look at yourself every now and again. It is all down to you, Mr Smyth. 45,000 people who voted for you the time before did not vote for you last time. Sixteen per cent—the biggest swing since self-government, and probably the biggest swing in an election since the Second World War, if you think about it. What a thrashing!

Bike racks on buses

MS TUCKER: My question is to Mr Corbell as minister responsible for public transport. Minister, you may be aware that the Brisbane City Council recently announced that it will be conducting a 12-month trial of bike racks on six of its buses. The racks take two bicycles and will be fitted to the front of the buses. These are standard bike racks that are already widely utilised in north American public transport systems, including the bus networks in Seattle, Portland, Los Angeles, San Diego and Vancouver. These racks have proved to be very popular with cyclists, who use them to travel longer distances across the city.

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The former Liberal government announced at the start of 1997 that it would have a trial of bike racks on ACTION buses, but this trial never proceeded because of concerns that the racks did not comply with the Australian design rules regarding protrusions on vehicles. I understand that the Brisbane City Council has addressed this issue by getting the Queensland state government to give it a special permit for the trial.

We have also recently been told by the government that bullbars are safe, acceptable protrusions on vehicles. On this basis, bike racks should also be acceptable.

Minister, if Brisbane, whose people use fewer bicycles than those of Canberra do, can do this, will you now initiate a trial of bike racks in Canberra?

MR CORBELL: No, I am not aware of Brisbane City Council's trial, but I am interested to hear of it and I will certainly seek further information on it. I am aware of the circumstances that made the previous government decide not to proceed with the trial of bicycle racks on ACTION buses. I think Ms Tucker's question highlights an interesting inconsistency, in that bullbars—from her perspective, I know—are unsafe and should be banned, and yet bicycle racks are potentially acceptable.

That aside, clearly the government must have regard to safety issues in relation to anything protruding from a vehicle, especially a vehicle as large as a bus. I will take further advice on the matter in light of Brisbane City Council's experience, and I will get back to Ms Tucker on that matter.

MS TUCKER: You had better seek further advice on what I said in the Assembly too, Mr Corbell. My supplementary question is does that mean that the statement on page 94 of your Labor Party platform, that the ALP will explore the use of bus-mounted bike racks as part of promoting an integrated bicycle and bus system, was a non-core promise?

MR CORBELL: Not at all, Mr Speaker. On becoming minister, I sought advice from ACTION in relation to the appropriateness of proceeding with the bicycle rack trial. I was advised that the safety issues were of such concern that it was not possible to proceed with the trial. Clearly, if there is experience in another jurisdiction such that that jurisdiction has been able to proceed with such a trial, I am interested in that, and am prepared to explore that further to see whether we can take similar steps.

However, the issue is still that items protruding from vehicles are either safe or they are not. My understanding is that the bicycle racks provided and proposed for ACTION buses went on the front of the bus and could potentially have the same sort of impact as a bullbar. That was the concern. However, the government is always open to exploring these issues further. We do have a commitment to having bicycle racks on buses, if possible. I think it is the way to go. However, we must first address the safety issues for those people who do not have their bikes on the buses, but are riding on the road.

Mr Stanhope: I ask that further questions be placed on the notice paper.

University of Canberra

MR STANHOPE: Mr Speaker, yesterday I received a question from Ms Tucker in relation to certain issues of concern at the University of Canberra. In the answer I gave to Ms Tucker in relation to issues around whether or not the Public Interest Disclosure Act applied to the University of Canberra, I advised the Assembly that the advice that I had was that the Public Interest Disclosure Act does not apply to the university. That is not the view of the Australian Capital Territory Government Solicitor, and I was incorrect to that extent. It is the view of the university, and this is one of the issues of dissension between the university and those with which it is engaged in the particular issue. I regret that I transposed my advice in relation to that. To clarify the issue for all members, I would like to table the legal advice which has been received on this complex issue. I present the following paper:

Public Interest Disclosure Act 1994—University of Canberra Union—copy of letter to Acting Director Public Sector Management Group, Chief Minister's Department, from ACT Government Solicitor, dated 6 May 2002.

Traffic and parking infringement notices

MR WOOD: Mrs Cross asked me yesterday about the budget estimate for income from traffic infringement notices and parking infringement notices and the year to date revenue. I have figures for the revenue as at 30 April. The revenue for parking infringement notices was \$5,697,026, with traffic infringement notices revenue being \$8,414,366. As you were advised yesterday, the information on revenue is available at page 107 of Budget Paper No 3.

Rental housing

MR WOOD: Ms Dundas pointed out in a question she asked me yesterday that the Residential Tenancies Tribunal is funded by interest from tenants' bond money. She asked me why this money is not recovered from landlords who also use the tribunal.

The answer is that the use of the word "landlord" is now out of date and the word is "lessors". In the ACT, both tenants and lessors contribute to the cost of the Residential Tenancies Tribunal. The tribunal is funded from two sources—interest from the trust account, under the Residential Tenancies Act 1997, and from application fees for hearings made by lessors. So there is a contribution from each side, if I can put it that way.

The cost of the tribunal in 2000/01 was \$367,000. There was \$194,000 in interest from moneys in the trust account; and \$176,000 from the cost of applications, the majority of which—not every last one but almost all—are by lessors.

Personal explanations

MR HUMPHRIES (Leader of the Opposition): Mr Speaker, under standing order 46, I seek leave to make a personal explanation.

Leave granted.

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MR HUMPHRIES: In the course of question time the Chief Minister suggested that there had been some failing on the part of my government, or me as Attorney-General, to commission or to properly fund an inquiry—

MR SPEAKER: Mr Humphries, would you just stop there please. I anticipated this personal explanation. I also anticipated that there will be challenges to and fro in respect of what one government did and what one opposition did, and that there may well be attempts by people to try to explain the situation under standing order 46. Standing order 46 is pretty clear in its intent and it states:

Having obtained leave from the Chair, a Member may explain matters of a personal nature ...

I do not really think that the affairs of the former government, as they are discussed in the hurly-burly of debate here, are matters of a personal nature. I do not want to inhibit your ability to respond about how you feel in relation to whatever the former government did. But I suggest to you that the best way to deal with this is either to raise it during the adjournment debate or to somehow find a way to get leave or to suspend standing orders in order to make some sort of comment.

I just do not think it is appropriate to discuss this in the context of a matter of a personal nature. If Mr Stanhope had said to you that you did so and so and you were responsible for that, I would accept your wish to make a personal explanation. But I just think it is stretching it a bit to go to government issues and what might have been or might not have been done by governments in the past. So if you have got something personal to talk about, I am happy to give you leave to do so but I am not happy to give you leave to talk about the politics of events.

MR HUMPHRIES: Mr Speaker, if that is your ruling, I will accept it. I put to you that I was the person responsible in the government for those things, so it is a personal reflection on me. But if that remains your ruling, that is fine—I am happy to accept it.

MR SPEAKER: If you can deal with it within a personal context, I am happy to—

MR HUMPHRIES: I intend to deal with it entirely within a personal context, Mr Speaker.

Mr Stanhope: Mr Speaker, on a point of order: the comment I made, the statement I made, was that I went to the then Chief Minister—which was not Mr Humphries; it was Mrs Carnell—and I had an arrangement, an understanding, with Mrs Carnell that we would agree to certain legislation on the proviso that a sunset clause was inserted, and that during the term of that an inquiry would be conducted into assisted reproductive technology. All I said was that that undertaking was not kept. There is no report today on assisted reproductive technology and there will not be before the sunset clause kicks in. The comment I made was in relation to a discussion I had with the then Chief Minister. It had nothing to do with Mr Humphries, nor did my comment.

MR SPEAKER: I think rubbing it in does not help.

MR HUMPHRIES: Mr Speaker, I was the minister responsible for delivering on that promise, which is why I want to make a personal explanation. If you rule that I am not able to, I am happy to make a—

MR SPEAKER: I can see that you are personally affronted by this, so I think a short personal statement would be in order. I just want everybody to take on board that I do not want toing-and-froing over what might or might not have happened for governments. If people are personally affected, I am happy to entertain giving leave to them. But make it short. I think Mr Stanhope has made out a pretty good case.

MR HUMPHRIES: Well, I can make a pretty good case in this place, Mr Speaker.

MR SPEAKER: I know you can, but spare us.

MR HUMPHRIES: Mr Speaker, that sounded like a slightly biased comment. My comment is a very good comment in response to what Mr Stanhope has said, and I will make it very simply.

The report which Mr Stanhope referred to as not having been undertaken was commissioned by me, as Attorney-General, of the Law Reform Commission of the Australian Capital Territory. I subsequently inquired of the commission as to the progress of the report and I was told the commission was experiencing difficulties in completing its work in a range of areas because of a lack of resources. Consequently, in last year's budget, I, as Treasurer—again, me personally as Treasurer—ensured that \$50,000 was put aside for the Law Reform Commission to enable it to do just that kind of work. I have provided both the commission and the funds to fulfil the obligation made to Mr Stanhope when he was in opposition.

MR SPEAKER: I think that fits within 46.

MS TUCKER: Mr Speaker, I would also like to use standing order 46 to seek leave to clarify something that is absolutely personal.

Leave granted.

MS TUCKER: I want to clarify something for the record. Mr Corbell suggested that I have taken a strong position against bullbars. I think he has confused my position with that of Pedal Power. What I did say—and I am quite happy to admit this—was that I was concerned about extra attachments on the front of bullbars. In fact, I had a discussion with Mr Wood, who acknowledged that that was an issue. I asked that we should perhaps look at the issue of bullbars but the Greens have never come out and said that we want to ban bullbars.

Paper

Mr Stanhope presented the following paper:

Ministerial Travel Report for the period 1 January 2002 to 31 March 2002.

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Papers

Statement by minister

MR STANHOPE (Chief Minister, Attorney-General, Minister for Health, Minister for Community Affairs and Minister for Women): Mr Speaker, for the information of members, I present the following papers:

ACT Public Hospitals—Report on Purchased Services—Second Quarter 2001–02.

Chief Health Officer—Report for the period 1998-2000, dated May 2002.

I ask for leave to make a statement in relation to the Chief Health Officer's report.

Leave granted.

MR STANHOPE: Mr Speaker, the ACT enjoys excellent health in comparison to most other jurisdictions in Australia, according to the 1998-2000 report of the ACT Chief Health Officer, which I have just tabled. The Chief Health Officer's report is a biennial publication required by legislation under section 10 of the Public Health Act 1997. It provides information on population health indicators, including health risk behaviours; morbidity and mortality; notifiable conditions; health promotion activities; access and equity indicators relevant to health; and social indicators relevant to health. People in the ACT also enjoy high-quality drinking water and air, have the highest level of vaccination coverage in the country and a correspondingly low level of vaccine preventable disease.

However, the ACT, like the rest of the country, has population groups that are vulnerable to health problems. For instance, the indigenous population in the ACT, though smaller in proportion than other parts of the country, tend to make up a disproportionately large number of the clients accessing health services in the ACT. In addition, it is estimated that 1 per cent of the ACT's indigenous population is aged over 65 years compared to 7 per cent in the non-indigenous population, reflecting the lower life expectancy for this population. My government acknowledges these problems and have made it very clear that indigenous health is one of our highest ranking priorities.

The Chief Health Officer's report also tells us that while our young adults have a lower rate of problem drinking, our young people aged 14 to 19 have a higher rate of problem drinking. The rate of recent cannabis use is also higher in the ACT. However, we know from the secondary school alcohol and drug survey that it is declining in our younger people.

Cancer, heart disease and stroke account for around two-thirds of deaths in the ACT. Our health promotion efforts are targeting the key health risk behaviours—smoking, poor nutrition, alcohol and lack of physical activity—to reduce the incidence of these diseases.

While our rates of vaccine preventable communicable diseases are low, we are closely monitoring the increasing incidence of chlamydia in the ACT. We have appointed an advisory council on sexual health, AIDS, hepatitis C and related diseases (SHAHRD) to advise on issues in the area of sexual and reproductive health.

The Chief Health Officer's report also details a number of innovative policies, programs and health promotion initiatives we have in place to improve the health and wellbeing of people in the ACT. For instance, the ACT has been a pioneer in legislating smoke-free areas in public places and serves as an example to other states and territories. We also have a very low rate of unsafe disposal of needles and syringes due to our needle and syringe programs. More recently, we have funded a project to harmonise asthma care for children across the continuum of health, welfare and education services in the ACT.

I encourage members to read the report, which provides the baseline data for a rational and well-considered approach to planning health services for the ACT and for understanding the wellbeing of our community.

I would like to draw attention to a couple of issues in the report. The report indicates that in 1999 the ACT had the highest rate of peri-natal deaths in Australia. I draw attention to this to make the point that these statistics published by the ABS may include New South Wales residents, which may inflate the rates. Examination of peri-natal deaths among ACT residents show that the rate is not significantly different to the Australian rate, and the rate does fluctuate considerably from year to year due to the impact of small increases and decreases in numbers of deaths. I make the point just to alert members to the difficulties of interpreting issues such as this with small numbers.

Similarly, the ACT in 1999 had the third highest rate of suicide in Australia. However, the ACT's small population means care must be taken in drawing conclusions of statistical significance based on one year. The rate of suicide in males in the ACT between 1995 and 1999 was lower or similar to that of Australian males. The rate of suicides in females in the ACT fluctuated, with no clear pattern, but it was generally similar to the Australian rates of suicides in females.

Results from the 1995 national health survey showed that the ACT had the second highest rate of medium/high-risk drinkers and the highest rate of female high-risk drinkers. More recent results from the 1998 national drug strategy household survey showed that hazardous alcohol use varies with age; hazardous use is higher in our younger people aged 14 to 19 years, lower in those aged 20 to 29 years and higher in 30 to 39-year-olds; and for those aged 40 years and over, the rate of hazardous drinking is similar.

These statistics are produced from the 1995 national health survey and the 1998 national drug strategy household survey and are not from the recently released Australian secondary school alcohol and drug survey. The Alcohol and Drug Foundation of the ACT of course provides residential support to families affected by alcohol abuse.

In relation to indigenous health, it is notable that indigenous people make up a disproportionately large number of clients accessing services in the ACT with drug and alcohol problems, and I have mentioned that.

In relation to illicit drug use, people reporting ever having used any illicit drug is slightly higher in the ACT, and the difference is unlikely to be statistically significant. Recent use in the last 12 months of illicit drugs generally was lower in the ACT, but cannabis use was higher. The rate of lifetime use of heroin was lower in the ACT. These statistics were also produced from the 1995 national health survey and the 1998 national drug

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strategy household survey and not from the recently released Australian secondary school alcohol and drug survey, and would be affected in any event as a result of changes within the illicit drug using scene experienced here in the ACT.

There has also been a significant increase in the notification of prostate cancers, mainly due to increased screening using the prostate specific antigen (PSA) testing. Mortality due to breast cancer appears to have increased since 1995, but the ACT is currently updating its mortality statistics to confirm this trend and to investigate it further. Incidence of breast cancer is acknowledged to be higher in populations with higher socioeconomic status, and the link with higher socioeconomic status is associated with females having earlier menstruation due to better nutrition, being on average older at the birth of their first child, or not having children. Although participation in breast screening cannot be clearly linked to early mortality rates, the ACT does have the highest participation in the breast screening program.

Mr Speaker, there are a couple of other things that I will note before concluding. The rate of chlamydial infection is lower in the ACT. However, it has increased over the period 1995 to 2000 and the trend has been observed nationally. Indeed, there has been a very significant increase in chlamydial infection in the ACT and in Australia nationally, which is a concern in that this infection, if untreated, can cause infertility in women.

One other thing that is of interest in the Chief Health Officer's report is the significant increase in whooping cough in the ACT, particularly in the year 2000. It is hoped that the increase in whooping cough in the year 2000 was an aberration and that it will not be repeated.

Financial Management Act Papers and statement by minister

Mr QUINLAN (Treasurer, Minister for Economic Development, Business and Tourism, Minister for Sport, Racing and Gaming and Minister for Police, Emergency Services and Corrections): Mr Speaker, for the information of members, I present the following papers:

Financial Management Act—

Pursuant to section 15—Instrument directing a reallocation of funds, including a statement of reasons, dated 14 May 2002.

Pursuant to section 16—Instruments (6) directing a transfer of appropriations between departments, including statements of reasons, dated 14 May 2002.

Pursuant to section 17—Instrument varying appropriation related to Commonwealth funding, including a statement of reasons, dated 14 May 2002.

I ask for leave to make a very short statement.

Leave granted.

MR QUINLAN: Mr Speaker, as required by the Financial Management Act 1996, I have tabled these instruments and statements of the reasons for them. Variations under sections 15 and 16 of the Financial Management Act allow for changes to appropriations

throughout the year within the appropriation limit passed by the Assembly. Members of the Assembly have, as part of the tabling process, received documents detailing reasons for these variations and I draw members' attention to these explanations.

Section 16 instruments reflect the finalisation of the transfer of functions associated with the current administrative arrangement orders. I did commit to bringing the remaining variations for this financial year in one batch. This seemed to be important at one stage when we were considering typos and semantics. So I think, without giving an absolute guarantee, we have cleaned up all of the appropriate transfers.

Section 17 of the Financial Management Act 1996 allows for the appropriation for existing Commonwealth specific purpose payments. This instrument is for increased funding from the Commonwealth of \$0.4 million for legal aid grants. These instruments relate to the 2001/02 financial year, and are tabled in the Assembly within three sitting days of the authorisation, as required by the act.

I commend these papers to the Assembly.

Emergency housing for young people Paper and statement by minister

MR CORBELL (Minister for Education, Youth and Family Services, Minister for Planning and Minister for Industrial Relations): Mr Speaker, pursuant to the resolution of the Assembly of 12 December 2001, I present the following paper:

Provision of Adequate Emergency Housing for Young People—Government Report.

I ask for leave to make a statement.

Leave granted.

MR CORBELL: Mr Speaker, this report is the Stanhope government's response to the resolution passed in the Assembly on 12 December last year regarding provision of adequate emergency housing for young people. The resolution, in part, requested that the Assembly:

Recognising the provision of adequate, affordable, secure, appropriate long-term accommodation is an essential part of relieving pressure on emergency accommodation services calls for the government to—

- (i) produce a review of progress towards improving youth crisis accommodation services, in particular, Government responses to, the activities of and linkages between the Youth Housing Task Force, the Youth Supported Accommodation Assistance Program and its Reviews, relevant recommendations of the third and fourth Assemblies, and the Youth Servicing Strategy;
- (ii) report to the Assembly on the above Review by the last sitting day in May 2002 including in the report implementation strategies and agreed timelines; and

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Mr Speaker, the Stanhope government is committed to providing a range of housing and support options that better meet the needs of young people and their families. Ensuring access to safe, secure and affordable housing is a high priority and a key strategy in reducing poverty and addressing disadvantage. For young people in particular, the provision of accommodation and housing support requires strong support networks and education opportunities.

This report provides an overview of the Stanhope government's approach to the prevention of youth homelessness and the provision of housing, accommodation and associated support. The report provides an overview of the range of current service delivery and programmatic responses, highlights recent housing-related activity implemented by the Stanhope government, and outlines the next steps or considerations in addressing the issues. A wide range of programs are currently being provided by the government and non-government organisations to address the effect of youth homelessness and provide support to young people and their families.

Mr Speaker, the ACT government seeks to ensure that future service delivery matches identified community need, paying particular attention to local responses to social need as a matter of high priority. This approach will be reflected in new contractual arrangements with service providers for 2002/03. Consideration of service performance, service mix and geographic location will inform funding priorities. The needs of young people in North Canberra and West Belconnen will be a priority.

A range of initiatives will ensure an informed approach is taken, including the proposed homeless advisory group, youth housing task force report, affordable housing task force and the homelessness needs analysis project. The homelessness needs analysis project in particular will make a range of recommendations regarding appropriate service models for homeless people in the ACT. The need for holistic service delivery and service integration is reflected in a wide body of research and policy frameworks locally, nationally and internationally.

An increasing focus will be placed on early intervention strategies that seek to prevent homelessness and family breakdown. A strong emphasis is made in the research on the need for effective links across program, departmental and governmental boundaries in achieving effective responses to complex needs, including homelessness and the provision of housing assistance.

Mr Speaker, the Stanhope government believes that it is important to prevent young people from reaching housing crisis, in addition to ensuring appropriate assistance for young people already experiencing housing crisis or who are in need of housing.

I commend the report to the Assembly.

Land (Planning and Environment) Act—direction

MR CORBELL (Minister for Education, Youth and Family Services, Minister for Planning and Minister for Industrial Relations): Mr Speaker, for the information of members, I present the following paper which relates to Narrabundah, section 129:

Land (Planning and Environment) Act, pursuant to subsection 37 (1)—Direction to review the specific issues needs with the Animals-A-Float proposal in the context of permitting the area proposed to be used for agricultural activities and associated residential accommodation, dated 7 May 2002.

I seek leave to make a statement.

Leave granted.

MR CORBELL: Mr Speaker, in April this year the Assembly moved a motion under section 37 of the land act requesting me, as the Minister for Planning, to commence a draft variation to the Territory Plan in Narrabundah, section 129, and to keep this Assembly informed of progress. In response to the motion, I have considered the best way to address the substantial planning issues raised by Assembly members.

There are numerous unresolved planning issues associated with all of the land covered by the X overlay in Narrabundah. The Assembly's resolution provides an opportunity to properly investigate and resolve those issues, as well as addressing the particular issues associated with the business, Animals Afloat. In particular, it would be appropriate to consider the specific needs of Animals Afloat within the context of the overall use of all of the land covered by the X overlay and other surrounding land uses.

A comprehensive planning review would enable all involved to address the planning issues within a more comprehensive framework. Such a review would include a more detailed investigation of site constraints and opportunities, an examination of existing and proposed needs, and recommendations as to the most appropriate land use policies. The process will involve consultation with relevant stakeholders, including the local community, and could, if appropriate, later feed into the neighbourhood planning process for Narrabundah.

Mr Speaker, I believe that allowing the planning authority to undertake a planning review of the area that incorporates the views of the major stakeholders will not only resolve a number of outstanding issues but is also more likely to lead to a better overall planning outcome. The outcome of the review may lead to the preparation of a preliminary assessment that would inform the consideration of a variation to the Territory Plan. Further opportunities for this Assembly's consideration of the proposal would be available during these processes.

In response to the motion of 10 April, and with due consideration of the issues, I am directing the authority to undertake in a modified form a more comprehensive planning study of the area to ensure that the issues related to the Animals Afloat proposal are appropriately addressed with regards the orderly planning of the territory. This approach responds to the spirit and intent of the Assembly motion and allows the review to be undertaken within a strategic planning framework. This modified direction is in accordance with section 37 (3) (a) of the land act. On completion of the planning review, I will advise this Assembly further of the results of the work and my intentions for progressing the outcomes.

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Legal Affairs—Standing Committee Scrutiny Report No 12 of 2002

MR STEFANIAK (4.04): Mr Speaker, I present the following report:

Legal Affairs—Standing Committee (performing the duties of a Scrutiny of Bills and Subordinate Legislation Committee)—Scrutiny Report No 12, dated 16 May 2002, together with a copy of the relevant extracts of the minutes of proceedings and the original minutes of meetings Nos 11, 12 and 13.

I seek leave to move a motion authorising the publication of Scrutiny Report No 12.

Leave granted.

MR STEFANIAK: I move:

That the report be authorised for publication.

Question resolved in the affirmative.

MR STEFANIAK: I seek leave to make a brief statement.

Leave granted.

MR STEFANIAK: Scrutiny Report No 12 contains the committee's comments on one bill, nine pieces of subordinate legislation and one government response. In this report the committee has commented further on the government response received from the Minister for Health in relation to the Gene Technology Bill 2002. The committee has restated its position concerning the levying of a tax. The committee's position is that it is for parliament to set a tax rate and not for the makers of subordinate legislation to do so. The committee quotes the Senate Standing Committee for the Scrutiny of Bills. In June 1997 that committee said that "the vice to be avoided is taxation by non-primary legislation".

The Legal Affairs Committee also makes reference to case law, and quotes the following declaration in the Bill of Rights of 1689:

... levying of money for or to the use of the crown by pretence of prerogative without grant of parliament, or for longer time or in other manner then the same is or shall be granted, is illegal
...

The report also makes reference to the issue of whether bills are within the constitutional power of the Assembly.

Can I also point out that the committee has not yet commented on the Statute Law Amendment Bill 2002. It will do so in its next report. I commend the report to the Assembly.

Housing—Labor government's priorities and directions

Ministerial statement

MR WOOD (Minister for Urban Services and Minister for the Arts) (4.08): Mr Speaker, I seek leave of the Assembly to make a ministerial statement on housing.

Leave granted.

MR WOOD: I am pleased to be able to outline the priorities and the current directions for the Stanhope government in housing. The government came into office with a strong commitment to building an inclusive community, giving all people in the ACT the opportunity to lead fulfilling lives.

Access to appropriate housing is essential for people to participate in the economic and community development of the city. Without adequate housing, many low-income households are unable to access the health, education or employment opportunities that others take for granted. Ensuring everyone has access to appropriate and affordable housing is not only the basis of an inclusive community but also essential for contributing to the economic development and social wellbeing of the city.

We know that inadequate housing impacts on health, education and employment outcomes. Studies nationally indicate that sufficient good-quality, affordable housing in the right areas is a key to the efficient working of the economy.

The OECD's recent evaluation of Canberra identified affordable housing as one of the key challenges we need to address in achieving a sustainable future for Canberra in the 21st century. This is a challenge that is not going to be solved by a quick fix—it requires a considered, strategic and collaborative approach, with long-term commitment.

In response to these challenges, the government has established an affordable housing task force. It will report in October on a strategy for affordable housing. The report will include recommendations about how to improve affordability in both rental and home ownership markets. The report will include recommendations about how to improve affordability in both rental and home ownership markets.

Access to affordable housing is an increasing problem. We cannot continue to ignore the increasing affordability problems for many households in the ACT housing market. The Australian housing survey in 1999 found that private rentals in the lower income quintile paid more than 59 per cent of their income on housing. Since that time, rents at the lower end of the market have risen 30 per cent.

As I said on Tuesday, affordability in the home purchase market in the ACT has reduced because of an average increase in house prices of around 23 per cent in the year to March 2002. While existing home owners may be pleased with the spiralling price of houses, we should also be aware of the problems this presents for new home buyers, including our children.

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I have established an affordable housing task force because I am concerned about the increasing problems facing low to moderate earners in the ACT market. In tackling the issue of affordable housing in Canberra, I am working closely, as always, with the Minister for Planning.

There are no easy solutions to this problem. How to expand the supply of affordable housing has proved a challenge for all governments in Australia, particularly those in high-cost areas such as Canberra. For this reason, the task force is a collaborative process drawing on the skills and expertise of industry, government and the community; looking at a range of financing, planning, land development and social housing options; and learning from the experience of other models of affordable housing across Australia.

The work of the task force is closely linked with the important planning processes the government has initiated, particularly in relation to the Canberra plan and the neighbourhood plans. Affordable housing is a key aspect of social sustainability and will be a major challenge to be addressed in planning Canberra's future.

The challenge of responding to housing needs is a complex issue. It is one that requires us to look at the housing system in its entirety and its complexity and to develop a number of multifaceted and coordinated strategies.

A priority for the government over the next year will be negotiating a new Commonwealth-State Housing Agreement. Last month housing ministers met in Sydney to discuss future directions for the next CSHA. Ministers committed to further work in developing options for an agreement that will:

- create a modern sustainable housing system;
- support community development and the renewal of public housing estates;
- support wider government outcomes in health, education and labour market reform; and
- stimulate private sector investment in the supply of low-cost housing.

A national approach to these challenges was considered vital.

While the Commonwealth has given a commitment that it will enter into another agreement, I am concerned about the level of funding that will be provided for housing assistance under the next agreement.

Since 1996 there has been a 22 per cent decline in real terms in the ACT's funding under the CSHA. Further reductions in Commonwealth funding for housing assistance will jeopardise the ability of our public housing system to meet the needs of those most in need in our community.

While we need to investigate ways to work in partnership with the private sector to expand the supply of affordable housing, social housing continues to be a major platform for effectively responding to housing needs.

The ACT, like other states and territories, is under increasing pressure to reprofile its stock to provide more appropriate accommodation and to respond to increasingly complex needs. Pressures on the social housing system are occurring at a time when more and more people in the private rental market are experiencing housing distress.

The next CSHA needs to support a sustainable social housing system and to ensure that housing programs facilitate outcomes for employment, health and wellbeing, and stable communities. If the Commonwealth further reduces funding to the ACT, the territory will face significant challenges in providing appropriate housing for those who urgently need it.

The need to address housing stress in our community is a significant challenge. Three years ago the Poverty Task Group found that people living in poverty in the ACT spent more on housing than elsewhere in Australia. It identified nearly 16,000 adults and 10,000 children living in poverty in the ACT. Over a quarter of these households were in the private rental market.

The recent poverty forum organised by ACTCOSS reinforced that poverty and the increasing cost of housing continue to be a problem and urgently need to be addressed.

I am sure that all members of the Assembly are fully aware of the difficult circumstances facing families and households in poverty as a result of the tight rental market and rising rents. Since becoming minister, I have been even more acutely aware of the difficulties facing many people in Canberra in accessing appropriate housing. Each day families and individuals in crisis contact us seeking accommodation. They are finding that it is increasingly difficult to get into public housing.

To give you some indication of the extent of the problems, it currently takes around nine months for highest priority applicants to obtain a public housing rental property. For those in high need, but not the highest needs category, the waiting time is approximately 20 months.

While these waiting times will vary depending on location and dwelling size, this situation is a matter of concern. These are not isolated cases. With the ongoing demand for public housing and increasing waiting times for priority housing, community services are reporting increasing numbers of people in housing stress.

The need to respond to the increasing urgency around access to affordable housing was confirmed in the recent budget consultations. Housing was identified as the greatest priority for the government's budget by the Standing Committee on Community Services and Social Equity and was raised by a majority of witnesses at the public hearings.

As the committee noted, the availability of secure and affordable housing is critical to reducing poverty. It impacts on every other aspect of a person's life. I would like to take this opportunity to thank the standing committee for its extensive inquiry into and report on priority issues for the budget. This work has been valuable in informing the government's budget considerations.

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Recognising the need to tackle some of these issues now, the government has commenced a number of initiatives in addition to the work of the affordable housing task force. The development of a comprehensive asset management strategy which covers all of the ACT's \$1.5 million asset holding, including its multiunit sites, is a current priority of this government. The asset management strategy is being developed in consultation with the Housing Advisory Committee.

Canberra was built on a tradition of public housing across the city, and dwellings are well located near town centres, public transport, employment opportunities, educational facilities and other services. This tradition has contributed to the diversity and egalitarian nature of the city and is one of the key principles that will underpin our asset management strategy.

Appropriate housing that meets current standards for accommodation and facilitates sustainable tenancies and communities is another key principle and challenge. While the ACT has a higher proportion of stock than other states, it also has some of the oldest public housing in the country. The multiunit sites, many of which are nearing the end of their life, present particular challenges. These are significant issues that we need to consider.

While public housing represents the main form of social housing in the territory, community housing has the potential to complement this and expand the housing option. Community housing is now recognised as an important way to address housing needs. It offers the potential to provide greater choice of housing management for a range of groups in the community, including indigenous peoples and people with disabilities.

The government is committed to the expansion of the community housing sector and to working with the community sector. A major focus of the government this year has been an extensive consultation process with the community sector on future directions for community housing.

Underpinning the philosophy of the government is a commitment to ensuring that government processes incorporate the values of the community. Effective and open consultation is an essential part of achieving this.

Since coming to office, this government has commenced a package of integrated strategies to address issues for the housing system. In all of these initiatives—the affordable housing task force, the asset management structure, future directions for community housing, the review of the select committee recommendations on public housing from the last Assembly—the government has recognised the importance of working in partnership with the community and industry.

The peak housing bodies, ACT Shelter and the Coalition of Community Housing Organisations are key players in ensuring that the voices of housing consumers and providers are heard in these processes.

Reinforcing the priority that the Stanhope government places on housing, I have given greater status to the Housing Advisory Committee. We came into office with a commitment to restore security of tenure and remove three-year leases for new public housing tenants. As a matter of priority, I have asked the Housing Advisory Committee

to review the recommendations of the select committee and provide me with advice on implementing those commitments.

The affordable housing task force is also consulting widely with the community on the identification of affordable housing options in the ACT. Over the next few months the task force will conduct a series of seminars to obtain broader community input on housing affordability issues, such as land and planning and private sector finance. A website for the task force is currently being developed and will soon be operational. This will aid the dissemination of information on the task force's activities and facilitate community input.

In keeping with its election promise, the government will also soon commence a review of the Residential Tenancies Act.

The challenges facing the housing system require commitment and strategic partnerships. The government will continue to work with ACTCOSS, ACT Shelter, CCHOACT and others in the community to address these problems and develop future directions for housing.

Ensuring effective linkages between housing and other services is also important in achieving broader social outcomes. Central to the government's policy platform is the development of a social plan for Canberra which will be a major focus for addressing the housing, social infrastructure, and access and equity needs of our community. This will be an important mechanism for facilitating linkages between housing and other programs and ensuring government assistance is responsive to the range of community needs.

The Stanhope government has also taken a whole-of-government approach to addressing homelessness. This is another area where I will be working closely with Mr Corbell, who will be establishing a homelessness advisory group to facilitate linkages between services and to develop integrated strategies.

Access to emergency housing is also a priority. From a housing perspective, I am concerned to ensure that people in urgent need of housing are able to access accommodation. While ACT Housing gives priority allocation to people who are homeless, it is not well placed to respond to urgent needs for accommodation. In these circumstances, access to information about alternative options and assistance with accessing accommodation quickly are important. The government is examining strategies to increase options for people in housing crisis.

Finally, access to adequate housing is a key building block of our society. Health, education and employment outcomes all depend on a person having adequate shelter. In the past Canberra's tradition of public housing has contributed to the egalitarianism of our community. However, we are now faced with significant pressures on our social housing system at a time when the private rental market offers few choices for families and households on low to moderate incomes.

The government has embarked on significant planning processes for the future development of Canberra, and affordable housing will be a key challenge that we need to address. As a community, we are at the crossroads. We can face these challenges for housing in the ACT and start now to work towards a sustainable future—a future that

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ensures access to appropriate and affordable housing for all residents—or we can continue to ignore the problem.

This government believes that housing is the prerequisite for ensuring all members of our community have the opportunity to lead fulfilling lives and participate fully in the community, and it is the intention of this government to give priority to housing.

I present the following paper:

Labor Government's commitment to housing—ministerial statement, 16 May 2002.

I move:

That the Assembly takes note of the paper.

MR STEFANIAK (4.24): Mr Speaker, I welcome the paper, and I will be interested to see what the government does in its budget. The nub is in the minister's conclusion:

... access to adequate housing is a key building block of our society. Health, education and employment outcomes all depend on a person having adequate shelter.

That is true. Canberra started very much as a city built around public housing. That was mainly to entice public servants to come to Canberra. In 1950, 96 per cent of all housing was public housing. Those of us who have lived in this town for many years grew up in public housing. I can recall going from a one-bedroom flat in Barton to a housing trust property in Ainslie, which is still there, I am pleased to see—and it looks very nice too.

As time went on, more and more people bought their own homes, and public houses were sold off. We still have one of the highest percentages of public housing in the country, at 10 or 11 per cent of total housing stock.

I do not think I have seen before the number of people who have had difficulty getting accommodation, especially emergency accommodation, over the last couple of months.

The minister spoke about his government's philosophy on security of tenure and how long people should stay in public housing. He has concerns about removing three-year leases for new public housing tenants. That process was started nationally when I was housing minister. The intention was not to deprive people—

Mr Cornwell: Mr Speaker, could I take a point of order, sir?

MR SPEAKER: Yes, you could, Mr Cornwell.

Mr Cornwell: There are no members and no minister present for the government.

MR SPEAKER: Are you drawing attention to the state of the house?

Mr Cornwell: I am drawing attention to the fact that there is nobody from the government listening.

MR SPEAKER: You have two options. Having drawn it to our attention, you can sit down now, or you can draw attention to the state of the house and I will ring the bells and get all members here. It is over to you.

Mr Cornwell: I will sit down on that point.

MR STEFANIAK: Rather than dragging everyone out of their rooms, even though this is an important debate, I note Mr Cornwell's point that no members of the government are present. I would have thought at least the minister could stay. I hope that is not indicative of a lack of interest in public housing.

Mrs Cross: It could be perceived as that .

MR STEFANIAK: It could indeed be perceived as that, Mrs Cross. Mr Wood is now returning.

Mr Wood: I have been here all the time.

MR STEFANIAK: You have.

Mr Wood: I have been paying close attention.

MR STEFANIAK: No-one else is, Bill. That is a problem.

The point was to ensure that people who were able to move out of emergency housing or public housing into suitable accommodation did so. That is desirable. That is very important. We are feeling the pinch in public housing, even though we have more stock, albeit old stock, than other states or territories except the Northern Territory and perhaps South Australia, which have been rather close to us in recent years. It is important that people who are over a problem and can move out into their own home do so. I will be interested to see what comes from that point in the minister's statement. No-one is suggesting that people who need public housing should not be able to have it. That is what security of tenure is all about. But it should not be for life.

Emergency housing is a real problem. I am quite worried about the number of people ringing my office, and no doubt ringing the minister's office, who are desperate for housing and have nowhere to go. Families are sleeping in cars. I have recently had a spate of calls from men with children who have nowhere to go and are sleeping in cars. In the past there may have been occasional problems. Sometimes we would hear of people having to stay with friends. No doubt that still occurs, but in the past I do not think I have seen so many people who have nowhere to go, who cannot be housed with friends, for whatever reasons, and who are sleeping in cars. That is sad enough if it is a single person, but if it is a family it is even more of a problem.

One pleasing point in the minister's statement relates to Ainslie Village. M block has 13 rooms. One room has four beds in it and the other rooms are single rooms. They could accommodate more than one person if need be. The bottom line is that 16 people could be accommodated in that block, or it could be used as emergency housing for 26 of 28 people, if they are compatible. That block was set aside for a rehabilitation unit which

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has not commenced, even though money has been made available. It may not be structurally suitable for that purpose.

As I said several weeks ago, that is an ideal opportunity to give at least 16 and possibly more desperate people emergency accommodation. I have not heard back from the government on that. I hope that that will occur. The building is there; the beds are there; the blankets are there; the staff are there. There was going to be a downsizing of staff when the building turned into another type of unit supervised by other staff, but I understand the staff are still there.

I do not know from the minister's statement whether the accommodation for 18 to 25-year-olds he speaks about involves that block. If it does, I would commend him. If it does not, I would strongly suggest that he look at that block, as I suggested several weeks ago, and use it while he can. It will accommodate at least 16 people.

As members in this place know, the opposition has taken great interest in what the Labor government has done in accommodation for men with children. We have been highly critical, and rightly so, of them throwing out the MAACS program run by lone fathers from the house for men on the north side.

A new program is up and running there. I have a couple of concerns with that. It is impossible for people to access that program after 10 o'clock, as a number of people have tried to do. The president of the organisation that ran it is still getting phone calls because his number is still on the departmental telephone contact list, even though that was put out well and truly after the department had given the contract to another group. People desperate for accommodation are making 60 to 80 calls a month to the old president, Barry Williams. That is very worrying.

The group looks after a longer term clientele—two to three men with children or families—rather than people seeking emergency accommodation. That is in their terms of reference. That is nice for the families concerned, but when my office gets phone calls from a lot of men who are sleeping in cars with their children, I do not think that is a satisfactory situation.

The opposition has called on this government to establish another centre on the south side. In the past, we have actually said, "Why not start the new group on the south side and leave MAACS to run its operation on the north side?" I do not think anyone would quibble with MAACS providing their short-term emergency accommodation for men with families on the south side. That would not cost a huge amount of money. They operated on about \$100,000 a year before. The new group has \$180,000 a year.

ACT Housing would provide a house. That is not a huge ask. That would alleviate some of the problem but not all of it. A lot of other things need to be done, but that is one solution. Another solution is to open up the block at Ainslie village. But I suspect even that may not be enough, so other moves are necessary.

I have never seen the problem quite as bad as it is now. The minister indicated that the private housing market is tight. That is a fact and is obviously a contributing factor. There is a lot more we can do and a lot more the government can do.

Tomorrow I am hosting a forum on homelessness, with all the interested groups, including ACTCOSS, attending. I will be very interested in what they have to say, and I will be more than happy to pass on our deliberations to the minister. Some people are in desperate need of accommodation.

Housing is the key building block in our society. I agree entirely with the minister when he says that health, education and employment outcomes all depend on people having adequate shelter. It is very difficult to operate successfully if you do not have a roof over your head. It is hard enough for a single person. It is even harder for families. The crisis that is developing in our community is something this government needs to be aware of and do something about.

MS TUCKER (4.36): As chair of the former Select Committee on Housing, I find it slightly surprising and interesting that Mr Stefaniak should say that he is now suddenly very interested in these issues. I have been raising them for seven years. They were not so interesting when the Liberals were in government. That seems to be happening in most areas of concern. Maybe it is just what happens in politics, but it is starting to become like a Monty Python film.

Mr Wood said that all recommendations of the select committee are to be looked at by the Housing Advisory Committee, including those on security of tenure. I understood Labor's position to be absolutely clear that they would reinstate security of tenure, and Mr Wood has said that he will.

I am concerned that another inquiry is now being carried out. The select committee had an inquiry, and it was pretty clear what people thought. Labor supported the recommendations of the inquiry. We want to see action rather than more reviews, although there is work to be done on exactly how some of the recommendations could be put into practice.

The review of the Residential Tenancies Act is a housekeeping review. I stress the importance of ensuring that that is a consultative process. After talking about that review, Mr Wood talked about his commitment to working with community stakeholders. Perhaps that means that the review will include those stakeholders.

(Quorum formed.)

Question resolved in the affirmative.

ActewAGL

Discussion of matter of public importance

MR SPEAKER: I have received a letter from Ms Tucker proposing that a matter of public importance be submitted to the Assembly, namely:

The need for the Government, as the half owner of ActewAGL, to promote ecological sustainability and social responsibility in ActewAGL's operations.

MS TUCKER (4.40): I have raised this matter of public importance today because I have been greatly troubled by the offhand responses that the Treasurer, Mr Quinlan, has

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given to two matters that have so far been raised in this Assembly regarding ActewAGL. I am sure Mr Quinlan will join us shortly.

In April, I asked the Treasurer a question about his input into ActewAGL's proposal to spend \$50 million on building a gas-fired power station at Hume, and whether the proposal had looked at alternatives, such as demand management and building more green power stations. Mr Quinlan said that he has had no input into ActewAGL's actions, and that ActewAGL was an independent partnership. He said that he was happy to pass on my questions to ActewAGL, but then he said, "I hope to be consulted on this, although I have to say that I would have to read the contract that set up ActewAGL to know if I have got any influence whatsoever."

Yesterday, we had a motion from Ms Dundas calling on the Treasurer to request ActewAGL to include information on customers' electricity bills about carbon emissions generated by those customers. Mr Quinlan responded by saying that he was still getting a ruling on exactly how much clout the government has with ActewAGL, given that we sold half of Actew a couple of years ago to a commercial body that quite clearly has strictly commercial, as opposed to social, objectives. He also said that he cannot guarantee that a motion passed in this place under the current structure could be enforced with ActewAGL, because AGL owns half of ActewAGL and we have no say over AGL.

I find Mr Quinlan's comments alarming, first, because he does not seem to know what his roles and powers are in relation to ActewAGL, even though he has been minister for six months now. Second, he does not seem to be very worried about what ActewAGL does, even though the government is a half-owner of ActewAGL, and has millions of taxpayers' dollars tied up in its operation.

He also does not seem to be very concerned that the Actew side of ActewAGL is a territory-owned corporation, which has an obligation to make not only a commercial return, but also to act in the public interest. I would like to remind Mr Quinlan and this Assembly of this obligation. When Actew was corporatised in 1995, the Greens worked hard to have additional corporate objectives inserted into the Territory Owned Corporations Act that would apply specifically to Actew.

Other TOCs, or territory-owned corporations, have the objectives of operating at least as efficiently as any comparable business, and maximising the sustainable return to the territory on its investment. Actew has additional objectives, which are set out in schedule 4 of the TOC Act. First, Actew is to "exhibit a sense of social responsibility by having regard to the interests of the community in which it operates". Second, Actew is to, "where its activities affect the environment—conduct its operations in compliance with the principles of ecologically sustainable development".

ESD is then defined in the schedule. In summary, it is taken to require the effective integration of economic and environmental considerations in decision-making processes in accordance with the precautionary principle, the intergenerational equity principle, the conservation of biological diversity and ecological integrity, and the improved valuation and pricing of environmental resources.

A further point to note is that the schedule also says, “The principal objectives of the company are of equal importance.” I stress that—the objectives are of equal importance: environmental and social considerations are not to be subservient to economic interests. In the last Assembly, the former Liberal government attempted to sell off Actew, but this was defeated by the Labor Party, the Greens and the crossbench. The Liberals did not give up though, and got crossbench support to sell off half of Actew to AGL.

It should be noted, though, that in the legislation that implemented this agreement, the Actew/AGL Partnership Facilitation Act 2000, it is specifically stated in section 7 that the provisions of this act are in addition to, and not in derogation of, the Territory Owned Corporations Act.

The corporate objectives of Actew are not wiped out in its merger with AGL. They still apply to Actew’s involvement in ActewAGL. When the former Liberal government proposed the fifty-fifty merger between Actew and AGL, it was unclear to me how the decision-making process within the joint venture would work, particularly if there were disagreements. With an equal ownership structure, and equal representation and voting rights on the ActewAGL board, neither side would find it possible to achieve a majority in the decision-making process of the company.

I was concerned, and I still am, that the interests of Actew will be swamped by the much larger corporate power of AGL, which is the market leader in the Australian gas and electricity supply market, as well as operating in New Zealand and Chile.

Let’s not forget that ActewAGL currently supplies all the residential market in the ACT with both electricity and gas, although this may change in future with further deregulation of the energy market. ActewAGL also has monopoly control over the water and sewerage services in the ACT, which are essential community services. It is also probably the biggest company operating in the ACT. The decisions that ActewAGL makes have major implications for energy and water consumers in the ACT—for all of us.

The previous Liberal government did not seem to worry about this, and seemed quite happy to let ActewAGL do what it liked, as they wanted the whole thing privatised anyway. I am surprised, though, that the ALP seems to be following in the footsteps of the Liberals in washing its hands of Actew. I would have thought that the ALP would be more interested in the operations of ActewAGL, given that it wanted to keep Actew under government ownership.

I also thought the ALP would be more interested in the environmental implications of ActewAGL’s operations, given the Labor Party’s promises to promote sustainability in a range of sectors, and given that energy use is a major producer of greenhouse gas emissions, and the biggest producer in the ACT. We all know that ActewAGL is an odd hybrid of both government and private sector interests, but I was expecting that the ALP would take much more interest in its operations as a way of achieving other policy objectives, rather than just letting ActewAGL become a more commercially driven enterprise.

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I am hoping that the government will use the opportunity of this MPI to clearly explain its role, as half-owner, in the decision-making processes of the joint venture, both in a legal and a practical sense. I also want the government to explain how it will be exercising this role, and to indicate what it sees as the priorities for ActewAGL in the coming years, or to admit, if that is what it wants to do, that it has given up on ActewAGL, so that at least we all know what is going on.

Until now, the government has been giving some quite confusing messages about its relationship to ActewAGL, so it should come clean and make clear what it is going to do about the legacy left behind by the Liberals.

MR WOOD (Minister for Urban Services and Minister for the Arts) (4.48): Mr Speaker, I present the apologies of Mr Quinlan. The various debates have gone on longer today than we expected, and he had to leave at about 4.30 to go to a ministerial meeting. Much as he would wish to be here in person, he cannot. He may have heard portions of your speech, Ms Tucker, but he is not able to respond in person. Nevertheless, he has left some instructions that I am happy to follow.

He says this is an important MPI. The government, as the owner of Actew, which is the half-owner of ActewAGL, is totally committed to ecological sustainability and social responsibility. The government has put in place policies and practices to ensure that these issues are thoroughly considered and sensibly pursued in Actew's investment in ActewAGL, and across all activities of the government.

Actew Corporation, the half-owner of ActewAGL, has shown itself to be an industry leader in terms of environmental and ecologically sustainable initiatives, not only in Australia but worldwide. Actew itself is fully committed to ensuring that its activities are economically sound, socially responsible and ecologically sustainable. This government's commitment to ecological sustainability is clear.

Sustainability is about development that meets the needs of today's generation without compromising the ability of future generations to meet their needs. It has three dimensions: the economy, the environment and society. Pursuing sustainability involves integrating these factors into decision-making. It is an approach, not an end point. We recognise that it is not sufficient to have a one-out policy on sustainability. We are ensuring that sustainability is a core tenet of policy development and implementation.

A key initiative of this government to achieve a thriving and sustainable Canberra that enjoys social equality, environmental quality and economic prosperity has been the establishment of the Office of Sustainability. The office has a cross-government role, and functions that include the development, facilitation, coordination and implementation of government policies and procedures related to sustainability. The office will provide expert advice to government agencies on such matters. It will liaise with business and the community on issues related to sustainability.

Informal discussions have already been undertaken with Actew, which has expressed its support for the government's sustainability agenda. The office is well advanced in developing a policy framework that will be released in draft form to the public for comment in the middle of the year, as the government works on developing that very important office.

While the establishment of the office is a key initiative in developing sustainability, the government is working on a range of other commitments that are also relevant. A social plan, an economic white paper, and a spatial plan are a few of the integrated initiatives that we have promised to deliver, initiatives that are part of this government's commitment to achieving a sustainable way of life.

The ACT is also an active participant in the Commonwealth/State Ministerial Council on Energy, the interjurisdictional forum that takes an active role in developing an ecologically sustainable energy policy. The council oversees such initiatives as energy efficiency rating schemes for appliances, houses and commercial buildings. The council is also concerned with reducing the barriers for renewable energy enterprises entering the market, as well as with the potential for setting policy directions on issues such as demand side management and distributor generation, which are aimed at the more ecologically and economically sound use of energy.

The ActewAGL partnership agreement requires that services are provided in accordance with all applicable regulatory requirements, including the Utilities Act, the Environment Protection Act and the Public Health Act. The Utilities Act enables the government and the Assembly to determine the relevant standards and conditions with which all utilities, including ActewAGL, must comply. These standards and conditions are contained in codes that deal with consumer protection and safety, and other issues.

The Utilities Act requires utilities to have operating licences, the conditions of which each utility must comply with, as well as complying with the relevant codes of practice. The Utilities Act has also established the Essential Services Consumer Council, to deal with unresolved consumer complaints.

The electricity supply of last resort code also binds ActewAGL. Should an electricity supplier be unable to continue to supply electricity to customers, then ActewAGL, as the distributor, is required to supply that electricity upon notification.

The Utilities Act also requires utilities to carry out their community service obligations. The last budget allocated \$9.1 million to Actew so that it could carry out a range of CSOs. The majority of those relate to pensioner concessions in respect of electricity, water and sewerage charges, and the provision of water and sewerage services at half price to community organisations, such as schools and churches.

Actew's principal objectives require it to exhibit a sense of social responsibility by having regard to the interests of the community in which it operates. They also require that, where its activities also affect the environment, Actew conducts its operations in compliance with the principles of ecologically sustainable development. Schedule 4 of the TOC Act also requires Actew to integrate economic and environmental considerations into its decision-making process. Actew's board is obliged to ensure that its various objectives are carried out, not only in relation to the activities of Actew, but also in relation to the activities of ActewAGL, because of Actew's significant investment in the joint venture.

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Actew's ongoing commitment to environmental considerations is clear from its most recent statement of corporate intent, which lists as one of its values maximising the environmental benefit of its asset management and service provisions functions. Actew and ActewAGL are well advanced in incorporating sustainability issues into their business activities. They believe they are the industry leaders. They value safe and environmentally friendly practices, and strive to provide energy, water and sewerage services in the best possible way.

ActewAGL, like Actew before it, is at the forefront of environmental management. In the water and sewerage business, it meets and exceeds every relevant standard for drinking water quality and effluent discharge. The energy network's business also achieves compliance with all operational and environmental standards and requirements. ActewAGL annually publishes an environmental report, and has placed its environment action program for the future on the public record.

ActewAGL promotes the use of green energy to all its customers through its GreenChoice program. It is very heavily promoted. Over 3,800 customers choose to use green energy in their homes, and that number is growing. On behalf of Actew Corporation, ActewAGL operates a mini-hydro plant up there at Mount Stromlo. ActewAGL is also actively exploring the use of mini-hydros at all the dams, utilising environmental ways to generate power.

Firm plans are in place for a hydro plant at Googong Dam, and other sites are being investigated. ActewAGL is even looking at putting a hydro station on the outlet of the lower Molonglo sewage treatment plant, to generate power for use within the plant. We all hope that these investigations bear results.

ActewAGL continues to drive the establishment of photovoltaic solar generating systems. It has installed a number of systems on homes in the ACT, and supported the establishment of the Campbell High School solar energy system. It is leading discussions with equipment manufacturers, installers and the like, and other government agencies, to try to increase the commercial potential of solar energy.

It is also active in pursuing the development of wind generation in the ACT region. It has undertaken detailed analysis of wind resources, and a number of potential wind resource sites have been identified. ActewAGL is planning to install wind monitoring stations in the ACT region shortly, to further define wind resources.

ActewAGL is a foundation purchaser of the output of two biogas plants in the ACT. Located in Mugga Lane and Belconnen tips, these plants can produce one megawatt each of green energy, which is then sold.

The list goes on—effluent recycling. The effluent from ActewAGL sewerage plants is recycled where practical, for use in irrigation. Material from the lower Molonglo plant is used on a vineyard and a golf course, while clean effluent from the Fyshwick plant is used for playing fields and gardens in North Canberra.

I am sure members have observed that ActewAGL widely promotes the sensible use of our water supplies, through advertising and providing advice to customers. The Xeriscape garden, at the Weston campus of the CIT, is much visited and produces very

good results. In addition, over 20,000 customers contacted ActewAGL's advisory service for information regarding responsible energy use.

The government is well aware that ActewAGL is currently investigating the feasibility of a gas-fired generator. Mr Service wrote to the Chief Minister and to Mr Quinlan only as recently as April, advising that Actew has been interested in that issue for many years, particularly as a way of diminishing greenhouse gas emissions. However, he made it clear that Actew has not made a commitment of any kind to invest, at this stage, in such a generator. If any proposal of that kind comes before Actew, it will consult with the government.

Actew advises that natural gas-fired generators emit between 30 and 40 per cent less greenhouse gas than black or brown-coal generators. Since the ACT largely sources its electricity from coal-fired power stations, replacing some of this with energy from a gas-fired generator could make a useful contribution to the ACT's greenhouse reduction efforts.

In considering any proposal, the government would look very closely at not only the economic credentials of any proposal, but also the ecological and social issues that are related to such a proposal.

At 5.00 pm, in accordance with standing order 34, the debate was interrupted. The question that the Assembly do now adjourn having been put and negatived, the debate was resumed.

MS DUNDAS (5.01): I thank Mr Wood for informing us of the current activities of ActewAGL, but I believe that the MPI that Ms Tucker has brought to our attention today is more about what the government should be doing as half-owner of ActewAGL. There are several compelling reasons why the ACT government should exercise influence over the operations and strategic directions of Actew and ActewAGL.

The burning of fossil fuels to generate electricity is one of Australia's main contributions to global warming. Although we may be required to honour carbon emission targets set out in the Kyoto Protocol, Australia as a whole, including the ACT, has not yet introduced sufficient energy generation or energy conservation strategies to enable us to meet the agreed emission targets.

Electricity is an essential service. To have an acceptable standard of living, it is essential that all people in our community have access to an affordable supply of electricity. As we are all aware, the previous Liberal government sought to wholly privatise Actew. Happily, the Assembly agreed to a joint venture arrangement only, so the people of the ACT still have a 50 per cent share in the corporation that purchases or generates the electricity on which every ACT resident depends.

As Ms Tucker has pointed out, schedule 4 of the Territory Owned Corporations Act requires Actew to "exhibit a sense of social responsibility" and comply with "the principles of ecologically sustainable development". The schedule also requires the corporation to maximise the sustainable return to the territory from its investment in Actew.

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Actew's pricing is regulated by the Independent Competition and Regulatory Commission, so we have some reason to be confident that ACT electricity prices will remain competitive with those of suppliers interstate.

However, it is unclear which, if any, entity is ensuring Actew's compliance with the environmental charter set out in the Territory Owned Corporations Act. It is hard to imagine that a proper balance between the pursuit of profitability and the pursuit of the social and environmental goals of the act could be achieved without some government intervention in Actew's operations. The same could be said of the operations of ActewAGL, which is 50 per cent owned by a listed company with a duty to its shareholders.

I was rather alarmed to learn yesterday that the Treasurer is uncertain about what power he has to direct, or even to request, ActewAGL to do something that would increase Actew's compliance with the Territory Owned Corporations Act. I am currently unaware of the details of how decisions are made by the ActewAGL joint venture board, but I do know that the government appoints the board of Actew, and that Actew in turn appoints three of the six members of the joint venture board.

There is obviously no direct chain of command between the Treasurer and the three Actew representatives on the joint venture board, but I would find it curious and disturbing if those board members did not give serious consideration to the resolutions of this Assembly or the requests of the Treasurer. I would also find it particularly disturbing if the board disregarded such a request, if the suggested action would improve compliance with schedule 4 of the Territory Owned Corporations Act.

However, even if the Treasurer does find that his requests are disregarded, I cannot see why legislation could not be introduced to require the corporation to take particular action, provided such legislation does not fall foul of national competition policy.

I believe that few people in the ACT would disagree with the statement that we should be obtaining more of our electricity from renewable sources. We also need the government to aggressively promote energy conservation measures to reduce future energy needs. If the current corporate structure of Actew or ActewAGL frustrates the pursuit of these goals, then maybe it is time to revisit the regulatory regime governing electricity generation and supply in the ACT, to see what we can do to make this goal achievable.

MRS DUNNE (5.06): Mr Speaker, I rise to speak on this MPI with considerable interest, as Ms Tucker has, in the subject. However, I wish to point out that Ms Tucker seems to be incredulous of this, and appears to equate the Liberal Party and its views on the environment to some sort of Pythonesque film. I feel that I need to remind Ms Tucker and the Assembly that the Liberal Party has always been entirely consistent when it comes to the issues of energy conservation, sustainability and greenhouse gases.

I would like to remind the Assembly that it was under the Liberal Party that the ACT first embraced greenhouse targets, and that energy conservation and the use of renewable energy have been consistently endorsed by the Liberal Party. I also speak in this debate as a consumer of ActewAGL's products, and an admirer of its commitment to new technologies. For the record, ActewAGL is an electricity, natural gas, water and

sewerage services utility that is based in the ACT. Outside its home base, ActewAGL sells electricity in the south-eastern Australian contestable market, and provides skilled services elsewhere in Australia and overseas.

The ownership of ActewAGL is jointly shared between Actew Corporation and AGL. Actew is a territory-owned corporation. The ACT's water and waste water assets are owned by Actew Corporation, and ActewAGL provides water and sewerage services under contract. Its services are regulated by legislation.

The Utilities Act, which was a commendable piece of legislation and a great initiative of the Liberal government, came into effect for ActewAGL and the Actew Corporation on 1 June 2001. It regulates, as Mr Wood has outlined, how all utilities must provide services to customers in the ACT, and it also regulates to some extent the community service obligations of ActewAGL and Actew.

Unlike some in the Assembly, I applaud the farsightedness of the former Liberal government that led to the synergy of this unique partnership. What we created in the ACT was a one-stop shop utility. Today, we have already expressed warm sentiments towards the new nation of East Timor, and I share those views. An outfit like ActewAGL is exactly what an emerging nation like East Timor needs: concerted expertise of world standing that spans the gamut of utility services.

Before the ACT election, the former government was approached by many on behalf of the emerging nation of East Timor to gain the participation of ActewAGL in utility projects in East Timor. If the World Bank would underwrite ActewAGL's involvement, East Timor could have a service that is second to none.

I have to say that, as shadow minister for the environment, I have had several dealings with senior executives of ActewAGL and I am, and continue to be, impressed by their willingness to look at emerging technologies and their application in the territory. As Mr Wood has already said, we have mini-hydros on some dams, the continued investigation of wind power generation, the participation in photovoltaic experiments in houses and schools, and the Cranos experiment, which led to the treatment of waste water for reuse on playing fields, and to experimentation with small-scale, grey-water reuse plants in private homes.

It has been my experience that concerns of ecological sustainability are very much to the fore of ActewAGL's corporate thinking. However, I doubt very much whether that enlightened awareness is shared by their equal partner shareholder, represented in this place by Mr Quinlan. Judging by statements made in the Assembly by Mr Quinlan, I sometimes wonder if he sleeps through the briefings he receives. In this Assembly just last month, when I moved, against the government's wishes, to have the issue of renewable energy referred to the Standing Committee on Planning and Environment, Mr Quinlan thought it was rather quaint. He pooh-poohed the notion.

Thinking aloud, Mr Quinlan's contribution to the debate centred on his curious observation, and I quote, "If you produce stuff out of your committee at the soft end and it is idealistic and stunning but totally useless, it will be over to you." Mr Quinlan thinks that sustainability and renewable energy are totally useless—the far-seeing, visionary,

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Mr Quinlan. These are his words again and again. He said it was idealistic, stunning, but totally useless.

I have a strong belief in the goal of sustainability, because we have no other responsible option. Further, I want to see the ACT emerge as a trendsetter. If it proves feasible for us to become the world's first sustainable energy city—and I believe it can be done—we should go for it. Mr Quinlan's response to that idea was merely to laugh.

Let me put on the record here that, no sooner had I spoken in that debate last month—when my comments were pooh-poohed by Mr Quinlan, a shareholder in ActewAGL—than I was contacted by ActewAGL with an offer to brief me on what was already happening, what they were already doing in this regard. They are really ahead of the game.

What might have been dismissed years ago by most people, and is still dismissed today by Mr Quinlan, as science fiction, is already on the drawing boards, especially regarding the active exploration of wind turbines to produce electricity. Within my lifetime I want to be able to look out on the horizons of the territory and see these graceful machines at work producing energy that is renewable and sustainable, and not adding one iota to greenhouse gas emissions. Regrettably, this is not a vision shared by Mr Quinlan nor, presumably, by the rest of his government.

When we were addressing these issues, Mr Quinlan was more interested in how the ideas would play out in the big boys playgroup of the national energy market, which may itself actually be an impediment to ever having sustainable energy in this place. If he were asked to take along an idea that might emanate from the committee, his amusing and visionary response would be to say, "G'day ladies and gentlemen. I have this lot, but you have to remember that I am from a minority government." True to form, just yesterday, when we were having a discussion on solar hot water systems, he expressed the view that the matter, in his words, was "a little bit of nonsense".

He seems to be more concerned about the administrative imposition than about having any vision. Mr Quinlan expresses the view that he is a practical and pragmatic man, and he does not want to be bogged down with these little bits of nonsense. One day, I hope that Mr Quinlan will learn that there is nothing more pragmatic than principle and vision. I support Ms Tucker's motion with the reservation that her barbs should be aimed squarely at this government, and especially the responsible minister, who quite frankly does not care.

MR SPEAKER: Order! The time allotted for the discussion has expired.

East Timor—independence

Debate resumed.

MRS CROSS (5.15): In 1999 the world watched as East Timor gained freedom through an overwhelming victory for independence in a United Nations supervised referendum. As the referendum concluded, we then watched in disbelief and horror as the world's television screens were flooded by waves of hatred unleashed across the country. The

death and destruction were frightful, as schools, businesses and other buildings were swept up in a spiteful, scorched backlash.

For those of us seated at home in our relative comfort, it was almost impossible to comprehend such spite. Many of us wept in shock and helplessness. But if we were weeping at the tragic turn of events, how much more terrible must it have been for the peoples of East Timor in the midst of it? I pray none of us will ever see or experience the like of it again.

But the proud, tough, resilient people of East Timor have lifted themselves from the ashes, not just figuratively but in cruel fact, and are not looking back on the horror but are looking ahead as they make their own way along what they recognise will not be an easy road. That the way may be bumpy does not deter them. They see themselves as being up to travelling it, but a few helping hands along the way will not go astray.

Today East Timor is rebuilding. The first democratic elections have been held; a constitution has been written and adopted. Peace, which came at a heavy price, has at last been established. In a few days time, the eyes of the world will again be on East Timor, but this time we will be watching a celebration as the transition to self-determination is completed and East Timor stands on its feet as the first new nation of the new millennium. Despite this glorious new beginning on 20 May, we recognise that it is still just the beginning. The world's ongoing commitment to East Timor will still be needed.

In preparing myself for the conference I attended recently to respond to the President's opening address, and subsequently in seeing some of Dili and the surrounding areas, I became very mindful of the challenges that lie ahead. But that feeling is tempered by the knowledge that in the past two years much has already been achieved in the rebuilding of this country.

Nations from around the world have come forward to help the people of this country. I know that the people of Australia have undertaken a significant financial commitment to East Timor's reconstruction and development, with focus on governments, education, health, roadworks, water supply, sanitation, rural development and other forms of assistance. We have done so willingly, not simply out of duty.

Despite this humble beginning to nationhood, the future of East Timor is bright. Economic estimates of resource development potential offer real hope. However, I suggest that this nation's greatest resource is its wonderful people. After what they have been through, they should be so proud of themselves. They fill me with admiration.

President-elect, Mr Xanana Gusmao, is an extraordinary man who exemplifies the spirit needed to overcome the challenges that lie ahead. According to media reports, Mr Gusmao has said that he would rather just be a pumpkin farmer and that he may have nothing more to give to the nation. No doubt the idea of a well-earned rest and growing pumpkins is very appealing, and no doubt that option can fill some happy days. But as far as having nothing more to give, he is too humble. He has demonstrated over the years those qualities of strength, courage and calm steadfastness that are needed now as much as they ever were.

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The coming years will bring with them many burdens, and those burdens will need strong shoulders—his strong shoulders, along with the strong shoulders of his fellow leaders and of his people. The challenges that lie ahead are daunting—no-one would deny that—but he is a dauntless leader of a dauntless people. And bear in mind that he will not be left to walk alone. We in the international community must and will help these people bear their burdens.

It is in this frame of mind that I believe in years to come the work done during the conference I attended will stand as a very positive moment in East Timor's history. In Canberra there is goodwill towards establishing a sister city relationship with Dili as a continuance of a long friendship between our two countries that extends back to the Second World War. I am committed to this relationship and have been for many years, going back to my time living in Indonesia and subsequently when the United Nations became involved. I understand there are many other members of this place who are also interested in the same thing. I look forward to the time this relationship is cemented. Hopefully, that will be soon.

I welcome the Chief Minister's open-minded approach in this regard, and I thank him very much for supporting my trip. This trip was planned at short notice, and I would also like to pay a special thanks to the Speaker and the Secretariat for their assistance.

During my recent visit to East Timor, I took the opportunity to meet with as many people in positions of responsibility as I could. Among these were the President-elect, Prime Minister-elect, ministers for health, urban services and education, Director-General of Infrastructure, representatives of the World Bank, Australia's head of mission and representatives of the United Nations. The overwhelming feeling was extremely positive, despite the turmoil the East Timorese had been through. They are determined to put all that behind them and move forward. I suggest we in the West help them along the way and move forward as well.

In Timor Loro Sae we have a newcomer nation in the neighbourhood and, like all good neighbours, we stretch our hand over the fence in welcome. Born through pain and suffering after a long and bitter struggle, Timor Loro Sae has now come into the light of freedom and hope, a light that we pray will burn steadily and never again be fanned into flames by bitter winds from the past.

We all hope and pray that, with hearts and minds as one, under wise leadership (and with a little help from their friends) the people of East Timor will go forward confidently into the peaceful and democratic future for which they have had to wait so long.

In the most recent news that has come to hand, it seems that Indonesia's President, Megawati Sukarnoputri, has now decided to attend East Timor's independence celebrations in Dili. If this is true, it is a good sign for the region, a sign that some of the past bitterness is abating and that the prospects for cooperation between East Timor and Indonesia are a little more encouraging.

Xanana Gusmao, apparently against resistance among some of Megawati's advisers, has worked hard at persuading her to be part of the celebration. He will be delighted by her attendance, and I can tell you this for a fact, because he told me so when I was in East

Timor. According to reports, she will spend three hours at the celebrations in Dili before returning to Indonesia.

Another good sign for East Timor is that donor countries have pledged to provide a further \$720 million, which will bring the pledged amount towards the first three years of independence up to \$880 million.

May the aspirations of Timor Loro Sae be fulfilled and may God keep the Timorese in the palm of his hand. Bravo, Timor Loro Sae, bravo!

MS GALLAGHER (5.23): It is with great pleasure that I rise to speak to offer our support and our solidarity to a democratic, independent and free East Timor. The election of a new democratic president, Xanana Gusmao, is a huge vote of support for the independence movement and for the reconstruction of East Timor society after 25 years of brutal and illegal occupation. The election of a parliament with diverse representation is testament to a vibrant and bold new democratic nation willing to look to the future.

After years of struggle, Indonesia finally agreed in 1999 to let the East Timorese choose between independence and local autonomy. Bloodshed and violence became political tools for those who wanted to see independence quashed. But when the referendum showed overwhelming support for independence, international intervention became necessary as a peacekeeping force halted the mayhem and paved the way for a United Nations administration, which has been extremely active and busy in getting East Timor back on its feet.

Today East Timor is free. It has a president, a parliament and a growing and vibrant civil society. An embryonic court system is being established with eight East Timorese law graduates appointed to the Dili District Court. But the people of East Timor still need our help. Timor can be expected to be reliant on outside help for many years, since its infrastructure has been destroyed and it is drought prone. It faces the challenge of repatriating a large refugee population, bringing about reconciliation and defending itself against the threat of renewed violence.

The leadership of the independence movement deserves our praise for the way in which they have promoted reconciliation and allowed old differences and conflicts to be buried in the interests of rebuilding the country. President Gusmao has stated in the past his deep commitment to this process, saying:

Regardless of past political positions, all citizens are called upon to embrace the need for harmony and to show forgiveness and tolerance towards their brothers for the sake of our national interests. The difficulties endured to this day cannot remain a permanent shadow obstructing our future.

Our nation will be greater if each and every one of us is able to forgive, including those who have committed the most reprehensible acts. In such an exulting time, each of us is called upon to overcome differences and bury hatred. Let's embrace each other and join hands in an unbreakable chain of brotherhood and love. For Timor's future to be one of joy and prosperity, we must be united around our nation.

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I hope that Australia involves itself in this process, behaves as a good neighbour and corrects many of our past wrongs by ensuring that East Timor is economically independent.

Many Australians were there when the East Timorese people needed them most, running pirate radio stations and providing information and resources to the democratic movement. It is time for Australia to recognise the Australian heroes who performed these roles for 25 years.

At a local level many organisations I have been involved with have already provided, and continue to provide, assistance to East Timor. Union Aid Abroad-APHEDA has recently been successful with a three-year contract from AusAid for programs in East Timor. These will build on pilot activities undertaken over the last 15 months in a very practical demonstration of Australian union solidarity with the people of East Timor.

Additional AusAid funding will enable Union Aid Abroad-APHEDA to further expand work currently under way in three areas: firstly, to expand non-formal vocational training and literacy training projects; secondly, to strengthen East Timorese community-based organisations, particularly in the districts; and thirdly, to increase assistance to the development of a community radio working with the Timor Loro Sae Journalists Association.

It is this practical solidarity we should celebrate today with the people of East Timor, a solidarity that they welcome and applaud. Solidarity sustained the independence movement. Even though Xanana was imprisoned, no-one could stop Nelson Mandela visiting him and expressing support. Imprisonment could not hide the issues or prevent criticism and scrutiny.

Many parliamentarians are now visiting our newest neighbour. Recently former New South Wales Labor Attorney-General Jeff Shaw went to East Timor to view the scene, observing:

The people battle on valiantly. Children wave cheerfully as the United Nations vehicles travel the roads. In circumstances of poverty and high employment, morale is remarkably high.

It is fantastic to see this transition occurring in East Timor, and I am pleased to be here along with millions of others who are observing and celebrating this great achievement. On 19 and 20 May 2002 the world will again watch. This time we will watch and celebrate with the Timorese people as they take to the streets through two days of music, culture and tradition when the United Nations hands over the reins to the newly established democratic government. I will be standing with the people of East Timor to celebrate independence, saying as those in the movement so often have, "To resist is to win. Long live a free East Timor."

MS DUNDAS (5.28): Since the inception of the Australian Democrats in 1977, the party has consistently championed the rights of the East Timorese people to self-determination. Because Australia plays an important role in the dynamics of the South East Asian and Pacific region, we have been relieved and encouraged by the growing recognition of all Australian political parties of the plight of the East Timorese peoples.

Australia must shoulder some responsibility for what happened in East Timor while it was under Indonesian rule. Our economy profited from the repression of Timorese people, and many turned a blind eye to the deaths and disappearances that took place through the 1970s, 1980s and 1990s. But as we congratulate the East Timorese on achieving independence, let us grow from these lessons and look to the future of this new nation.

The East Timorese people have emerged unbowed from a period of great trial and have enthusiastically begun the task of rebuilding their country. The recent discussions around the Timor Gap treaty have provided some hope that the East Timorese will be able to resource the reconstruction of their roads, schools and hospitals, with some international assistance.

The new East Timorese government is currently organising the training of local people in a range of skilled professions and developing the machinery of government that we take for granted here in Australia. We have an opportunity to provide assistance in this process, and I know that there are many people in the ACT who have already made great contributions to programs in East Timor. I hope these partnerships continue to strengthen. I hope that the people of the ACT will be able to look back and say that they provided real technical, educational and other assistance to East Timor at this time of great need.

I support this government motion extending congratulations and best wishes to the East Timorese people on the momentous occasion of achieving independence. May this new nation grow and prosper.

MS TUCKER (5.30): It is a pleasure for me to add the ACT Greens' voice to this message of congratulations. Many of us have been long-time supporters of the East Timor independence movement, and it is a fantastic affirmation of the right of people to self-determination. It is a reminder that in the end the strength of community and human spirit can triumph over the pragmatism of business and politics.

If, in our small ways, through the protests and activity that have been conducted here in Canberra—outside the Indonesian Embassy, for example, and in the face of Liberal and Labor governments over the years—we have contributed to that triumph in some small way, then we should be proud.

But we also have a responsibility for our newest independent neighbour. We are all well aware of the terrible devastation suffered by the people of East Timor and the enormous task they now face in rebuilding.

I am pleased to note that at the meeting at the Assembly in February people from a range of community organisations expressed great enthusiasm for establishing some form of friendship city relationship between Canberra and Dili. Since that time I know that the Chief Minister has written to the Dili district administrator offering to support such a relationship, and I note also that my colleague Helen Cross has recently visited East Timor and has expressed similar enthusiasm and commitment, which we are very pleased to see. I am also aware that a steering group has emerged from that community

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meeting in July, is in contact with the Chief Minister's Department and is looking forward to providing some framework for establishing these community contacts.

The goodwill is there right now, and I am looking forward to seeing how we develop these connections. As others are, I am looking forward very much to seeing the nation of East Timor grow in confidence and looking forward to seeing how the world community can assist this new small nation—the first new nation of the 21st century—in building an economically, ecologically and socially sustainable society.

I would also like to take this opportunity to point out that there are other societies in this region that are struggling for self-determination, in West Papua and Aceh, for example. Australia appears to be treating these people in the same way it originally treated the people of East Timor. How long will it be, I wonder, before we in this place can debate a similar motion about these people, who are suffering violent oppression as we speak?

MR PRATT (5.33): I rise to add my voice to those speaking in support of East Timor and its independence celebrations. I remind the house and residents of the ACT that Australia's history is deeply interwoven with that of East Timor. We have played a major part in bringing East Timorese to independence. But it has not been a smooth history. There have been moments when we could not have been too proud of our relationship with East Timor.

During World War II the 2/4 Commando Company and other Australian forces fought valiantly to defend the East Timorese. For many years there was an ongoing commando presence fighting a guerrilla war against the occupying Japanese. Indeed, one of our home-grown Canberrans, Major General Cape, now a spritely man in his 80s, played a significant role in that campaign.

Australia's role in the 1970s when East Timor was taken over by Indonesia was not one of our brightest or more positive performances. Successive governments would not look back positively at the role we played through the 1970s, 1980s and 1990s. However, through 1999 the Australian government did play a major role in bringing to a head an untenable situation, and the people of East Timor are to be applauded for bravely pushing themselves through the referendum that occurred.

In addition to the members of unions who have played a very important role over the last 30-odd years in maintaining spiritual and political connections with struggling parties in the East Timorese dynamic, we must not forget the role played by Australian troops in 1999 in helping to bring matters to a close.

The ADF were able to deploy 1,500 men and women in short order and, in defence of the East Timorese people and to make peace, were quite prepared to take the fight up to the occupying forces and the anti-independence groups. Eventually a 5,000 man and woman force was in place, along with our South East Asian allies. With the efforts of the quite competent Major General Cosgrove, they were able to settle things down.

This country is playing a leading role in the civil society building process which is now under way. At least \$50 million is being spent by Australian international NGOs in that place. Add that to the half a billion dollars spent by this government in its peace-making efforts, and this country can be quite proud.

However, we should not rest on our laurels. The Australian community and the Australian government should continue to provide the resources to assist INGOs to go forth and help that place rebuild. Oxfam Community Aid Abroad are undertaking a wide range of infrastructure programs, rebuilding up to 69 schools in Bobonaro, Oecussi, Kovalima and Liquica. So we have a strong presence there. Care Australia is undertaking a range of emergency aid programs across a wide range of villages in the west and the north of the country. I hope that we are able to continue this effort. East Timor has been devastated, and as a developed nation we have a moral obligation to help bring peace and to help in the development of civil society. Our presence is going to be needed for quite some time.

I congratulate the ACT government on pushing on with the Canberra-Dili sister city arrangement. If we can set that up in such a way that we assist Dili in its rebuilding process—that is, if we give more than what we take in that relationship—it will demonstrate to the rest of Australia the practical way in which we as a developed nation assist those in trouble to get back on their feet. I would hope that other nations emulate us in helping the development of civil society. This is very important.

Xanana Gusmao is a hero, as is Ramos Horta and the East Timorese people, who were quite prepared to bravely push up to those obstructing the referendum. We all wish them extremely well. It was great to see my colleague Mrs Cross get over there and check things out. We will be applauding as the East Timorese go through their independence celebrations in the next couple of days.

MR BERRY (5.39): I rise to echo the views many have expressed in this place in support of East Timor. But I mostly want to acknowledge the work that many people in the ACT community have contributed to the long struggle of this emerging country.

I recall in my earlier life bumping into Jose Ramos Horta in the Trades and Labour Council when he was building on the campaign to support East Timor. The Trades and Labour Council in the ACT led the debate for many years in the ACT, and they did a lot of the hard yards. They established a couple of pickets. I remember a picket outside the Indonesian Embassy. Pickets are not generally popular things, but this one was pretty popular because it was for a good cause. The picketers planted hundreds of crucifixes, which was an affront to the Indonesian government—and it was intended to be. The issue had to be pressed hard if any progress was to be made. That was many years ago, but the Trades and Labour Council, often vilified for many things, played a major role in the campaign in this country and in the ACT.

This developed further in later years, with a permanent protest embassy located near the Indonesian Embassy. That was supported by members of the labour council, the labour council executive and all their affiliates over those years. It is always a bit of a struggle to sustain those things, because the labour council also has the interests of working people in the territory to be concerned about. To put additional resources into those sorts of things is always difficult, but it was a welcome contribution to that major struggle.

The last protest I went to, at which there were some potential confrontation with the local authorities, was the most moving, with the laying out of shoes. Members will know that when there are massacres shoes are often the leftovers from the carnage. This protest was

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again intended to confront the Indonesian authorities, and I am sure it did. There were thousands of pairs of Canberrans' shoes laid out to symbolise this protest which the people of the ACT had such a strong commitment to.

I merely rise to acknowledge all of those people in the ACT who have put a lot into this campaign. Mind you, not much blood was shed on those picket lines, but there were a lot of heartfelt good wishes for the campaign. I suppose we all regret that it was not successful earlier.

Question resolved in the affirmative.

Duties (Personal Relationship Agreements) Amendment Bill 2002

Debate resumed from 9 May 2002, on motion by **Mr Quinlan**:

That this bill be agreed to in principle.

MR HUMPHRIES (Leader of the Opposition) (5.44): The opposition supports this bill. This bill provides that duty should not be payable in the event of certain agreements, being activated—agreements made as part of a marriage or agreements made between individuals in a domestic relationship. Under either territory law or Commonwealth law, it is possible for the person to make such agreements and to use them as a basis for settling disputes about property or assets if a marriage or a relationship should end.

This bill provides that when property is transferred pursuant to those agreements it should be exempt from duty. Although it entails about only \$4,000 a year in loss of revenue, it is clearly quite an appropriate loss, given that it emphasises that these agreements are reached in order to avoid the enormous cost to the community which litigation would entail. So the forgoing of stamp duty is a small price to pay to facilitate these agreements being made, to encourage them to be made and to see that they are acted upon on a regular basis to produce settlements, thus avoiding litigation.

MS DUNDAS (5.45): I support the bill. It is positive to see that the bill continues to apply to all domestic relationships as defined by the Domestic Relationships Act 1994. I am also quite happy to see the government doing something positive to remove discrimination against same-sex couples.

As we know, some jurisdictions in Australia still discriminate against same-sex couples in the area of stamp duty. I believe that the ACT was one of the first Australian jurisdictions to extend a stamp duty exemption to property settlements following the breakdown of same-sex relationships, so some good has been done.

However, I would like to take this opportunity to remind the Assembly that on the ACT statute book there are still many areas of discrimination against same-sex couples and the Canberra queer community—the Adoption Act, the Compensation (Fatal Injuries) Act, the definition of family in the Workers Compensation Act, the Law Reform (Miscellaneous Provisions) Act. There are many, and they have been listed repeatedly as we have been discussing same-sex relationships. I trust that the point has been made that there is still a way to go before we can claim everyone is equal before the law in the

ACT. But this positive initiative, which is definitely a step down the path of a society and a legal system free from prejudice, I am happy to support.

MR WOOD (Minister for Urban Services and Minister for the Arts) (5.46): On behalf of the Treasurer, I thank members for their support for the bill. I also thank members for their tolerance of the varied commitments as we have looked at the business of the day.

Question resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

Postponement of executive business

Ordered that executive business order of the day No 2 be postponed to the next sitting.

Building Amendment Bill 2002

Debate resumed from 9 May 2002, on motion by **Mr Corbell**:

That this bill be agreed to in principle.

MR HUMPHRIES (Leader of the Opposition) (5.47): The opposition will be supporting this bill—I have to confess with some lack of enthusiasm—given that this is clearly part of a larger scheme to assist the building industry in the ACT recover from what appears to be a crisis of sorts with respect to insurance. Full details of these arrangements are not apparent, I suspect, to any members of the Assembly at this stage, so the support that we give can only be partial and will need later on to be tempered by knowledge of the details of the scheme to be put in place by the government to provide for a fidelity fund to be established in this industry.

Mr Speaker, this bill was tabled last Thursday in this place. It is a fairly complex bill, but in another sense it is a generic bill—a bill that provides a shell for the establishment of fidelity funds in the building industry. It is the vehicle for other specific pieces of administrative action; it will provide a means of delivering a particular organ for a particular purpose.

The presentation speech makes reference to creating a framework for a supplementary form of building warranty to meet the needs of the ACT building industry. The intention, in that respect, is to provide, I quote, “an alternative to insurance that will provide similar consumer protection”.

All of us are aware, from reading the newspaper and discussing it with members of the building industry in the ACT, of the crisis facing the building industry in Canberra. One of the two major insurance companies providing insurance in the ACT has apparently ceased to write business in the territory, and the business being written by the other is apparently being written very slowly, presenting problems of access for other builders in

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the territory. The future of that particular business must be in some doubt, given what has been described to us as an adverse claims history, whereby the size of the claims being made each year appear to exceed the sum of the premiums being collected in respect of that particular fund.

A reasonable case has been made in the ACT for taking action to deal with the great difficulty a number of individual builders face in accessing appropriate insurance—insurance which the law of the territory requires. It requires that work of a certain dimension being done on any home carry with it insurance against the failure of a builder or company to complete the work or to have delivered a product that will stand up for five years from the date of completion—that is, work that is protected by a warranty during the five-year period subsequent to completion and by the terms of that insurance.

The presentation speech describes in general the way in which this scheme will work; as I have said, the details are not presently available. Yesterday the government was kind enough to provide drafts of two instruments, versions of which will be executed under the Building Amendment Bill. They are a Building (Approval criteria) Determination and a Building (Prudential Standards) Determination, which go some way towards providing a framework, which we are seeking.

It is also true, however, that more documentation needs to be provided before the full picture is available. In particular, the actual application made by the organisation that is supporting the creation of this fidelity fund is yet to be placed on the public table. That will describe the operation of this fund. It will describe how this particular scheme will operate to protect builders, and hence consumers, in the ACT against failure of those businesses.

We have not seen those arrangements. We have not seen, for any length of time, the prudential standards or the approval criteria under which that further scheme will be created. It is therefore difficult or impossible to give this concept anything other than in-principle support—and that avowed sense of hesitation needs to be put very firmly on the record.

The presentation speech by the minister suggests that, in the event of what he calls the “catastrophic failure” of a fidelity fund or an insurer, the government would need to “consider the impacts on the economy, employment and consumers and formulate a plan to suit the circumstances”. We assume that means that the government would have to consider some kind of bail-out or emergency support to allow the continuation of this fund.

That kind of comment is perhaps appropriate, given that among the arrangements being proposed is one to establish a fund in the ACT with start-up capital provided by borrowings of some sort, since there will be no other source of funding for this scheme to begin with. The borrowings will be used to establish the scheme. The scheme will be fed, I understand, by levies paid by builders who undertake the work, and the levies will feed the fund so that over a period of time a sufficient corpus of the fund is available to provide adequate guarantee that, should, to quote the minister’s words, a “catastrophic failure” occur on the part of the builder or builders, there will be money available to provide relief to the builders and, particularly, to the home owners concerned.

That is perhaps not the ideal way to implement such an arrangement in the ACT. Until now these schemes have been operated by virtue of insurance companies entering the marketplace in the ACT. Those insurance companies have always had very substantial assets and have in turn been backed by re-insurers or underwriters, who as a rule have even greater assets. That substantial firepower—in insurance terms—protects the ACT consumer against failure.

It is true that sometimes even those behemoths fail, as we saw with the collapse of HIH a couple of years ago. But generally speaking, those companies have the resources to be able to guarantee that the small payments—small on a relative scale—expected in the ACT can be met. This fund will be responsible only to the ACT and will be fed only by ACT levies and ACT payments.

I simply do not know, on the basis of evidence or advice available to the opposition at this point in time, whether the amount of money which we provide to the fund in the early period or even in the long term will be enough to secure this fund for the benefit of consumers. I cannot be sure, and I suspect that the minister cannot be sure, that at some point in the future the fund will be sufficiently strong to meet the expectations of it in the event of a “catastrophic failure”.

Having said that, I have been reassured by advice from the Master Builders Association, which is the sponsoring organisation for this scheme, that there will be an emphasis on aversion to risk and a prudential approach towards the assets of the fund and that the approach to each person or organisation that applies for coverage under the fund will not be that they are entitled as of right to that coverage, which means there will be the capacity to refuse bad risks.

In those circumstances, I have some hope at least that this arrangement proposed to be set up in the particular case of the ACT will be such as to ensure that the ACT building industry and its customers will be protected. But I have to confess that I cannot be sure of that, and that is the concern that I put on the record.

In large part, the opposition will be relying on the government’s assessment of the circumstances of this matter: its obvious belief that there is a crisis in the building industry that cannot be resolved in any other appropriate and timely way; its obvious view that intervention by government in this form is the most appropriate means of providing quick access for members of the industry to insurance or equivalent protection; and, in particular, its view that the regulations it proposes to make under this bill will be appropriate to the operation of the scheme. I make that last point very strongly because the effect of the arrangement being adopted for this scheme and this legislation tonight is that the Assembly will have to take on trust the government in its approach to this matter, particularly with respect to the regulations.

We saw these regulations for the first time approximately 24 hours ago. It is true that in theory the Assembly has the power to disallow these regulations, but the practical effect of the proposed arrangement is that, if this scheme is to operate in an effective way to protect members of the industry, there will not be an opportunity for this Assembly to come back—in the June sittings or even the August sittings, which is theoretically possible—and materially change the scheme or, even further, to disallow these

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regulations since, by the time we get to that stage, this scheme will have been put in train already.

My understanding is that the bill is to be passed into law as quickly as possible after it is passed tonight, that the regulations are to be made as quickly as possible after that point, that an application under the regulations is to be made as quickly as possible after that, that the necessary steps to set up a fund will be taken and that payments will be made by builders to the fund to begin its operation.

It may be appropriate to protect members of the industry, and I am fully cognisant and very strongly aware of the urgency with which some members of the industry view this matter. But it is also true to say that it effectively takes out of the hands of this Assembly the power to substantially change the direction of the scheme. We might fiddle at the edges in subsequent sittings if a motion for disallowance were to be brought on, but we cannot pass this bill tonight and reasonably expect this scheme not to be well on the way to being implemented, if not fully implemented, by the time we come back to this place for debate on these matters at a later time.

That is why I say that, to some degree, the Assembly needs to take it on trust that the government has properly and carefully viewed the circumstances of this matter as much as to warrant this decision being taken in this quite exceptional way.

Because of the lack of real opportunity to be able to change substantial aspects of the scheme later on, I want to raise a few issues about both the legislation and the scheme, which I hope the minister will consider when he comes to make the regulations after tonight if this bill passes, as I think it will.

Prudential standards are in the process of being built into the framework adopted by the Australian Prudential Regulatory Authority, APRA. That was, I think, in response to the collapse of HIH. An amendment to the General Insurance Reform Act 2001 was passed in the Commonwealth parliament that provides that prudential standards for insurance can be inserted into the Insurance Act 1973.

It is not clear how many of those prudential standards will be taken up in this arrangement, but I assume the minister will operate on the assumption that whatever is appropriate for an ACT fidelity fund should be adopted. The question is: to what extent should a requirement fall on the shoulders of the minister to emulate or adopt the standards to be used in the Commonwealth Insurance Act? That is a matter on which debate will resume later on.

Another question that arises is the extent to which the ACT has an adequate skills base in government to be able to provide monitoring of a prudential scheme at the level that might be expected of an organisation like APRA. It probably follows without any further knowledge that we cannot replicate the work of a body like APRA in the ACT; we simply do not have the knowledge and the expertise within the ACT public service. But, if we are going to adopt as many of the prudential standards as possible, we need to be assured that as much expertise is available to us, directly or indirectly, as will be needed to properly monitor those standards. In other words, there is no point having good standards if we simply cannot ascertain, on a month-by-month or year-by-year basis, that those standards are being adhered to by the particular fund concerned.

This scheme will be much more complex than other fidelity funds operating in the ACT, such as the motor vehicle dealers compensation fund or the agents fidelity guarantee fund run by the Agents Board. An appropriately higher level of bureaucratic overview will also be necessary. I ask the government to indicate how well it believes we will be able to provide that backup to the prudential standards and, in particular, whether it will be necessary to bring in resources from outside government to be able to do that.

I have had a brief opportunity to overview the regulations, and I raise one concern in particular that needs to be considered by the minister. The regulations set out the way trustees will be appointed to the fund that is being established, and they provide very extensive controls on the way in which trustees operate, on what they must do and on what kind of person they must be in order to fulfil that role.

The Building (Approval criteria) Determination suggests, in clause 4 (s), that a trustee should not receive any payment for the performance of his or her duties. Also, it is provided in clause 11 (c) that a trustee of a fidelity fund should maintain professional indemnity insurance in respect of his or her position. In any event, cover should be to an amount of not less than \$5 million. (*Extension of time granted.*)

It occurs to me that a person asked to serve on such a trust will be doing so in what could potentially be very difficult professional circumstances—if they are a lawyer, an accountant or somebody else in a professional position or if they have very onerous standards to meet, particularly in the circumstances we are talking about here. They will not be able to recover any costs associated with their service on the trust and they will be required to maintain professional indemnity insurance of at least \$5 million but not be able to recover the cost of the premium for that insurance from any source, because they cannot receive any fees in respect of their service.

My fear about those provisions, in cumulation, is that people serving on such trusts will not be top flight in their particular field. People of high calibre in a profession such as accountancy or law might well feel that these circumstances are extremely onerous—particularly given that elsewhere in the regulations there is a requirement for them to bear personal criminal liability for failings on the part of the trust.

So I ask the minister to consider whether the combination of these factors might lead to a situation where trustees of sufficient calibre cannot be found. Without being too direct about the circumstances of this trust, it is being set up to benefit consumers in which the building industry will have a direct interest. So it is obviously appropriate that we not have members of the trust who are there to serve the building industry's interests as opposed to the interests of consumers. This is ultimately about the protection of consumers and not about protection of the building industry. It is therefore important that people be there who have got as much regard for public interests as they have for the interests of the building industry.

I also note that clause 11 (e) of that first, approval criteria instrument, says that the trustee must not be under investigation by, have been disciplined by or have been removed from membership of a professional body relevant to his or her duties as a trustee. I know that in the legal profession lawyers are frequently investigated by the Law Society. I was investigated by the Law Society when I was a practising solicitor.

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Whenever anyone makes a complaint about a solicitor, the Law Society investigates that complaint. I think it would be unnecessarily rigorous if, by virtue of an investigation—which could happen at any time to any one of these people—a person were to be excluded from trusteeship of a fidelity fund.

There are no doubt many other comments that might be made about the regulations, but I have neither the time nor the background material to be able to make those comments tonight. I come back to the comment I opened with. This is a fairly exceptional process, and it is one that has been embarked upon because of the circumstances of the matter.

I think it is incumbent upon government to protect members of an industry and, in turn, members of the public who seek a service in the ACT, a service that has been available for many decades and which should continue to be available in the territory for many decades to come. If providing that service means changing the nature of regulation in the territory, so be it.

We hope and assume that the government has devoted the necessary effort to consulting the industry, assessing the prudential issues and taking legal and other advice necessary to form a fully balanced view of the appropriateness of this scheme in its entirety. We hope it will apply that judgment in the coming weeks as it implements and sets up the scheme.

I hope that, for the sake of the industry and the people who are dependent upon it, the right decision has been made. I hope that in the future we will be able to see this scheme blossom into an appropriate mechanism for providing relief in the territory, one that will save the ACT from the catastrophic effects of a large-scale meltdown in the industry. That judgment is one that ultimately falls on the shoulders of the ACT government.

MS DUNDAS (6.13): I also would like to raise concerns about this Building Amendment Bill. In the presentation speech of the bill, the minister refers to the potential crisis in the ACT building industry. This potential crisis certainly received a quick response from the minister, as the Master Builders Association and the minister issued press releases to announce that the crisis had been solved only moments after it first hit the media. Following this policy response by press release, we now have the legislative response before us. And the response is to shift the goalposts entirely for builders and consumers in the ACT.

This potential insurance crisis is not concentrated solely in the ACT. The industry is undergoing real turmoil. There is a large, industry wide problem stemming from two totally unrelated incidents: domestic insurance companies are recovering losses from the price war that preceded the collapse of HIH, and overseas re-insurers are facing enormous payouts following the tragic events of September last year.

This is a problem for the insurance industry, and the recent debates about increasing insurance premiums in many areas, particularly public liability, are also due to these industry wide pressures on insurance. The evidence is overwhelming that the cause of the insurance crisis lies in the insurance industry rather than the legal system, the building industry or the community sector.

Structural reforms such as insurance pools will be the best long-term solution for bringing down premium prices. In the area of public liability, estimates suggest that this insurance reform could deliver immediate savings of around 30 to 40 per cent, especially for charitable organisations and sporting groups. But we have a government in the ACT that has endorsed group buying arrangements. This is a short-term answer as, given the small number of insurers actually left in the market and the reluctance to negotiate bulk discounts, any saving would be short lived as insurance companies strive for even greater profits.

In stark contrast to its treatment of community groups facing insurance problems, the government is bending over backwards to accommodate structural reforms to set up a fidelity fund for the MBA. I note with dismay that, as we did in public liability, we follow the larger states blindly. But, with the housing crisis, the government offers something totally different—truly, to quote Sir Humphrey, “a courageous decision, Minister”.

Since 1988 it has been mandatory for builders to take out insurance to protect the consumers. But after today, if this bill is passed, it will be deemed suffice to contribute to a fidelity fund. This product offers a totally different level of protection and, it must be said, it is opening up a market for a new product where the MBA has had an insider’s view into what that finished product will be. The MBA and the minister both heartily endorsed this project before any of the details had been fleshed out. The MBA, it seems, may have known the details and is happy to comply.

The housing market relies on consumer confidence and the goodwill that exists when a consumer engages a builder. In this is a trust that the builder will perform competently. If this is not the case, the problem will be fixed or money will be made available to engage another builder to fix the mistakes made by the earlier one.

Consumers are not normally the ones who choose the insurance. Consumers choose the builder and rightly expect the builder to be insured, as it is mandatory. But from now on, with this bill, the builder will be able to seek the different product of the fidelity fund, and it is unlikely that the consumer will even be aware of the different products available and the relative strengths and weaknesses of them.

The strength—it must be said—of the fidelity fund is that, if the builder performs incompetently, goes broke or disappears, the peer group pressure of the MBA will send the same builder back to fix the problem. But I wonder whether consumers would be happy with that or whether they would actually prefer a payment to engage a different builder to fix the problem.

In his presentation speech the minister stated that the insurance market used to contain two providers: Dexta and Royal & SunAlliance. Recently, Dexta pulled out of the market, and Reward Insurance has offered to come in. This would seem to be a return to the status quo and a fairly acceptable response.

However, the minister, while saying that the status quo could be returned, believes that it is more prudent to rush through with structural reform, change the mandatory requirements for builders and establish a totally different product, creating, I would suggest, a two-tiered system with a monopoly on insurance to be held by Royal & Sun

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and a monopoly on the fidelity fund to be held by MBA. It is true that others may enter the insurance market and others may enter the fidelity fund market. But the minister has not yet made any statement or reported on any expressions of interest in doing either of these things.

It is interesting to note that the Master Builders Association of Victoria, when met with the same potential crisis, recommended that members actually seek insurance from Royal & Sun whilst it worked with the government to ensure the return of Dexta. It is quite possible that if our minister went down a similar path, we could see a strong competitive insurance market made up of Dexta, Reward and Royal & SunAlliance. But this is not the case. Instead we are presented with two monopolies selling two different products. I would rather see a market containing three competitors selling the same product than the situation that this bill is seeking to produce.

Minister Corbell said in his presentation speech that a key feature of this scheme would be that the approval of any fidelity fund would be a disallowable instrument. The minister has perhaps made an error, as it is clear from the bill and EM that the Assembly is not to be involved in this approval process. This confusion has not helped.

During the detail stage, I will seek to move two minor amendments that are about involving and informing the Assembly of the process of setting up what is a new and very different scheme to the system that we currently have. But, as I have said, an even playing field with three competitors would ultimately be a much better system than the two-tiered monopoly system that will be set up if this bill is passed.

MS TUCKER (6.20): This bill represents the government's response to the current situation in the ACT residential building industry caused by the withdrawal of the insurance broker Dexta from providing building warranty insurance for members of the Master Builders Association. I share the sentiments expressed by Mr Humphries and Ms Dundas in that this bill is something the Greens are supporting with some hesitation because it has been rushed and because supporting it requires quite a strong element of trust that the government actually knows what it is doing. I do not think that is a comfortable feeling for any of us in the Assembly.

The insurance broker Dexta accounts for some 40 per cent of the home building market and, while building projects that already have insurance can proceed, there is a problem that new houses cannot be commenced until the builder secures appropriate insurance cover. I note that the government has allowed speculative builders to continue building houses on a temporary basis without insurance, but the houses cannot be sold until the warranty insurance is in place.

There is obviously a need to have a sustainable system of building warranty protection in the ACT to return stability to the housing market and to provide consumer protection to home buyers. This bill provides an alternative form of warranty protection through allowing the establishment of fidelity funds operated on a not-for-profit basis by a board of trustees, and these fidelity funds will provide the same level of warranty protection as insurance companies are required to provide under the existing provisions of the Building Act.

I note and support the fact that the government will not be underwriting these fidelity funds, but it will be taking on a new regulatory role in approving and setting the prudential standards for these funds. There is obviously a need to ensure that there are sufficient providers of building warranty protection in the ACT. Fidelity funds will provide an alternative source of cover to insurance companies, and I am attracted to the idea that they will be run as not-for-profit schemes.

I understand that the MBA is already interested in setting up its own scheme. My main concern with the government's proposal is about whether the fidelity funds and the insurance companies will be on a level playing field in providing warranty protection. Given that the provision of insurance is done in a private sector market, it is reasonable to seek fair competition between the various players in the market. The insurance industry is already subject to a federal regulatory framework, administered by the Australian Prudential Regulation Authority, APRA, and I am concerned that fidelity funds will fall outside the regulatory controls of APRA.

This bill in a sense sets up a parallel local regulatory framework to that of APRA, and the government has indicated that its proposed prudential standards will be based on the APRA standards. However, there is a danger that the two sets of standards will get out of sync and the level playing field will get tilted. I am also concerned that fidelity funds have never before been used to provide warranty protection in the Australian building industry, although they have been used in other contexts.

The ACT government needs to be very certain that regulatory control and the prudential standards will be strong enough to prevent a fidelity fund going bust in the future and the housing industry and house buyers being left in the lurch again. It is particularly worrying that the bill and the subordinate instruments have been developed in such a rush, increasing the potential for mistakes to be made or issues overlooked. The bill itself seems to assume that it contains mistakes by its inclusion of clause 58ZN, which allows the executive to make regulations to modify the act.

The scrutiny of bills committee commented that this is a very broad, Henry VIII power that goes beyond making technical adjustments to the act. New South Wales and Victoria have not gone down the path of fidelity funds to resolve their own problems with building warranty insurance. I understand that their approach has been to underwrite Dexta's home warranty business in the short term and to propose tighter restrictions on warranty cover to make it more viable for insurance companies.

While the ACT needs to be aware of what is happening in the states, I have regularly argued in this place that we should not be reducing our standards in the ACT just to comply with national schemes. However, we need to be sure that what is being proposed here will have a better outcome than what is happening in the states.

I am prepared to support this bill, as I hope it will provide more choice in building warranty protection without any reduction in the level of cover currently provided in the ACT. However, I do this with some hesitance. I have an amendment to address the issue that fidelity funds are not subject to APRA control, which I will talk about more in the detail stage.

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MR CORBELL (Minister for Education, Youth and Family Services, Minister for Planning and Minister for Industrial Relations) (6.25), in reply: I thank members for their support of this legislation. The government is the first to admit that this regulation is being put to the Assembly in extremely unusual circumstances, but they are the circumstances we face.

What we face is a classic example of market failure: the withdrawal of 50 per cent of insurance providers in the ACT that provide home warranty insurance. The circumstances are highly unusual and the timing of the presentation of this legislation and the associated regulations to the Assembly is undesirable. That said, it is necessary that this Assembly take action because a majority of the territory's builders are currently unable to complete work or sell houses and significant extensions to home owners or home buyers because they are unable to get a certificate of occupancy because they are unable to get the necessary insurance cover.

There has been detailed discussion and correspondence between government and industry, both at ministerial level—between me and industry representatives—and at officer level. The government has closely considered the most appropriate response to the circumstances that the ACT building industry faces and has chosen to proceed with this fidelity fund model. We believe that this approach is the most appropriate in the circumstances, first and foremost because it does not expose the territory to any significant risk. We are not underwriting the arrangements, we are not financially investing in the arrangements and, therefore, the territory taxpayer and territory funds are protected. This is in contrast to the approach adopted by the New South Wales and Victorian governments. They have chosen to become underwriters for Dexta, exposing New South Wales and Victorian taxpayers to potential significant liability.

We do not believe that is an appropriate course to take in the ACT, partly because of our size and our capacity to underwrite those arrangements, and partly because, as a matter of principle, we did not believe it was a level of risk the government and territory should be prepared to accept. This approach protects the territory taxpayer and addresses the issue of risk in the most appropriate way.

We do that, also, in the context of the claims history in the ACT. The data provided by insurance providers to the ACT government as part of their normal reporting requirement highlights the fact that the claims history in the ACT is historically low—low for the ACT and low compared with other jurisdictions. So, whilst our confidence cannot be absolute about that continuing, the government believes that we can have a reasonable degree of confidence that our claims history will continue to be at the level we have seen it at to date.

Members have raised a range of issues in relation to the regulations, which I accept are an integral part of this legislation. Before I address some of those, I would like to address some issues raised by Ms Dundas. Ms Dundas suggests that the proposal the government is putting forward will provide for a monopoly operation. I have to inform members that that is simply not the case.

The legislation is enabling legislation. It is not organisation specific; it does not provide solely for the MBA to operate a fidelity fund. Any organisation can operate a fidelity fund if this legislation is passed tonight and if it meets the requirements set out in the

regulations. It is open to any organisation or group of individuals to do that. That is a very important point to make: it is not organisation specific.

Ms Dundas' imputation that there has been an unhealthy level of collusion between the ACT government and the MBA is simply incorrect. The MBA clearly have a strong interest in this matter because it is their members who have been directly affected by the withdrawal of Dexta. Like any effective membership organisation representing the interests of their members, they have been advocating those interests strongly to the government and have been in close discussion with the government.

Equally, the government has had discussions with the HIA at officer level and at the level of government itself. We have also had discussions with the other proposed insurance provider in the ACT, Reward. It is important to stress that Reward indicated their intention of entering the market about a week and a half ago. I welcome their expression of interest in the market, but it is important to stress that they are not currently operating in it. They need to be approved for operation in the market, and PALM is currently working with Reward to process their application and assess it in a timely manner.

Mr Humphries raised some issues in relation to the regulations. Can I first and foremost assure members that I am now in a position to confirm that the regulations circulated to members yesterday will be in every respect the regulations the government intends to implement. We do not intend to change any of the requirements outlined in the regulations that have been circulated. They have now been checked closely by the Department of Urban Services, the Department of Justice and Community Safety and the Department of Treasury, whose officers have advised me that they have confidence in those regulations and that these are now in a position to be implemented.

That said, if members have particular concerns about the regulations, I would, as the responsible minister, welcome the opportunity to discuss them with members prior to enacting them, so that any other issues can be appropriately addressed.

Mr Humphries raised two matters that he was seeking some reassurances on. The first was the monitoring of standards. It is true that these regulations are highly complex and are outside the usual round of work the ACT government undertakes. For that reason, the government has sought the assistance of the highly respected national law firm Freehills. Five of their key lawyers have been directly engaged in preparing these regulations. I can give a clear undertaking to the Assembly that the government will continue to seek outside assistance in the monitoring of these regulations whenever it is needed. I hope that goes some way towards addressing Mr Humphries' concern.

The other concern raised by Mr Humphries was about whether or not trustees would be capable of recovering costs associated with their responsibilities as trustees. Can I draw to members' attention clause 7 of the approval criteria, which provides for trustees to recover costs associated with their responsibilities. That is a matter which can be, and has been, effectively addressed.

Mr Humphries also raised a point about the circumstances in which a trustee can no longer be a trustee because they are under investigation. He raised the prospect of what he termed a relatively routine investigation effectively disqualifying someone from being

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a trustee. The point he made was in relation to a lawyer in the ACT. Although I understand the point, it is virtually impossible to define the circumstances of an investigation as routine in nature and therefore warranting that a trustee remain a trustee. It is very difficult to determine the circumstances in which an investigation would either warrant someone stepping down as a trustee or would not warrant a person stepping down as a trustee.

It would be in the interests of making sure the management of the trust continues in an appropriate way that any circumstance in which a trustee is under investigation by a relevant professional body means they have to step down and no longer be a trustee. Of course, if they are subsequently cleared of any wrongdoing in any of those circumstances, there would be no impediment to them again becoming a trustee. I think that is an appropriate safeguard. Whilst I appreciate the circumstances that Mr Humphries raised, I think it is very difficult to define where such an investigation would or would not be appropriate in terms of whether or not trustees step down.

The legislation has been drafted, as I have already indicated, in a timely manner in order to respond to the circumstances that we face in the community at the moment. It is not the government's preferred approach to dealing with legislation, but the circumstances are unusual and warrant a prompt response from the Assembly.

If the legislation is passed this evening, which it appears it will be, I would like to thank members for their support, qualified though that has been. I would like to ensure members that the government is paying close attention to the diverse range of issues that have been raised in the preparation of the legislation and that the prudential requirements that are being set in place will ensure the effective protection of funds in any trust and the effective operation of the scheme in the future.

That is the most important point. We are establishing a regime that is not for profit and that provides much needed stability in what is an increasingly unstable industry—stability on an even playing field and stability that allows industry to go about its work knowing that this will be an ongoing arrangement if it needs to be.

It could prove to be an interim arrangement; we could find that the market will go back to insurance companies. Equally, builders may choose to use this form of consumer protection as it is more appropriate to their needs. If they choose to do that, we will have provided a framework for stability and ongoing confidence in the sector, and that is extremely important.

I understand there are a number of amendments, and I will speak to those when they are moved. I thank members for their support and again extend to members the offer of further discussions on the detail of the regulations if they would like to see particular items addressed prior to those regulations being enacted.

Question resolved in the affirmative.

Bill agreed to in principle.

Detail stage

MR SPEAKER: To be consistent with past practice, we have to conclude by 7 pm, so I would ask members to be as economical as they can, consistent with the contributions they want to make to the debate. I am also advised that we have never breached the commitment to staff that we will conclude by 7 o'clock. So let us try to get through this as quickly as we can.

Clauses 1 to 11, by leave, taken together and agreed to.

Clause 12.

MS DUNDAS (6.41): I move amendment No 1 circulated in my name [*see schedule 1 at page 1779*].

My amendment would change the approval of a new fidelity fund scheme from a notifiable instrument to a disallowable instrument. Minister Corbell said in his presentation speech and in a letter he circulated on the same day that approval would be disallowable, but the bill and explanatory memorandum state that it is notifiable. My amendment takes the minister at his word.

The amendment is an accountability measure. With all the power vested in the minister, if two applications, both meeting prudential standards, come before him, he could approve or reject without involving the Assembly and would not have to justify his reasons. The only recourse would be to take the minister to the AAT. The wielding of this power could raise allegations of preferred treatment of one fidelity fund over another.

My amendment moves the final power of veto from the minister to the Assembly so that it is a more open process and any allegation of preferred treatment can be debated and voted on through a motion of disallowance and decisions taken under what is a ground-breaking new scheme—which has been developed quite quickly, as the minister pointed out—can be monitored and the Assembly can be involved in the process.

I understand this would make the approval process of any final scheme six sitting days longer, but I do not see this as an overly onerous time period, as there are a number of things that have disallowances provisions attached to them. I do not see that we can have anything less for this new scheme, even in this time of so-called crisis.

MR CORBELL (Minister for Education, Youth and Family Services, Minister for Planning and Minister for Industrial Relations) (6.43): Mr Speaker, the government will not be supporting Ms Dundas' amendment, because it is based on a misunderstanding. I think Ms Dundas misunderstood my statement. What I said was that schemes will need to be approved by the minister, subject to criteria in a disallowable instrument. This means that the criteria, as set out in the draft instrument circulated to members yesterday are disallowable. However, the written approval of the scheme is notified but is not itself disallowable.

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The role of the Assembly is not to examine the merits of each individual scheme but rather to properly scrutinise the criteria under which such schemes will be assessed. I stress to members that it is not the role of the Assembly to be the approving body for each individual scheme. But it is the role of the Assembly to oversight the criteria under which such approvals are made by the responsible minister.

Ms Dundas is proposing that the Assembly be directly responsible for approving each and every scheme, by having a power of veto over whether or not those schemes should be approved. That is not an appropriate course of action. It would almost certainly result in uncertainty for each of those schemes and for consumers. For example, under the proposal Ms Dundas puts forward, a scheme could operate from the date of approval, but if it was subsequently disallowed by the Assembly, what would that mean for the scheme and for the consumers who had been protected under that scheme up until the point it was disallowed?

It is entirely appropriate for the Assembly to veto and have disallowance power over the criteria under which schemes are approved. It is not appropriate for the Assembly to have the power to approve or not approve each individual scheme. The government will not be supporting Ms Dundas' amendment.

MRS DUNNE (6.46): Mr Speaker, the opposition will not be supporting Ms Dundas' amendment, for many of the reasons put forward by the minister. The process of the Assembly is to approve or not approve the structure. The responsibility of approving or not approving the individual fidelity scheme rests solely with the minister.

MS TUCKER (6.47): The Greens will not be supporting this amendment either. While we are regular supporters of the need for ministerial actions to be subject to Assembly disallowance, we think there are limits to how much the Assembly should intervene in the functions of the executive.

Generally, the disallowance power is used when the minister sets some form of policy—for example, regulations, instruments containing technical guidelines, management plans or Territory Plan variations. In this bill, the approval criteria for schemes and the prudential standards are disallowable instruments, and rightly so, as they are expressions of the policy of the government as to what is expected of fidelity schemes.

The approval of particular fidelity funds is, however, not an issue of policy but an issue of how the minister applies the provisions of the legislation and its subordinate instruments. This is really an executive decision and responsibility. Normally there are separate legal avenues of appeal by applicants in these situations.

I also note that under the Commonwealth Insurance Act the authorisation of insurers is notified in the *Gazette* but is not subject to disallowance. In line with my view that there should be a level playing field between fidelity funds and insurance companies, I think it would be unfair for fidelity funds to have the uncertainty of not knowing whether their approval will be disallowed when insurance companies are not subject to the same uncertainty.

Amendment negatived.

MS DUNDAS (6.48): I move amendment No 2 circulated in my name [*see schedule 1 at page 1779*].

This amendment is similar to the one the Assembly has chosen not to accept. It is about making the process more open and accountable. This amendment would have the effect of the Assembly being notified of any changes put up by the schemes the minister approves.

We know what the regulations are, and we can disapprove them. I am suggesting that we add the provision that if any scheme established under these regulations is changed after the initial approval it be notifiable.

As I have said many times tonight, as this fidelity fund is such a new, untested scheme, I believe it is important that the Assembly take a watching brief on how the scheme is functioning and on any modifications the minister seeks to approve as part of the process.

MR CORBELL (Minister for Education, Youth and Family Services, Minister for Planning and Minister for Industrial Relations) (6.49): Mr Speaker, the government will be supporting Ms Dundas' amendment. It is substantially different from her previous amendment, in that it provides for decisions to approve or refuse changes to an approved fidelity fund scheme to be a notifiable instrument. It makes the process transparent. We welcome the suggestion and support the amendment.

MS TUCKER (6.50): We also support this amendment. It makes a change to an approval for a fidelity fund to be a notifiable instrument. At present there is no notification. It seems reasonable that these changes be notifiable, on the basis that the original approval of this scheme is notifiable.

Amendment agreed to.

MS TUCKER (6.51): I seek leave to move two amendments together.

Leave granted.

MS TUCKER: I move amendments 1 and 2 circulated in my name [*see schedule 2 at page 1780*].

The aim of these amendments is to ensure that the prudential standards determined by the minister impose on fidelity funds obligations similar to those which APRA apply to insurance companies providing building warranty protection. This is to ensure that there is fair competition between all providers of building warranty protection, whether they are an insurance company or a fidelity fund. It should also provide increased comfort to home buyers that their building warranty protection is regulated to the highest industry standard.

These are technical amendments suggested by the drafters, as the quoted section 32 of the Insurance Act was amended recently and will not be coming into effect until 1 July. I acknowledge that the minister has said that the prudential standards to be applied to the

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fidelity funds will be similar to those of APRA, but I would prefer that this be written into the legislation so that it is a formal obligation of the government to do this.

MR CORBELL (Minister for Education, Youth and Family Services, Minister for Planning and Minister for Industrial Relations) (6.52): Mr Speaker, the government will not be supporting Ms Tucker's amendments. Ms Tucker's amendments seek to require a fidelity fund to operate under exactly the same requirements as APRA applies to an insurance fund. This is not an insurance fund, and therefore you cannot apply the APRA requirements. We have sought, through the regulations, to apply all the relevant APRA requirements to the fidelity fund, and those are outlined in the regulations. However, it is not appropriate to apply all of the APRA standards.

The prudential standards proposed under the bill and set out in the accompanying instrument, as I have indicated, will function in a similar way to standards under the Insurance Act. However, they are designed for a different entity. A fidelity fund is a different entity from an insurance fund, and it has a significantly different scale of operations.

For example, insurance must be provided by corporations, and no other structure is acceptable for the provision of insurance. The capital included for their capital adequacy includes paid-up shares and non-cumulative, irredeemable preference shares. The insurance standards include requirements for directors. The proposed fidelity fund structure has none of these characteristics.

The proposed fidelity fund would operate only in the ACT, whereas the Insurance Act applies to large-scale insurance companies that operate throughout Australia and across a wide variety of insurance markets. The proposed fidelity funds can operate only in the ACT and will deal only with a specific market—that is, the construction industry. Insurance standards as required by APRA apply to all general insurers, whatever the range of specialist areas they operate in. So the context in which the fidelity fund operates is different from the context in which the insurance provider operates.

From 1 July, the insurance standards will set a minimum capital requirement of \$5 million, on the basis that the insurer will operate throughout Australia and deal with a wide range of risks. The fidelity fund will operate only in the ACT and only for building work. Therefore, the number of claims for building work, as I have already indicated, is historically low and adequate minimum capital requirements, whilst still at a prudent level, are and should be commensurately less.

The government will not be supporting Ms Tucker's amendments.

MS TUCKER (6.54): I need to respond to the minister, because I think he is wrong. We went to a lot of trouble with the words, because we acknowledge that the circumstances will not be exactly identical. We talked with parliamentary counsel about this. My first amendment reads:

... the Minister must, as far as practicable, ensure that the obligations imposed on approved schemes under the prudential standards made under this Act are comparable.

The important words are “are comparable”. We acknowledge that it will not be exactly the same.

MRS DUNNE (6.55): Mr Speaker, the opposition will not be supporting this amendment. “As far as practicable” and “are comparable” would make the situation entirely unworkable. If the standards were to be comparable with those required under APRA, it would mean an unwarranted delay in the setting up of the system.

MS DUNDAS (6.55): I will be supporting this amendment. I agree with Mr Corbell’s comments that we are not setting up an insurance scheme but a fidelity fund, but perhaps in all the rush the minister has not had time to read Ms Tucker’s first amendment, which uses the terms “as far as practicable” and “comparable with”. It does not say that it must work in exactly the same way as the APRA guidelines do but, as far as practicable, must be comparable with the guidelines we set down through APRA for the insurance industry. If they are good enough for the insurance industry, why can they not be good enough for a scheme designed to overcome a crisis in the insurance industry?

MR CORBELL (Minister for Education, Youth and Family Services, Minister for Planning and Minister for Industrial Relations) (6.56): Mr Speaker, I have to stress again that Ms Tucker’s amendments require that the prudential standards made under the Insurance Act 1973 apply. My very clear advice, which I relay to members, is that that means that the capital adequacy requirements, which it is proposed be \$5 million, will apply. It is not a matter of them applying “as far as practicable”. They will apply. That will be the outcome of Ms Tucker’s amendments.

As I have already indicated in response to Ms Dundas, a fidelity fund and an insurance fund are different beasts. They operate in different contexts. A fidelity fund will apply only in relation to building work within the ACT. An insurance fund will operate Australia wide and will operate across a range of markets, not just the construction market.

Ms Tucker’s amendment will impose the requirement for \$5 million of capital adequacy. We do not believe that that is an appropriate measure, and on those grounds we will not be supporting the amendments.

Amendments negatived.

Clause 12, as amended, agreed to.

Clauses 13 and 14, by leave, taken together and agreed to.

Title agreed to.

Bill, as amended, agreed to.

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Adjournment

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

That the Assembly do now adjourn.

The Assembly adjourned at 6.58 pm until Tuesday, 4 June 2002, at 10.30 am.

Schedules of amendments

Schedule 1

Building Amendment Bill

Amendments circulated by Ms Dundas

1

Clause 12

Proposed new section 58H (4) and note

Page 5, line 15—

omit proposed new subsection 58H (4) and note, substitute

(4) An approval is a disallowable instrument.

*Note*A disallowable instrument must be notified, and presented to the Legislative Assembly, under the *Legislation Act 2001*.

2

Clause 12

Proposed new section 58N (4)

Page 8, line 12—

insert

(4) An approval or refusal to approve is a notifiable instrument.

*Note*A notifiable instrument must be notified under the *Legislation Act 2001*.

Schedule 2

Building Amendment Bill

Amendments circulated by Ms Tucker

1

Clause 12

Proposed new section 58O (1A) and (1B)

Page 8, line 19—

insert

(1A) In determining standards under subsection (1), the Minister must, as far as practicable, ensure that the obligations imposed on approved schemes under the prudential standards made under this Act are comparable with the obligations imposed on authorised insurers under the prudential standards made under the *Insurance Act 1973* (Cwlth), section 32.

(1B) The prudential standards made under the *Insurance Act 1973* (Cwlth), section 32 apply for subsection (1A) even if they are not in force.

2

Clause 12

Proposed new section 58O (6)

Page 9, line 32—

insert

(6) Subsection (1B) and this subsection expire on 2 July 2002.

**Answers to questions
Standard residential leases
(Question No 152)**

Mr Cornwell asked the Minister for Planning, upon notice:

In relation to standard residential leases where a covenant of 24 months for complete building development or redevelopment/ extension exists:

- (1) How many residential development licences/ permits issued prior to January 1997 have yet to be completed and a certificate of occupancy issued?
- (2) What are the (a) block and section numbers, (b) the date of issue of the original licence/ permit, and (c) the date of issue and term of extensions of time granted in each case in (1) above?
- (3) How many residential redevelopment/ extension-of-house licences/ permits issued prior to January 1997 have yet to be completed and certified?
- (4) What are (a) the block and section numbers, (b) the date of issue of the licence/ permit and (c) the date of issue and term of extensions of time granted in each case at (3) above?
- (5) How many non compliants in each case at (1) and (3) are “owners-builders”?
- (6) Who has legal power and what are the extent of those powers to enforce compliance with building licencing/ permit regulations in the ACT?
- (7) How many prosecutions have been (a) launched and (b) successful each case at (1) and (3) above where building has not been completed as required.
- (8) Why are lessees allowed to run over completion dates to the extent revealed above?

Mr Corbell: The answer to the member’s questions is as follows:

(1) As at 23 May 2002, there were 248 blocks where the leases were granted between 1 January 1991 and 31 December 1996, building permits have been issued, the approved lease completion development covenants have expired, and no Certificates of Occupancy and Use have yet been issued.

The database fields with records stored in a format to enable generation of a report to answer this request only extend back to 1990. The completion development covenant of residential leases is typically 24 months, however this may be extended following successful application, stating reasons, and payment of the relevant fee.

It would be inappropriate to reveal individual’s details in this forum, however any particular cases of concern can be raised directly for investigation.

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(2) The development covenants in single residential leases relate to the initial construction of a dwelling. The development covenants do not apply to subsequent redevelopment/ extension. Therefore, no leases fall into this category.

(3) Nil.

(3) In the case of (1) there are 49 “owner-builders”. For (3), nil.

(4) The Executive (and authorised Planning and Land Management [PALM] officers) have powers under the Land (Planning and Environment Act) 1991 [Land Act] to extend or enforce development covenants. The Executive and the Minister (and delegated PALM officers) have powers under the Land Act to issue orders regarding development covenants. Nevertheless, most development covenant issues are resolved through negotiation and subsequent successful application for extension of time.

(5) Under the Building Act 1972 [Building Act], the Building Controller (and authorised officers of Building, Electrical and Plumbing Control [BEPCON]) have powers to issue notices. Depending on the main component of the notice, it may include an associated requirement to complete works within a specified period.

(6) BEPCON is aware of (a) one prosecution being launched under the Building Act and (b) one successful prosecution for breach of a notice. The notice related to building without a current permit, building without a current building approval, and to completion within a specified time.

(7) The onus of compliance lies with the lessee. PALM does not have the resources to proactively track and pursue all breaches. Breaches are highlighted when prospective purchasers request a copy of the Certificate of Occupancy or Use, lessees seek lease compliance certificates, or when complaints are received from the community.

In these cases, PALM officers assist lessees to resolve any outstanding matters.

**Public servants—living away from home allowance
(Question No 160)**

Mr Cornwell asked the Chief Minister, upon notice, on 14 May 2002:

- (1) How many ACT public servants are still claiming living away from home allowances and what is the range of rates of payment of such allowances?
- (2) What is the home town of each of these officers, for how long have they claimed such allowances, and what are the expiry dates for the contracts which still include living away from home benefits?
- (3) For SES officers are there limits upon the time these allowances can be claimed under the current contracting system and if so, what are those limits?
- (4) Prior to the current contracting system, were limits placed upon the time period for eligibility for such allowances; if so, what were those limits?
- (5) Are long-term living away from home allowances paid to officers below SES levels; if so, at what level of payment; if not, why not if those officers are recruited from other cities?

Mr Stanhope: The answer to the member's question is as follows:

The information provided in this answer is based on details provided by all ACT Public Service agencies and relates to payments that have been made in the current financial year.

The authority for the payment of living away from home allowances (which for the purposes of this response, includes relocation allowance, reimbursement of relocation expenses, temporary accommodation/rental allowances and any payments of a similar nature) made to ACT public servants are contained in a variety of sources including the Public Sector Management Standards, Remuneration Tribunal Determinations, Certified Agreements and Australian Workplace Agreements.

The Remuneration Tribunal has determined relocation allowances for Executive level staff since April 1998. Before that date, these allowances were set through the Public Sector Management Standards.

(1) In the current financial year to date, 38 non-Executive staff and 5 Executive staff have been in receipt of some form of living away from home allowance (including relocation allowance, reimbursement of relocation expenses, temporary accommodation/rental allowances, etc). Attachment A to this response details, by agency, the type of allowance(s) paid, as well as the amount paid.

Almost 50% of the 38 non-Executive staff who have received these allowances are located at The Canberra Hospital. The Canberra Hospital has recruited these staff (most of whom are medical specialists) from interstate to meet current staffing and skills shortages in the ACT.

(2) In relation to the payment of living away from home and relocation allowances, Attachment B to this response provides details, by agency, of the home towns of each of the officers/employees, for how long they claimed such allowances (where applicable), and the expiry dates of any contracts which include living away from home benefits.

(3) Yes, for Executives, there are limits upon the time that living away from home allowances can be claimed under the current contracting system.

The Remuneration Tribunal has set relocation allowances for Chief Executives and Executives recruited from outside the ACT since April 1998. The current Determination (84 of 2001) provides that relocation allowances are payable to a maximum of \$35,000. The relocation allowance can include a temporary accommodation allowance, which is limited to six months, or, in exceptional circumstances, nine months with the approval of the Commissioner for Public Administration.

The Tribunal's Determination also provides that in the case of re-engaged Chief Executives or Executives, the Commissioner for Public Administration may, having regard to reasonable personal circumstances, approve the continuation of rental subsidy reimbursements where those entitlements existed before Determination 31 of 1998 (ie before 24 April 1998).

Before Determination 31 of 1998, which was the first Determination to include relocation allowances for Executives, these entitlements were provided by the Public Sector Management Standards with reference to earlier conditions set under Public Service Board Determination 1984/46.

(4) Yes, before the current Executive contract arrangements, limits were placed on the time period for eligibility for living away from home allowances.

Before the commencement of the Public Sector Management Act 1994 on 1 July 1994, staff of the ACT Public Service were employed under the Commonwealth Public Service Act 1922. Conditions of service were covered by the 1922 Act, associated determinations and provisions contained in the Personnel Management Manuals.

Under these arrangements, SES staff on temporary and term transfer were entitled to temporary accommodation allowances for the period of a temporary or term transfer, generally up to three years. The relevant Secretary had the authority to extend this period.

Following the commencement of the Public Sector Management Act 1994, the Public Sector Management Standards maintained identical entitlements for SES staff in the ACT Public Service. These identical entitlements were continued with the introduction of Executive contract employment in late 1995. In 1996, the Commissioner for Public Administration extended the maximum duration of the benefit from three to five years, to reflect the maximum term of Executive contracts.

(5) Yes, living away from home allowances (including relocation allowance, reimbursement of relocation expenses, temporary accommodation/rental allowances, etc) are paid to staff below Executive levels.

As mentioned earlier in this response, the authorities for payments of this nature are contained in a variety of sources including the Public Sector Management Standards, Certified Agreements and Australian Workplace Agreements. The Public Sector Management Standards and a number of ACT Public Service Certified Agreements provide for the reimbursement of reasonable relocation costs up to the limit of \$10,000 for a single person plus \$1,700 per dependant (\$1,500 per dependant for the seventh and successive dependants) with Chief Executives able to approve payments beyond these limits in exceptional circumstances. Australian Workplace Agreements may contain similar or enhanced entitlements depending on the provisions in the individual agreements.

Attachment A

Payment of Living Away from Home Allowances, etc
1 July 2001-17 May 2002

	Type of Payment	Amount
1. Chief Minister's Department		
Officer 1	Relocation expenses	\$4,409.67
	Total	\$4,409.67
Officer 2	Relocation expenses	\$6,709.65
	Accommodation expenses	\$4,397.50
	Total	\$11,107.15
Total for Agency		\$15,516.82
2. Canberra Institute of Technology		
Officer 3	Relocation expenses	\$1,000.00
	Total	\$1,000.00
Officer 4*	Relocation expenses	\$5,000.00
	Incidentals expenses	\$8,400.00
	House staff expenses	\$9,660.00
	Total	\$23,060.00
Total for Agency		\$24,060.00
3. Cultural Facilities Corporation		
Officer 5	Relocation expenses	\$3,742.50
	Total	\$3,742.50
Total for Agency		\$3,742.50
4. Legislative Assembly Secretariat		
Officer 6	Rental assistance	\$4,500.00
	Total	\$4,500.00
Total for Agency		\$4,500.00

*Payments to Officer 4 (from Canberra Institute of Technology) were made while the officer was on assignment in Indonesia working for CIT on behalf of the Snowy Mountains Corporation. Housing and other benefits were provided by the Snowy Mountains Corporation

5. Department of Education and Community Services		
Officer 7	Relocation expenses	\$13,572.89
	Total	<u>\$13,572.89</u>
Officer 8	Relocation expenses	\$3,722.87
	Total	<u>\$3,722.87</u>
Officer 9	Relocation expenses	\$498.96
	Total	<u>\$489.96</u>
Officer 10	Accommodation expenses	\$6,270.00
	Total	<u>\$6,270.00</u>
Total for Agency		\$24,064.72
6. Department of Urban Services		
Officer 11	Relocation expenses	\$8,570.00
	Total	<u>\$8,570.00</u>
Officer 12	Relocation expenses	\$973.75
	Total	<u>\$973.75</u>
Officer 13	Relocation expenses	\$2,965.81
	Total	<u>\$2,965.81</u>
Officer 14	Relocation expenses	\$1,293.94
	Total	<u>\$1,293.94</u>
Total for Agency		\$13,803.50
7. The Canberra Hospital		
Officer 15	Relocation expenses	\$30,092.85
	Total	<u>\$30,092.85</u>
Officer 16	Relocation expenses	\$10,956.10
	Rental assistance	\$1,538.57
	Total	<u>\$12,494.67</u>
Officer 17	Relocation expenses	\$220.00
	Total	<u>\$220.00</u>
Officer 18	Relocation expenses	\$24,845.28
	Total	<u>\$24,845.28</u>
Officer 19	Relocation expenses	\$2,922.40
	Total	<u>\$2,922.40</u>
Officer 20	Relocation expenses	\$94.93
	Total	<u>\$94.93</u>
Officer 21	Relocation expenses	\$96.84
	Accommodation expenses	\$9783.00
	Total	<u>\$9,879.84</u>
Officer 22	Relocation expenses	\$19,510.10
	Accommodation expenses	\$9,230.00
	Total	<u>\$28,740.10</u>

Officer 23	Relocation expenses	\$1,776.68
	Accommodation expenses	\$10,032.00
	Total	<u>\$11,808.68</u>
Officer 24	Relocation expenses	\$858.44
	Accommodation expenses	\$5,850.00
	Total	<u>\$6,708.44</u>
Officer 25	Relocation expenses	\$5,629.53
	Accommodation expenses	\$1,395.70
	Total	<u>\$7,025.23</u>
Officer 26	Relocation expenses	\$4,432.00
	Total	<u>\$4,432.00</u>
Officer 27	Relocation expenses	\$9,460.00
	Total	<u>\$9,460.00</u>
Officer 28	Relocation expenses	\$1,000
	Total	<u>\$1,000</u>
Officer 29	Relocation expenses	\$1,516.16
	Accommodation expenses	\$900.00
	Total	<u>\$2,416.16</u>
Officer 30	Relocation expenses	\$5,223.00
	Total	<u>\$5,223.00</u>
Officer 31	Relocation expenses	\$10,176.04
	Accommodation expenses	\$1,600.00
	Total	<u>\$11,776.04</u>
Officer 32	Accommodation expenses	\$13,679.28
	Total	<u>\$13,679.28</u>
Total for Agency		\$182,818.90
8. InTACT		
Officer 33	Relocation expenses	\$8,929.14
	Accommodation expenses	\$818.16
	Total	<u>\$9,747.30</u>
Total for Agency		\$9,747.30
9. Department of Health and Community Care		
Officer 34	Relocation expenses	\$6,25.54
	Accommodation expenses	\$3,074.46
	Total	<u>\$10,000.00</u>
Officer 35	Relocation expenses	\$3,000.00
	Total	<u>\$3,000.00</u>
Officer 36	Relocation expenses	\$813.50
	Total	<u>\$813.50</u>
Officer 37	Accommodation expenses	\$3,000.00
	Total	<u>\$3,000.00</u>
Officer 38	Relocation expenses	\$881.81
	Total	<u>\$881.81</u>

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Officer 39	Relocation expenses	\$619.09
	Total	<u>\$619.09</u>
Total for Agency		\$18,314.40
10. Emergency Services Bureau		
Officer 40	Relocation expenses	\$1,500.00
	Total	<u>\$1,500.00</u>
Total for Agency		\$1,500.00
11. Department of Justice and Community Safety		
Officer 41	Accommodation expenses	\$13,800.00
	Total	<u>\$13,800.00</u>
Officer 42	Relocation expenses (including accommodation)	\$35,000.00
	Total	<u>\$35,000.00</u>
Total for Agency		\$48,800.00
12. ACT Community Care		
Officer 43	Relocation expenses (accommodation yet to be invoiced)	\$301.00
	Total	<u>\$301.00</u>
Total for Agency		\$301.00
GRAND TOTAL		\$347,169.14

The following agencies have not paid any type of relocation or accommodation expenses to Public Servants in the current financial year:

- Department of Treasury;
- Canberra Tourism and Events Corporation;
- Calvary Hospital;
- Auditor-General's; and
- Canberra Connect.

Attachment B

Additional Details on Payment of Living Away from Home Allowances, etc 1 July 2001-17 May 2002

	Home Town	Allowance and Period Claimed	Expiry Date of Contract
1. Chief Minister's Department			
Officer 1	Darwin, NT	n/a	Permanent
Officer 2	Sydney, NSW	. Accommodation: 30 June 2001 - 17 August 2001	Permanent

2. Canberra Institute of Technology			
Officer 3	Brisbane, Qld	n/a	December 2002
Officer 4	Canberra (assigned to Indonesia)	• Incidentals and house staff expenses paid from 1 July 2001 to 15 April 2002 (period of assignment 10 April 2001 to 15 April 2002)	Permanent
3. Cultural Facilities Corporation			
Officer 5	Sydney, NSW	n/a	Permanent
4. Legislative Assembly Secretariat			
Officer 6	Adelaide, SA	• Accommodation: July 2001 - September 2001 (period of secondment April 2001 - September 2001)	September 2001
5. Department of Education and Community Services			
Officer 7	Darwin, NT	a	Permanent
Officer 8	Perth, WA	n/a	Permanent
Officer 9	Townsville, Qld	n/a	Permanent
Officer 10	Hobart, Tas	• Accommodation: 18 March 2002 - 29 May 2002 (final invoices yet to be submitted)	17 March 2006
6. Department of Urban Services			
Officer 11	New Zealand	n/a	Permanent
Officer 12	Queensland	n/a	Permanent
Officer 13 I	Queensland	n/a	I Permanent
Officer 14	Perth, WA	• Additional relocation and 6 August 2001 accommodation expenses paid in previous financial year	
	Home Town	Allowance and Period Claimed	Expiry Date of Contract
7. The Canberra Hospital			
Officer 15	Sydney, NSW	n/a	Permanent
Officer 16	Carindale, Qld	. Accommodation: 18 January 2002 - 11 February 2002	Permanent
Officer 17	Germany	n/a	Permanent
Officer 18	Joslin, SA	n/a	Permanent
Officer 19	Sydney, NSW	. Additional relocation expenses paid in previous financial year	Permanent
Officer 20	Melbourne, Vic	n/a	Permanent

Officer 21	New Zealand	<ul style="list-style-type: none"> • Temporary accommodation expenses: 1 July 2001 - 17 September 2001 • Additional relocation and accommodation expenses paid in previous financial year 	Permanent
Officer 22	Sydney, NSW	<ul style="list-style-type: none"> . Accommodation: 1 July 2001 - 23 December 2001 • Additional accommodation expenses paid in previous financial year 	Permanent
Officer 23	New Zealand	. Accommodation: 23 July 2001 - 17 December 2001	Permanent
Officer 24	Wayville, SA	<ul style="list-style-type: none"> . Accommodation: 1 July 2001 - 30 November 2001 • Additional relocation and accommodation expenses paid in previous financial year 	Permanent
Officer 25	Alice Springs, NT	. Accommodation: 16 January 2002 - 13 February 2002	Permanent
Officer 26	Tamworth, NSW	n/a	Permanent
Officer 27	Kangaroo Point, Qld	n/a	Permanent
Officer 28	ACT	• Relocation expenses paid within ACT to enable specialist to live within required distance of the Hospital	Permanent
Officer 29	Samoa	. Accommodation: 18 February 2002 - 1 April 2002	Permanent

	Home Town	Allowance and Period Claimed	Expiry Date of Contract
7. The Canberra Hospital (cont.)			
Officer 30	ACT	• Relocation expenses paid within ACT to enable specialist to live within required distance of the Hospital	Permanent
Officer 31	Nightcliff, NT	. Accommodation: 5 December 2001 - 12 March 2002	Permanent
Officer 32	Caban'ta, NSW	• Accommodation: 1 July 2001 - 11 March 2002 • Additional relocation and accommodation expenses paid in previous financial year	Permanent I
8. CONTACT			
Officer 33	Darwin, NT	. Accommodation: 16 November - 28 November 2001	Permanent
9. Department of Health and Community Care			
Officer 34	Adelaide, SA	• Accommodation: 17 October - 14 December 2001	Permanent
Officer 35	Darwin, NT	n/a	Permanent
Officer 36	Brisbane, Qld	n/a	Permanent
Officer 37	Cairns, Qld	• Yet to submit claim for temporary accommodation - maximum \$3,000 agreed	Permanent
Officer 38	Perth, WA	n/a	Permanent
Officer 39	Perth, WA	n/a	Permanent
10. Emergency Services Bureau			
Officer 40	Hobart, Tas	n/a	Permanent
11. Department of Justice and Community Safety			
Officer 41	Sydney, NSW	. Accommodation: 1 July 2001 - 30 June 2002	3 March 2004
Officer 42	Darwin, NT	• Accommodation: 1 October 2001 - 30 June 2002	30 September 2006
12. ACT Community Care			
Officer 43	Brisbane, Qld	. Yet to submit claim for temporary accommodation, contract commenced 28 April 2002	28 July 2002

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**Public housing—tenants facing eviction
(Question No 161)**

Mr Cornwell asked the Minister for Urban Services, upon notice:

- (1) How does the Essential Services Consumer Council (ESC) assist public housing tenants facing eviction.
- (2) What procedures are in place to prevent the problems leading to eviction recurring.
- (3) If eviction problems do recur will eviction proceed.
- (4) What steps are taken to ensure non-payment of rent is addressed if the ESC intervenes to prevent eviction upon this ground.
- (5) What was the total amount owed by those facing eviction for non-payment of rent in (i) 2001 (ii) 2002 to date; how many tenants are involved in each category.
- (6) How many tenants were or are facing eviction for other reasons and what were those reasons in (1) 2001 (ii) 2002 to date.

Mr Wood: The answer to the member's questions is as follows:

- (1) Essential Services Consumer Council (ESC) does not become involved in ACT Housing's eviction process.
- (2) ACT Housing consults with the tenant when their rent account is in arrears about:
 - arranging for a Housing Manager Specialist to discuss their particular circumstances with them;
 - negotiating an agreement for repaying the debt in manageable instalments;
 - budget counselling - CARE;
 - direct debiting of rent though their bank or Centrelink, if they are receiving Benefits or pensions;
 - negotiating agreements with advocates or guardians; and referral to appropriate support agencies.
- (3) If arrears problems recur ACT Housing will follow the same process as mentioned in (2) above unless the tenant is on an order from the Residential Tenancies Tribunal (RTT). In the latter case, the RTT will make the decision as to whether eviction proceeds.
- (4) HACC does not become involved in ACT Housing's eviction process.

(5) Arrears as at 23 December 2001 - \$799,476 owed in respect of 2128 tenancies.

Arrears as at 25 May 2002 - \$721,251 owed in respect of 1864 tenancies.

(6) The information for 2001 is not readily available. Currently, there are no tenants facing eviction for other reasons.

Reasons include excessive noise, property damage, refusal to allow justifiable property inspections, abandonment of property and illegal subletting.

Gas and electricity—retail competition (Question No 162)

Mr Cornwell asked the Treasurer, upon notice, on 14 May 2002:

In relation to the introduction of full retail competition for (a) gas and (b) electricity in the ACT:

(1) Has the full retail competition for both consumables been introduced for ACT customers in January 2002 as planned; if not, why not.

(2) What percentage of each market has been taken up by suppliers other than ActewAGL in the ACT.

Mr Wood: The answer to the member's question is as follows:

(1) (a) Full retail competition for gas commenced in the ACT in January 2002.

(b) Full Retail Competition has not yet been introduced for all electricity customers in the ACT. Customers who consume 100MWh per annum or more can use a retailer of their own choice. Customers consuming less than 100MWh per annum cannot choose their own retailer at present.

In December 2001 the Government requested the Independent Competition and Regulatory Commission (ICRC) to report on the likely impact of full retail competition on residential customers and those small businesses that are not currently exposed to the market. The draft report on the Inquiry released by the ICRC on 17 May 2002 provides the basis for an extensive public consultation phase to be undertaken over the coming weeks. At this stage the final report of the inquiry is not expected to be released before the week beginning 17 June 2002 at the earliest.

The Government will make a decision regarding the extension of choice of electricity retailer to smaller customers in the ACT following receipt of the ICRC final report.

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- (2) The ICRC requires licensed utility companies to report to them annually on a number of matters, including the number of customers to whom they supply gas and electricity. No gas customers have transferred from supply by actual at this stage.

I am advised that the latest figures available to the ICRC relate to the period up until 30 June 2001 and indicate that less than 1% of the contestable electricity retail market in the ACT was supplied by electricity retailers other than actual at that time.

Since 30 June 2001 another tranche of customers, those consuming between 100MWh and 160MWh per annum, have been able to choose the retailer from whom they purchase their electricity. The reports to the ICRC by licensed utility companies relating to the current financial year will include the number of customers within the last tranche that have transferred to other retailers and information on any other transfer of higher volume customers.

Civic—gas pipeline breakage (Question No 163)

Mr Cornwell asked the Minister for Industrial Relations and Minister for Planning, upon notice, on 14 May 2002:

In relation to the incident prior to Christmas 2001 when Saturday morning trading at the Canberra Centre was prevented due to a gas pipeline breakage:

1. Has ActewAGL's Report into the incident been released.
2. Can a copy be made available to interested parties, including myself.
3. If the Report has not been released; why not.

Mr Corbell: The answer to the member's question is as follows:

- (1) Has ActewAGL's Report into the incident been released.

WorkCover has been advised by ActewAGL that their "internal report has been completed however this document will not be released for public discussion."

WorkCover has provided their investigation report to ActewAGL as well as to the relevant parties involved in the incident.

- (2) Can a copy be made available to interested parties, including myself.

WorkCover has been advised by ActewAGL that they "have no objections to their internal report being tabled in the Assembly."

- (3) If the Report has not been released; why not.

WorkCover has been advised by ActewAGL that their “report addresses the Canberra Centre incident from their point of view and is aimed at eliminating future occurrences of this type. There remain some differences between ActewAGL’s account and that of other parties, although ActewAGL has no reason to change the report at this time based on its current understanding of the views of other parties. ActewAGL is also conscious of the fact that the report may be relevant in possible future legal action.”

**Residential treatment facilities for older persons with mental health problems
(Question No 164)**

Mr Cornwell asked the Minister for Health, upon notice, on 14 May 2002:

- (1) Is it a fact that the ACT Mental Health Services (ACTMHS) have negotiated an arrangement for residential treatment facilities for older persons with mental health problems.
- (2) Where is this facility located and how many beds are involved.
- (3) Were admissions to commence late in 2001.
- (4) Did commencement of the service take place; if not, why not.
- (5) How many people are currently accommodated if the moves did occur.

Mr Stanhope: The answer to the member’s question is:

- (1) ACT Mental Health Services have a formal, 5-year agreement in place with Sir Leslie Morshead Home.
- (2) The facility is Sir Leslie Morshead Home and it is located at 26 Archibald Street, Lyneham. The ACT Government funding for this aged care facility provides additional support for ten nursing home clients requiring psychogeriatric care.
- (3) Yes, admissions were to commence late in 2001.
- (4) Admissions to these beds occurred in October 2001.
- (5) Ten clients currently receiving psycho-geriatric support reside at Sir Leslie Morshead Home.

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**V8 supercar race
(Question No 165)**

Mr Cornwell asked the Minister for Sport, Racing and Gaming, upon notice, on 14 May 2002:

In relation to the V8 Supercar Race -

- (1) To date, is there no major sponsor for this year's race.
- (2) If no major sponsor is found by 7 June, what will be the ACT Government's level of indebtedness to the event.
- (3) If a major sponsor is found by 7 June, what will be the ACT Government's level of indebtedness to the event.
- (4) Is the Treasurer able to advise what is the cost of the full major sponsorship package for the event and due to the proximity of the event, could a contributor claim major sponsorship for a lesser amount; if so, how will that affect the ACT Government's level of indebtedness.

Mr Stanhope: The answer to the member's question is as follows:

(1, 2, 3, 4)

A sponsor for this years V8 Superior Race has been found, in the form of STEGBAR Canberra 400.

The returns to the Government from the V8 Supercar Race and the potential level of indebtedness will be subject of a financial performance report by the CTEC Board after the race has been completed and those results will be published at the appropriate time.

**Electricity services
(Question No 166)**

Mr Cornwell asked the Treasurer, upon notice, on 14 May 2002:

In relation to electricity services throughout the ACT:

- (1) In (i) 2001 and (ii) 2002 to date how many electricity outages occurred in the ACT, listed by date, duration and by suburb.
- (2) Which suburbs/areas of the ACT received electricity infrastructure upgrades in 2001.
- (3) Which suburbs/areas of the ACT are programmed for electricity upgrades in 2002 and which of those have occurred already this calendar year.

(4) What frequency of interruptions to electricity supply to a particular suburb or area is considered acceptable.

(5) What is the average duration of electricity interruption in the ACT.

Mr Quinlan: The answer to the member's question is as follows:

(1) Information regarding electricity outages that have occurred in the ACT in 2001 and 2002 is summarised in attachments A, B and C.

(2) ActewAGL has undertaken a range of maintenance works to maintain and upgrade the infrastructure. A major program is the inspection and replacement of poles. Aged wooden poles are identified and replaced with new wooden, steel or concrete poles according to the surrounding environment. In 2001, ActewAGL replaced poles in 64 suburbs (Attachment D).

Other activities include regular network and substation services, maintenance and upgrades of switch gears and augmentation of sections of network to meet increasing demands.

(3) So far in 2002 ActewAGL has replaced poles in 30 suburbs, has undertaken inspections in another 20 suburbs where poles have been identified for replacement, and will be performing inspections in another 15 suburbs where it is likely a number of poles will be identified for replacement (Attachment D).

Besides the pole replacement program, ActewAGL does not have any other structured programs for electricity upgrades. As mentioned above, other activities are carried out from time to time to upgrade sections of the network to meet increasing demands. Such demands are usually identified through new applications for supply and the monitoring of the network loading.

As part of ActewAGL's licence obligations, they have a target of no more than 1.2 supply interruptions each year for each customer. This target is an average across all customers, and gives an indication of the likely number of interruptions to supply that an average customer might experience.

Additionally, under the Consumer Protection Code, ActewAGL is required to take all reasonable and practicable steps to ensure that the supply of electricity from the electricity network to any single premises of a customer is not disrupted by more than 4 outages exceeding 240 minutes each outage per year.

Because of the integrated and dynamic nature of the electricity network and the effects of infrastructure designs within individual suburbs, it is not practicable to set interruption targets on an individual suburb basis. The industry operates on the basis of average performance across the network. The network wide target is 1.2 interruptions per annum.

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(5) Duration of outages: (minutes off supply per customer in the 2000/2001 financial year)

Unplanned 34.54 minutes

Planned 42.36 minutes

Frequency of outages: (number of outages per customer in the 2000/2001 financial year)

Unplanned 0.86

Planned 0.24

Note: Attachments unable to be incorporated. Copies available from Table Office.

Residential rental bonds (Question No 167)

Ms Dundas asked the Attorney-General, upon notice, on 16 May 2002:

In relation to residential rental bonds:

(1) What was the total value of bonds held in trust at the end of financial year 2000–2001.

(2) What was the total interest and other earnings from this money for the financial year 2000–2001.

(3) What was the total cost of the running of the Residential Tenancies Tribunal during the financial year 2000–2001.

(4) What was the total cost of the Office of Rental Bonds during the financial year 2000–2001.

(5) Will the Attorney-General ensure that these results are included in the Annual Report of the Registrar-General's Office in the financial year 2001–2002 and in future years.

Mr Stanhope: The answer to the member's question is as follows:

(1) On 30 June 2001, \$16,617,178.51 was held in trust by the Office of Rental Bonds.

(2) The total interest and other earnings from this money for the financial year 2000–2001 was \$1,309,577.

(3) The estimated cost of the running of the Residential Tenancies Tribunal during the financial year 2000–2001 was \$367,064.

(4) The estimated cost of the Office of Rental Bonds during the financial year 2000–2001 was \$595,952.

(5) The results and estimates for financial year 2001–2002 and future years will be included in future annual reports of the Department of Justice and Community Safety.