



DEBATES

OF THE

LEGISLATIVE ASSEMBLY

FOR THE

AUSTRALIAN CAPITAL TERRITORY

HANSARD

26 October 1995

Thursday, 26 October 1995

Petition: Kippax Health Centre.....	2061
Sale of Motor Vehicles (Amendment) Bill 1995	2062
Taxi licence auction	2064
Taxi licence auction (Statements by members).....	2067
Questions without notice:	
Taxi licence auction	2098
Competitive tendering and contracting	2100
High schools - disabled students.....	2101
Taxi licence auction	2102
Service stations - multisite franchising.....	2103
Labour market programs.....	2104
Taxi licence auction	2105
Planning process review.....	2106
Mental health crisis team.....	2106
School closures.....	2108
Schools - staffing supplementation	2111
Public libraries	2113
Disposal of government property	2114
Personal explanation	2115
Taxi licence auction (Statements by members).....	2115
Purchase of French products	2125
Papers.....	2129
Matter of public importance - withdrawal.....	2130
Public sector - negotiation of enterprise agreement.....	2130
Personal explanation	2147
Scrutiny of Bills and Subordinate Legislation - standing committee	2148
Public Accounts - standing committee.....	2148
Gaming Machine (Amendment) Bill 1995.....	2149
Questions without notice: Planning process review.....	2155
Adjournment.....	2155
Answers to questions:	
Housing Trust - evictions (Question No. 77).....	2157
Aboriginal deaths in custody - implementation of royal commission recommendations (Question No. 80).....	2158

Thursday, 26 October 1995

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

PETITION

The Clerk: The following petition has been lodged for presentation:

By **Mr Berry** from 1,195 residents, requesting that, in relation to the Kippax Health Centre, the Assembly ensure that it is not sold and that the medical, dental and pathology and all other government-provided ancillary services are retained.

The terms of this petition will be recorded in *Hansard* and a copy referred to the appropriate Minister.

Kippax Health Centre

The petition read as follows:

To the Speaker and Members of the Legislative Assembly for the Australian Capital Territory:

The petition of certain residents of the ACT draws the attention of the Assembly to the proposal by the ACT Government to sell the Kippax Health Centre.

Your petitioners therefore request the Assembly to:

1. Ensure that the Kippax Health Centre is not sold.
2. Retain at the Kippax Health Centre the medical, dental and pathology services.
3. Retain all the present Government-provided ancillary services, such as child-health, continence-advisory, speech-pathology, physiotherapy and after-care services.

Petition received.

SALE OF MOTOR VEHICLES (AMENDMENT) BILL 1995

MR HUMPHRIES (Attorney-General and Minister for Consumer Affairs) (10.32): Mr Speaker, I present the Sale of Motor Vehicles (Amendment) Bill 1995, together with its explanatory memorandum.

Title read by Clerk.

MR HUMPHRIES: I move:

That this Bill be agreed to in principle.

Mr Speaker, I am sure members are aware of the essential role motor vehicles play in today's society. They not only provide a person with greater social mobility and enhanced recreational opportunities but may in many cases be the only means of transport an individual has. This can be critical in some jobs. For most consumers the purchase of a motor vehicle represents the most significant financial commitment they will make apart from the purchase of a home. It is essential, therefore, that consumers be properly protected when purchasing a vehicle and that the market operate efficiently and fairly.

The Sale of Motor Vehicles Act was introduced in 1977 to encourage fair trading amongst persons engaged in the selling of motor vehicles in the Territory. The Act provides for a Registrar of Motor Vehicle Dealers who may license persons to carry on business as licensed dealers. Under the licensing regime dealers are required to keep records of second-hand vehicles at the point of sale, maintain trust accounts and keep records in respect of all vehicles sold on consignment and contribute to a motor vehicle dealers compensation fund for the purpose of compensating purchasers of vehicles in certain circumstances.

The Act protects consumers by requiring dealers to display certain information such as the age of the vehicle, make, odometer reading and asking price on a notice attached to each second-hand vehicle displayed for sale and otherwise regulates the way dealers may advertise. The Act also requires dealers to provide warranties on new and used vehicles, and repair any defect in the vehicle which occurs or becomes apparent within a prescribed period, unless they have otherwise notified buyers in accordance with the Act prior to sale.

Since the Act came into force in 1977 no substantial review of its operation has been undertaken. It has become clear that the Act has not kept up to date with current consumer protection principles or with modern commercial practices. It is out of step with interstate developments. In addition, motor dealers have expressed concern that amendments to New South Wales legislation now impose warranty provisions that are substantially different from, and much less onerous than, those in the ACT.

In 1993 the ACT Consumer Affairs Bureau commenced a much needed review of the Act as part of its ongoing consumer law development program. A joint industry-government-consumer working party was established to assist the bureau in the review process. The working party consisted of members of the ACT Motor Trades Association, the ACT branch of the NRMA, the Motor Squad of the Australian Federal Police and officers of the Consumer Affairs Bureau. As a result of the review a substantial number of provisions were identified that required urgent change to reflect modern trends in consumer protection and current commercial practices. A discussion paper reporting on the working party's findings and setting out suggested amendments to the Act has been the subject of almost two years' community consultation. The bureau received substantial community and industry comment on the suggested amendments which has been taken into account in the preparation of this Bill.

Mr Speaker, this Bill features a package of measures which will introduce new categories of essential licences, streamline the administration of the licensing scheme, provide improved consumer protection and update the enforcement provisions. The new licensing requirements that I have just referred to will require car market operators, that is, people who provide a site for the sale of private vehicles, and wholesalers, that is, people who sell vehicles to the retail trade, to be licensed. These flourishing activities which are a recent development in the local industry are not regulated and are therefore not subject to the same requirements imposed on licensed dealers. There is a pressing need to regulate these activities to ensure that consumers enjoy the same level of protection already provided by licensed dealers. Both consumers and industry strongly support this approach.

Mr Speaker, the Bill remedies the current inconsistencies between the warranty provisions that operate in the Territory and those that operate in New South Wales. The Territory has adopted the same warranty provisions as currently apply in New South Wales. The system does not require a dealer to warrant a used motor vehicle which is more than 10 years old and which has travelled more than 160,000 kilometres at the time of the sale. Increased protection of consumers will be provided by the introduction of a three-day cooling-off period for the purchase of new and used vehicles. This initiative is long overdue and has received wide community support. The cooling-off period will allow a consumer to terminate an agreement to purchase a motor vehicle. If a consumer exercises this right, they will receive any deposit less \$100 or one per cent of the purchase price, whichever is the greater. Consumers will have a right, however, to waive the three-day cooling-off period and take immediate possession of the vehicle by signing a prescribed document.

Mr Speaker, as I have already stated, there has been no substantial review of this Act since its inception in 1977. Accordingly, the penalties in the Act no longer afford a sufficient deterrent against contravention of the law and are inconsistent with modern ACT consumer laws. Therefore, the penalties have been increased to reflect 1995 monetary values. I also point out, Mr Speaker, that provisions in the legislation dealing with a person being of good fame and character and otherwise being a fit and proper person to hold such a licence have been codified for the first time so that what is required of a person to bring them within the terms of the legislation is clear in the legislation.

26 October 1995

Mr Berry: I think we will have to do that in the Auctioneers Act.

MR HUMPHRIES: You had your chance. You did not take it up, did you? Mr Speaker, this is a major consumer law review initiative - - -

Mr Berry: Because you tricked us. You did not tell us what was going on.

MR HUMPHRIES: You should have read the legislation, Mr Berry.

Mr Berry: You should have told us what was going on behind closed doors. You did not tell us about that.

MR HUMPHRIES: You did not read the legislation. That is a sign of lack of expertise on the part of the Opposition, is it not?

Mr Speaker, this is a major consumer law review initiative which will provide a level playing field for the making of bargains between consumers and licensed motor vehicle dealers. The Bill reflects considerable consumer-industry-government consultation and is an example of the Government's commitment to provide the ACT with modern and effective fair trading laws. I commend the Bill to the house and trust that members will actually take the time to read the legislation.

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

TAXI LICENCE AUCTION Suspension of Standing Orders

MR HUMPHRIES (Attorney-General) (10.39): Mr Speaker, I move:

That so much of the standing orders be suspended as would prevent the Leader of the Opposition or her nominee from addressing the Assembly for an unlimited time on the matter of the recent auctioning of taxi licences, with particular reference to any issues of impropriety by any member of the Legislative Assembly in relation to the auction.

Mr Speaker, over the last two weeks in this place there have been repeated and sustained attacks by members of the Opposition on Harold Hird and Associates winning a contract to conduct a taxi plate auction yesterday in the Albert Hall. Members in this place have exercised on the floor of the chamber their right to suggest certain issues and to ask questions about certain issues. In the course of doing so, however, members of the Opposition have thrown a great deal of mud in the direction of members on this side of the chamber - Mr De Domenico, me, and Mr Hird particularly. In doing so, they have not to date articulated clearly and specifically any particular allegation in respect of this matter to put on the floor of the Assembly for proper and adequate debate.

Mr Speaker, I think that enough is enough. If the Opposition believes that there has been impropriety of some kind by any member of the Legislative Assembly they should tell the Assembly and the community what that impropriety is and detail the allegations. To date we have had mere innuendo and slur, claims which the Opposition in some cases has had so little confidence in that they withdrew them a matter of minutes later. The tactic that this Opposition has pursued has left a great many questions unanswered. It is my view, Mr Speaker, that the Opposition ought to have the opportunity to put these allegations on the table, to indicate what the view about them should be, and then to allow the Assembly as a whole to debate those allegations. Mr Speaker, as Mr De Domenico indicated in the last couple of days, these matters have been referred to the Auditor-General for his comments. It is clear that that approach does not satisfy the Opposition. In the circumstances it would be best if the Opposition were invited to put up or shut up.

MR BERRY (10.42): It would have been a great pity if Mr Humphries had taken this up with the Labor Party before he moved his motion in this chamber! It has all of the trappings of a nice old stunt. What he has tried to do is to restrict the debate to just one person on the Opposition benches, and Mr Speaker - - -

Mr Wood: And restrict the rest of the house.

MR BERRY: And restrict the rest of the house. Mr Speaker, we are opposed to that. I am in the process of circulating a proposed amendment to the sleazy motion moved by Mr Humphries, to ensure that any member of this chamber can speak on the issue in order that we can have a proper debate and ask all the questions about the shonky deals which have been rumoured in this place. This debate, though a welcome one, has been pulled as a little smart alec stunt by the Government to protect its failures in relation - - -

Mr Wood: It is a boomerang.

MR BERRY: It is a stunt to protect the Government's failures in relation to this auction where the Government lost \$600,000 of taxpayers' revenue - - -

MR SPEAKER: Do not debate the issue, Mr Berry. Be careful. We are discussing the suspension of standing orders.

MR BERRY: As my colleague Mr Wood has just appropriately interjected, it is a boomerang - a beauty. Mr Speaker, I move the following amendment:

After "her nominee", insert "or any other member".

The insertion of the words "or any other member" after the words "her nominee" in the motion which was moved by Mr Humphries will allow anybody who wants to have a bit of a say on this matter to do so.

Mr Humphries: Fair enough. It sounds good to me.

26 October 1995

MR BERRY: It includes you. You can explain whether in fact there was a deal or not, or deny that there was a deal. We will hear you deny that there was a deal, of course - over and over again - but who believes you? My amendment goes to the issue. Although it has been hurriedly prepared, I hope that it allows every member in this chamber to speak. It would have been easier for us to prepare this in a less hurried fashion had Mr Humphries been so gracious as to consult with me as manager of Opposition business. Had that happened, this matter could have been properly debated. This is more of the old consultative-style government, is it not?

MR SPEAKER: Mr Berry, your time has expired.

MR KAINE (10.45): Mr Speaker, it seems to me that the motion put forward by the Minister to suspend standing orders to allow the Opposition to have its day in court, so to speak, is the only fair way to deal with this matter. For two weeks now we have had the spectacle of members of the Opposition coming in here and, by innuendo and implication, damning a Minister and another member of this Assembly. They have not put on the table a single jot of information that has any substance to it, but they seem to work on the basis that if you throw enough mud it sticks. I do not think that is good enough.

For Mr Berry to take the defensive attitude that this motion is unfair and unreasonable is, of course, an absurdity. They have been ready for two weeks to throw the mud. Now is the time for them to put up or shut up. But, of course, they will wimp out if they can, because they know that there is no substance to their allegations. They know that the process is the one that they themselves put in place. They know that the process was rigidly adhered to. That has been stated time and time again. They know that the outcome was a good one for the Territory in terms of the sale of the product that was auctioned. Yet they persist with this slime campaign. Mr Berry used the words "sleazy motion". The sleaze comes from only one side of this house.

I support the Minister in his reasonable attempt to get the Opposition to stand up and put the case, if they have one. I note that the Leader of the Opposition has been very quiet on this whole issue. Other members of the Opposition have been firing the shots, but Mr Humphries's motion allows for that. If the Leader of the Opposition does not want to be part of the sleaze campaign, then she can let somebody else take the running of it. It is a reasonable motion. I support it. Let us get this matter on the table, dealt with and over and done with.

MR HUMPHRIES (10.48): I just want to make one small point on this matter.

Mr Wood: Are you going to support the amendment?

MR HUMPHRIES: Yes, of course. We would have given anyone leave to speak on this matter. We want to have a full debate on the matter, which we have not had before.

Mr Berry: Why did you not say so in your motion?

Mr Wood: Your motion did not allow that.

MR HUMPHRIES: We did not need to. We want the member making the allegations to have unlimited time, but I am not sure whether every other member needs unlimited time as well. But, if you want to make them one at a time, that is fine by us. We will take the rest of the day on the subject if you want to. Mr Speaker, members opposite, Mr Berry particularly, made the suggestion that this was a sleazy move. I remind him that there is a precedent for this. It was in 1989. It was at the instigation of Mr Paul Whalan, who did precisely the same thing in respect of allegations made against him by the then Leader of the Residents Rally, Mr Bernard Collaery. No notice was given of that move. We are following precisely that precedent, Labor's precedent.

Amendment agreed to.

Motion, as amended, agreed to, with the concurrence of an absolute majority.

Statements by Members

MS FOLLETT (Leader of the Opposition) (10.49): I am only too pleased to be able to put on the record the reasons why I believe that the tender process and the subsequent auction for new taxi licence plates in the ACT represent a very serious breach of what I believe are the appropriate standards of behaviour and ethics for all members of this Assembly. It is that breach of ethical behaviour that, I think, goes to the heart of this problem. What we have seen here, Mr Speaker, is a member of the Government taking advantage or receiving an advantage from a tender process which was instituted by the Government and which was subject to a decision by the Government. The fact of the matter is that Mr Hird, in the matter of government auctions, does have a conflict of interest. His company, or the company of which he is the major beneficiary, ought not to be winning contracts from this Government. There is a clear appearance of a conflict of interest.

Mr Speaker, the fact of the matter is that Mr Harold Hird, MLA, does have an auctioneers licence - he is a licensed auctioneer - and that his trading name is Harold Hird and Associates. That is a fact. That fact can be checked in the annual report of the Chief Minister's Department. Mr Speaker, that fact - - -

Members interjected.

Mr Berry: I raise a point of order. I think the Government ought to have the graciousness to listen. They have insisted that the Leader of the Opposition speak on this matter. Would they please remain quiet while she does it.

MR SPEAKER: Order! I uphold the point of order. I remind all members that such a courtesy should extend to all other members when they are speaking. That includes you, Mr Berry. Proceed, Ms Follett.

MS FOLLETT: Mr Speaker, what we have here is, at the very least, the appearance of a conflict of interest which the Government has consistently failed to explain adequately. The tender process itself, I believe, has been open to substantial questioning. The document which invited tenders went to a limited range of this Territory's auctioneers. I believe that it was sent to only seven auctioneers. The document itself was less than robust in its terms. It was a handwritten document that was faxed to a select range of auctioneers which, just by coincidence, included Mr Hird's company. It was a handwritten document which did not specify which goods were to be auctioned, other than to say that they were taxi plates. It did not say how many of them there were; it did not give any indication of what the duties of the auctioneer might be. The document, as we have shown, contained a very clear error, that is, that the reply on the tenders was invited some four days after the scheduled date of the auction. That document, Mr Speaker, brought into question the very genuineness of the Government's desire to hold an open tender process. The document was faulty, Mr Speaker. The document was extremely faulty.

We have also been told by the Minister that the only criterion for deciding this matter was the lowest price tendered. Yet we have consistently had information that there was a lower tender; that one of the auctioneers had offered to conduct the auction at no cost. That is a claim that the Government has not refuted. Mr Speaker, I also believe that in looking at tenders it is extremely unusual, if not an actual breach of purchasing guidelines, for price to be the sole criterion. I recall similar occasions when there were other criteria besides price, when acknowledged reputation, for instance, was one criterion and the quality of the goods that would be provided was another criterion. I find it extraordinary that, in the Minister's words, the only criterion here was price. On those grounds the auction could have been conducted by almost anybody. That was the excuse that the Government used in order to allow Mr Hird's company to have the contract.

Mr Speaker, we have not had a total explanation of the involvement of either the Minister or his office. In answers to questions early on in this matter, the Minister said that he had got on the phone to check out whether it was all right to give the tender to Harold Hird. The Minister said that himself. In question time yesterday he backed down from that and thought it might have been a DLO or somebody on his staff. Mr Speaker, there is a clear conflict in the evidence that has been provided by the Minister on this matter. Again it raises questions about the whole probity of this incident.

Mr Speaker, I believe that the Auditor-General has, in effect, upped the ante on the Government in taking it upon himself not just to do what the Chief Minister asked him to do, which was to look at devising guidelines for these kinds of occasions. The Auditor-General has said that he will review the matter which is actually under debate. He had not been asked to do that, despite the fact again that Mr De Domenico had intimated in question time that the Auditor-General had been asked to do that. It is the Auditor-General who has upped the ante, who has taken on that additional task - and well he might. Whilst the Government might continue to say that there is no substance to these allegations, that everything was above board, it is clearly a matter which the Auditor-General feels is worthy of investigation. I support him in that task.

The lowest point of all in this matter was reached when Mr De Domenico was trying to convince the Assembly that the conduct of this auction would be beneficial to other businesses in the Territory. That is an assertion that is little short of laughable. What we have seen here, of course, is that other small businesses who happen to be auctioneers have clearly been cut out of the action by a member of the Government's own company on the basis that he would be doing this auction not because he is in business to do auctions but so that he could big-note himself around the community in his own electorate by virtue of donating the charges for that auction to charity.

I am the first to say that I support the charity which would have been the recipient of the \$250; but, Mr Speaker, I think that there is no doubt whatsoever of Mr Hird's motivation in taking this course of action. The only possible motivation here was for Mr Hird to gain political advantage from the conduct of a government sale of assets. That is the motivation here, and let us be very clear about that. Mr Hird is able now to make that donation to Fabric - a charity which we would all support - but on the basis that he won a government contract to do so. That is unacceptable. That is a breach of any known ethical behaviour in any parliament in at least this country. Mr Speaker, that is the basis of our problems.

Mr De Domenico, by proceeding along these lines, has denied the business to other auctioneers who presumably need to make their living from being auctioneers. He has also managed to devalue the assets of many other small businessmen, namely, the people who own existing taxi plates in the Territory. By the mishandling of this episode, the taxi plates have been devalued substantially, by around \$60,000 each, thanks to the way in which the Government has chosen to conduct this auction. I take that as a very serious matter. How the Minister for Business could possibly claim that this was somehow a benefit to small business I simply have no idea. I think it is a totally fraudulent claim. Mr Speaker, I said earlier that Mr De Domenico had claimed to speak to whoever was in charge of the auction arrangements in his department to ask whether this was an appropriate matter, and I stand by that. I think the *Hansard* record will bear that out if the Minister cares to look at it.

Mr Speaker, if I could just summarise: I believe that there has been a serious breach of ethical behaviour, if not an actual conflict of interest, in the way that the Government has handled this matter. I believe also that the fact that the Auditor-General has now taken on an additional reference indicates that he also has some concerns about the way that this matter has been handled. I think there has been a failure of leadership on Mrs Carnell's part. She should have made it quite clear to both her Minister and her members that she was not happy with this kind of behaviour. She has, at the very last moment, referred the whole thing to the Auditor-General, which indicates that she thinks there is something wrong here. She thinks there is something wrong, quite clearly. Mr Speaker, she could have circumvented the whole incident by saying that she believed that this was inappropriate, by saying that the tenders ought to be recalled and that the auction, which at that time was some weeks away, should be rescheduled, if necessary, or given to another tenderer because the process that was conducted simply did not stand up to scrutiny.

I think it was a test of Mrs Carnell's leadership. She has faced other tests in relation to Mr De Domenico and failed. On this occasion I think that the Chief Minister has failed again to make clear to her Ministers, her backbench members and the community that she expects the very highest standard of ethics and behaviour from every member of her team. She has failed the test again.

MR DE DOMENICO (Minister for Urban Services) (11.01): I will repeat what I said before. Ms Follett was told by the ACT community on 18 February, "We want you to go from the second floor to the first floor". She has taken it a step further this morning. She has gone right into the gutter. She has put her hands into the same trough that some of her colleagues have been using for the past two weeks, and what has she brought up? Absolutely zilch.

Mr Speaker, the Government's decision to release 15 additional taxi licences was announced on 21 September 1995. Immediately following that announcement, arrangements were commenced for the licences to be auctioned, and 25 October was selected as the nearest appropriate date which would permit adequate notice to prospective buyers. The conditions of auction were determined, and advertising commenced on Saturday, 7 October. Mr Speaker, interestingly, auctions in previous years have been undertaken by private auctioneers for a flat fee of less than \$1,000. Procurement guidelines provide that for contracts exceeding \$2,000 but less than \$5,000 three written quotations are required. This provision was confirmed with the contracts unit of the Department of Urban Services.

However, as auctioneers not invited to tender in the past have complained on previous occasions, it was decided by the Department of Urban Services to invite submissions from all auctioneers listed under the general auctioneer heading in the Canberra telephone directory *Yellow Pages* as trading under business or company names. That is important. This criterion was chosen to give the opportunity to a wider range of applicants but also to attempt to ensure that the chosen tenderer was an established business entity. Last year three were invited; this year, seven. Seven auctioneers were identified in the Canberra telephone directory as meeting the specified criterion and all seven were invited to tender.

Invitations were issued by telephone on 27 September 1995, seeking tenders of a flat rate fee. Tenders closed on 6 October 1995. Companies invited to tender were advised that advertising and venue would be arranged by the Department of Urban Services as in previous years and, as I have said, advertising costs were \$1,997 and the price to hire the Albert Hall was \$118. Submissions from the seven organisations invited to tender were received by close of business on 6 October. The lowest flat fee tender was received from Harold Hird and Associates. The Hird tender was \$250, and the contract was awarded on that basis by the Department of Urban Services. This company conducted the auction of taxi licences in 1994, I am advised, and was assessed as having undertaken the task in a competent and professional manner.

The question of possible conflict of interest was canvassed prior to formal award of the contract by the Department of Urban Services. The contract services unit of the Department of Urban Services confirmed verbally that correct procedures were followed. Mr Hird's status as an MLA was not a consideration in the selection process - and I stress that. The Department of Urban Services having followed correct procedures laid out by the former Labor Government, there was no conflict of interest. Harold Hird and Associates and all other tenderers whose submissions were received by the department by the close of business on 6 October were notified of the result in writing on 9 October. On 10 October Mr Michael Hawkins from Capital Property Auctions, who was also invited to tender and did tender, but obviously unsuccessfully, raised concerns verbally with Transport Regulation regarding a possible conflict of interest in Harold Hird and Associates receiving a contract from the ACT Government to conduct the auction.

Mr Connolly: This is new. You were alerted to conflict of interest. Good. Keep going.

MR DE DOMENICO: No, I was not alerted at all. The department was alerted, Mr Connolly. I have kept right away from the process. A PAQ regarding this complaint was prepared on 17 October. In addition to the seven auctioneers who were telephoned by Transport Regulation and submitted tenders, an unsolicited proposal was received through a Mr Reg Abbey, who represents a Sydney company called Hymans Auctioneers. While the proposal provided no direct fee to the Government, it proposed a one per cent buyers premium, calculated on the bid price, to be charged to the buyer. So the freebie that everybody has been talking about would have pocketed Mr Hymans, or whoever he was, on yesterday's prices, \$24,000. Boy, would that have been a good deal for the Government! This was assessed as likely to persuade any prudent purchaser to lower his or her bid by the amount of the premium and in practical terms - and in actual terms as of yesterday - would have pocketed Hymans \$24,000.

In addition, the proposed buyer premium is not provided for - and this is important - in the terms and conditions of auction which I tabled the other day and which all people who had been invited to tender were given a copy of. They had already been made available to the inquirers also. In this context, the bid would be considered non-conforming. First of all, it was a non-conforming bid and could not have been considered anyway. Secondly, this so-called freebie would have pocketed the auctioneer \$24,000 - not a \$250 flat fee, but \$24,000. By gee, did we do a bad deal on this one! As the bid was assessed as non-competitive and non-conforming, the applicant was advised in writing that the submission was unsuccessful. The department, by the way, ascertained that Hymans was represented in the Canberra region very recently by a Mr Reg Abbey. As Mr Abbey advertises as an individual in the Canberra directory and is not known to the department, he was not selected for invitation to tender.

I am advised that on 18 October Mr Abbey from Hymans raised concern with Transport Regulation, stating that their quote could not be unsuccessful, had to be successful, as their proposal would be of no cost to the ACT Government. He was going to pocket \$24,000, mind you, but his bid had to be successful, because he wanted it of course! He was going to pocket \$24,000. No wonder he wanted his bid to be successful.

26 October 1995

Mr Abbey was advised that the department did not share that assessment and considered that the fee structure proposed by Hymans would significantly reduce the price that a prudent purchaser would bid. I am advised, Mr Speaker, that Mr Abbey was aggressive in his discussions with the officer concerned.

Concerns were raised in the Assembly concerning the appropriateness or probity of a company bidding for government business where an MLA or close family member has an interest in the company. As we all know, the Chief Minister has written to the Auditor-General seeking advice on that. The Chief Minister will stand up in this place and talk about the letter that she wrote to the Auditor-General, and I will leave it for her to do that.

Mr Speaker, what has Ms Follett said this morning? What is new in what she brought up? The answer is nothing. She brought up all sorts of things to try to muddy the whole thing and besmirch not just my reputation but Mr Hird, Mr Humphries and everybody else on this side. What did she bring up? Absolutely nothing at all. She mentioned various things. Did I or any member of my staff speak with any person regarding this issue? I am advised once again - and I came back into this Assembly and said so - that a departmental liaison officer from the Department of Urban Services had a discussion with an officer of the department. I am also advised that her recollection is that that discussion took place after the bid was decided. Why is that, Mr Speaker? The first that the Minister knew of the bid was on 9 October, after the bid had been decided. In fact, the memo from the Department of Urban Services, which is with the Auditor-General, says, "Minister, this is to advise you that we have selected ...".

Mr Connolly: And you will be tabling that document today, I presume. You will be tabling that document?

MR DE DOMENICO: The documents, Mr Connolly, are all with the Auditor-General.

Mr Connolly: You will be tabling a copy?

MR DE DOMENICO: Every scrap of paper to do with that is with the Auditor-General, Mr Connolly.

Mr Connolly: But is it on the table here, or will it be?

MR DE DOMENICO: No, it is not on the table here. I have my notes on the table here, Mr Connolly. If you want to see that document, Mr Connolly, go and ask the Auditor-General. I am sure he will show it to you - and properly so, Mr Connolly. Every scrap of paper to do with this bid is with the Auditor-General right this minute.

The departmental liaison officer had been informed that the successful tenderer was Harold Hird and Associates. I am advised that after she was informed of that the substance of the discussion was to the effect that all appropriate purchasing procedures had been followed and that the process was transparent. The departmental liaison officer, after being told that Harold Hird and Associates had been selected, then said, "Have all the proper processes been adhered to? Is the process transparent?".

The departmental liaison officer sought an assurance that the process had been adhered to and, I repeat, received that assurance. This conversation was not relayed to me or any member of my personal staff until I sought further information after question time the day that the Opposition raised it in question time. No member of my private staff was involved.

Mr Connolly: Hang on; you said that you got a PAQ on the 17th.

MR DE DOMENICO: Of October?

Mr Connolly: Yes.

MR DE DOMENICO: Yes, October.

Mr Connolly: That is before we raised it.

MR DE DOMENICO: Yes.

Mr Connolly: So you were aware of the potential conflict before we raised it.

MR DE DOMENICO: On 9 October, Mr Connolly, I was told that it was Harold Hird and Associates, and after the contract had been given and an assurance had been given that all the processes had been adhered to I said, "I bet you someone will leak, so let us make sure that I have a question ready for me to answer to make sure that all the proper processes have been adhered to". Like any good department, the department said, "Okay, we will get that PAQ". I admitted in this place, as Mr Moore will tell you, that it was only then that I knew in fact who got the contract and the fact that the \$250 was going to be donated to a charity. Yes, Mr Connolly, the PAQ was prepared on 17 October.

Let us have a look at what is set out in the terms and conditions of the auction of the right to be granted a licence. Term 5 states that the Territory, through the relevant officer at the Department of Urban Services, reserves the right to reject any bid. It talks about the reserve price of \$100,000. Ms Follett stood up and started spouting about the hundreds of thousands of dollars that the Government lost. The reserve price as per the conditions was \$100,000. What was the average price? It was \$162,000. That tells me that it was 62 per cent over and above the reserve price. It would have been nice to get \$300,000 or half a million dollars each. It would have been fantastic. It would have been wonderful. Ms Follett started talking about markets. The reserve price being \$100,000, the market decided yesterday that the average price was \$162,000. So be it.

Take the same argument that Ms Follett wants to use. Just because house prices fell over the last two years of her Government, was it her fault? Maybe it was, because in order to get money she just released more blocks of land. Surely she cannot come into this place and blame this Government for the price someone is prepared to pay at a public auction for a taxi plate. What utter nonsense!

26 October 1995

Mr Kaine: Or for a block of land.

MR DE DOMENICO: Or for a block of land. What utter nonsense! There is another question that people have been alluding to but have never asked, so I will ask it. Did I meet with anyone in relation to the bid? I met with no-one in relation to the process of that bid. I met with Mr Reg Abbey, by the way. I met with him twice. Mr Reg Abbey visited my office on 27 September, when he informed me that he was now working for Hymans. I had never heard of Hymans. He said that he worked for Hymans and requested an introduction for his principal, who was visiting from Sydney on that Friday, the 29th. I agreed with Mr Abbey to meet with Mr Abbey and his principal that Friday and subsequently did.

During the meeting on the 27th, Mr Abbey made reference to the auction of the taxi licence plates and said that he had a terrific idea that would cost the Government nothing. I asked him to put it in writing and informed him that it would be forwarded to the department for their consideration - the normal process. I spoke to Mr Abbey and his principal on 29 September. They told me about Hymans wishing to enter the Canberra auction market, expanding their business involvement in Canberra. I said, "I am delighted about that. If you have anything to say about this bid, put it in writing and it will go down to the department". That is what has happened.

Mr Speaker, the standard process that was adhered to this time is used by governments pursuant to the ACT government procurement circular No. 94/4 released under the former Government on 23 September 1994. Let us have a look at what that says. It says:

Tender requirements for those quotes or tender values less than \$2,000 are:

Seek at least one quotation from a local supplier where no applicable ACT Government Common Use Contract (CUC) or suitable period contract exists.

That is for anything under \$2,000, under their process. It also says:

Tender requirements for those quotes or tender values from \$2,000 to \$50,000 are:

Seek at least three written quotations ...

So, if it is less than \$2,000, seek one - - -

Mr Kaine: You need only one.

MR DE DOMENICO: You need only one. If it is between \$2,000 and \$50,000, you need three. What happened this time? There were seven, not one and not three as happened last year. Under their same process, there were seven.

Mr Connolly: One of them was one of your members doing it for nothing.

MR DE DOMENICO: It was not. I will take on that interjection. Mr Connolly is a lawyer, supposedly. The member you are referring to does not have a share in the company Harold Hird and Associates, Mr Connolly. You were wrong. You knew that you were wrong, but you said it on purpose anyway.

Mr Connolly: He is linked with the company.

MR DE DOMENICO: You knew that you were wrong, Mr Connolly, but you sleazily said it anyway. Under the process that they put into this Territory last year, only one person needed to be invited to tender. How many were invited to tender this time? There were seven - not one, but seven. So much for following the process. Who were they? They were Capital Property Auctions, Central Auctions, Peter Maidens and Co., Campbells, National Auction Group, Pickles, and Harold Hird and Associates. It is for the department to choose how big the pool of potential tenderers should be, provided that the minimum requirements of the procurement circular are complied with. What was the minimum requirement? It was one. How many did they invite to tender? They invited seven.

Mr Connolly will understand the process because it is simple and straightforward at law. I am advised that the department seeks tenders. At law this is known as an invitation to treat. It is not a binding offer, and the Territory can set down whatever conditions it wants with this invitation. Conditions were attached, the most relevant being that any tender was to be a flat rate, as it was last year and as it has been in the past. The tender was to be in writing, and it was to comply with the terms and conditions sent to the auctioneers approached.

Under step 2, those who respond to the tender with a bid in compliance with the terms and conditions can be considered. So if you comply with the terms and conditions you can be considered. If you do not comply, quite naturally and quite rightly you cannot be considered. Each response is regarded as an offer at law. If that offer is accepted, the offerer, whichever auctioneer that is, is bound to conduct the auction according to the terms of his, her or its bid. Under step 3, the department considers the bids in line with the procedure set out within the procurement circular No. 94/4 - a circular issued by the former Labor Government. That which is the lowest and otherwise complies with the procedure wins the bid and is appointed the auctioneer. Under step 4, each party is notified of the decision in writing.

The bottom line, Mr Speaker, is that the processes put in place by the former Government were adhered to. Was there any direct involvement by me or my personal staff? No. Was I concerned when I saw on 9 October that Harold Hird and Associates was awarded the tender? Yes. What did I do? I spoke to the departmental liaison officer and said, "Is everything being done according to law and is everything kosher?". The answer was, "Yes, everything is kosher". Still concerned, I asked, "Is there anything I can do?". The answer was, "No, because the Minister should be and will be at arm's length from the process". Had I done anything about it at that time, I would have been charged with interfering in the process. It is something that this Government has not done and will not do.

26 October 1995

Mr Speaker, where is the evidence that Ms Follett and her colleagues have been alluding to? Nowhere that I can see. But what did the Chief Minister do about this? The Chief Minister wrote to the Auditor-General. I will leave it to the Chief Minister to explain that. What is happening now, Mr Speaker? The Auditor-General has the file and will look into it, and I look forward to what the Auditor-General has to say.

MRS CARNELL (Chief Minister) (11.21): Mr Speaker, Ms Follett made some very interesting comments that I think go to a very fundamental difference between the two sides of this house. Ms Follett seemed to indicate that she believed that no members of this house or their families or partners could be involved in any company business or anything else that dealt with this Government. That is an extremely serious thing to say. That was my concern when last week I wrote to the Auditor-General. It seemed to me that that was what the Labor Party was saying last week as well - that they believed that the moment anybody got into this place they, their families or their partners could no longer deal with government; that the Government could no longer employ those people or contract their services.

I think we will find that the partners of a number of members work for the Government in various capacities - some on short-term contracts, I understand. I think that is totally appropriate. I think there is absolutely nothing wrong with that. We live in a city where at least 48 per cent of the work force is employed by either the Commonwealth Government or the ACT Government. The ACT Government has some 14 per cent of the work force. A very large percentage of the business in this town is generated by either the Commonwealth Government or the ACT Government. To suggest for one moment that no partner or family member of anybody in this house can seek a contract to work for the Government, to supply services, to supply goods, to - - -

Ms Follett: No; I am saying that the Government should not give government contracts to members of the Government.

MRS CARNELL: It did not.

Ms Follett: Yes, it did.

MRS CARNELL: They did not in this case. What we have here quite simply is a company owned by Mr Hird's wife and a partner. If we are saying that Mr Hird's wife cannot own a company that tenders - - -

Ms Follett: That just happens to be called by her husband's name.

MRS CARNELL: And Mr Hird's father's name as well. That is the case here. Does that mean that Mr Hird's wife's company can no longer do business in this town? Is that what we are saying here?

Mr Connolly: Ethically, yes. He should not deal with the ACT Government.

MRS CARNELL: I think that is totally ridiculous. The moment we even suggest that that is a reasonable approach, we are ruling out a very large percentage of people from standing for this Assembly. They will not even think about it if it immediately rules out their partners' businesses or their families' businesses from dealing with one of the largest chunks of this Territory's economy.

There is no doubt that process must be followed. One of the things that we have to do when we are elected to this place is to stipulate very clearly in a statement of interests not just what we own but also what our partners have shares in, so that it is on the public record for anybody who chooses to look. If we do not do that ethically or honestly, we deserve everything we get. If everything is on the public record, surely as long as process is followed our partners and our families can continue to conduct business in this city. If they cannot, we have a very real problem.

Last week, when this line of questioning started and it started to appear that those opposite believed that that was not all right, that partners and families could not run businesses in this town, I wrote to the Auditor-General with a great deal of concern. I know that other members, not of the Liberal Party, were concerned, too, because their partners worked in various ways, on contract and so on, for the Government. I wrote to the Auditor-General asking whether he would be interested in putting together guidelines that would assist MLAs and government officials in making decisions on matters that would affect, or be influenced by, members of their families.

In situations where members of families are dealing with government, whether as employees on a contract or through selling goods to government or selling goods on behalf of government, guidelines need to be set in place. To illustrate the point, I instanced the case that we have been discussing in this house over the last couple of weeks. The public record shows exactly what I asked the Auditor-General to do. The Auditor-General wrote back and said that he would be delighted to establish those guidelines. He said that as I had already mentioned a particular case he would use that case to investigate the issues generally. Right from the beginning I spelt out the Harold Hird and Associates case in my letter to the Auditor-General to illustrate the problem that we have. The Auditor-General, rightly, is investigating this on the basis of my alluding to it right from the beginning.

I wonder whether this Assembly understands the damage that this could be doing to a small business in this town.

Ms McRae: What about the damage you did to Charles Wright?

MRS CARNELL: Interestingly, you moved a censure because you said that it was totally unacceptable behaviour. You moved a censure motion because you said that it was unacceptable to use this place supposedly to bring forward this sort of information. Quite seriously, the hypocrisy is stunning here. What we potentially could be doing here is damaging a small business - - -

26 October 1995

Mr Kaine: But the former Speaker sat up there and did not say anything, because she was the Speaker.

MRS CARNELL: Absolutely. Note, Mr Speaker, that there is no censure motion here at all. We believe that the Opposition has every right to bring forward any information on this issue. That is what we are asking them to do today. What have they brought forward? Absolutely nothing! I think that really underlines this whole debate. There is nothing. Proper processes were followed - - -

Ms McRae: Why are you protesting? Why did you go to the Auditor-General? That is why you are carrying on.

MRS CARNELL: Because, Ms McRae, we believe that the sorts of slurs that you threw yesterday in this place were unacceptable in the extreme. We thought that you possibly had information that the public needed to know about. We thought that possibly there was information that should be on the public record, information bad enough to potentially hurt a small business in this town. We have asked for that information. That is what this debate is about. It is not a censure motion; it is a debate to get information on the table, and so far we have had absolutely not a jot, not one bit of information at all.

Let us hope that out of this whole debacle we actually get a set of guidelines, as I am sure we will from the Auditor-General, to overcome what would be a totally dreadful situation if the companies of partners or families of members cannot deal with the ACT Government in any capacity. That is what Ms Follett said earlier, which is fascinating, because at least two of those opposite have partners who work for the ACT Government in various guises. That is taxpayers' money. A comment was made earlier that it was inappropriate for Harold Hird and Associates to donate taxpayers' money to charity. I regularly donate money.

Ms Follett: Yes, but it is your own money.

MRS CARNELL: Why is it my money? It comes from the taxpayer. I earn it and I write a cheque for it. Harold Hird and Associates earned the money and donated it to charity. Fascinatingly, every time I donate to charity, indirectly I am donating taxpayers' money that I have earned. I think that is totally appropriate. What we have here is a situation where there is no evidence. Processes were followed, the Minister was at arm's length and at the end of the day we will end up with guidelines that hopefully mean that people can get on and do business and live in this city.

MR WHITECROSS (11.31): The speeches from Mr De Domenico and Mrs Carnell on this just show what we have been saying for the last fortnight, which is that they just do not get it. They just do not understand the proprieties of government, what government is about. They simply do not get it. Let us go back to the beginning and see whether we can give them a bit of a lesson. Let us talk about the tender process, and let us start by looking at the guidelines for the tender process. One of the things the guidelines say,

under the heading "Open and Effective Competition", is that there should be a clear expression of the needs in purchasing documentation. What was the purchasing documentation? Is that purchasing documentation? A handwritten piece of paper, which contains a factual error that the tender closes on 29 October.

Mr De Domenico: What happened last year when you were in government? The same thing.

MR WHITECROSS: Mr De Domenico, what we are talking about now is whether the tender process was appropriate under your Government. We have purchasing documentation that says that it should be clearly expressed in documentation. What we have is a handwritten piece of paper that does not contain the facts about the date the tender closed. Mr De Domenico just said a moment ago in relation to this tender that one of the requirements of the tender was that people put in a flat price for an auctioneer alone. There is nothing about this in the tender documentation. It is not mentioned. It is not there. How do you conduct a tender process on the basis of that?

Mr De Domenico says, "Our tender process was better than last year's because last year you invited only three; this year we invited seven". The effectiveness of a tender process, the propriety of a tender process, the appropriateness of a tender process, is not how many people you invite to tender but the quality of the tender, and it is the quality of the tender that we are going to. I have already touched on the failure of the documentation to mention the fact that all they wanted was a bare voice and a flat rate charge. But it goes further.

Mr De Domenico in the Assembly last week was given plenty of opportunity to explain this. "What were the criteria for selection of the successful tenderer?", we asked. Mr De Domenico said, "It was the lowest price". We said, "Did you not take anything else into account?". "No, it was the lowest price", he said. The purchasing guidelines say:

Achievement of value for money to the ACT Government requires the maximisation of the benefits from a purchase, compared to the cost of the purchase, taking into account all the potential costs associated with the purchasing.

Best value for money - - -

Mr De Domenico: Flat rate, lowest price is always the best value, Mr Whitecross. If you knew anything about business you would know that.

MR WHITECROSS: Mr De Domenico compounds his error by telling us that the lowest price is the best value for money, showing once again - - -

Mr De Domenico: If you ask for a flat rate, it has to be.

MR WHITECROSS: Mr De Domenico has had his say. That shows once again that Mr De Domenico does not understand government purchasing. Now let me give a little bit of history on this. The Federal Government got themselves into a spot of bother a few years ago when they let a contract for a private company to undertake coastal surveillance

on behalf of the Federal Government. The department concerned went through the tenders and said, "This is the cheapest tender. We will give it to this company". The only problem was that the company did not have any planes and it did not have any pilots, but it hoped that it might get some. What happened in that case was that they said, "Yes, price is the only thing". They were from Mr De Domenico's school of thought that price is the only criterion, and they bought a service from someone who was not in a position to deliver the service.

That is what this issue is about. A key element is that we have inadequate tender documents that do not properly explain what is being purchased. We have a failure by the department, with full approval from the Minister, to take account of value for money and to focus solely on price. What they have not done in evaluating these tenders is consider the experience of auctioneers and the quality of the service that was being provided. They have not considered any of these things in considering whether or not they were getting best value for money here. They did not ask for references. The tender documentation from Harold Hird and Associates, which was tabled in the Assembly last week, is a six-line letter. There is no reference to the qualifications or the experience of the auctioneer who was going to conduct the auction in order to establish that they would get good value for money for the ACT Government from this auction.

Mr De Domenico mentioned the Hymans bid. Mr De Domenico, who is claiming to have had nothing to do with the process, was only too happy to give Hymans advice on putting in a bid. In fact, I understand that they put in the bid to him and he passed it on to his department. The facts are that they rejected the Hymans bid because they said that it was not a bare price. They wanted a flat rate price; it was not a flat rate price. But where is the evidence that they were ever told that? They were not told that by Mr De Domenico, who accepted their bid and passed it on to the department. The department did not phone up and say, "No, you have got it wrong. What we wanted was a flat price. You had better submit something else". They just said, "No, this does not comply. Throw it out".

Another one of the purchasing guidelines states:

- . use purchasing methodologies which utilise industry expertise to assist in the identification of better solutions to their procurement needs to maximise the value for money achieved;

What happened in this case? They have predetermined it. They have said, "We will do the advertising and we will book the hall. You just send along someone to auction it". Hymans has put in a bid saying, "We have a better way of doing it. We will do it this way. We will do the advertising. We will advertise it more extensively than you were going to do it. We will book a better venue that will create a more salubrious atmosphere for the auction, which will create an environment in which people will feel more comfortable, more ready to bid".

Mr De Domenico: “And we will also pocket \$24,000”.

MR WHITECROSS: I will get to that, Mr De Domenico. What has the department done, with full approval from the Minister? They have not said, “This is an innovative approach from business, from the industry concerned, as to the best way of doing this auction”. They have said, “No; that does not comply with our idea of how it should work”. Far from doing what their own purchasing guidelines say, which is utilising industry expertise to assist in identifying an approach that would give value for money, they have instead closed their minds, saying, “No; we have always done it this way. We want to do it this way again. We do not want to think about a new way of doing it. We are going to put your tender in the bin”. Mr De Domenico has misrepresented the Hymans tender in the context - - -

Mr De Domenico: I have not seen the Hymans tender.

MR WHITECROSS: While Mr De Domenico is happy to spruik on about \$24,000, what Mr De Domenico has not said is that Hymans were going to bear all the costs of the advertising, which was going to be a lot more extensive than the \$2,000 the Government spent on this. They were going to bear all the costs of the hall and the wine and the nibblies and all that sort of stuff. They were going to make a donation to charity of about \$7,500, which puts the \$250 proposed by Harold Hird and Associates in the shade. I do not know whether at the end of the day that was best value for money.

Mr De Domenico: The department said that it was not.

MR WHITECROSS: What I do know is that the department did not consider that. The department said, “No; we want a flat rate auction, a flat rate price. This is not a flat rate price. Put it in the bin”. Mr De Domenico thinks that is good. Mr De Domenico says, “That is right; forget the purchasing policy. Lowest price is best. Lowest price is the only criterion. Go for it”.

That is what we have seen from the tender process. We have seen very poor documentation which does not properly articulate what is needed, even though the purchasing policy says that they should. We have seen a lack of consideration of alternative ways of doing the job, which the purchasing policy says that they should be open to. We see a failure to alert someone wanting to tender for the work to what the department had decided the criteria were, for better or worse. We see a decision by the department, with full support from the Minister, to base their decision purely on lowest price, not on value for money - not to ask for references for the auctioneers, not to ask for experience, not to ask for anything that would indicate that this auction was going to be done in a way that would get the maximum price for these taxi plates. That is what we see in relation to the tender process.

Let us look at how we went in terms of getting value for money. The Government went into this process budgeting \$200,000 a plate for the auction. We discussed this quite a bit with the department in the Estimates Committee.

Mr De Domenico: No; \$100,000.

26 October 1995

MR WHITECROSS: Mr De Domenico is doing something that they have been doing a fair amount of in this debate, which is rewriting history.

Mr De Domenico: What was the reserve price?

MR WHITECROSS: I will get to the reserve price, Mr De Domenico, and you will be pleased when I do. Mr De Domenico has been doing plenty of rewriting of history on this. Let us have a look at what happened in the Estimates Committee. I asked Mr De Domenico about the appropriateness of releasing 15 plates at once and his budget papers own estimate that this would wipe \$40,000 off the value of plates in the ACT. He seemed very sanguine about that, I must say. I went on at some length about this business of \$200,000 compared to the price paid last year of \$240,000, and they said:

... the \$200,000 is just a reserve price.

This is evidence given to the Estimates Committee by the department. In other words, “We might get more than \$200,000”.

Mr De Domenico: You might get less, too.

MR WHITECROSS: Mr De Domenico, how do you get less than the reserve price?

Mr De Domenico: The reserve price was \$100,000.

MR WHITECROSS: No, Mr De Domenico, that is not what the department told the Estimates Committee. The department told the Estimates Committee:

... the \$200,000 is just a reserve price.

In other words, “We might get more than \$200,000”. The transcript goes on:

MR DE DOMENICO: It is a reserve price, yes.

MR WHITECROSS: So you are hoping to get more than \$200,000 for the plates? ... They will not sell if you do not get \$200,000?

MR DE DOMENICO: The indications are that, depending on the demand, that the reserve price is only a reserve price. I think Mr Hird, as an auctioneer, would tell you that.

Was that not a prescient comment?

Mr Connolly: Did he say “the auctioneer”?

MR WHITECROSS: He did not say “the auctioneer”, Mr Connolly; he said “an auctioneer”. The Estimates Committee was told that the reserve price was \$200,000. The Estimates Committee was led to believe that they expected to get more than \$200,000. Now Mr De Domenico is rewriting history: “No, the reserve price is now only \$100,000. We never expected to get \$200,000. What are you guys talking about?”

It is only \$1.5m, not the \$3m you see in the budget papers". This is the sort of duplicity we have been getting from the Government side on this, in their attempt to rewrite history to put themselves in a better light.

Let us get back to the auction. At the auction the average price paid for plates was \$162,000, compared to \$242,000 at last year's auction. That is one-third of the value of taxi licences in the ACT. That is \$80,000 off the value of a taxi licence in the ACT.

Mr Connolly: Great for small business!

MR WHITECROSS: Yes, good for small business, as Mr De Domenico has said. Mr De Domenico feels that this is good for small business, but I can assure Mr De Domenico that, moving around the Albert Hall yesterday, I did not find too many small business people who thought it was good for small business.

Mr Kaine: You did not get too many who said that what you stuffed up for the last four years was much good.

MR WHITECROSS: Mr Kaine, we were not wiping \$80,000 off the value of people's small businesses, were we? At the auction a number of auctioneers - not just one, but a number of auctioneers - said to me, "This auction is not very well conducted. Where are the spruikers? Where are the spotters to spot the people putting their hands up? Where is the atmosphere, where is the goading and the cajoling to get people to put in the extra \$5,000?". There was none of that. Where was the atmosphere? Was the hall the right hall? There are all these sorts of questions. What we saw was a very flat auction yesterday, not an auction that was getting the best value for money for the ACT. That is not surprising, because the department did not try to get best value for money for the ACT. They just wanted to get out of it for \$250, not \$400 or \$600 or \$800. For the sake of a few hundred dollars, we have a situation where this taxi auction has brought in \$600,000 less than was budgeted for by this Government.

Mr De Domenico and Mrs Carnell have an excuse for that. Their excuse is, "We are not responsible for the market. There has been a change in market forces. Market forces have duped us". In the five weeks between the budget and now, the market has changed so dramatically that 20 per cent has been wiped off what they told us in the Estimates Committee was the reserve price for this auction. They are getting \$600,000 less for these taxi plates. They are getting 20 per cent less than they said was the minimum they would sell these plates for.

Mr Kaine: What about the \$30m that got wiped off land sales the year before last under the Follett budget?

Mr De Domenico: What happened to land sales under the Follett budget?

Mr Kaine: They just collapsed.

MR SPEAKER: Order!

26 October 1995

MR WHITECROSS: Mr Speaker, I know that they do not want to hear this, but these are the facts. We have seen 20 per cent less than they budgeted for these things because of a change in market forces. What changes happened in the last five weeks? I will tell you what changes happened in the last five weeks. Mr De Domenico announced that he was going to flood the market with 45 new taxi plates. That is what has happened in the last five weeks. That is what has driven down the price. What has wiped one-third off the value of a taxi licence in the ACT is Mr De Domenico's decision to flood the market with 45 new taxi licences in the next two years.

Mr De Domenico: To provide a better service to the consumers. Wow! Have you ever lined up at the airport waiting for a taxi?

MR WHITECROSS: Mr De Domenico makes some interesting interjections about what the benefits of this might be. Let us go back to the Estimates Committee and the discussion we had on this.

Mr De Domenico: Let us have some evidence about what your mob is alleging.

Ms McRae: Why do you not zip your mouth instead of asking me to do it all the time?

MR SPEAKER: Why do you not both be quiet and let Mr Whitecross get on with it?

MR WHITECROSS: Thank you, Mr Speaker. I asked Mr De Domenico, "How did you evaluate the impact on the taxi industry, on the taxi market in the ACT, of releasing 45 plates?". He said, "We got some phone calls in my office". I said, "Apart from the phone calls to your office, what analysis has been done?". He said, "Let me repeat again. We talked to the taxi owners, we talked to the Taxi Industry Advisory Council" - neither of whom advised him to release 45 plates - "we talked to Treasury". Surprise, surprise! Treasury wanted to release 20 plates this year and presumably dozens more next year and the year after. Once again, there was no actual analysis. I said, "But wait a minute. Okay, you have had all these people giving you ambit claims. So what analysis did you do?". The transcript continues:

MR DE DOMENICO: Taking all that into account, having talked to people from the tourism industry, having talked to the people from the Olympic 2000 Committee, having talked to all the people involved in tourism, in other words, as well, the Government decided on 15 taxi plates this year, 15 next year, 15 the year after ...

MR WHITECROSS: ... you have got a series of ambit claims on the table?

MR DE DOMENICO: Yes.

MR WHITECROSS: And some wishful thinking from Olympics 2000 and various other people ...

MR DE DOMENICO: Yes, and some solid decision-making processes from the Government.

MR WHITECROSS: Some solid decision-making by you but no analysis of the impact of 45 plates on the taxi industry?

MR DE DOMENICO: If you are prepared to do the analysis, Mr Whitecross, in your spare time, you do it.

MR WHITECROSS: I would have thought, Minister, you are the decision maker; I would have thought you would do the analysis, you would have done the analysis before you made the decision.

MR DE DOMENICO: And I have made the decision, Mr Whitecross, and the decision stands. That is the way government operates. We will make the decisions.

MR WHITECROSS: And that is the way you make decisions, without any analysis?

MR DE DOMENICO: ... that is the way governments operate, ...

“That is the way governments make decisions”, he said.

Mr Connolly: Obviously.

MR WHITECROSS: Obviously - no analysis; no consideration of the impact; no thought as to whether this was going to work or not; no thought for the small business people who have now had \$80,000 wiped off the value of their small business. Instead, just pick a number out of the air and make a decision. As I said at the beginning, this is a government that just does not get it when it comes to how government works, what government processes are about, what government decision-making is about. Mr De Domenico thinks it is about plucking a number out of the air and sticking it in the budget papers, and then equivocating about the number later and saying that it does not mean what he said it meant.

Let us now go to the question of the selection of Harold Hird and Associates as the auctioneer to do this. Mrs Carnell and Mr De Domenico have made much of the fact that Harold Hird has no relationship to the company, that Harold Hird and Associates are the ones who are making this donation to charity, et cetera. Let us just look at some of the facts in relation to this. Harold Hird said on Capital TV on 19 October:

As a matter of fact, I spoke to the General Manager, Mr Keith Ritchie, on early Friday morning and I sponsored a morning tea with FABRIC, and I announced [that we would be donating the \$250 commission to FABRIC] ...

Mr Connolly: That “we”?

MR WHITECROSS: “I announced it then”. Mr Harold Hird, who has no relationship - - -

26 October 1995

Mr Connolly: MLA, sitting over there.

MR WHITECROSS: Harold Hird, MLA, who has no relationship to Harold Hird and Associates, held a morning tea with Fabric and announced that Harold Hird and Associates were donating \$250 to charity. It is just a coincidence that Harold Hird and Associates invited as their local member to announce this donation someone called Harold Hird, MLA.

Mr Connolly: And how did he describe Harold Hird and Associates? As “we”.

MR WHITECROSS: Let me get to that. Mr Ritchie said in the *Canberra Times*:

Mr Hird had designated FABRIC as the charity to receive the funds but there was “nothing sinister” about it being based in Mr Hird's electorate of Ginninderra, as the company did most of its business there. Nor was there anything unusual about the company giving away its fee.

“We’re a very philanthropic organisation”.

Why would Harold Hird and Associates, which has no link to Harold Hird, Liberal MLA for Ginninderra, phone up Harold Hird, Liberal MLA for Ginninderra, and ask, “Whom should we make a donation to”? He has no relationship to the company, no relationship whatsoever. On 20 October on 2CN Harold Hird said:

I could do it [i.e. auction the plates] but I think that the idea of us bidding for this is ... it would be a good opportunity for the auctioneer to get experience in that field. And I feel that I’ve had that experience, and I would think that the auctioneer would be ... doing it, that is their full-time auctioneer.

Mr Hird: Do not give just part of it. What was the question?

MR WHITECROSS: Mr Hird, what I am talking about is your answer, which says:

... the idea of us bidding for this is ... it would be a good opportunity for the auctioneer to get experience ...

Mr Hird said on ABC radio, “... the idea of us bidding for it was to give one of the auctioneers in Harold Hird and Associates some experience” - not a bad comment from Harold Hird, MLA, who has no relationship to Harold Hird and Associates.

There is more, Mr Speaker. On 20 October, on 2CN again, Harold Hird, MLA, said that Connolly and Whitecross were wrong to imply that there was a benefit for the auctioneer from the media exposure. He said that none of the advertisements for the auction had mentioned that Harold Hird would be the auctioneer. What does Keith Ritchie, the general manager of Harold Hird and Associates, say about publicity? He says:

The key reason auction companies were so keen to win the tender was that there were only two auctions in Canberra which attracted a lot of publicity: taxi plates and police disposals.

So, on the one hand, we have Harold Hird saying that he has nothing to do with publicity. On the other hand, we have Keith Ritchie from Harold Hird and Associates saying that the key reason for getting this thing and the key reason why you are willing to do it for next to nothing is the publicity.

What we have is a situation where the Government is desperately saying, "This company has nothing to do with our backbencher", but we have the backbencher saying in the media "us" and "we", referring to Harold Hird and Associates.

Mr Berry: What about Mrs Carnell's input - the Chief Minister's?

MR WHITECROSS: Yes, I am coming to that. In addition, we have the matter that has already been alluded to by Ms Follett: Who owns the trading name Harold Hird and Associates? As at 30 June 1995 - and this is the latest annual report from the Chief Minister's Department - the trading name is owned by H.J. Hird. Now, 30 June 1995 is after the election of the Liberal MLA for Ginninderra; yet they seek to maintain that there is no relationship between the two, even though H.J. Hird owns the trading name.

There were two key questions on which we started this last week: Firstly, what possible benefit could there be in a company bidding for this, a paltry amount of money, to dispose of \$3m worth of taxi plates, which turns out, because of Mr De Domenico's ineptitude, to be only \$2.4m worth of taxi plates? We said, "How about these for a couple of benefits - that Mr Hird gets kudos out of a donation to charity". No, there is no benefit for Mr Hird in that! But Mr Hird nominated the charity; Mr Hird hosted the morning tea where it was announced to the charity. How the Government can construct that Mr Hird received no benefit from that I do not know. The second question we raised last week asked: Is there any benefit for Harold Hird in the publicity that might come from this?

Mr Humphries: Who is giving him the publicity?

Mr De Domenico: Great publicity.

MR WHITECROSS: No thanks to you. We are told by Mr Hird that there is nothing in it publicitywise. We are told by the Government that that is completely wrong. But their own general manager says, "The main reason we do it is for the publicity".

Let us look one step further at that. Harold Hird and Associates Pty Ltd are in the habit of running TV ads, in order to promote their business, no doubt, in prime times such as during the news. Whose face should appear in the course of these ads but that of the Liberal MLA for Ginninderra, Harold Hird, MLA, who has no relationship to the company.

Mrs Carnell: That ad is not still on. That ad has been taken off.

26 October 1995

MR WHITECROSS: They might not be running now. I will bet you that they are not running now, but they have been running.

Mrs Carnell: When? Last year?

MR WHITECROSS: No; this year, Mrs Carnell.

Mrs Carnell: Early this year?

MR WHITECROSS: No, not early this year; this year, Mrs Carnell. My point is that whether Harold Hird, MLA, owns any shares in Harold Hird and Associates is not my brief. My point is that Harold Hird and Associates Pty Ltd show a remarkable interest in the welfare of Harold Hird, MLA. They are happy to put his face on their ads on TV, they are happy to invite him to nominate what charities Harold Hird and Associates should donate their money to, they are happy to have him host the morning teas at which he announces that Harold Hird and Associates are making the donations. I have no reason to doubt any of the statements that Mr Hird owns no shares in his company, but this is a company that shows a remarkable interest in Mr Hird's welfare.

Mrs Carnell: His wife likes him.

MR WHITECROSS: Mrs Carnell says now that his wife owns it. It is not surprising that the company is looking after Harold, because his wife owns it. That is the point, Mr Speaker.

Can I say just two other things on this matter. One is on the transparency question. Mr De Domenico was invited earlier to table some further documents in relation to this matter and he said, "No, I am not going to table them; I am not interested in tabling them". Once again, the Government's purchasing policy - - -

Mr De Domenico: I did not say that at all. I said that they were all with the Auditor-General.

MR WHITECROSS: You did not table them. The Government's purchasing policy says:

. purchasing processes are visible to the Legislative Assembly ...

But the Minister, when asked to table documents, says, "No, they are with the Auditor-General". He refused to table them.

Mr De Domenico: No; I said that they were with the Auditor-General.

MR WHITECROSS: You did not table them. That is a refusal. That is yet another example of the failure of government to comply with their own purchasing policy.

There is only one other point I want to raise, and that is the question of Mrs Carnell's leadership in this matter. Mrs Carnell is the Leader of the Liberal Party. Mrs Carnell is the Leader of the Government. Mrs Carnell owes it to the community to conduct her Government to the highest standards of propriety possible. She owes it to the business community to ensure that they can have the maximum confidence that things are being done in an appropriate way. Regardless of the strict legalisms of the case, Mrs Carnell, for the benefit of the community and in the public interest, should have said to Mr Hird, "This company with which you are associated would be - - -

Mrs Carnell: No, that his wife owns.

MR WHITECROSS: That his wife owns but with which he is associated, as I have just demonstrated - "would be well advised, in the public interest, in the interest of business confidence, not to do business with the ACT Government". Mrs Carnell was in a position to exercise that leadership. That might be inconvenient for the company; but the fact is that, in the public interest, sometimes members of governments and their families have to do things that are not altogether convenient. In this case, Mrs Carnell had an opportunity to do that and failed.

Mrs Carnell also owes it to the community at large to ensure that things are being conducted in a way that is both fair and seen to be fair. Instead of castigating her Minister for the appalling handling of this matter, she has sat by him, she has defended him, she has engaged in the worst kind of sophistry about Mr Hird's links to this company and has sought to hide behind these legalisms to avoid her responsibility as leader. Mrs Carnell needs to go back to her office and take a good look at herself, because what she is doing is damaging the credibility of the ACT Government and damaging the confidence with which people deal with the ACT Government. That is a very serious matter. Mrs Carnell should look at the history. She should look at what has happened in other States. She should look at how they have dealt with these matters and she should learn, because what she has done has been very damaging. She should also take her Minister to task for the slapdash way he has handled this whole business of issuing extra taxi plates, which has slashed one-third off the value of a taxi licence in the ACT, to the great cost of small business people in this city. She should insist that Mr De Domenico learn properly how the business of government is done and how he should go about making decisions as a Government Minister.

MR HUMPHRIES (Attorney-General) (12.08): Mr Speaker, if you were to divide the time that Mr Whitecross took to say what he said by the number of facts of impropriety that he put on the table, the fabric of the argument would have more holes than the ozone layer. I think he reinforces, through his bluster and his ranting, the fact that this Opposition has nothing on this Government, or on the Minister or on Mr Hird or on me, that it can produce. Moreover, it has nothing that it could produce outside this chamber in a place where it would be held to account for the outrageous, scandalous, malicious and false things that it has said.

26 October 1995

Mr Speaker, bear in mind the contrast between what Ms Follett said today when she rose to speak on this matter and what has been said in previous days about it in this place. Ms Follett got up to say that her beef was that there was an appearance of impropriety. Bear in mind the things that were said before today, though, when there was no need to put up or shut up. It was that we were doing deals for our mates; not the appearance that we might be doing deals for our mates, but we were doing deals for our mates; that we had rigged the wording of the Auctioneers Act to do a deal for our mates - that sort of thing. Where was the substance of that allegation today? It was nowhere to be seen. These people are cowards. They are spineless, yellow-bellied, abject cowards, and when it comes to the crunch they cannot sustain the basis of their attack in this place or, moreover, and more to the point, outside it.

As far as Mr De Domenico is concerned, what was done complied rigorously with a procedure laid down not by this Government but by our predecessors, the very party that is now laying into us on this issue. The purchasing policy which has been much discussed in this place is dated September 1994. It was the policy of the former Government.

Ms Follett: Why did you not follow it?

MR HUMPHRIES: We have, scrupulously, to the last word. Mr Speaker, that policy says, in respect of the purchase of non-construction goods and services by the ACT Government, that where the value of those services or goods is between \$2,000 and \$50,000 it is the requirement of the administration to seek at least three written quotations locally. That is what occurred. Indeed, more than a minimum number of quotations were sought, in contrast to the previous Government's handling of the same auction arrangements last year. In this case seven tenders were sought, through a quite acceptable and normal process - the seeking of the details of interested tenderers in the Canberra *Yellow Pages*.

That process was not one that was overseen in any active way by Mr De Domenico because the procedures and guidelines were there in black and white. His Department of Urban Services knew exactly what to do. It was laid down there. There are longstanding procedures on how to go about this kind of matter and it followed them. The allegation from Mr Whitecross of slapdash behaviour by Mr De Domenico has not been borne out. Mr De Domenico has a department under him that followed the procedures laid down in the law and the purchasing policies made under that law. The Opposition have not laid one finger on the behaviour of the Minister concerned, Mr De Domenico. They have not made one comment of substance about what he did do which he should not have done, or what he did not do which he should have done.

The nearest that they come to it is some suggestion that these rules should have changed at some point in time. I am not sure whether they should have changed when the Government took office or when this particular auction took place, or at some other point. I am not quite clear on that. They have not spelt that out. They have not had the guts to put their allegations on the table. At some point in time there should have been some change in these documents to reflect the fact that certain people, under these rules, were no longer eligible to bid for government contracts. Ms Follett, I think, tried to state that fairly well when she interjected on the Chief Minister. The Chief Minister was saying

that she believed that Ms Follett was saying that the families and spouses of MLAs could not be involved in bidding for any ACT government business. Ms Follett injected and said, "No, no, they cannot win a contract. They cannot win a contract". That is the point. They can be involved in running businesses in the town, they can even continue to do business with the Government, apparently; but if they win a contract they are out.

Mr Speaker, first of all, let me make it clear that a new rule is being formulated by the Opposition here, a rule they themselves did not articulate in government. Members of the Opposition have had members of their families involved from time to time in activities of a business kind in the Territory, or I assume that they have, or involved in contracts of employment with the ACT. I know that Mr Whitecross's spouse was an employee of the ACT Government Service until recently.

Ms Follett: Are you saying that he employed her?

MR HUMPHRIES: No; but his wife was so employed.

Ms Follett: But we are saying that the Government gave a contract to a member of the Government.

MR HUMPHRIES: Ms Follett and her colleagues seem to be saying that the activities of your spouse disqualify you in those circumstances from either membership of the Government, or, possibly, of the Assembly, or from having a contractual arrangement with the ACT Government. If that is the case, why did she not say so in these purchasing policies, or in her own rules governing the conduct of members of parliament? When she was a member of the Executive, why did she not do that? Because, Mr Speaker, there was no point. She did not see the need to do so. It was not an issue. She did not believe, Mr Speaker, that people's spouses should be the criterion on which you judge people. It is very interesting to note that the Commonwealth discrimination Act says that it is illegal to discriminate against a person on the basis of that person's spouse. We think that is a pretty reasonable provision of the law. We do not think you should be attacking people on the basis of what their spouses do or where they are employed or how they earn a living, but this Opposition clearly does. Of course, they believe that only now that they are in opposition. They did not articulate that rule when they were in government. Mr Speaker, these people are, as has been said before, unashamed hypocrites.

As I have indicated, the tender calling process was entirely appropriate. It was in accordance with the tender procedures laid out in the purchasing policy of this Government and the former Government. Officers of Mr De Domenico's department complied completely with those rules. When Mr De Domenico found out about the winning tender he asked for verification that the procedures had been followed and that everything was above board. He was given that assurance. Not a single thing that has been said by the Opposition today has cast doubt on that advice. I plead with members opposite once again to put on the table some element of this policy which has been breached by what has been done by this Government. Tell me the page number. Tell me the paragraph. Where is the breach? They cannot do so.

26 October 1995

Mr Speaker, the one thing that has been partially drawn to attention is that there was, supposedly, a piece of misinformation in a tender document; that the tender document contained an inaccurate date for the auction. I am advised that it is quite common for this information to be disseminated not just in writing but also by word of mouth, by telephone, by e-mail, and so on. In this case what happened was that the error contained in the original tender documentation was corrected for all seven tender invitees by telephone. All seven had their documents corrected by that process. Indeed, Mr Speaker, all seven put in a tender by the due date, so they must clearly have known that the information contained in the original document was at fault in some way. If that is the best the Opposition can do, I really think they should be giving up and going home.

Mr Speaker, let me cover a few other things mentioned in the argument. We on the Government benches do not deny that there was a connection between Mr Harold Hird and Harold Hird and Associates. He was the chief auctioneer of that company for quite some time before the election held earlier this year for the Legislative Assembly. It is true that he still owns the business name. But, Mr Speaker, the question is this: What would you do were you in the position that he was in to divorce yourself from the activities of the company as appropriate? Mr Hird saw the problem when he became a member of the Assembly. He realised that he should not really be the chief auctioneer for this company in circumstances where the company was doing business with the ACT Government - not much business, I might say - and he took the right decision to step back from the activities of the company. He resigned as chief auctioneer of the company. He did the right thing and he deserves credit for having done so.

Mr Hird did not hold shares in the company as a member of this Assembly. He is, of course, married to one of the shareholders. The solution there, I assume, is that he divorces his wife - a somewhat extreme reaction, I think, to the tawdry claims of the Opposition - or that the firm ceases to be involved with many of the business arrangements it may have been involved with in the past, or that it changes its name, a name it has carried for, I think, some 20 or 30 years. Mr Speaker, all of those options are clearly and patently absurd, and those people opposite know that very well.

On the question of the Hymans bid, Mr Whitecross covered himself in considerable glory! The Government, as I understand his argument, should have considered or accepted the bid of \$24,000 over the bid of \$250. Very logical! The reason for that, Mr Whitecross says, is that they should have been able to do something different with the auction; tittered up the auction so that there was a more elaborate process. They would have taken the cost of hiring the hall; they would have provided lots of nice nibblies, and food and drink, and maybe some frilly banners and so on. Mr Speaker, for \$24,000 you could take out a full page in the *Times* of London; you could have slave women peeling grapes for the people attending the auction and putting them in their individual mouths as they poured champagne down their throats. For \$24,000 you get an awful lot of hospitality. Mr Speaker, where do these people get off? We should accept a \$24,000 bid over a \$250 bid, for goodness sake!

Mr Whitecross: No, I did not say that.

MR HUMPHRIES: You might think your friends in your caucus meeting are gullible, but the rest of us are not quite that gullible, Mr Whitecross. Dear, oh dear!

I think that members opposite ought to be asking themselves whether they really have thought through the implications of what they are trying to say. Do they believe that members' spouses ought not to be involved in any way in government activity, or employed, presumably, by the ACT Government? That follows, I assume. Do they say that members of their families should not be employed? Have members of Labor Party members' families never been employed by the ACT Government? I think they might have been. You should check on the records. I think you should find out about it. I like the point about how Mr Hird is supposed to have benefited from media exposure. Who in the last fortnight has given him more exposure than he could have earned in 12 months of politicking in the Assembly? These people opposite. Exposure is completely immaterial.

I want to turn now to the question of the taxi plates. It is quite clear that the process of auctioning taxi plates is a process of some uncertainty. If you hold an auction, I think it is inherent that you expect to see some fluctuation in the amount of money that people bid in order to acquire a taxi plate. Mr Speaker, it is true that the amount referred to in the budget papers is greater than the amount we have achieved through this auction. It is not true, however, that the Government is unhappy about that process. In fact, we believe that it is an extremely appropriate outcome. The amount referred to in the budget papers quite properly is simply a product of multiplying the number of plates to be auctioned by the amounts bid on average for plates at the auction last year.

Mr Whitecross: No, it is not. You are misleading the Assembly, Gary.

MR HUMPHRIES: Well, Mr Speaker, it is a hypothetical sum based on no more than a guess as to what a plate might fetch at an auction. We do not know in advance of the auction how much the plates are going to fetch. Mr Whitecross does not know either. Nobody would know before the auction. The question is whether it is good or bad for the purposes of public policy, and particularly for taxi users, that those prices should come down.

I refer members to an article in the *Canberra Times* of 17 October by Crispin Hull in which he argues that the policy of past governments of rationing the number of taxi licences, of commanding huge sums for the right to drive a taxi around this Territory, is very much inimical to public policy and has the effect of increasing the cost of taxi fares to ACT consumers and people who visit this Territory. I have to say that I agree with his points. I want to quote briefly from what he had to say. He said this:

There is nothing wrong with licensing for safety and competence to prevent mayhem being inflicted on the public, but licensing just to raise the money or to protect existing monopoly licensees smacks of Tudor arrogance.

Yet next week the ACT Government will grant 15 licences to run a taxi, joining 202 others. The 217 licensees together have the exclusive right to run taxis. Anyone else who tries - no matter how safe and competent - does so on pain of gaol or a fine.

He went on to say this:

The Industry Commission estimates that licence fees cause fares to be on average \$2.50 higher. The \$2.50 is a tax that goes from the consumer to the government through an acquiescent taxi-owner who is happy to be a tax-collector as part of a monopoly arrangement that gives him or her higher profits for less work because there is less competition.

Mr Speaker, this Government is a Liberal government. We believe that competition is a good thing for the consumers of this Territory. Indeed, Mr Speaker, Ms Follett was lecturing us yesterday on how good competition is for consumers; but apparently she does not believe that when it comes to the auctioning of taxi plates.

Mr Hull from the *Canberra Times* argues that we should be releasing more plates over a period of time, or, as Mr Whitecross put it, flooding the market - to use his words - and bringing down that exorbitant amount we are getting for each taxi plate that we auction. Speaking for myself, I agree with Mr Hull. It is appropriate that we bring down the price that we are getting for each taxi plate. I do not take the approach of the previous Government, which is, basically, to maximise the revenue and bugger the consumer. It is my view that we should be lowering the price of taxi plates - - -

Mr Whitecross: Why do you not just buy back the taxi plates and do the honest thing?

MR HUMPHRIES: That is not what he suggests is a good idea. The money is not there at the moment to do that, partly because of your lot in government over the last four years. Mr Speaker, I think it is a policy that the Government should look at seriously and move towards in the coming years. That, however, is a matter for the Government to consider; I am not announcing Government policy.

Mr Speaker, I think that the Opposition have been completely and utterly unable to substantiate any of the serious claims they have made in this place in the last few days. They have alleged that lower bids were ignored. It turned out that the bid was, in fact, roughly \$24,000 higher than the one that we accepted. They have argued that Mr Hird's link with the ACT Government is inappropriate. They have not been able to substantiate a single act of intervention by any member of this Government to assist Mr Hird. That was what they originally alleged, but they have not been able to back it up.

Now they are trying to formulate a new rule: That members of the Government - I assume that it should apply to members of the parliament because we all have influence in this place; this is a minority government, after all - should not have links with people in the community who are doing business with the Government. That, Mr Speaker, is a ridiculous rule. If Ms Follett and her colleagues believed in that rule they would have implemented it. They would have formulated it and put it into legislation when they were in government, but they have not done so because they do not believe in that rule.

MR CONNOLLY (12.27): Mr Speaker, I was very interested to hear the Attorney-General announce a very fundamental and substantial change in Government policy on transport, which I thought would have come from the Minister for Urban Services. The Attorney-General has now let the cat out of the bag; there is a conscious desire to force down the capital value of taxi plates and, as a result, fares will drop. The Minister for Urban Services or somebody from the Department of Urban Services might care to explain to Mr Humphries the way taxi fares are set.

Mr Humphries: I take a point of order, Mr Speaker. I did not announce that that was Government policy. I expressly said that it was not Government policy; that it was my personal view.

MR SPEAKER: Mr Connolly, I uphold the point of order. I listened to Mr Humphries very carefully and I can confirm what he has just said.

MR CONNOLLY: To the extent that the number of taxi plates is relevant to this debate, he put the argument that they have done a good thing and would force the price down. Somebody might explain to him the way taxi fares are set through a regulatory committee which is specifically excluded from looking at the capital costs of running a taxi industry. Ministers who set prices are required, as is the committee, to not look at the capital value of the plates. Somebody may explain that to him. But, Mr Speaker, that is as irrelevant as was the bulk of Mr Humphries's speech.

This debate today is about fundamental ethics in government. Ms Follett, the Leader of the Opposition, was ambushed in this place with a little stunt - to force Ms Follett or someone from the Opposition, with no notice, to make a speech. Then Mr De Domenico got up and very carefully read a very long prepared speech, so they knew what they were about here. What Ms Follett said in her opening and unprepared remarks has remained fundamentally unanswered, and that is that on the facts of this case we have a significant conflict of interest. At best, and viewing it in the most charitable light, we have a significant breach of ethical standards by this Government, by this Minister, by this Chief Minister, and by Mr Hird.

It seemed from Mr Humphries's remarks to be common ground that it would be wrong if a company that Mr Hird owned, as an MLA, or had shares in, was bidding for and winning government contracts. I take that as a given. I take it that we all accept that it would be wrong for individual members to be bidding for and winning government work. So why is there no conflict of interest? Because the shares have been transferred to his wife. Mr Speaker, we have here the ethics of the 1970s tax avoidance industry. As long as you can set up a shelf company, as long as you can get something behind the corporate veil, what was unethical becomes ethical.

26 October 1995

Mr Speaker, those ethical standards are not good enough for this Assembly; nor are they good enough for any Assembly that I know of in Australia.

Mr Humphries: They were, for you.

MR CONNOLLY: Mr Humphries says that they were good enough for us. Let him show us one example where any Labor member was involved in something as petty and stupid and unethical as this form of conduct. Labor members in this parliament, and Labor members and Liberal members in parliaments around Australia, tend to have an understanding of what is and what is not appropriate ethical conduct as members of parliaments, particularly when you are in government. We would say in opposition that we would want to keep the same high standards; but there is a difference when you are in government because when you are in government you have access to the public purse. I hosted one of those morning teas too. I paid for the morning tea myself, as did other members. No doubt Mr Hird paid for that morning tea himself. But Mr Hird was able to get up at that charitable function and announce that his company was going to be making a donation - - -

Mr Hird: I did not say “my company”.

MR CONNOLLY: We know from what Mr Whitecross said, from the public record, that the company contacted you and you approved whom it was going to go to. You announced that there was a donation of public funds going to that charity in your electorate.

Mr Speaker, it is because of that that members of the business community of this town, for the past few weeks, have been contacting the Opposition expressing their grave concerns that a business associated with a member of parliament is running around winning government tenders in a way that raises fundamental questions. Mr Speaker, those fundamental questions have been put very well by Mr Whitecross. If this was a straight-out commercial contract that was won by the company associated with Mr Hird, that would raise serious enough questions; but this raises far more serious questions because the nature of this tender is very murky indeed.

We have had a great stirring defence from Mr Humphries in relation to the Hymans contract, saying, “Look, they wanted \$24,000. That shows that we did the right thing”. Mr Speaker, I think that raises serious questions. It should have set the alarm bells off very significantly. When I was Minister for Urban Services I would regularly get briefs from the departmental secretary or from departmental officers saying that a tender process had been concluded and the tender in relation to a major building contract had been awarded to Civil and Civic, for example, for \$1.2m and the next contract was \$1m, and so forth. I do not ever recall seeing a brief from my departmental secretary saying, “In relation to that building contract or that contract for the supply of services, we gave it to this company who said that they would do it for nothing”.

The Liberal Party is fond of attacking members of the Labor Party, saying that we do not understand anything about business because we tend not to come from business backgrounds to the same extent. However, even our limited understanding of business is that people are in business to make a legitimate profit, and that is a perfectly good thing too. That is why, when the Government seeks bids for the supply of goods and services, you have an expectation that people will be bidding for the supply of those goods and services in such a way that the company that they are involved in or that they run will make a profit. There is nothing wrong with making a profit. We expect that a company that is providing services will have to pay its employees, pay its superannuation, pay its outgoings, and have something left at the end of the day to put some food on the table. We found it a little odd, and I would have expected this Government to have found it a little odd, when there was a tender process for the disposal of some \$3m worth of public assets and the winning bid, the cheapest bid, was from a company that would do it for nothing, for a donation to charity, particularly when there is another bid from a large firm of auctioneers which had a one per cent buyers premium.

I will not get into the argument as to whether it was within or without the contract documents. As Mr Whitecross has shown, the terms of the tender were very murky indeed and were on a shoddy little piece of paper which was faxed out. Again it would have to be common ground that a one per cent buyers premium is not out of the bounds of market practice for this sort of process. What we have is one leading player in the market saying that the right remuneration for this - not a fee to the Government because it is a buyers premium, but what you expect a commercial player in this market to be looking to earn out of providing services - is in the order of \$20,000. Mr De Domenico says that there is nothing at all peculiar when a company, regardless of the fact that it is associated with a government member, offers to do it for nothing.

If I had got briefs from my department saying that the tender had been won by somebody who was doing it for nothing, I would have scratched my head and raised some serious questions. That is not normal commercial practice. When that winning company is associated with a member of this place, when the outcome is that the remuneration is a donation to charity, specified to be in the name of the company, which is the name of the MLA - the business name is owned by the MLA and is widely associated in the public domain with that MLA - that is when the ethical alarm bells should have gone off opposite. That is the attack that we make on this Government. We are saying that this is a serious breach of ethical standards. It is a conflict of interest, we say. Even being most charitable, it is a significant lapse of ethical standards.

We had very little defence of that attack from the Leader of the Opposition. We had some statements from Mr De Domenico saying that it was not a conflict of interest because Mr Hird did not get any inside running. People in the business community are expressing real concerns about how a company associated with a member of parliament who is on a public salary is able to do a major job for nothing, whereas - and you put it - another leading commercial player says that the expected remuneration is in the order of \$20,000. We say that that does show a level of inside running. Even if it did not, Mr Speaker, even if it was a straight commercial deal and there was no question that the price that was paid for this contract was the correct market price, and even if there is no question of any advantage to Mr Hird, it is still a conflict of interest.

26 October 1995

The very fact that he is a member of this Government, that he is the Government Whip whose responsibility it is to go out there and sell the Government's message, makes it improper and a conflict of interest for his company, the company associated with him, to be bidding for this sort of work. It seems that Mr Humphries acknowledges that that would be the case if Mr Hird still had the shares in the company; but he says that it is all right because those shares have been transferred to Mr Hird's wife, even though all those other links are still there. Mr Hird defends himself, saying, "I no longer have any interest in the company"; but even he cannot control his divulging of the truth of this matter when he says "our company"; "We put in a bid"; "I instructed them to direct the cheque to this charity". There is no question of the links this company has to Mr Hird. The Government seems to accept that if he still owned the company or had shares in the company it would be wrong, but it is all right because the shares have been transferred. Mr Speaker, that is the ethics and morality of the 1970s tax avoidance industry, and that is not good enough for this Assembly.

MR SPEAKER: I draw members' attention to the time. It is almost 12.40 pm. The question for the Assembly is whether we suspend the sitting for lunch and adjourn this debate. Is that the wish of the Assembly? That being so, the resumption of the debate will be set down as an order of the day for a later hour this day.

Sitting suspended from 12.38 to 2.30 pm

QUESTIONS WITHOUT NOTICE

Taxi Licence Auction

MS FOLLETT: I have a question for Mr De Domenico in his capacity as Minister for Urban Services. Minister, this Liberal Government constantly claim that they are open and consultative. In fact, this morning we heard the Chief Minister say that the Government had nothing to hide. I ask you now: Will you table in the Assembly this afternoon copies of all the documents provided to the Auditor-General relating to the auction of taxi licence plates that took place yesterday? Will you also table the documents relating to the sale by auction over the past 12 months of equipment, computers and furniture owned by the Department of Health? Furthermore, will you table this afternoon the letter the Chief Minister wrote to the Auditor-General concerning the auction of taxi licence plates, which she said she would table this morning but has not?

MR DE DOMENICO: Mr Speaker, I am prepared to table now the letter Mrs Carnell wrote to the Auditor-General. We thought we had tabled that. I will seek advice on whether I am able to table all the documents that went to the Auditor-General, because some of them may be commercial-in-confidence. If there are no problems with that, I will come back and give the Leader of the Opposition the documents she needs. As to whether I am able to table documents from the Department of Health, I think that question should be addressed to the Chief Minister and Health Minister.

Ms Follett: No; you are the disposer of assets.

MR DE DOMENICO: Once again, I think Ms Follett ought to know that, whilst the Department of Urban Services is responsible for the policy guidelines in terms of disposal of property, it is the relevant department that is responsible for disposing of that property.

MS FOLLETT: I ask a supplementary question, Mr Speaker. Can I take it that Mr De Domenico has undertaken to ask the Chief Minister to table those documents?

MR DE DOMENICO: In response to the supplementary question, I suggest that either Ms Follett or somebody else should ask the Chief Minister and Health Minister whether she is prepared to table those documents.

Mr Berry: What does the Chief Minister say? Will she?

MR DE DOMENICO: Ask her a question and you might get an answer.

MR SPEAKER: Chief Minister, do you want to answer that?

MRS CARNELL: I think it is probably an appropriate time to answer a question from Mr Whitecross from yesterday. I am sure the Assembly would - - -

Mr Berry: You have not been asked by Mr Whitecross.

MRS CARNELL: Mr De Domenico took a question on notice yesterday from Mr Whitecross with regard to - - -

Mr Berry: On a point of order, Mr Speaker: It is highly irregular for Mrs Carnell to rise to answer a question from Mr Whitecross when question time, which is set down in the standing orders as the time when each member has the right to ask a question, has not yet expired.

Ms Follett: Do it at the end.

MRS CARNELL: I am happy to do it at the end, if you would like that.

Mr Humphries: Mr Speaker, on the point of order: It is also highly irregular for the Leader of the Opposition to answer questions in the course of question time, and we did that as well only a few weeks ago. This relates to a matter now before the house and the present question and should be able to be tabled.

MR SPEAKER: Mr Berry, first of all, nobody is going to be denied the opportunity to ask a question.

MRS CARNELL: Mr Speaker, I am very happy to answer it at the end of question time, if that is what we prefer.

MR SPEAKER: That is the alternative.

26 October 1995

MRS CARNELL: I just assumed that the Opposition would like some information.

MR SPEAKER: Yes, indeed. I take your point, Chief Minister. It looks as though we will be asking you at the end of question time to answer the question that was asked by Mr Whitecross yesterday and, I think, was referred to by the Leader of the Opposition in her first question today.

MRS CARNELL: Yes; but, if nobody wants any information, that is fine too.

Mr Berry: We want the documents. Will you table them?

MR SPEAKER: If you want to ask a question, Mr Berry, get up on your feet and ask one.

Mr Kaine: Mr Speaker, can we proceed with question time? If they have finished their little discussion over there of a philosophical nature, perhaps we could get on with question time.

MR SPEAKER: Did you want to ask a question, Mr Kaine?

Mr Kaine: Yes, I did, if members of the Opposition would permit it.

MR SPEAKER: Proceed.

Competitive Tendering and Contracting

MR KAINÉ: I put a question to Mr De Domenico in his capacity as Minister for Urban Services. Minister, can you comment on a recently released draft report prepared by the Industry Commission on competitive tendering and contracting by public sector agencies? Can you inform the Assembly how the ACT compares in this matter with other States and with the Federal Government?

MR DE DOMENICO: Thank you, Mr Kaine, for the first sensible question in about a week and a half, a question that all members of the community would be delighted to get an answer to. I thank Mr Kaine for his question. Yes, I can comment, Mr Kaine.

The report released by the Industry Commission on Tuesday is a very important document. Its findings clearly support this Government's commitment to delivering quality services by giving value for money to the community. The report identifies that competitive tendering and contracting is about helping public sector managers to ensure that the best provider is chosen for the task at hand. The public has a right to expect a good level of service for the rates and taxes they pay. This is not a new notion to the Government, as it is what we have been saying since March, and for years before, when we were in opposition. The report also makes it clear that with competitive tendering there can be increased flexibility in service delivery and greater focus on outputs and outcomes rather than inputs. This is in tune with this Government's thinking to create a truly performance- and client-oriented public sector capable of meeting the challenges of the times.

Unfortunately, the report identifies that the ACT has not yet developed the competitive tendering and contracting guidelines and is behind most other States in identifying competitive tendering and contracting out opportunities. The reason for this lamentable state is the inherent conservatism - and I emphasise that - of the previous Labor Government and its uncompromising ideological opposition to competition of any variety. This Government has, however, been proactive in remedying the situation. It is especially pleasing to note that the guidelines recommended by the commission are being implemented by the Government, such as opening up the delivery of government services to competition. Asset management, vehicle maintenance and information systems are the subject of competitive tendering, and the benefits will flow through to the citizens of Canberra.

There is more work to be done to bring the ACT up to best practice. We will continue to implement reforms that will bring the Territory up to best practice. We have chosen to make the hard decisions, and will continue to do so where it is appropriate. It is a shame that we find ourselves 10 years behind other governments. This Government will be preparing a comprehensive response to the draft report that maps a strategy for us to introduce competitive tendering and contracting where appropriate across the whole of the ACT Government. We will be doing this not because of ideology but because it makes good sense.

High Schools - Disabled Students

MR MOORE: My question is to Mr Stefaniak as Minister for Education. I did give him about half an hour's notice that I would be asking a question of this nature. There is a student who is currently enrolled in Charnwood High School and who is in a wheelchair. Will you guarantee, Minister, that this student - - -

Ms Follett: It is a bit late now, Michael.

Mr Berry: You are too late. You can backflip all you like. You have closed it.

MR MOORE: I hear interjections that it is too late. We are talking about access and equity, which every student is entitled to and should be entitled to at any school. That is what I am talking about. Minister, considering the issues of access and equity, will you guarantee that this student, if he or she enrolls at Ginninderra High School, will have access throughout that school?

MR STEFANIAK: I thank Mr Moore for the question. Yes, the Government was aware that one student at Charnwood High School, if a certain course were taken by the board, which it appears to have been, would need consideration. I can assure Mr Moore that the Government will support any physical changes that may be required to provide wheelchair access to Ginninderra High School, as it turns out, for that particular student and, indeed, anyone else with disabilities.

Taxi Licence Auction

MR WHITECROSS: My question without notice is to Mr De Domenico in his capacity as Minister for Urban Services. Minister, did you and your officials mislead the Estimates Committee when you told it that the reserve price for taxi licences was \$200,000? Did you mislead this Assembly this morning when you told us that the Labor Government last year awarded the taxi licence auction contract to Harold Hird and Associates? Did you mislead this Assembly yesterday when you told us that it was one of your DLOs who discussed with the department whether the process had been adhered to when she saw that Harold Hird and Associates had won the bid?

MR DE DOMENICO: The answer to the first question is no, I did not mislead the Assembly, never have, never will. If I find that I have said something that is incorrect - - -

Mr Berry: No; he is talking about the Estimates Committee.

MR DE DOMENICO: As to whether I misled the Estimates Committee, the answer is no as well.

MR WHITECROSS: Mr Speaker, I notice that Mr De Domenico has made a fairly half-hearted attempt to answer my question; so I will ask a supplementary question. Why did you tell the Estimates Committee that \$200,000 was the reserve price? If it was at the time the reserve price, as you have just indicated, when did the reserve price change? Is it not true that the auctioneer who did last year's taxi licence auction was not Harold Hird and Associates but the National Auction Group? If what you said yesterday about one of your DLOs discussing it with the department is correct, why did you tell this Assembly on 19 October, "I" - that is you, Minister - "picked up the telephone and said, 'Has everything been done according to process?'"? Minister, can this Assembly believe anything you say, given your repeated misrepresentations in relation to this matter?

MR DE DOMENICO: Mr Speaker, the answer to the last question is yes. Mr Whitecross should know that, unlike members on his side of the house, whenever I have said something that I have believed may be construed to be incorrect or misleading I have come here and apologised. I will continue to do that. In relation to the question of whether Harold Hird and Associates had conducted the auction last year, my advice from the Department of Urban Services was that they had, and I have said that. I will check that.

Mr Whitecross: You are not getting good advice, then.

MR DE DOMENICO: I might be getting bad advice, Mr Whitecross; but if I am getting bad advice I will come back and say so. The advice I got was that Harold Hird and Associates did the auction last year. If that is incorrect, I will come back and say so. As to whether I misled the Estimates Committee, the answer is no.

Service Stations - Multisite Franchising

MR HIRD: My question is to the Minister for Consumer Affairs, Mr Humphries. I ask the Minister whether he is aware of statements made by the Commonwealth Minister for Small Business, Senator Chris Schacht, on the issue of multisite franchising. What is the Commonwealth's position on this issue and how does it differ from the ACT's position?

MR HUMPHRIES: I thank Mr Hird for the question. Yes, I am aware of the statement yesterday by Senator Schacht on the question of multisite franchising. The press release he issued states:

“As the Trade Practices Commission is considering the effects of multi-site franchise operations on competition and whether they are likely to contravene the Trade Practices Act, I believe that the oil companies should put their plans on hold until the Trade Practices Commission has announced its view”, Senator Schacht said.

Mr Speaker, all I can say to that is, “Hear, hear!”. I am very pleased to see the Commonwealth take this view. Senator Schacht has set up urgent meetings with the oil companies involved in multisite franchise operations and, in addition, the matter has been referred to the House of Representatives Industry Committee for consideration and advice. Senator Schacht's concerns mirror those already expressed very strongly by the ACT Government. I think the speed of the moves towards multisite franchising by a number of oil companies is now reaching all levels of Australian society. He says that it is creating uncertainty in the petrol station sector. I would agree with that. Dealers have certainly expressed to him, and of course to the ACT Government, their fears about their independent businesses being replaced by multisite franchisees. Senator Schacht also says in his press statement:

Notwithstanding assurances from the oil companies, many service station operators believe their livelihoods are threatened.

It is precisely for that reason that the ACT Government was able to introduce and last week to organise the passage of legislation to offer protection to those people. Our legislation puts a moratorium on multisite franchising until the Government has had an opportunity to consider the findings of the Trade Practices Commission review of this practice. All Australian governments have now expressed an interest in this process. It is a matter of pride to me that the ACT Government has been able to lead on this area, and the active approach we have taken, I think, will be well designed to protect Canberra small businesses and Canberra consumers.

I must say that it is a rather poor piece of timing that the New South Wales Government only today, I understand, has rejected legislation introduced by Wendy Machin, the Opposition spokesperson on consumer affairs in New South Wales, modelled very closely on the ACT legislation. At the same time that the New South Wales Minister was rejecting this legislation, it was being supported in principle by the Commonwealth. I think the Labor Party nationally has a bit of house sorting out to do. Mr Speaker, I table the press release from Senator Schacht on this subject.

Labour Market Programs

MS TUCKER: My question is to the Minister for Employment and Minister for Industrial Relations, Mr De Domenico. In light of recent cuts to ACT Government labour market programs of in the order of over \$2.7m, as outlined in the budget papers, how does the Minister believe that the Government can fulfil its commitment to provide a flexible range of services and programs to unemployed people, particularly young people and those who are not adequately provided for by Commonwealth services, as outlined in the budget papers?

MR DE DOMENICO: I thank Ms Tucker for her question. Ms Tucker does not talk about the fact that since March this year there have been 6,700 new jobs created in the ACT. Ms Tucker should compare that with the 700 jobs created in the previous year under the Follett Labor Government. So, since March, under a Liberal government, 6,700 new jobs have been created; in the previous year, only 700 new jobs were created. Ms Tucker, you will find that, with figures like that, this Government is on the right path to make sure that as many unemployed people and young people as possible will have an opportunity to get a real job.

In terms of the first question Ms Tucker asked, there have been no cutbacks. If you read your budget papers and budget estimates properly, you will find that this Government allocated the same amount of money as was going to be allocated by the former Government. So, when you talk about cutbacks, there have been no cutbacks in the amount of money that was going to be spent. Can I say that it is absolutely impossible for any government to fund every application that comes up. Can I alert Ms Tucker to the fact that the New South Wales Government - a Labor government - in its recent budget cut a total of \$21m from jobs programs. Can I also alert Ms Tucker to the fact that last week, under a new Working Nation statement, Simon Crean allocated more money through the Federal Government, whose major responsibility it is to alleviate the unemployment situation.

Mr Connolly: So the Labor Party is picking up your mistakes.

MR DE DOMENICO: We welcome that fresh approach, Mr Connolly - by press release as well. Can I also say that this Territory Government, unlike any other State or Territory government, is doing more to create new jobs, especially in the private sector, than any other government has attempted to do. For payroll tax, there will be a \$600,000 threshold from 1 January 1996, going up to an \$800,000 threshold in 1997. There have been 6,700 new jobs created since March, in comparison to 700 the year before. I think that is a good record, Mr Speaker.

MS TUCKER: I ask a supplementary question. Mr De Domenico, I am well aware of the Commonwealth funding, but there is a view that that is not actually catering for long-term unemployed and youth. Do you have a breakdown of those jobs, and what proportion of those that you have already created is going to be useful to youth and long-term unemployed?

MR DE DOMENICO: No, I do not; but, if Ms Tucker does not want to, I will try to get hold of the ABS statistics. It is the Australian Bureau of Statistics that brings out those figures; they are not my figures. I will try to get Ms Tucker as much information as I can.

Taxi Licence Auction

MR WOOD: Mr Speaker, my question is to Mr De Domenico and is about taxi licences. I refer him to his claim that the low prices received for the 15 new taxi licences at yesterday's auction were good news for small business. Could the Minister explain, for the benefit of the small businesses that own the 200 taxi licences previously issued in the ACT, how their small business will benefit from having \$80,000 wiped off the value of the major asset of their business? That is a drop from \$242,000 to \$162,000, on average, in the market price for their taxi plates.

MR DE DOMENICO: I am happy to answer that question, Mr Speaker. I have to say that, once again, this Government has done and will do more for small businesses - with accolades from small businesses, by the way - than this rotten lot did in four years. They are shivers looking for a spine to crawl up - all of them, for heaven's sake. They sat on their hands for four years and did nothing. Mr Wood, for your edification, the payroll tax threshold will go to \$600,000, and \$800,000 in 1997 - putting \$13.5m into the business community. The result of that, Mr Wood, is that 6,700 new jobs have been created since March this year.

This brings the market to where we believe that it should be. It gives the consumer greater access to a transport service. It will stabilise taxi prices, in our view, and it brings Canberra into reality. Countless people in the community who complain that they can never get a taxi will be better serviced. I suggest that Mr Wood speak to Mr John Muir of Aerial Taxis, who last night said, "We have been waiting since March for these 15 licences and it is about time they came on the market". That is what small business is saying in the ACT, and this Government will continue to reap the benefits of looking after business, which this measly lot forgot to do for five years.

MR WOOD: I ask a supplementary question, Mr Speaker. I understand from that that Mr De Domenico is supporting Mr Humphries's view, expressed earlier today, that the drop is a good thing, and we might see some reduced fares as a result. Does that mean also that you are going to change some of those processes that bring about the decisions on fares?

MR DE DOMENICO: I thank Mr Wood for his question. It is a second question, by the way, Mr Speaker. It is a supplementary question, but different from the first one. However, I am quite happy to answer it. I am aware that Mr Wood is sitting on a committee with Mr Kaine and Mr Osborne that may well be looking into that very issue. I look forward to Mr Wood's deliberations as well.

Planning Process Review

MS HORODNY: My question is to the Minister for the Environment, Land and Planning, Mr Humphries. Do not turn to the animal welfare section, Mr Humphries. Yesterday the ACT Planning Authority publicly released a draft report on six internal working groups titled "Process Review Implementation". The deadline for public comment was set by the authority as 13 November. This gives barely two weeks for external comment on what has taken the authority 18 months to develop. On Tuesday the Minister was asked about the unrealistic amount of time given to LAPACs to comment on variation 33, so how does the Minister justify this amount of time?

MR HUMPHRIES: I thank the drowsy pixie for her question. I am sorry; I do not know why I said that. I beg your pardon. I withdraw.

Mr Speaker, I am aware that the Planning Authority is undergoing a process of consultation on a number of initiatives that have been in train with the authority. I am not quite sure what Ms Horodny is referring to. I think she is talking about one of the many processes to do with the process review. Surprising as it may seem, I do not actually sit down and approve the press releases and documentation issued in all cases by the authority, and I am not aware of the particular document to which she refers. I will find out for her and give her an answer on notice.

MS HORODNY: I will ask a supplementary question anyway. You can find this out as well. Is the Minister aware that the Planning Authority intends to implement the changes in the draft report before it has fully assessed the public input it has sought? Is this not contrary to standard practice, where the implementation follows consideration of public input?

MR HUMPHRIES: No, I am not aware of that, but I will find out.

Mental Health Crisis Team

MR CONNOLLY: My question is to Mrs Carnell. I refer the Minister for Health to her statement earlier this week in relation to mental health legislation and her glowing comments about the importance of Mental Health Week. Minister, I understand that, as a result of the policies of your Government, the mental health crisis team has been operating for the past four months with only five of its staffing complement of nine. I understand further that the committed nurses and professionals on that team have been working under quite enormous pressure in recent months to continue to provide services, and, indeed, one officer has worked for 18 consecutive days with no break. I understand that last night, despite staff being prepared to work overtime to provide a service, health management, in accordance with your policies, refused to authorise overtime. As a result, last night, for the first night in four years, there was no mental health crisis team on duty. Is this the case?

MRS CARNELL: Yes, it is the case, and it is certainly true that recently the mental health crisis team has experienced problems with recruiting suitably trained staff. In fact, that is the reason - - -

Mr Connolly: It is because of your freeze.

MRS CARNELL: No; that is the reason the mental health crisis team was exempted from the freeze all the way through.

Mr Connolly: After a struggle.

MRS CARNELL: No, all the way through. As I think you would remember, when I announced the freeze there were a number of areas, in nursing particularly, that we determined would not be part of the freeze, and areas such as psychiatric nursing, theatre nurses and so on were part of that. There are currently three vacancies in this area. These positions were advertised within the Department of Health and Community Care - in other words, they have been advertised - but unfortunately no applicants could be found. An advertisement for three nurses has been placed in the *Sydney Morning Herald*, the *Melbourne Age*, and the *Canberra Times* for this weekend.

The department is continuing to make every effort to continue to provide this important service with minimal disruption and with due regard to occupational health and safety issues, which are very important. All emergency services were given over 24 hours' notice of the impending closure. Telephone calls from midnight on Wednesday, 25 October, to 8.00 am on 26 October were redirected to other appropriate services, to ensure that people did have access to an appropriate service if they were under pressure. Permanent staff on the crisis team have been working under enormous pressure and under very difficult circumstances for quite a long time; but, as Mr Connolly will be well aware, nurses with expertise in the mental health area are very difficult to get, which is the reason why, after advertising in the department, we could not find any starters whatsoever. We certainly do regret the closure last night, but I am confident that the procedures that were put in place and the quite long lead time on those procedures have caused minimal disruption to patients, and that is really the issue here.

MR CONNOLLY: I ask a supplementary question. I am staggered that it was the first time in four years that we have not had a mental health crisis team. I understand from staff that yesterday the on-duty crisis team during the day attended two situations which in their professional judgment were potential suicides. Mrs Carnell, what possible platitude or excuse could you have made if the closure of the mental health crisis service last night for the first time in four years had led to a tragedy, and how long will you be playing with people's lives with your health so-called reforms?

MRS CARNELL: I think I have already answered that question.

MR SPEAKER: Standing order 117(b) says that questions shall not contain hypothetical matters.

26 October 1995

MRS CARNELL: It is hypothetical, but it does not matter. I have already answered the question. Obviously, we were very concerned about the closure of the service from 12 midnight to 8.00 am, which is the reason that all the calls were redirected to other services. The calls did not just ring out, Mr Connolly; they were redirected. All other relevant emergency services were given 24 hours' notice of the closure, simply so that that could not possibly happen. I think that was a very appropriate approach that was taken by the service.

School Closures

MR BERRY: My question is to Mr Stefaniak in his capacity as Minister for Education. Minister, in line with your decision to strangle Charnwood High School to closure, can you now - - -

Mr Moore: Look at the man behind you, Wayne.

MR BERRY: Mr Moore interjects, and so he ought to. This man ought to be back-peddalling away from his decision yesterday.

Mr Moore: He is not back-peddalling at all.

MR SPEAKER: Order! Mr Moore should not interject. Ask your question, Mr Berry.

Mr Moore: On a point of order, Mr Speaker: *House of Representatives Practice* makes it quite clear that healthy interjections are part of the normal parliamentary process.

MR SPEAKER: That may be the case in the House of Representatives. I only wish that the interjections were intelligent, or even occasionally witty.

MR BERRY: As you have the standing orders within your reach, Mr Speaker, I am sure you will not be able to confirm that nervous or back-peddalling interjections are allowed either. Mr Stefaniak, will you confirm, in light of your decision to strangle Charnwood High School to closure, that it is your intention to allow no schools in Mr Moore's electorate to close at the expense of schools in your own?

MR STEFANIAK: What a cruddy question! What a dreadful question, Mr Speaker! In relation to the question, this Government is here to do a job, and to do the best job it possibly can. Mr Moore actually has made some very good points in the debate in relation to Charnwood High School. One was that if you people over there had acted two years earlier we might not have faced this situation. Something might have been able to be done. Because of six years' declining enrolments, unfortunately a course of action had to be taken. I advise the Assembly that the school board met last night and decided to amalgamate with Ginninderra. As this Government said yesterday, as the Chief Minister herself guaranteed, we will assist them in that decision, including such things as bussing students to Ginninderra for two years. Ginninderra High may have a new name. We will see what the school communities want. It is the best possible option for those students, in the opinion of the board, everything being considered.

I do not often agree with Mr Moore - we are often diametrically opposed in many of our views - but he also said something sensible today and yesterday in relation to this debate: We have to look at what is the best possible educational outcome for the children. That is important, and that is something that obviously weighed heavily on the school board at Charnwood. I have confidence in this decision because we have a very good precedent already - yes, it is in your electorate, Mr Moore - in Stromlo High School, where Holder and Weston Creek amalgamated and formed an excellent school. I am very hopeful that the same thing will apply in relation to Charnwood and Ginninderra.

In relation to the other part of your question, Mr Berry, this Government, unlike you mob, is trying to address the situation of declining enrolments. As I indicated yesterday, we do not think supplementation is something that can go on forever, and we also stopped that at Stirling.

Mr Berry: Mr Speaker, I raise a point of order. He seems to be addressing something that is not part of my question. My question is: Will you now confirm that it is your intention to allow no schools in Mr Moore's electorate to close at the expense of schools in your own? That is the part of the question that is important.

MR SPEAKER: Standing order 117(b)(i) states that names of persons should not be contained in questions unless they render the question intelligible. The question of hypothetical matters is also raised. Thirdly, 117(c)(ii) states that Ministers are not allowed to announce Executive policy. So that section is ruled out of order, as far as I am concerned. Do you want to ask a supplementary question?

Mr Moore: On a point of order, Mr Speaker: Surely you cannot ask a supplementary question when your original question was totally out of order.

Mr Stefaniak: In fairness to Mr Berry, that was in his original question, I think.

MR SPEAKER: Mr Moore, I cannot uphold that. Mr Berry can ask a supplementary question based on the first half, which Mr Stefaniak answered, but not on the other section.

MR BERRY: To add a little more colour to the questioning, Mr Speaker, would Mr Stefaniak please explain to the Assembly and to the people of Charnwood why he did not offer proper support for Charnwood to explore all the options, that is, give them to them to consider and give them - - -

Mr De Domenico: On a point of order, Mr Speaker: Would you care to think about whether Mr Berry is now attempting to reflect on a vote of the Assembly?

Mr Hird: Under standing order 52.

MR SPEAKER: Order! I will allow the question. Proceed, Mr Stefaniak.

26 October 1995

MR STEFANIAK: Mr Speaker, yes, this Government is certainly giving support to the people of Charnwood and to people throughout the Territory in relation to education. That is the point, and I go back to the fact that this should have happened a lot earlier. I also go back to the fact that this Government very carefully ensured that anything that would have hurt that school did not occur. The numbers enrolling for next year at that school had nothing to affect them. They did not have anything like the Auditor-General's report, which came out about a week or so before people had to decide whether or not they enrolled at Stirling College. Nothing affected the enrolment numbers, but they were still down to 235. Then we had the consultation period - - -

Mr Berry: Ten days.

MR STEFANIAK: I went to one meeting, which I was invited to, Mr Berry, and I will come back to that in a minute. That meeting went through a whole series of options. The committee looking at the question of Charnwood went through a whole series of options. They argued it out fully and frankly. They certainly did at the meeting I went to. Mr Berry, there is one other little thing: I was not invited to that meeting a couple of days ago, because they wanted to decide that themselves as a community. You and Camilla behind you - - -

Ms Follett: On a point of order, Mr Speaker - - -

MR STEFANIAK: You and Ms McRae; all right, I withdraw that. Mr Berry and Ms McRae - - -

Ms Follett: Mr Speaker, there is no member of that name and it is unparliamentary to refer to a member in that way.

MR STEFANIAK: I will withdraw that. Ms Follett is obviously very upset about that. I will withdraw that. Mr Berry and Ms McRae went along to that meeting - gatecrashed it, virtually. I certainly was not wanted. The board chair said, "You were not invited, because it would be inappropriate. We, the community, want to decide it". So there they go, on their chargers, capitalising on the emotion obviously involved in this, and we had the farce we had here yesterday. Shame on you two; shame on you for that!

Mr Berry: Mr Speaker, may I make a personal explanation under standing order 46? I have been misrepresented.

MR SPEAKER: Order! Earlier you refused the Chief Minister. No, you can do it at the end of question time.

Mr Berry: No; I have been misrepresented. There is no debate on it.

MR SPEAKER: You can do it at the end of question time.

Mr Humphries: On the point of order, Mr Speaker: I think it was only yesterday that Mr Berry argued that someone could not make a standing order 46 explanation during question time. He should be consistent at least.

MR SPEAKER: I was about to make the same point.

Mr Berry: It was in the course of a debate and before the question was put, Mr Speaker. That is the difference.

MR SPEAKER: It is all right. You can make the statement at the end of question time. I will be happy to entertain that.

Mr Berry: You are refusing me leave now?

MR SPEAKER: Yes. I am saying that we are in question time.

Schools - Staffing Supplementation

MS McRAE: My question is to Mr Stefaniak in his capacity as Minister for Education, and I would ask Mr Stefaniak to check his facts before he maligns my attendance at that meeting. I can bring you my invitation. Three people came personally to my office to invite me to that meeting. You can say whatever you like.

Mr Humphries: Members of the Labor Party?

MS McRAE: Thank you, Mr Humphries. That is an unnecessary and unpleasant interjection. You, of all people, who are choosing to call me all sorts of names, are now maligning the people of Charnwood. We will remember that. Minister, can you please give the house a complete list of all the schools that have lost or are about to lose their staffing supplementation, and explain how other proposed closures are being planned?

MR STEFANIAK: "Other proposed closures are being planned". Really, Ms McRae! Firstly, have you got - - -

Ms McRae: You are the one who said that it took three years of planning. Now just explain.

MR SPEAKER: Order! You have asked a question, Ms McRae.

MR STEFANIAK: I think I said something like, "You lot should have looked at it two years ago". But in terms of other proposed closures, what we are trying to do is ensure that this situation does not occur. No-one likes the idea of a school closing. We are trying to ensure that this is avoided. I have said that supplementation is not the answer. Even the people I spoke to at Charnwood said that they realised that supplementation could not go on forever, and that is quite clear. I think it has been said in this house that supplementation has been ceased also for Stirling College, for very similar reasons.

26 October 1995

In relation to other schools having supplementation or not having supplementation, I will have to get back to you. In relation to plans to close other schools and some great hidden agenda, there is none. Unlike you, we are going to try to manage the problem in various areas of declining enrolment, to see what we can do early in the piece, rather than sitting on our hands, sticking our heads in the sand, and doing absolutely nothing.

Ms McRae, if you got three invitations to attend that particular meeting, I accept that. The fact was that I did not get any invitation from the school board, and that was deliberate, because it would have been inappropriate. I would be amazed, actually, if you and Mr Berry - - -

Ms McRae: Good. I would not have invited you either.

MR STEFANIAK: You would not have invited me either. I would be amazed if you and Mr Berry actually got invited by the school board, because I do not think that was the intention.

I have just been handed a piece of paper. I might be able to assist you in relation to your question, Ms McRae. In their first two or three years of operation, schools are given additional resources to assist them establish programs. In 1995, Palmerston and Charles Conder primary schools received resources equivalent to 2.5 teaching positions, and that will continue for next year. A small number of schools received additional teaching resources in 1995 over and above the normal entitlement. This additional support assisted them to deal with circumstances and difficulties specific to each school. Stirling College, for example, received the equivalent of 3.5 additional teaching positions. Charnwood High School received 3.8 additional positions to assist it in maintaining its education programs, despite declining enrolments, and to assist it to handle Gungahlin students. Ms McRae, if those Gungahlin students had turned up, we would not have this problem. Unfortunately, about 60 or so go to either Kaleen High or Lyneham High, but if all those had turned up to Charnwood it would not have been such a problem. Unfortunately, I understand that only two or three did. It was a mere handful. In terms of Stirling and Charnwood, that support will not be provided in 1996. The school communities are aware of this and are working through options.

In 1996, three primary schools will lose the equivalent of a quarter of a teacher each for similar reasons, that is, Melrose, Wanniasa and Fadden. Richardson Primary School will lose slightly less than the equivalent of one teaching position. The Government believes that the resources for schools should be applied equitably across the system, according to the staffing formulae and taking into account the needs of students. To do otherwise is simply not fair on anyone in the long term.

MS McRAE: I ask a supplementary question, Mr Speaker. The point of asking how you are planning for other proposed closures is to come to the very point you were criticising us for. Are you sitting on your hands in terms of which schools are now either below a viable number or getting towards a viable number, and what are you doing with those

schools in terms of planning for their future? You have outlined the schools from which you have removed supplementary staffing. You have accused us of doing nothing, which is totally wrong about Charnwood. What are you now doing? Which schools are below a viable number and what are you doing with them?

MR STEFANIAK: Really, Ms McRae! This Government is very aware of declining enrolments and we will do whatever we can to assist schools and to see whether there is any way of reversing those trends. That is something the Government is looking at, and we will discuss it with the school community. In relation to at least one other school, that is occurring at present and is continuing on into the new year.

Public Libraries

MR OSBORNE: My question is to the Minister for Urban Services, Mr De Domenico. Minister, at a time when patronage of public libraries is on the rise right across Canberra, how can you justify the cutbacks your Government made in the budget, which can only impact on this vital service? Please enlighten me on how you intend to keep your commitment to maintaining service delivery when at Tuggeranong library alone it appears that two part-time workers will lose those jobs as a result of your cutbacks.

MR DE DOMENICO: I thank Mr Osborne for his question. Mr Osborne would be aware that for the past two years the public library service has overspent its allocated budget, I think to the tune of about half a million dollars. Quite candidly, Mr Osborne, that is something that is not acceptable. Can I say that there has been some scuttlebutt spread around about the Library Service by selective use of statistics. What the Library Service will get is slightly less than what was allocated last year; but, on top of that, their network costs of \$60,000, for example, are being met out of the City Services corporate budget and the IT budget. When you wrap up all the money that is going into the Library Service, you will find that it is not that much less than it was last year. We expect that, like all other areas of government departments and government services, they should pull their belt in. The situation where other government areas have to cross-subsidise them to the tune of \$400,000 to \$500,000 a year is totally unacceptable.

MR OSBORNE: I have a supplementary question, Mr Speaker. Minister, your commitment to maintaining service delivery was false; is that right? Could you answer that?

MR DE DOMENICO: No, it was not false at all. The services will be delivered, but they will be delivered more efficiently.

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

Disposal of Government Property

MRS CARNELL: I wish to answer a question asked yesterday by Mr Whitecross. He asked the question of Mr De Domenico; but it was a Health Department-based question, so I will answer it. The question had three parts. Mr Whitecross asked the Minister to confirm whether Harold Hird and Associates was awarded a 12-month contract to dispose of obsolete goods on behalf of the Department of Health and Community Care; secondly, whether the contract has been relet and, if not, why not, and will a fair and public process be followed to relet this contract; and, thirdly, was Harold Hird and Associates still disposing of equipment on behalf of the Department of Health and Community Care.

The answer to that is that in March 1994 - we were not in government then - expressions of interest were sought from four firms, not seven, who it was considered could provide the department with the expertise and ability to dispose of surplus furniture and equipment in both an efficient and cost-effective manner. The period of the agreement was from 1 April 1994 to 30 June 1994 - we still were not in government. Each firm was required to provide comments in relation to the following: Service provided by the organisation with regard to auctions taking place at departmental premises or their premises; costs associated with auctions taking place at departmental premises; costs associated with goods being offered at auctions taking place at their premises; time taken for the proceeds of auctions to be paid to the department; number of auctions in which unsold goods are offered; processes and costs of disposing of unsold goods; and other ACT government agencies that the organisation has provided disposal services for. Once the comments were received, the other government agencies were contacted to provide comments on these specific questions.

Following the evaluation of all the information available, it was decided that Harold Hird and Associates could provide the service required by the department in the most cost-effective manner - again, decided by the previous Government. The department has utilised the services of Harold Hird and Associates for disposal of assets over the past 18 months. The gross proceeds from sales this financial year are \$2,465. This is a big profit centre! It was the department who decided that no additional advantage was gained by calling new quotations as the provider had agreed to continue under the terms and conditions of the original agreement. This means that the contract was let under Mr Berry. It was taken over by Mr Connolly. It expired under Mr Connolly. It continued to be operated under Mr Connolly with no contract in place for eight months, and the situation has continued since the change of government.

PERSONAL EXPLANATION

MR BERRY: I seek leave to make a personal explanation, Mr Speaker.

MR SPEAKER: Under standing order 46, Mr Berry?

MR BERRY: Indeed. Mr Speaker, during question time Mr Stefaniak made the claim that I and Ms McRae had gatecrashed the public meeting at Charnwood High School. That meeting was a public meeting to which all and sundry were invited. The gates were wide open - two big double doors. Even Mr Stefaniak could have come along had he had the courage to face the community. I can understand - - -

Mr Stefaniak: I was not invited, Wayne; otherwise I would have been there.

MR BERRY: It was a public meeting. Mr Moore was invited and did not turn up either, but he still sought to close down the school. No wonder he did not turn up.

MR SPEAKER: Order, Mr Berry! You may explain matters of a personal nature but you must not debate the issue.

MR BERRY: There is no issue up for debate. Mr Speaker, I think the Assembly was misled in relation to this matter.

Mr Humphries: Mr Speaker, on a point of order - - -

MR BERRY: I withdraw that. Mr Stefaniak owes the Assembly an apology for saying that, because it was a public meeting. All members of the public were invited, even him, and he did not have the courage to turn up.

Mr Moore: I raise a point of order, Mr Speaker. I would like to draw your attention to standing order 202(e). That standing order talks about a member being disorderly and specifically refers to a member who persistently and wilfully disregards the authority of the Chair. Mr Speaker, I would ask you to keep an eye on Mr Berry because I think he really pushes the bounds as far as that standing order goes.

TAXI LICENCE AUCTION Statements by Members

Debate resumed.

MR KAINÉ (3.21): Mr Speaker, the debate this morning on this subject is one of the least edifying and the least gratifying that I have experienced in nearly 20 years as an elected member of various bodies in the ACT. It began because the Labor Party had decided that they were going to get somebody's hide over something. They persisted over a number of days with questions that were aimed not at accusing anybody of anything but at trying to elicit information about something. They were singularly unsuccessful.

26 October 1995

Of course, in the process they successfully cast aspersions on the good name of at least three members of this Assembly - specifically Mr De Domenico, Mr Humphries and Mr Hird. This morning they were properly challenged to put some substance to their allegations. I sat through the debate. They scrabbled around for about two hours. They produced no substantive evidence, but along the way they again successfully managed to attribute improper actions or motives to members of this Assembly.

The heavies over the other side did not have much success in tossing up the substantive evidence, so along came Mr Whitecross. I presume that since they failed he must be the real heavy. What were we subjected to? We were subjected to over half an hour of Mr Whitecross. What was the substance of what he had to say? The first 20 minutes really was nothing more than an accusation of either inefficiency or incompetence on the part of the people who negotiated the contract. During that first 20 minutes he did not once mention any of the three people who, in one way or another, were supposed to have done something improper. He spoke only about the process. He was clearly asserting that the people who negotiated the contract were incompetent and did not know the rules. This was from a person who, I suspect, until he picked up the policy guidelines this morning, had probably never read them; but, having read the book, he is the instant expert. That 20 minutes of his 30-minute speech contributed nothing in terms of substantive evidence that would support the contention that members of this Assembly had somehow done something improper.

In the next five minutes or so he gave a great self-congratulatory run-down on his cross-examination of the accused in the Estimates Committee, which was fairly pathetic, I thought. It raises a question, though. Since the Estimates Committee has not yet finished its deliberations and has not produced a report, how is it that a member can read extracts from the transcript of that committee into the *Hansard* of this Assembly? I would suggest, Mr Speaker, that you should have a look to see whether that is improper conduct on the part of the member concerned. As I understand it, until that report is tabled in this place, it is privy to the committee. We have this strange sense of what is proper when it comes to our own actions, do we not?

I thought that the crux of the matter came when Mr Connolly got to his feet. I had been waiting for something substantive that said that Mr De Domenico, Mr Humphries or Mr Hird had actually done some specific act that was improper, illegal, unethical or something. Mr Connolly finally got to the nub of the matter when he repeated at some length something that he said by interjection during question time one day. During question time one day he said that it was improper for a member of the Assembly to get political advantage from the expenditure of public money. That was his assertion during an interjection. If you listened carefully to what he said this morning, his theme was that somehow Mr Hird - and he named Mr Hird - had committed an improper act by getting a political advantage from the use of public money.

To come to the point, I do not know how on earth he could conclude that money paid to a contractor for services rendered was still public money. No matter what Mr Hird did with the money, or what his company did with the money, it was not and could not be construed to be public money. If it could be so construed, then every contractor to the ACT Government and every consultant to the ACT Government had better be

darn careful about what they do with their money after they are paid. By Mr Connolly's definition, it is still public money and they may not do anything with it. Mr Connolly's assertion - and he knows it - was not soundly based. If Mr Connolly's proposition is that to use public money to gain a political advantage is immoral, illegal or unethical, then Mr Connolly stands condemned, because, Mr Speaker, I have an extract from the *Canberra Chronicle* of 31 March 1992 with a very large photograph of Mr Connolly handing out a cheque of public money - not personal money, not private money, but public money. If Mr Connolly is asserting that to take political advantage from the use of public money is immoral, improper or illegal, then he stands condemned. I seek leave to table that document, Mr Speaker.

Leave granted.

MR KAINE: Mr Connolly is not the only one involved. Only last year, on 7 September 1994, Mr Wood had his picture in the paper handing out a cheque of public money. Mr Connolly says that this kind of action is improper; but two Ministers of the former Government, including Mr Connolly himself, stand condemned, in his own words. Where is the double standard, Mr Speaker? There is no double standard, because Mr Hird did not use public money. Where he got the money from is his business. Mr Connolly's strange interpretation of what is moral and what is immoral stands on the record. It is a very strange interpretation indeed.

Mr Speaker, as I said, the debate has been singularly unedifying. We have seen members of the Assembly stoop to incredible levels to try to incriminate somebody - anybody. In fact, after spending 25 minutes talking about nothing, Mr Whitecross finally had a swipe at the Chief Minister, who had not even been mentioned in this debate up until then. Since he could not get a clear shot at Mr De Domenico, Mr Humphries or Mr Hird, he had to have a swipe at somebody, so he had a swipe at the Chief Minister. The debate has served no useful purpose. It is a debate that has cast aspersions on the name of good people. It is a debate in which none of the accusations have been substantiated. During it all we have had this double standard. I think that people on the Opposition benches ought to be damned ashamed of themselves, Mr Speaker. I would ask them to think very carefully before they proceed any further with this matter.

MR WOOD (3.29): Mr Speaker, there is a question I would have liked to ask in question time. I would have done so had I not known that you would have ruled it out of order. I can ask it now and maybe someone from the other side of the house will give me an answer. That question is: What damn fool proposed at a Liberal Party meeting that they raise this boomerang motion? As the debate went on I could see people sitting there with clear expressions on their faces that they wished they had never raised it.

Mr Speaker, the fact that they raised this motion and they persist in this defence causes me some concern. It indicates quite clearly that the Liberals do not want to recognise the difficult situation that they have placed themselves in. It might be forgivable if a backbencher new to the chamber and new to the processes here did what Mr Hird did.

26 October 1995

It is inexcusable that the Minister involved did not, at the key time that he has indicated, say, "This is nonsense" and stop it. It is compounded when in this appalling process both the Chief Minister and the Territory's Attorney stand up and defend what happened. The Government as a whole has proposed this motion asking us to justify our claims, which we have done very well not just today but during the last week or so.

Mr De Domenico: Where is your evidence?

MR WOOD: The evidence, as Mr Whitecross clearly showed, Mr De Domenico, came from Mr Hird's own lips. Mr Hird's use of the personal pronouns "I" and "our" is where the evidence comes from. It also comes from the company employee who pointed to the advertising benefits to be gained from this. That is where the evidence comes from - from the people on your side who admit that connection. The connection should never have arisen.

The whole process fell down when Mr De Domenico on two or three occasions told this Assembly that he was alerted to the fact that the company that bears Mr Hird's name - the company that Mr Hird has no association with, says the Government - had won the contract and he did not have the wisdom to say no. The Chief Minister and the Attorney have not had the wisdom today or earlier to say that that was wrong. That is the key to the problem. That is where the process fell down.

Mr De Domenico: It would have been wrong for me to interfere, and you know that. It would have been wrong for any Minister to interfere in the due process.

MR WOOD: Quite wrong. Therefore, Minister, if you see something wrong happening, you must not intrude?

Mr De Domenico: No, I did not say that. The processes were adhered to. They were your processes.

MR WOOD: I think I heard Mr De Domenico, from this side of the house some little time ago, use the expression "The buck stops here". But you do not want that buck; you want to pass the blame back to other people.

Let me talk about the process. Mr Humphries had something to say about process. He picked up the book about processes and said, "We followed this chapter and verse". But what he deliberately and wilfully forgot is that the process includes what the Minister and the people actually do. The process is absolutely bound up with how people handle that process. Mr Humphries knows that, I am sure; but he did not want to concede that point today. The process includes the advice. I am not sure just how that came to Mr De Domenico, because he will not tell us. It includes how that advice was treated. A Minister on top of his duties would have said, "This cannot proceed". That is where the process would have stood up; but, instead, that decision was not taken and the process fell over. Mr Humphries's arguments are shown as empty, and the Government's approach to this and Mr De Domenico's approach to this have been shown to be absolutely irresponsible. The Opposition's pointing to this over recent days has been fully justifiable, and we wait for the Government to apologise and to change its view on what has happened.

MS FOLLETT (Leader of the Opposition): I seek leave to address the Assembly again.

Leave granted.

MS FOLLETT: Mr Speaker, there is a very clear price to be paid by every person who stands for public office and who is elected to that public office as a representative of their community. The fundamental problem that we have here is that the members of the Government are not accepting that there is that price to be paid. Cast your minds over the circumstances which apply to us as elected members. In the first place, everything that we do and everything that we are is subject to the closest of scrutiny. That is something that we all accept. The issue here, Mr Speaker, is that also under scrutiny are members' private interests and the possible conflict of private interest, whether it is a business interest or any other, with their public duty. It is that issue that goes to the heart of this matter of the taxi licence plates.

The position that the Opposition has taken on this - and it has been spoken about very capably by my colleagues previously - is that the private business interests of a member, Mr Hird, were advantaged by a decision of the Government of which he is a member. That is our position, and nothing which has occurred in the debate on this matter has changed our position. It is very clear that there is a conflict between Mr Hird's private business interests and his position as a member of the Government in relation to the licensing of taxi plates recently. It is very clear indeed.

Mr Speaker, such matters are often subject to a code of ethics or a code of behaviour. In this Assembly some years ago there was contemplation of such a code of ethics. It is a matter which I will be taking up again, as I have alerted the Assembly on many occasions. It is a fact that, owing to the budget cuts, the parliamentary draftsman's office has only just now been able to allocate that task to a member of staff; but it is something I have been working on for months. However, some years ago, in fact in May 1991, the Standing Committee on Administration and Procedures of this Assembly made some recommendations on this matter. I might say that the standing committee was chaired by a member of the Liberal Party and reported to a Liberal government. The standing committee - and I will quote selectively, Mr Speaker, but I think relevantly - said:

The electors of the ACT have the right to expect that:

... Members should ensure that their private interests do not interfere with the proper discharge of their public duty according to the highest standards of conduct.

They went on:

Due to the nature of public office Members of the Legislative Assembly must accept restrictions on certain areas of their conduct beyond those imposed on ordinary citizens.

Mr Speaker, the Standing Committee on Administration and Procedures made that statement back in 1991. I think it is a statement which still holds and which sets a standard which Assembly members ought to try to live up to.

There have been many other statements about conflict of interest in public life, mostly to do with the public sector. For example, the Department of Administrative Services - a department which, as members would know, frequently engages in businesslike activities - also has a code for handling conflict of interest by its officers. I think this code is particularly relevant as well. It says, in part, under the heading "Conflict of Interest":

An officer who has an interest, pecuniary or otherwise, that could conflict with the proper performance of his or her duties shall, as soon as possible after the relevant facts have come to the officer's notice:

- a) disclose that interest to his or her supervisor, and
- b) take whatever action is required to avoid that conflict.

Mr Speaker, when we were drawing up the Public Sector Management Bill for consideration by the Assembly, members might recall that a suitable code of conduct was very much an integral part of our consideration of that Bill. We asked Dr Claire Clark to draw up a discussion paper, a brief, on this matter. Dr Clark itemised a number of principles which might be included in such a code of conduct. At principle No. 8 she listed "Avoid conflict of interest". The explanation for this particular part of the code of conduct says that in this case public servants should "not allow, or be seen to allow, a conflict between private interests and public duty, declaring a potential conflict and immediately taking action to avoid that conflict".

Mr Speaker, under the explanation of that particular principle there are a number of points listed which ought to be considered and those points are: Allegiances to family and other relationships, involvement in particular interest groups, membership of political parties, the holding of a position or office where no remuneration is received and so on. In both of those two documents, both codes of conduct, I think there is a key statement, and that is that, where there is any possibility not just of an actual conflict of interest but of a perception of a conflict of interest, the onus is on the person concerned to take proper steps with their supervisor, or in this case with their Minister or Chief Minister, to avoid that conflict. That is what should have occurred here. It is my view that, upon the Minister and/or the Chief Minister coming to realise that a government contract for the disposal of government assets had been let to close business associates of a member of the Government, the Government should have taken action to avoid not just the conflict of interest but the appearance of conflict of interest. That is what a responsible standard of ethics requires; nothing less.

Mr Speaker, I believe that, on the issue of conflict between an MLA's private business and their public duty, we have heard a lot of hogwash from the Government. We have heard from the Chief Minister, on, I believe, a very spurious sort of equal rights argument, that we were in fact trying to discriminate against Mr Hird and/or his spouse.

We have heard also, Mr Speaker, that there is really no conflict here; that Ministers hand out cheques all the time and get their photo in the paper. The Ministers mentioned were not taking advantage, through their private business interests, of their public duty. That is the difference. That is a difference that you must try to understand. It is very clear that in this particular case an MLA, through private business interests, was seeking some advantage through the letting of a government contract. It is very difficult for the Government to deny that.

Mr Speaker, I believe that, had Mr Hird wanted to uphold the ethics that the Assembly has previously found acceptable and that we have every right to expect will also apply in the public service, then he had a couple of courses of action open to him, and he still does. The first of those, of course, was to ask his spouse to sell her shares in the business of Harold Hird and Associates. I do not for one moment propose that that is what he ought to do. If he did ask Mrs Hird to do that, she would be quite within her rights to tell him to take a running jump. The other course of action, and the one which Mr Hird should have taken, and still can take, is to refrain from bidding for ACT Government auctions.

Mr De Domenico: It is not his company, though.

MS FOLLETT: I hear members opposite say that it is not his company. On that matter, I would like to say a few words. As we have seen in the Chief Minister's annual report, the licensed auctioneer H.J. Hird is listed. I presume that that is Mr Harold Hird, MLA. The trading name for Mr Harold Hird is listed as Harold Hird and Associates. Mr Speaker, I understand that a corporate veil is being drawn here. I do not believe that it is appropriate or within an appropriate code of ethics for MLAs that that corporate veil ought to be invoked in order to justify what is clearly a conflict of interest. That is all it is. Mr Speaker, I do not believe that it is appropriate to invoke that corporate veil in this circumstance, any more than it is appropriate to invoke a corporate veil for the more usual reason - tax evasion. It is simply inappropriate. It does not fit with any code of ethics that I have ever heard of, and it is not appropriate for a member of this Assembly.

Mr Speaker, I would like to mention just a couple of other matters. First of all, there is the question of whether or not Mr Hird has previously had contracts for auctioning ACT government assets. We have heard a great deal of conflicting evidence on that matter from the Government. The fact of the matter is that, until Mr Hird became an MLA and became a member of the Government, it did not matter how many auctions he conducted on behalf of the ACT Government. He was perfectly entitled to do so as a member of the ACT's business community. Attempting to justify the current situation by saying, "Aha! The Labor Government gave him the auction rights" in no way condones the current situation. Mr Hird was not an MLA. Mr Hird was not a member of the Government. Had he been, then the view taken by my Government quite clearly would have been that he had a private business interest in this matter and ought to be excluded from it. That is what should have happened this time.

Mr Hird: So you would victimise my wife. You would victimise a lady and a lady's business, a small business.

Mr De Domenico: You change the rules with the case.

26 October 1995

Mr Hird: You would victimise her. That is what you are saying.

Mr Wood: You put her in that spot.

Mr Hird: I did not put her in the spot; she put herself in the spot.

MS FOLLETT: You are the MLA.

Mr Humphries: How many wives are the property of husbands who can tell them what to do?

MS FOLLETT: Mr Speaker, we have also heard - - -

MR SPEAKER: It is called affirmative action.

MS FOLLETT: Thank you, Mr Speaker. When you get to interject, who gets to control you? That is what I would like to know.

MR SPEAKER: I have tried to control this. Continue.

MS FOLLETT: Thank you. We have also heard from members opposite veiled inferences that Mr Whitecross himself has a conflict of interest by virtue of the fact that his wife has been employed by the ACT Government Service. I would like to say a few words on that. First of all, for the period that Mr Whitecross has been an MLA his spouse has not worked for the ACT Government Service, and that is for the very reason that her job has been abolished and she was got rid of, in effect. Nevertheless, prior to that, she was an ACT public servant under both the Alliance and Labor governments.

Mr De Domenico: And a very good one.

MS FOLLETT: And a very good one indeed. She was appointed on merit, and she was most certainly not appointed by the Government, Mr Speaker, or by anybody close to the Government. She was appointed in the normal public service manner. Mr Speaker, I reject absolutely the inferences that have been made by those opposite that somehow Mr Whitecross's spouse reduces the case against Mr Hird. This is absolute nonsense.

Mr De Domenico: We did not make any inferences at all. You are the one throwing the mud around.

MS FOLLETT: The inferences were there, Mr Speaker. I also want to speak very briefly about the material facts that surround this matter. It is a very sad reflection on Mr De Domenico's capabilities as a Minister that not one of the material facts here has been correctly portrayed by him. He has been wrong on everything. I accept that it has not always been his fault; nevertheless it is the case. If we look to Mr De Domenico's assertion that the auction contract was won by the auctioneer putting forward the lowest price, it is a fact that Harold Hird and Associates' price was not the lowest price. There was a tender for zero.

Mr Humphries: That is rubbish.

MS FOLLETT: Mr Speaker, that is a fact. It is a fact that the Government has tried to obfuscate about, but it is the case that there was a bid for zero. The Government has said that that was not a conforming bid. In fact, all you had to conform with was a handwritten fax that gave you none of the detail whatsoever. Only the chosen few had had the phone call beforehand, including of course Harold Hird and Associates. Any other auctioneer in the ACT who wanted to express an interest in this would have been found to be non-conforming because they had not had the secret phone call. It is a fact that the lowest bid was not accepted, and it is a fact that the purchasing guidelines were not totally adhered to. The Government cannot wriggle out of that.

Mr Speaker, there is also the question of the reserve price and the budget projections for the revenue to be gained through this matter. We are only now dragging out of the Government the fact that they had halved the reserve price. A fortnight ago Mr De Domenico informed the Estimates Committee that the reserve price was \$200,000 and he was hoping to get a lot more. Of course he would hope that way, because that is what we got in the past. It now comes to light that the reserve price had dropped by 50 per cent to \$100,000. There has been absolutely no explanation for that, even though Mr De Domenico has had every opportunity to make an explanation through question time or through speaking from his notes. Mr Speaker, we have also heard that the Government's own budget projections cannot be relied upon either. They are saying now that they were just a mere indication of what might have happened had all things been equal. The budget documents, in effect, have misled this Assembly. Mr Speaker, that is another material fact that the Government cannot deny.

I want to come now to the question of the Auditor-General's interest in this matter. That is an area of particular interest. We have heard from both Mrs Carnell and Mr De Domenico repeatedly that they had asked the Auditor-General to examine the merits of this particular case. Now that we have the Chief Minister's letter to the Auditor-General we can see that in fact that is not so. Mrs Carnell said words to the effect that the Auditor-General will use this particular case as an example. That is in fact not what she asked him to do. If you look at the letter that Mrs Carnell has finally and belatedly tabled, you will see that all she asked the Auditor-General to do, with regard to not only the broader question of auctions and business in general but also this particular case, was to answer the question whether there should be guidelines for instances such as this and, if so, what they should be. She has not asked the Auditor-General to examine the merits of this case at all. Assertions by the Government that that is what happened are quite untrue. The Auditor-General, to give him his full credit, has taken it upon himself. So on another material fact of this matter the Government was wrong.

There is also the question of who conducted the auction last year. I have already said that if Mr Harold Hird's firm conducted the auction last year that is fine with me. He was not then an MLA. He was not an elected official. He was not a member of the Government. He was free to conduct business with whomever he wanted to conduct it. The fact of the matter is that the Government got that one wrong as well. The information that we have is that the auction last year was conducted by the National Auction Group, not by Mr Hird's company at all. On yet another fact the Government is wrong.

26 October 1995

Mr Speaker, for a government that is trying to defend its actions on this matter, I find that endless list of errors that they have made at every step along the way to be one of the saddest indictments of a government that I have ever come across. I am told that Mr Hird was actually at the auction last year. He had every right to be there. He was there as a bidder, but he was not conducting the auction. The National Auction Group was. That is another fact that the Government has got wrong, and they expect us just to ignore that.

Mr Speaker, I believe that all MLAs ought to adopt a standard of personal behaviour which the whole community can have the greatest confidence in. What that means is a clear separation of our private interests - whether they are family interests, business interests or whatever - from our public duty. That is what is required. That is what my code of ethics, once it is drafted, will require. I believe that that is what has been breached on this occasion. Mr Speaker, I think it would well behove the Government if they were to quietly sit down after the heat has gone out of this and examine just what happened and take up the point that has been made in any number of documents relating to a code of ethics for people in public life, and that is the avoidance not just of a conflict of interest but of the appearance of a conflict of interest. I believe that that is the only way that the whole community and this whole Assembly can have confidence in the way that this Government does its business.

MR SPEAKER: The discussion is concluded.

MR HUMPHRIES (Attorney-General): Mr Speaker, I seek leave under standing order 46 to make a personal explanation.

MR SPEAKER: Proceed.

MR HUMPHRIES: In the course of her remarks, Ms Follett suggested that I was casting aspersions on the employment status of Mr Whitecross's wife.

Ms Follett: You all did. Mrs Carnell did. Mr De Domenico did.

MR HUMPHRIES: No, I did not. It is a symptom of the strange behaviour of those opposite today that they are prepared to characterise something like that in that way. The *Hansard* record will show very clearly that what I said was that, if those opposite maintain that a contract for services with the Government constitutes a breach of the conflict of interest provisions, then a contract of service, namely, an employment contract, would do the same thing.

I have made the point that if Mr Whitecross had been a member of the Government after the most recent election and his wife had stayed there - and apparently she would have, because we have just been told that she was shafted from her job - then I would maintain that on the standard proposed by the Opposition he would be in the same position as he and Ms Follett are now claiming that Mr Hird is in. That is a patent absurdity. To imply that I am suggesting that the employment of Mr Whitecross's spouse would have been inappropriate after the last election is simply not true.

MR DE DOMENICO (Minister for Urban Services): Mr Speaker, I wish to make a personal explanation under standing order 46 on the same topic.

MR SPEAKER: Proceed.

MR DE DOMENICO: I heard Ms Follett say that all members opposite cast aspersions on Mr Whitecross's partner. I made no mention at all of Mr Whitecross's partner until such time as the former Chief Minister said that she was a fine public servant. I think I said, "Hear, hear!". I happen to know Ms Foreman, not very very well but quite well, because I happen to know Mr Whitecross well. For the former Chief Minister to suggest that anybody cast aspersions on Mr Whitecross's partner was obviously not true.

While I am on my feet, Mr Speaker, I concede that the information I received from the Department of Urban Services that Harold Hird and Associates had conducted the auction in 1994 was incorrect. I am pleased that Ms Follett also said that sometimes it is not the fault of certain Ministers when they repeat advice given from their department. Once again, the advice I got was incorrect.

PURCHASE OF FRENCH PRODUCTS Paper

MRS CARNELL (Chief Minister) (3.59): Mr Speaker, for the information of members, I present the initial report on the implementation of the Assembly's motion on French products and I move:

That the Assembly takes note of the paper.

Mr Speaker, I rise today to table the initial report on the implementation of the Assembly motion on French products and to table a letter to me from the French Ambassador, Mr Dominique Girard. Members will have received the management plan for implementing the Assembly motion on French products and will be aware that step 1 of the management plan states that I will table an initial report in the October sittings. Mr Speaker, this report indicates what has been achieved to date. It illustrates the magnitude of the task remaining in implementing the Assembly's decision.

With the benefit of the information the Government has provided, members may wish to consider the extent to which the Government's implementation of this motion as it now stands should continue. I should say that there are a number of specific examples of issues that need addressing before the motion can be fully implemented, not the least of which is the fact that the provision of new buses and parts for existing buses in our ACTION fleet is contracted to Renault. I do not need to tell members just how difficult the situation would become if we were to put an immediate stop to buying Renault parts, and I am sure that the ACT community would not be impressed to find a number of the buses off the road.

Mr Berry: You are trying to find reason not to - - -

MRS CARNELL: What I have said is true. These are not the only critical products involved. As well, we have parts for the lifts and air-conditioning units in ACT Government buildings; but of major concern is the fact that a number of pharmaceuticals used in our health system and for which there is no alternative source are also affected by this motion. It is in contexts like these that we need to question our responsibility to our constituents. Mr Speaker, these are just a few of the major issues to be addressed in the task facing the Government.

In all, I am advised that the list of products purchased by the Government numbers between 200,000 and 500,000. As members would appreciate, the identification of all French-manufactured goods, or partly French-manufactured goods, in a list of this size would involve the application of significant resources. To add to this, the ACT Government purchases a wide range of products from Commonwealth and New South Wales government period contracts. Details of the manufacturing source and the manufacturer of these products are not readily available. It is relatively easy to identify such items as the Renault buses and their components and other well-known French products. However, there is a significant range of goods of French manufacture that are not easily identifiable.

The identification of products with French components is further complicated in that France participates in the European Union manufacturing agreements. Any product made in Europe potentially includes raw materials sourced in France, as well as individual parts and assemblies. There is no practical method of identifying levels of French participation in any particular product. In addition, the accuracy of any list of products sourced from France would be dependent on advice from suppliers. As the progress report notes, the issue then arises of supplier willingness to include on such a list products which they supply.

Mr Berry has railed in the media about the Government using the management plan for implementing the Assembly motion on French products as a tactic to delay action. Mr Speaker, I can assure you that the Government takes its duty to the Assembly very seriously. As members can see from the report, a lot of ground has already been covered in moving to implement the motion. However, as I stated before, the motion is very broad and initial costings indicate that, as a beginning, the Government would be spending in excess of \$20,000 just to complete the audit phase of the task.

Mr Berry: A small price to pay.

MRS CARNELL: Mr Berry says, "A small price to pay". I must admit that I doubt that. I believe that the ACT does need to make a definite stand on this issue. I also believe that in a time of budgetary constraint there would be no support in the community for the Government to spend a large amount of money implementing a very broad motion which would impact negatively on innocent members of our own community. This would do nothing to enhance the effectiveness or credibility of this Assembly. I assure members that I remain committed to the idea of French companies

being banned from tendering for all new contracts except where the product cannot be sourced from another supplier. I stated that in the initial debate. However, members need to be aware of just what is involved for this community in the effects of implementing the motion as it now stands. I certainly urge members to read this implementation report and consider what may be required if we continue down this path.

MR BERRY (4.05): I rise to speak on this issue because, as I have said in the past, the Government seems to be looking for excuses not to act. Mrs Carnell has been dragged kicking and screaming all the way on the issue of sanctions against the French Government. We all remember the fight that she put up against the cancellation of the sister city agreement with Versailles. We all remember the fight that she put up against this motion to stop the purchase of French products. We now see another example of Mrs Carnell's attempts to delay doing anything in relation to this matter. By the time Mrs Carnell gets around to doing anything, the French will have stopped testing their weapons; they will have run out of weapons to test.

Mr Humphries: They will anyway.

MR BERRY: That is the attitude. Mr Humphries interjects, "They will run out anyway". That is what he is hoping for, obviously, before we get to the point where anything is done. It goes on after that, Mr Humphries. These people have made a mess in our backyard and they have to understand that the price they pay will continue to be - - -

Mrs Carnell: Will be less than the price we pay.

MR BERRY: Mrs Carnell moans about the imagined \$23,000 that she has built up. I can tell you one product that you can stop purchasing now. You can stop purchasing the Mack-Renault chassis and get them from somewhere else. I know that they are French, so why not just stop purchasing them?

Mr Humphries: Because that is not the full extent of the motion. That is why.

MR BERRY: Indeed, it is not.

Mr De Domenico: We have a contract with them.

MR BERRY: Does it allow you to stop buying them, or can you issue another contract?

Mr De Domenico: No; because they would probably sue us, Mr Berry, and that would cost us millions and millions of dollars.

MR BERRY: Table the contract. If Mrs Carnell had been in a collaborative mood, she could have consulted with members of the community about her difficulties and then worked out ways to knock off French products as the option became available to her; but all she has done all the way along the line has been, first of all, to fight and struggle to stop action from being taken against the French Government and then to criticise a motion of this Assembly. She moans and groans about how difficult it is for her to deliver on the goods. If it is too hard to do, Mrs Carnell, why not come and talk

26 October 1995

to us and, as you promised to do, consult with us about how you might be able to pick off individual French manufacturers to make sure that an impact is felt. Mrs Carnell, your actions are a sham. It is obvious that you do not care about the environment. You do not care about the explosion of nuclear weapons in the South Pacific; that is obvious. Your claims that you are committed to the decisions of this Assembly have no weight.

MR MOORE (4.09): Mr Speaker, I take a different view from that of Mr Berry. When I stood to support the motion, I certainly intended the Chief Minister to implement it. I knew that there would be costs associated with identifying exactly which French products were available and which ones we could avoid buying. I am still very keen, for example - and I think it is a good example - that we ought not to let new contracts to buy Renault buses or other buses that are manufactured in France. I do not move from that. I think that we should take action, in spite of the letter of the French Ambassador and his threats. I think we should stand up to those.

However, I also think it is important that we not cut off our nose to spite our face. Perhaps Mr Berry will agree with this. The item that hit me most strongly in Attachment B of the report is the one showing antibiotics for the Department of Health for which there is no alternative source. Mr Berry indicates that he agrees. We expect a rational approach that does not cut off our nose to spite our face. A rational approach would also be that if we have already purchased French buses we need to buy the parts to keep them going. That is acceptable. It is quite true that the motion as worded did not allow room to move there. Mr Berry indicates his agreement.

We would expect a rational approach to these sorts of issues. There will be a number of them, and for us to actually identify them would be impossible. If you took a rational approach to this motion, then I would find it acceptable. I believe that it is appropriate that the motion still stand, but in standing to speak to this issue in the Assembly today I hope - and I know that Mr Osborne will say the same - that the Government will have the freedom to operate in a sensible way in implementing the motion. I think that is what the Opposition is asking for. Mr Berry is indicating that that is what he would expect. I am certainly indicating that that is what I would expect. I appreciate the fact that the Chief Minister has brought the matter back to the Assembly to ask, "What am I supposed to do?", and for us to clarify the issue.

MR OSBORNE (4.12): I support what Mr Moore said. I voted along the same lines as Mr Moore, the Greens and the Labor Party. However, I was made aware at the time that there could be a problem with the antibiotics. I am glad that by our addressing the matter here we have alleviated that problem. I back up what Mr Moore says. I hope that the Chief Minister adopts a sensible approach to the motion.

MS TUCKER (4.12): Mr Speaker, the sense rather than the detail of the motion was made clear at the time. It is obviously sensible to consider problems arising from the motion.

MR HUMPHRIES (Attorney-General) (4.13): Mr Speaker, I want to say just one thing. Experience has made it clear that we have to be very careful in this area. I want to refute an assertion by Mr Berry that the Government is trying to reject or avoid the responsibilities imposed on it by the Assembly. The Government did indicate its opposition to this motion when it was first passed, but we also made it perfectly clear that we would honour to the full the decision made by the Assembly. This report by the Chief Minister is an attempt to do just that. It is clear from the words in this report that there is a need for us to come back and look at the issues again. I strongly welcome the comments by those on the crossbenches that they will be constructive about that. It is a pity that Mr Berry could not acknowledge that there was a problem with his approach and be a little more cooperative. I certainly look forward to working with other people to make sure that we fix the problems in a way which sends a message to the French Government without diminishing or destroying the availability of important services to the people of Canberra.

MRS CARNELL (Chief Minister) (4.14), in reply: Mr Speaker, I thank Assembly members for their commonsense approach to this issue. I give an undertaking to the Assembly that, wherever it is possible, this Government will not be dealing with French companies, whether it be for parts, new contracts or whatever. We certainly will not be buying products manufactured in France; but I am very pleased that we now can buy parts for the buses and buy antibiotics.

Question resolved in the affirmative.

PAPERS

MR HUMPHRIES (Attorney-General): Mr Speaker, for the information of members, I present the following paper:

Department of Education and Training and Children's and Youth Services
Bureau - revised report, freedom of information and financial statements,
including the Auditor-General's report, for 1994-95.

It also gives me great pleasure, Mr Speaker, pursuant to section 19 of the Commissioner for the Environment Act 1993, to present the following paper:

Commissioner for the Environment Act - Commissioner for the Environment
- report for 1994-95.

I thank the commissioner for that report. Finally, Mr Speaker, I present the following paper:

Ministerial Travel Schedule - 1 July to 30 September 1995.

26 October 1995

MATTER OF PUBLIC IMPORTANCE - WITHDRAWAL

MR SPEAKER: I wish to advise that Ms Tucker has withdrawn the matter of public importance that she nominated for discussion today.

PUBLIC SECTOR - NEGOTIATION OF ENTERPRISE AGREEMENT

MS TUCKER (4.15): I ask for leave to move a motion concerning the ACT public sector.

Leave not granted.

Suspension of Standing Orders

MS TUCKER (4.15): I move:

That so much of standing orders be suspended as would prevent Ms Tucker from moving a motion concerning the ACT public sector.

Mr Speaker, I am seeking to suspend standing orders to debate something which I believe is of far greater importance than the matter which has been before us for most of the day. The motion I wish to move is crucial to the efficient running of the ACT. The Government is pursuing an IR policy that will erode the conditions of workers and put those on low incomes at risk. It will remove portability and some mobility provisions. It will remove equity across the public sector and will cause an extraordinary amount of industrial chaos. Mr Speaker, I seek the support of this Assembly in moving this very important motion so that it can be debated today and resolved today.

MR BERRY (4.16): Mr Speaker, the Labor Party will be agreeing with the motion to suspend standing orders.

MR MOORE (4.17): Mr Speaker, I am going to oppose this motion, for a series of reasons. The first one is that I was with Ms Tucker and Mr Osborne on Monday when they went to a very interesting meeting conducted by the TLC in their offices in Dickson. They raised a series of issues which concerned me greatly. I think it is fair to say that those concerns are encapsulated in the motion that Ms Tucker proposes to put forward. Unfortunately, this being a sitting week, I have not yet had the opportunity to gain an understanding of the other side of this issue. When I saw that it was to be raised as a matter of public importance, I was quite happy to debate it in that way, because that would have brought out both sides of the argument. I was aware, as of last night, that Ms Tucker would be attempting to bring this motion on after the MPI, but I had determined at that time that I would be happy to listen to the MPI debate but would be most likely to oppose the motion coming on. Mr Speaker, I simply want more time to look at this issue. That is a statement that the Greens are familiar with. They say that they need more time to look at particular issues so that they feel comfortable with them.

I understand that the Government considers that the motion would prevent them from carrying out some of the changes that they wish to carry out. That may be enough to sway me one way or the other. I have not yet decided, and I am not prepared to debate this motion at this stage and will avoid it if I can. Although effectively I have had 24 hours' notice - - -

Mr Humphries: More than we had.

MR MOORE: It might be more than the Government had, but I certainly knew that Ms Tucker would be attempting to do this today. Nevertheless, I felt that I was not prepared for it. We have a notice paper and a daily program. Where possible, we ought to stick to them. Other issues will be raised. Indeed, the Government departed from the daily program today, and I think that was reasonable. Normally, Ms Tucker would have given notice of a motion that would have been listed as private members business; and the Administration and Procedure Committee, of which she is a member, would then have given it a priority.

I think it is fair to say that there is no member in this house who has not had a fair go in terms of private members business and getting a priority to have their particular motion put up. We have always attempted to ensure that that is the case, and I believe that that will continue. The proper place for this is in private members business. If Ms Tucker wants to seek to extend private members business at the next sitting or the one after that, then let us talk about the need for that, and let us deal with her motion then. I think that it is inappropriate for us to debate this issue today through a motion. I was happy to do so through an MPI, but Ms Tucker chose to withdraw her MPI. I oppose the motion, Mr Speaker.

MR HUMPHRIES (Attorney-General) (4.20): Mr Speaker, we have come to the end of a sitting fortnight that stands against a background of a number of industrial issues around the Territory. Not only during that period but also before it, a number of unions have taken industrial action in respect of live issues. In the last hours of the Assembly sittings for this month, a motion is to be brought forward, apparently to radically alter the Government's approach towards industrial relations policy.

Mr Berry: Yes, that is right.

MR HUMPHRIES: Mr Berry says that that is the case. I accept that there is disagreement on the part of Ms Tucker and those opposite about that approach.

Mr Speaker, I appeal to the Greens to consider what they do to the processes of government when they try to pull these sorts of - "stunts" is an uncharitable word - motions out of the hat in such a manner. The Government is pursuing, as every government in the country and indeed probably on the face of this planet has to pursue, certain policies in respect of management of industrial issues - negotiations on wages and conditions, occupational health and safety issues and so on - and management of their budgets. We are attempting to do the same thing in the context of the ACT Government and the ACT budget.

26 October 1995

Apparently Ms Tucker and her colleagues were thinking about the motion last night, because they spoke to Mr Moore about it. Apparently they did not tell anybody else in the chamber about it until a few minutes ago. At first they intended that we have an MPI debate on the matter before the motion was moved. That would have allowed some debate on the matter. But now an attempt is being made to change the Government's policy in these areas. I think it is a grossly unreasonable attempt to have these issues debated in a proper forum. They are extremely important issues. We should not be dealing with them in the last couple of hours of the Assembly's work at the end of a sitting fortnight. It should have been a matter we all had notice about.

Mr Connolly: It is your fault. You moved a silly motion giving unlimited time.

MR HUMPHRIES: It still would not have come up before now. It was going to come up after the MPI, Mr Connolly. Mr Speaker, presumably, we would not have had any more notice of this matter if we had not called on the other matter this morning. We are now asked to debate this extensive matter at this hour. Mr Speaker, I submit to members that it is not time critical to deal with this matter today. There are a number of processes of discussion and negotiation going on at the moment with the trade union movement. There are still issues outstanding in that respect. We should consider the issues in a proper context and at a proper time, not in the context of a debate this afternoon. There are other important issues we have to talk about before we can conclude debate on issues this afternoon.

I know that we can argue the case that governments are elected to govern. The notice paper contains a great many motions to pull back components of the Government's budget to do with health centres, wages and conditions, enterprise bargaining negotiations and a whole series of issues. There is also an amendment that would take out a \$1m increase in gaming tax. You would think, Mr Speaker, that we were a government which had not achieved the largest vote of any party that has contested an election since self-government. You would think that we had no mandate at all to put some issues forward in our budget and have them passed by the Assembly.

Mr Connolly: You are the same as we were last time. You are short of a majority.

MR HUMPHRIES: We did not amend one jot of your budget. We did not amend one single dollar amount in your budget, and we would ask for the same courtesy in respect of ours.

Mr Berry: We have not moved to amend anything.

MR HUMPHRIES: Motions that have been moved on previous occasions and supported by the Opposition have had the effect of changing the Government's bottom line very dramatically. For example, stopping the sale of health centres caused a \$2m hole in this Government's budget. If you had guts, you would move to amend the Appropriation Bill in the context of the budget debate, not try to do it in this surreptitious fashion today.

Mr Speaker, there must come a point when we have to say to the Assembly, "For goodness sake, we were elected to govern. Please give us the opportunity of doing that". I am not going to pull this sort of line all the time, but this motion in the last few hours of the October sittings of the Assembly really is too much. Changing the way in which governments negotiate wage agreements would have a massive impact on the way in which a budget is framed and is made to operate. It is unrealistic to ask the Government suddenly, as a result of a motion thrown up at the last minute on a sitting Thursday, to change its entire industrial relations strategy. It is not fair.

Ms Tucker and her colleagues have not taken the opportunity of coming to discuss with us their concerns about our industrial relations policy. If you are concerned, why did you not come and speak to us about it? You berate us for not being consultative about these things. Where was your attempt to talk to us about this matter, Ms Tucker?

Ms McRae: Who could talk to you? What a joke!

MR HUMPHRIES: We do lots of talking with other parties, including your own, Ms McRae.

Ms McRae: I do not get too much talking from your party on any of your issues.

MR HUMPHRIES: You obviously bury your head in the sand or do something different. We are available to talk about these things. We have never turned anyone away, Mr Speaker, and I think it is about time we had some consultation on these things before they go ahead.

MRS CARNELL (Chief Minister) (4.26): Mr Speaker, we have heard that earlier this week some members of this Assembly were briefed by the Trades and Labour Council about the TLC's position. We are very happy to provide a similar briefing on our position. I think it would be very unwise for this Assembly to debate an issue of this importance with only one side of the story. We have made briefings available on Fridays, and of course any other times, to all - - -

Ms McRae: Not to us.

MRS CARNELL: If you want them, you can have them. I have already said that.

Ms McRae: You have never notified us of them. Do not talk nonsense.

MRS CARNELL: You have to notify us. That is the way it works. We have said to the Greens, Mr Moore and Mr Osborne that, on any Friday morning that they choose to have a briefing on anything, they can have one. I am actually happy to - - -

Ms McRae: "Come to a briefing, but we will not tell you where it is".

26 October 1995

Mr De Domenico: I am finding it very difficult to hear the Chief Minister, Mr Speaker.

Ms McRae: Poor Mr De Domenico wants a bit of quiet.

MR SPEAKER: Order! Will you be quiet, Ms McRae.

MRS CARNELL: I am extremely happy to make available a full briefing on the Government's position on enterprise bargaining. As the crossbenches have been briefed by the Trades and Labour Council, they would be aware that about 10 weeks ago the Government laid a first offer on the table. A response was made some two weeks ago. I believe that another meeting is to go ahead in the next few days.

I understood that this was the way enterprise bargaining actually worked; that this sort of toing and froing occurred. It is called bargaining. Interestingly, it is called enterprise bargaining, which usually means that you bargain on an enterprise-by-enterprise basis. As part of our initial offer, we have undertaken to have a whole-of-government or service-wide approach for such important issues as EEO and maternity leave. All of those sorts of things are set in a service-wide approach. If people on the crossbenches would like a full briefing to understand what is actually happening in this area from our perspective, we are more than happy to make that available. Then would be the appropriate time to debate this issue in this house, assuming that at that stage those on the crossbenches believed that they needed to.

MS TUCKER (4.30), in reply: Mr Speaker, I cannot understand why it is just so terribly surprising. You say that we are not consulting. We have been asking questions in the Estimates Committee for some time. We have been going through the Estimates Committee transcripts. The whole process is extremely rushed. We have not had satisfactory answers when we have asked questions about IR. Because of the timeframe that we have had, it is quite appropriate that we bring this up. I did not have a problem with having the MPI; but, because this whole day has been taken up with other matters which you gave us no notice of, it seemed more appropriate to abandon the MPI debate, which would have gone for an hour, and go straight into the debate on the substantive motion. That is why we have chosen to proceed as we have.

We keep hearing that this Government was elected to govern. One of the reasons we supported Mrs Carnell as Chief Minister was that she gave a commitment over and over again to an open process - even an open budget process, she said. There would not be a black box budget, she said. Nevertheless, that is what we got and now when we question anything we are told, "How dare you threaten the budget! Our bottom line is set. We are fiscally managing this place responsibly". We are saying that we have real concerns about the impact of your bottom line, and we have no way of getting into that and discussing it with you or getting you to consider changes. I conclude by urging members to support the suspension of standing orders.

Question put:

That the motion (**Ms Tucker's**) be agreed to.

The Assembly voted -

AYES, 9

Mr Berry
Mr Connolly
Ms Follett
Ms Horodny
Ms McRae
Mr Osborne
Ms Tucker
Mr Whitecross
Mr Wood

NOES, 8

Mrs Carnell
Mr Cornwell
Mr De Domenico
Mr Hird
Mr Humphries
Mr Kaine
Mr Moore
Mr Stefaniak

Question so resolved in the affirmative, with the concurrence of an absolute majority.

Motion

MS TUCKER (4.34): Mr Speaker, I move:

That this Assembly calls on the Government to negotiate an all of government agreement with the ACT public sector (excluding Totalcare Ltd and ACTEW).

Mr Speaker, the Government's industrial relations proposal strikes at the heart of service delivery to the community and the rights of people employed in the ACT public sector. The Government proposes to do away with the current all-of-government system and replace it with one that will create a multitude of agreements and agency-based bargains with minimal award protection. The Government's proposal is twofold. For corporations and trading entities, such as ACTION and ACT Forests, they will create separate enterprise agreements, while for all other agencies, such as the Chief Minister's Department and Education, there will be agency agreements within the context of a framework agreement.

The current all-of-government agreement runs out at the end of this year and if no new deal is struck employees will not receive any pay increases. If employees do what the Government wants them to do they will receive 1.3 per cent, according to the Government's proposal. With the CPI running at 4 per cent and some talk that it may blow out, next year employees in the ACT are facing the possibility of significant wage losses. This may not mean a great deal to the employees in the ACT public sector on executive salaries of up to \$200,000, such as the director at Woden Valley Hospital; but it will mean a lot to a single-income two-child family on \$26,000 who are currently living below the poverty line. They cannot afford to lose any more, and they will lose should the Government continue to pursue its current industrial relations policy.

This Government may well argue that employees will be okay because of potential productivity payments, that the separate enterprise agreements will be more efficient and that they will increase equity in the workplace. On all counts they will be wrong. How are productivity payments to be determined and who will get them? An organisation like the ACT Library Service is a good example. I would hope that most people in this place would recognise that having well-stocked efficiently-staffed libraries is a good idea. They are good for the community. But how will they measure productivity in a workplace such as this? Will it be by the number of books they process or by the number of people who come in the door? Will staff who work in places like the libraries be able to win productivity increases without shedding staff, and will the shedding of staff cause a loss of services or libraries to close?

Under the Government's proposed IR structure, staff working conditions will be pitted against quality of service, as what may be in the best interests of staff may not be in the best interests of the community. We need a system which protects staff conditions and provides efficient and effective service delivery - effective, not just efficient. Furthermore, if productivity is measured by the number of jobs an agency sheds, staff may be forced to seek to reduce numbers in order to win essential pay rises. Jobs will go, with the resulting negative effects on employment. There are serious indications for morale in workplaces leading from this as well, because there will be a tendency for people to know that the jobs of other people working in their areas will have to go. If the Government does not understand the consequences of low morale in workplaces and the costs that Comcare is already putting on our society, then I am very surprised. Then there is the question of efficiency. How can it be efficient to have perhaps as many as 120 different agency bargains, each requiring implementation and maintenance? I wonder how many bureaucrats will spend all their time administering these bargains. Is this good management? Is this efficiency?

Equity is a major consideration that also has been largely overlooked by this Government. How much equity is there in agreements that will mean that employees in one workplace may have completely different conditions from employees in another? For example, a white-collar worker in DUS may be paid considerably less than a white-collar worker in the Chief Minister's Department. If the worker in the Chief Minister's Department wants to apply for a sideways transfer to DUS, that worker will have to take a loss in pay. Thus some workplaces will gain prestige, while others will lose it. That is hardly going to be good for the efficient delivery of services across the public sector; nor is it good for employees to lose portability of pay and conditions.

Then there is the issue of access to the national training reform agenda, which is a subject of great importance that is not mentioned in the Government's proposal. The NTRA seeks to ensure that workers across the system have certified recognition of prior learning, implementation of national competencies, and access to workplace literacy. The Government does not appear to have worked out how to implement the NTRA under its new scheme. Indeed, we are advised that it may be almost impossible to implement it effectively, so employees lose again.

The other significant impact that the Liberals' proposal will have is to take awards and conditions of workers away from the direct impact of the Industrial Relations Commission and place workers in the hands of the Government. We believe that the certification, maintenance and integrity of industrial agreements should lie with the umpire, the Industrial Relations Commission, not with the Government; yet that is what they are proposing. I refer members to 1.3 of the ACT Government's proposed framework for enterprise bargaining, where the Government says that it will retain the right to veto any agreement reached between employees and any particular agency.

Mr Speaker, it appears that the unions are being asked to deliver Mrs Carnell's budget for her. The Government has put the onus on the unions, but it has not invited them to negotiate a mutual starting point for this process. The Government's proposal is about reducing hard won conditions for those at the lower end of the salary scale while increasing salaries at the top end. It is a repeat performance of the destructive industrial policies of the Western Australian and Victorian Liberal governments.

Mr Speaker, it may have been understandable for the Government to seek to act in such a draconian way if the employees of the Territory were not trying to do the right thing, but they are. No-one would argue that there is not more action needed; but reform takes time, and the proposals that have been put to the Government from the union movement seek to increase the efficiency and flexibility of government. The trade unions have put a proposal that seeks to ensure mobility and portability within the public sector while creating flexibility to ensure far greater efficiency. A good example is in the area of lawn mowing, where they are negotiating a flexible work system so that employees can build up hours during the off-season and use them during the lawn mowing season as a means of avoiding excessive overtime payments.

It would be good if Mr Osborne could listen to this, seeing that he has to vote on it soon.

Mr Osborne: I am married, Kerrie. I can listen with one ear and watch TV.

MS TUCKER: Great. I am glad to hear it. Mr Speaker, the Greens believe that it is imperative that the ACT not go down the road of separate enterprise agreements. Employees in this Territory deserve to be treated equitably. They deserve to have full portability and mobility, and they deserve to receive increases that will keep them above the poverty line and able to feed and clothe their loved ones. I hope that other members of this place will support this motion.

MR DE DOMENICO (Minister for Urban Services and Minister for Industrial Relations) (4.43): Mr Temporary Deputy Speaker, I have never heard so much nonsense. I am not getting angry at you, Ms Tucker, because you always get upset; but I have never heard so much nonsense. Why can we not adopt the approach that every other government, Liberal and Labor, has adopted throughout the length and breadth of this country? It works, Ms Tucker.

Let me blow your argument right out of the water with an agreement I signed, away from the centralised claptrap that you were talking about, with the Transport Workers Union. When? It was on 20 September 1995. I hear an interjection from the peanut gallery that there is not one. If Mr Trevor Santi's signature is not sufficient for me to realise that

26 October 1995

there is an agreement entitled "Enterprise Bargaining Between ACTION and the Transport Workers Union", I do not know what is, because there it is. It is signed. If people want to pass this motion, what do we do? Do we make it retrospective? Do we go back and cancel it because Ms Tucker and others might think that it was the wrong thing to do? Of course not. The union was quite happy to sign the agreement.

By the way, that agreement means an increase in wages and a half a million dollars saving for the Government at the same time. That is good government. The worker benefits - he gets more money in his skyrocket - and the community benefits because there is a half a million dollars saving. There is nothing better than that, Ms Tucker. That is what enterprise bargaining is all about, down at the enterprise level. I know that that does not satisfy the ideological bent of some people, and that is fine; but that is the way that Bob Carr does things now, I am told, in New South Wales. It is the way that Wayne Goss has done it in Queensland. It is the way that Bob Hawke started to do things in 1983 and it has been continued by Paul Keating and Laurie Brereton.

It is not as if we are coming in from ideological right field or anything. In fact, if the truth be known, we are copying the very sensible approach adopted by the Federal Labor Government. It is a great approach because it works. If the workplace wants a certain thing to happen and the employer agrees as well, like the TWU enterprise agreement here - it is only for three months, I know, but it is an enterprise agreement - why should we not be able to do that? Of course we should. Are we expected to treat a bus driver, for example, in exactly the same way as we treat a nurse or a doctor?

Mrs Carnell: It would be 9.00 am to 5.00 pm then. We would have no doctors.

MR DE DOMENICO: It would be 9.00 am to 5.00 pm; that is right. Of course we cannot. We have to make sure that we relate our agreement to the enterprise concerned. I am glad that Ms Tucker mentioned Comcare. Let us have a look at Comcare, for example. Is Ms Tucker going to say to us that we should not be negotiating with different areas of the administration in order to get the Comcare costs down? For example, a body like the Milk Authority has had no claims in the past three years, but its Comcare premium has gone up by about 180 per cent. Why is that? Because they are subsidising some other area of government.

Mr Berry: But they are insuring for the future, too.

MR DE DOMENICO: Mr Berry, you will have your chance if you want to get up on your feet later on. We know what your ideological bent is; so you might as well not say anything and just vote the way you are going to vote anyway.

This is about the Government's right to negotiate enterprise agreements with whomever it wants to. Negotiating enterprise agreements is the salient thing. Ms Tucker comes in, all of a sudden, at 4.45 pm and says, "Stop what you are doing, even though what you are doing is right. Someone briefed me this week, or last week, and, without listening to your argument, I think they are right and you are wrong". That is what you are saying. As Mr Humphries said, "Where has Ms Tucker been for the last three months on industrial relations?". She asked questions at the Estimates Committee and she did not agree with the answers. Well, so what? Mrs Carnell said, "Open the door.

Come and ask me if you want a briefing. We will give you one". It is not as if the world has stopped. We have been negotiating with the TLC, and we will continue to negotiate with the TLC. No matter what government is in power, that is what enterprise bargaining is all about.

Mr Temporary Deputy Speaker, the nature and extent of workplace reform required is variable and different. That is what I am trying to say. This requires an approach that maximises opportunities for flexibility and choice at the agency or program level. This is not possible if all issues are dealt with on a whole-of-government basis. That is nothing new either. That is classic industrial relations reality that has been spouted in this country since the early 1980s. It seems to me that it would be discriminatory if people whose particular workplaces allow more flexible employment were to be denied this because of the blind ideological commitment to whole-of-government bargaining. It is very discriminatory. The full benefits to employees, the Government and the community are diluted, in fact, if a whole-of-government approach is taken to every aspect of public administration and employment, surely. The management and budgeting approach required by this Government also increases accountability and responsibility at the service delivery level.

There is no evidence that the current enterprise bargaining arrangements are working in the manner envisaged. While they recognise the need for agencies to be able to consider issues of workplace reform that are specific to their operating circumstances and industry sectors, there is no real incentive for unions and their members to cooperate in necessary significant reform. This is because a total pay increase was centrally negotiated and has been paid in advance of any commitment to implement a specific and real workplace change. If that is what Ms Tucker wants us to continue to do - in other words, to spend more money but not get anything back in return - that is not the way things work in the real world. Perhaps we are not talking about real world issues now. We are back at Parkwood Eggs and all that sort of stuff.

Let us have a look at enterprise bargaining. The Government's approach to enterprise and workplace bargaining has regard for all the factors that Ms Tucker was concerned about. Accordingly, agency-based pay and productivity bargaining is a cornerstone of the Government's approach, and so it should be.

Mr Berry: It is a Liberal policy.

MR DE DOMENICO: I am glad that Mr Berry interjects. Every time Mr Berry interjects he shows us how ideologically sound he is to the far left wing of the Labor Party. He says that it is a Liberal approach. Mr Berry, once again, you are wrong. You said that it is a Liberal approach. You are wrong. It is an approach that has been taken on board, Mr Berry, by many sensible Labor governments, "sensible" being the operative word. It was not taken on by your lot because you are ideologically unsound, as the 30 per cent vote you got from the community proved. We will keep saying that. The 30 per cent vote you got was the lowest vote ever. That was while you were Minister for Industrial Relations.

As Mrs Carnell said, there will be central coordination on the Government and management side, to ensure consistency with the Government's broad approach to public administration. There has to be. There has to be a centralised approach for consistency purposes. But, within this framework, the Government is proposing a whole-of-government approach on certain key employment issues which will assist in maintaining a cohesive public service. These include base pay and classification structures as well as core conditions of employment that apply generally across agencies. It also includes supporting an approach to award reform which will be service-wide and which will provide a cohesive and more manageable scheme of awards in their new safety net role.

Issues of productivity and efficiency are variable and need to be focused on specific programs and activities. Once again, that is classic Laurie Brereton, classic Bob Carr, classic Wayne Goss, classic anyone in the Labor Party who wants to be sensible. There is also a wide range of work and employment matters which should be considered in the bargaining process. They include, amongst other things, increasing opportunities for employees to take up part-time employment where this is compatible with the nature and requirements of their jobs. There may be some areas of ACT Government Service employment where you cannot take on part-time employment because of the idiosyncrasies of the job. What Ms Tucker wants to do, if you get part-time employment in one area, is to have it across the board. That is absolute nonsense. I think she knows that, too, by the way. If she does not know that, I think she has got an earful from someone and has believed everything she has been told.

Job-sharing arrangements can also be considered in this context. Opportunities for introducing home-based work should also be considered, for example. I wonder how Ms Tucker feels about that. Is this Government doing the right thing at an agency level if we are negotiating with certain people about home-based work? Should we consider that? If we do consider that and it is agreed to by the people who want it, does it go across the board in the Government Service? Do we leave our nurses at home, for example, and let them operate out of their backyards? That might sound simplistic to Ms Tucker, but does she really know what she is doing by moving this motion? I do not think she does. Mr Temporary Deputy Speaker, such work arrangements can have considerable benefits for employees, their families and the Government. However, they must be considered in the context of local workplace needs and requirements, which will vary greatly across the system.

Let us have a look at occupational health and safety. The Government will continue to take a broad and inclusive approach to occupational health and safety issues. The Government supports having a healthy and safe workplace for all its employees and seeks to achieve this in a consultative and cooperative manner. The greatest impact on injury prevention is achieved by local managers. You do not have to listen to me, because the Tillinghast report that I made public today confirmed that approach. The best way to stop workplace injuries and disease is to let managers at the local workplace have control of what happens at that workplace. The Government will have a broad approach to centralising the basics of occupational health and safety, but you have to get down to the workplace. As I said, it is not just me saying that, it is not just this Government saying that; that is the result of expert advice given to all governments around the country.

I will tell you why we have to do that, Mr Temporary Deputy Speaker. It is because the cost of workers compensation insurance to the ACT Government through Comcare is about 5.2 per cent of wages and salaries. For the Commonwealth Public Service it is 1.7 per cent. Why is that so? The Tillinghast report suggests that it is because everything is too centralised. No-one has the incentive or the responsibility to look after their own workplace at the managerial level. Knowing that some centralised bureaucratic monster is going to pay out anyway, no-one has the incentive to make sure that that workplace is safe. Once again, that is not the gospel according to the Liberals, De Domenico or Carnell; that is what best practice around the world is telling us. People can shut their eyes and not look at that or not read things like that. I know that when you are as ideologically sound as some people opposite are you tend to forget what happens in reality and look at what is said in the manifesto.

If people are telling us to take everything on a centralised basis, we are not going to do that. We are not going to do that, because we do not believe that it is best practice. We are not going to do it, because people opposite have tried that for four or five years and it did not work. The classic example - I repeat it again - is that Comcare premiums for the ACT public service are roughly 5.7 per cent of wages. For the Commonwealth Public Service, with the same insurance company, and the same risk, one would tend to think, from time to time, they are 1.7 per cent. The Health Department is a classic example. In ACT Health 9 per cent of wages and salaries goes to Comcare premiums. The next highest in Australia is South Australia, where it is 3.5 per cent. Obviously, what previous governments have done with a centralised approach, Ms Tucker, has not worked. Therefore, the bottom line is that we have to try something different.

What do we do? We look at what other governments, including Labor governments, have done, and it seems to be working. We take another leaf out of the book of the Transport Workers Union, ACT branch, who had no problems in signing an enterprise agreement outside the central coordinating group. The benefits went first to the work force. There were no sackings. The community also benefited, over three months, to the tune of half a million dollars. The bottom line is that everybody wins if the commonsense approach is followed. Ms Tucker does not want us to take the commonsense approach. She wants us to take some ideological approach that was given to her, obviously, by someone else, because nowhere in the Greens' policy do I see anything about centralised approaches. Ms Tucker obviously has been listening to someone, because she is convinced, without listening to the Government side of things, that this is what she wants the Government to stop doing, all of a sudden, even though she has not heard our point of view, because she reckons that we are wrong. Ms Tucker, history tells me that in this case we are not wrong, and governments around Australia tell me that we are not wrong. I do not think we are either.

MR BERRY (4.58): This is a matter of ideology and politics, I suppose; but the Government opposite has to recognise that, in its minority format, there will be political moves to change the direction that it has taken. The Government has a "them and us" approach to industrial relations. It is about weakening the labour movement in all its forms. It is about lowering wages. It is about reducing the power of

26 October 1995

workers in the workplace, and so on. What it is on about is the enterprise approach to trade unions, the smallest enterprise possible, even down to the Jeff Kennett approach of individual contracts. This is now showing up in the Government's approach to the Senior Executive Service. This is an ideological battle as well. The unions have become familiar with the all-of-government enterprise.

Debate interrupted.

ADJOURNMENT

MR TEMPORARY DEPUTY SPEAKER (Mr Wood): Order! It being 5.00 pm, I propose the question:

That the Assembly do now adjourn.

Mr Humphries: As much as I regret it, I require the question to be put forthwith without debate.

Question resolved in the negative.

PUBLIC SECTOR - NEGOTIATION OF ENTERPRISE AGREEMENT Motion

Debate resumed.

MR BERRY: Those enterprises in the Commonwealth sector go to some of the large Commonwealth departments which, in turn, are larger than the entire ACT government sector. It is wrong for Mr De Domenico to say that everybody is doing it differently from that which is proposed. This is about taking an all-of-government centralised bargaining system and telling the ACT government sector that it is the enterprise with which the unions wish to negotiate.

The Government, as I said earlier, has taken the ideological approach and has tried to break it down into as small a unit as possible, and that weakens the ability of workers to best represent themselves through their unions. There is no doubt about that. When Labor was in office we guaranteed that on transfer to the ACT Government Service there would be no reduction in the benefits which flowed to the members of the service. That was before the last election. Of course, this Government clearly has a different approach. Mrs Carnell said in an interjection earlier that this will affect their bottom line. That is not the way to start out on enterprise bargaining; to start off with the bottom line and then go to the trade union movement, try to break it down into as small a unit as possible and negotiate your bottom line. There has to be a cooperative and consultative approach to arriving at an agreement which is established from the contemplative stage.

This goes back to the budget, because this Carnell Government promised that it would be an open and consultative government with all and sundry. I would expect that that would include the union movement, to one extent or another, in the industrial outcomes which were being adopted by the Government - that is, the budget. It seems that the Government has decided to adopt its ideological budget and it expects the unions to toe the bottom line. Obviously, they are not going to be interested in that where it affects their membership and the benefits which flow to them. I am not surprised that the unions have thrown out the first offer to them, which attempted to break it down into what have been described as 120 agencies for agency bargains. Obviously, the unions see that as an unacceptable position. It is on the way to the Jeff Kennett style of individual contracts.

Mr De Domenico could not make a speech about these issues unless he poured a bucket or two on the Labor Party. I will be brief. Mr De Domenico's qualifications include having a successful wrongful dismissal case against him. If that is the sort of qualification you have to have in the Liberal Party to get to be Industrial Relations Minister, it tells you all you need to know about the Government's approach on this. The all-of-government approach was an ALP initiative in the ACT which worked, in my view, fairly successfully. There is always a bit of rough and tumble in industrial relations, whoever happens to have the reins, but the all-of-government approach was received fairly well by the union movement, so much so that they want to try it again. I think it is a reasonable approach for them to take. Now it is up to the Government to take a responsible stand and deal with the unions in relation to this issue, instead of dying in a ditch over the agency bargaining approach that it has decided upon.

This motion will cause the Government to go to single agency bargaining, excluding Totalcare and ACTEW, and that will speed up the approach. Already 10 weeks or so have been lost because of a poorly thought through offer. We are now in a position where something has to be done to ensure that the Government gets on with the job of dealing with these unions in an enterprise bargaining environment which is acceptable to all the players. The Government, I think, is starting to play ideological bottom lines and I think it is about time that stopped. This motion will pull that up straightaway. It will cut out all that nonsense and get you around the bargaining table in order that you can come up with agreements which will stick and which will deliver properly negotiated outcomes.

Outcomes which are hammered through will not stick, and that is the problem that this Government does not seem to be able to recognise. The Government has set out to reduce the size of the agency to a level which weakens the arm of those workers out there on the job, as I have said a couple of times. The union has set out to put its strongest position in relation to a single agency bargain. I have some sympathy with that because I understand that they will be dealing with this ideologically driven Government - there is no question about that - which is all about bottom lines. Mrs Carnell has made no secret of that. She has no commitment to services, as we have seen by the proposed sell-off of important public assets. The sale of those which remain is opposed by the majority of the community. The Labor Party has discussed this with the secretary of the Trades and Labour Council. It is a position that the Labour Council has agreed to, and the Labor Opposition will therefore support the motion which is before the chamber.

MRS CARNELL (Chief Minister) (5.08): Mr Speaker, it seems from their raising this topic for debate that the Greens have been captured by the rhetoric of the union movement. I think that is very unfortunate, as the Greens have always suggested that they have a quite open mind to these sorts of issues. If they had an open mind they would be interested in hearing both sides of the story and having a proper briefing on what is happening in this area.

It is not a coincidence that today's debate comes on the eve of tomorrow's meeting of government representatives and the unions to continue negotiations about the new enterprise-based agreements for the ACT Government Service. I believe that it is that meeting tomorrow that is the reason why we are here at 5.10 pm. That is the reason why this had to come on today. We have had this meeting planned for quite a while now. This is the next step of the whole approach. So why were the Greens so desperate for this to come on today? The current enterprise agreement does not finish until the end of December. The process is in place; it is going ahead. This Assembly is simply being used as a negotiating pawn for the Trades and Labour Council. I do not mind political games being played, and I can understand why the Trades and Labour Council would think it was quite funny if the Assembly today passed a motion saying that we have to have a whole-of-government approach. It is like saying to the Government, "Go away; we simply cannot negotiate on your terms anymore". It would give them a very good negotiating position for the meeting tomorrow. But that is not what this Assembly should be doing.

The negotiating approach that is going on at the moment is the same sort of approach that is being adopted in all other States and Territories, and federally as well. I believe that the first thing we have to look at is the ACT public service. Is it homogeneous? Are the services that are being provided the same right across the board? Are the workplaces that we have across the ACT Government the same? The obvious answer is no, they are not. We have a unique style of government here, a government that includes municipal services, quite traditional policy areas, hospitals and schools. We have workplaces that vary as much as workplaces can ever vary. Therefore, the requirements of people in the workplace to make their workplace efficient, to improve the outcomes, to give taxpayers better services for their dollar and to improve services will vary quite dramatically.

What you need to have an efficient hospital, to have a patient orientated hospital, to have one that treats patients with compassion and in an environment that is appropriate is totally different, obviously, from what you need in a Cabinet office. One of them is a 24-hour service, seven days a week, 365 days a year. It is a service that operates on a critical care model, on a medical model, in many circumstances. So what we need at our hospital in enterprise bargaining terms is fundamentally different from what I require in a Cabinet office or in the Chief Minister's Department. I think that goes without saying.

What we are suggesting is exactly what the Federal Labor Government has put on the table and what is happening in every other State. We look not at a homogeneous group of enterprises but at the actual enterprise that we are and the services that we are trying to provide, and consider how we come up with an agreement that is service orientated,

that is based upon what we want to produce as a government for our taxpayer dollar. In the hospital that obviously is treatment for patients in an accessible manner, in a timely fashion, in all of those sorts of areas.

Mr Berry: We want to produce treated patients, not treatment for patients.

MRS CARNELL: I thought that was what the workers were providing, actually - treatment for patients. What we have to do in terms of an enterprise agreement is look at the actual workplace, that is, the hospital, and provide that service with the most efficient base. That, again, is totally different from what we might want to achieve in our schools or in the Chief Minister's Department. Of course, in our municipal services area, the things that are appropriate for the people who cut our grass or look after our parks, and the traffic inspectors or parking inspectors, could be different, but they may not be. That is the whole purpose of enterprise-based agreements. We are not having 123 different enterprise agreements, Mr Berry. You were wrong. We are looking at workplaces that are the same - for example, the hospital, where the sorts of things we are trying to produce are similar across the board - and looking for enterprise-based agreements for those enterprises. I think that is a particularly important issue.

One of the things you have to understand in this important area is the issue of different workplace cultures. The way that workers approach their workplace in the hospital is totally different from the workplace culture in the Chief Minister's Department or out there in municipal services, or, for that matter, on our buses. We have to have workplace agreements that reflect the culture of that workplace. If we do not do that the approach, the needs and the aspirations of our employees simply will not be met. The sorts of things you need to make a happy, enjoyable and fulfilling workplace in different areas of the ACT Government Service will be, by their very nature, different.

The things that should not be different are issues such as EEO, maternity leave, parental leave and base pay rates. Those sorts of issues must be left in place, to ensure that we have fairness and equity right across the board, and they will be. They are in our current enterprise offer. We have maintained core terms and conditions and base pay in our offer. All of the issues that have been brought up, that some people in the ACT Government Service will somehow be horribly disadvantaged by this approach, simply cannot be, because we are maintaining base pay and core conditions. That is already on the table, right now. Fairness and equity is there.

The other approach that ensures that fairness and equity will be continued is that we have written into our budget 1.3 per cent over 2½ years; not over three years, over 2½ years. That means that we have complied with the Federal Government's approach of the flat \$8 a week. So the safety net is there. That is the amount that the Federal Government believes is appropriate to ensure that there are no losers. The no losers clause is already in this initial offer. What we are now looking to negotiate with the union movement is on top of that \$8 flat. It is what we can do in individual workplaces to top that up. We believe that it should not be too difficult in most workplaces to come up with another 2 per cent. That would create 5.9 per cent over the 2½ years, and that is in line with the Commonwealth Government's approach.

If workplaces in the ACT Government Service cannot come up with 2 per cent in efficiencies - 2 per cent is not that much - in those sorts of areas I would be very surprised. In fact, having spoken to a number of the people that we are talking about here, to groups in our workplace areas, they believe that they can come up with that easily. We have people out there in the ACT Government Service wanting to have workplace-based agreements, wanting to have the flexibility that would mean, so that in some circumstances they could work at home, so that in some circumstances they could stagger their shifts, so that in some circumstances they can have a job-share arrangement if that is what suits that particular workplace; but we want to make sure that those sorts of arrangements do not upset their progression through the public service, their promotional capacities and so on. Those are the sorts of things we want to make sure are in this enterprise agreement.

We are focusing on the people who are working out there for the ACT Government, for the ACT community, and making sure that their workplace reflects their needs, their aspirations, and what they want from their particular workplace. We do not want some sort of mythical whole-of-government approach which simply has not worked. We have seen most graphically areas where that has not worked, such as the recent pay increases that were granted to nurses and to teachers by the previous Government. The nurses were supposed to have achieved certain productivity improvements, but because we had the approach that we did, which meant that they got their pay rise and then maybe something would happen afterwards, that simply has not happened. Because it has not happened we have ended up with very real budget problems in our health arena. It means that less money is able to be spent on service delivery and more is being used in the infrastructure that produces that service delivery.

I think that Ms Tucker is absolutely wrong when she suggests that this approach would take away from service delivery. It would be quite the opposite. The whole point of enterprise-based agreements and workplace agreements is that they focus on the needs of the workers in that workplace, and, most importantly, the services that are provided. They focus on the services being provided to the community. This Government wants to make sure that services are provided to our community. That should be the basis of our enterprise-based agreement approach, and it certainly will be if this Government is allowed to get on with the job of running this show.

MR OSBORNE (5.19): I move:

That the debate be adjourned.

I seek leave to make a short statement as to my reasons for moving that motion.

Leave granted.

MR OSBORNE: I allowed this debate to start today because I am very aware of the time constraints in play, especially for the TLC. I am yet to make up my mind on what, I think, is a very important and crucial matter for a lot of people. I still feel, though, that there are some issues that I would like to raise, not only with the Government but also with the TLC, before I am prepared to commit myself. I would like to stress that the

reason I raised it today is that I am very aware that the current EBA runs out on 31 December and there is not a lot of time left. I am aware that the Minister for Industrial Relations has not yet met with the TLC and I would like to hope that he will do that shortly. Otherwise it will make my decision much easier.

Question put:

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

The Assembly voted -

AYES, 10

NOES, 7

Mrs Carnell
Mr Cornwell
Mr De Domenico
Mr Hird
Ms Horodny
Mr Kaine
Mr Moore
Mr Osborne
Mr Stefaniak
Ms Tucker

Mr Berry
Mr Connolly
Ms Follett
Mr Humphries
Ms McRae
Mr Whitecross
Mr Wood

Question so resolved in the affirmative.

MR SPEAKER: Mr Humphries, would you like to make a personal explanation at this point?

Mr Humphries: I think I had best not, Mr Speaker.

PERSONAL EXPLANATION

MS McRAE: Mr Speaker, I seek leave to make a personal explanation under standing order 46.

MR SPEAKER: Certainly.

MS McRAE: Could I just follow up from an earlier debate? I was accused earlier of gatecrashing a meeting. I now seek leave to table two pieces of paper. One is the invitation that I received, which refers to a public meeting. The other piece of paper with the options and that came about the meeting says quite clearly, "The meeting will be advertised through all local schools and in the local media". That verifies my claim that it was a public meeting to which I was invited.

Leave granted.

26 October 1995

**SCRUTINY OF BILLS AND SUBORDINATE LEGISLATION -
STANDING COMMITTEE
Report and Statement**

MR OSBORNE: I present Report No. 14 of 1995 of the Standing Committee on Scrutiny of Bills and Subordinate Legislation. I seek leave to make a brief statement on the report.

Leave granted.

MR OSBORNE: Report No. 14 of 1995 contains the committee's comments on one Bill. I commend the report to the Assembly.

**PUBLIC ACCOUNTS - STANDING COMMITTEE
Report on Review of Auditor-General's Report No. 3 of 1995**

MS FOLLETT (Leader of the Opposition) (5.27): Mr Speaker, I present Report No. 5 of the Standing Committee on Public Accounts entitled "Review of Auditor-General's Report Number 3, 1995 - Canberra Institute of Technology - Comparative Teaching Costs and Effectiveness". I move:

That the report be noted.

Mr Speaker, Audit Report No. 3 was presented to the Assembly on 22 June and the committee sought comment on the report from the Minister for Education and Training. The Minister advised that the report would be considered by the Canberra Institute of Technology Advisory Council, CITAC, and that his response would be conditioned by the council's comments. The purpose of the audit was to compare the cost of providing teaching services in the CIT with TAFE institutions in other States in order to form an opinion as to whether CIT's education delivery teaching activities, operations and resources have been economically managed. The audit also assessed whether CIT was providing an effective vocational education and training system in the ACT.

Mr Speaker, the audit found that overall performance of CIT is good, with an increasing proportion of students completing subjects and with attrition rates falling. CIT was found to be generally effective across a wide range of areas, including student satisfaction, quality assurance and promoting access by disadvantaged groups. The audit raised a number of issues relating to the reduction of cost structures, the CIT-industry relationship, enhancement of student services and the enhancement of teaching quality. The committee was pleased to note that CIT and CITAC had incorporated these matters into their internal budget strategy or are proposing to implement changes, and it is recommended that the Government monitor progress with the CIT response to the audit and inform the Assembly on the outcomes within 12 months.

Mr Speaker, I commend that report to the Assembly and in doing so I would also like to thank the committee's secretary, Mr Bill Symington, for yet another extremely capable job. I think Mr Symington, as not only the secretary of the Public Accounts Committee but also the secretary of the Estimates Committee, has had his capacity for hard work and for good work extremely tested over recent times. On this occasion, as on all other occasions, he has risen to the task in hand. He really is an extraordinary asset to this Assembly. I believe that the way in which he goes about performing quite daunting tasks for the Assembly is truly remarkable.

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

GAMING MACHINE (AMENDMENT) BILL 1995

Debate resumed from 24 October 1995, on motion by **Mrs Carnell**:

That this Bill be agreed to in principle.

MS FOLLETT (Leader of the Opposition) (5.30): Mr Speaker, the Labor Party will support this Bill in principle, since it provides a number of reforms relating to poker machines sought by the licensed club industry in the ACT. This continual updating of legislation to keep pace with advancing technology in poker machines, I believe, is an essential step in ensuring that Canberra's local clubs are able to compete with those in New South Wales. All members of the Assembly would be very much aware of what an important industry our licensed clubs industry is in the ACT. It is a large employer, and it is very much a driving force in our local economy. In government we followed the same strategy of trying to keep the legislation in regard to poker machines up to date in order to ensure that our licensed clubs continued to be competitive and to trade profitably.

However, another area of this Bill is consistent with the standards set by this Government since its election to office, and that is breaking election promises and misleading the public. Mrs Carnell, in her speech to launch the ACT Liberals' 1995 election campaign, said:

Under a Liberal Government, no ACT tax or charge will be higher than New South Wales.

Again, in the business and economic development policy, the Liberals promised:

... no ACT taxes and charges will exceed their New South Wales counterparts.

Paragraph 4(d) of this Bill imposes a tax of 23.5 per cent of gross revenue for amounts over \$25,000 per month. The New South Wales rate - under a Labor government, incidentally - remains at 22.5 per cent. So the ACT tax rate will in fact be higher than in New South Wales. But there is no change in the tax rate on poker machines in the premises of for-profit operators. It is only Canberra's community clubs that will have to pay this additional one per cent tax.

26 October 1995

I am not sure whether this Bill represents two broken promises or just one. Perhaps I should just repeat the statement, as the Liberals have repeated their promises: This Bill represents another Liberal broken promise. On Tuesday morning on ABC radio, the backbencher for self-publicity, Mr Harold Hird, MLA, who incidentally does not own any shares in Harold Hird and Associates Pty Ltd, said that money from this increased poker machine tax - - -

Mrs Carnell: I raise a point of order, Mr Speaker.

MR SPEAKER: Ms Follett, please refer to the member by his correct name.

MS FOLLETT: I think I did - Mr Harold Hird, MLA, Mr Speaker.

MR SPEAKER: That is correct, but not with the appendage.

MS FOLLETT: Fine. Mr Hird said that the money from this increased poker machine tax would go to assist sporting groups, not just for this year but for years to come. Mrs Carnell has stated that the Licensed Clubs Association and the Government would agree on the distribution of this money each year from the trust fund.

After the Bill was tabled in the Assembly, I searched through the Bill for the clauses that established the trust fund, who would be the trustees of the fund, who would appoint those trustees, and how they would determine who would receive the funds from one year to the next. That search was totally in vain. Nowhere in this Bill is there any establishment of a trust fund; nor is there any guarantee of how the extra money raised by this increased tax will be expended this year, much less in future years. The only guarantee the Canberra sporting community has is a Liberal promise. Given that this Bill represents another broken Liberal promise, I do not think the promise on the use of this extra tax in future has any value at all.

If you want to check the worth of the Liberal promise, Mr Speaker, you should just ask Charnwood High School. In a unanimous decision on Tuesday night, the Charnwood High School community said that they wanted the school to remain open. Yesterday, the Liberal Government bludgeoned that community into closing their local high school. Since the Liberal Government is not capable of keeping its election promises, the Labor Party, which incidentally delivered all of its 1992 election promises during our three years of government, will attempt to keep them honest. While we will support the Bill in principle, we will be moving an amendment in the detail stage to keep the ACT tax rate in line with that in New South Wales. If this Government is concerned about its credibility, it will support that amendment. If at a later date this Government introduces a Bill to establish an ACT sporting trust with a one per cent levy on the poker machine revenue of Canberra's community clubs, the Opposition will seriously consider that proposal when it comes forward.

While I cannot say that I would commend the Bill to the Assembly, I do suggest that it be accepted in principle; but I doubt very much whether "principle" is a term that can be applied to the Government, given that paragraph 4(d) of the Bill represents yet another broken promise.

MRS CARNELL (Chief Minister and Treasurer) (5.36), in reply: As Ms Follett said, this Bill does two things. One of them is a very sensible approach and gives some flexibility to clubs to make sure that they are up to date with technology, allowing linked jackpots to be right across a number of clubs.

Ms Horodny: Excuse me, Mr Speaker. I am sorry; I was sitting outside the circle. Can I have just one minute before the debate is closed?

MRS CARNELL: You can speak when we get to the amendment, if you want to.

MR SPEAKER: You can speak when the amendment comes up.

MRS CARNELL: But you can speak at the in-principle stage if you want to.

MR SPEAKER: No; just let us continue. Members must learn the rules of debate in this place.

MRS CARNELL: As well, this Bill imposes a levy on gaming machine revenue in excess of \$25,000 per month, which is a one per cent levy. Ms Follett often talks about community consultation and so on. This levy came about as a result of extensive consultation with the club movement. We have not heard any whinge whatsoever from the club movement on this one per cent levy. We have made it very clear exactly where it is going. This year it is going to the ITCs to help our elite sportspeople, to ensure that we have as good a performance in Atlanta as possible. It will continue to go to sporting operations, and where it goes every year will be determined in consultation with the club movement. That is the arrangement. That is the reason why the club movement has not made any complaint whatsoever. They think the excess club profits should be going back into the community, should be going back into this sort of area, into sport. At the moment it is in ITC areas. It could in the future go to other sporting arenas, and potentially to junior sport as well.

Ms Follett has indicated that she will move an amendment to remove that one per cent tax. Ms Follett would be aware that, by its very nature, that will amend the budget by some \$600,000 this year and \$1m in the future. We went through our budget consultations, and in quite substantial consultations we asked the various groups of people who came to us what they do as far as revenue is concerned. I will just read from the ACTCOSS News, which puts in place their position on the ACT budget. It recommends that the current tax on poker machines be increased from 22.5 per cent to 25 per cent of monthly turnover - not a one per cent levy for big clubs but a 2½ per cent increase right across the board.

What about the Trades and Labour Council, because we consulted with them as well? The Trades and Labour Council said that they thought an increase in gambling taxes from 22.5 per cent to 25 per cent of monthly turnover was the way to go. So it would appear that the Trades and Labour Council, when consulted, suggested that an across-the-board increase in the tax was the way to go. Then, of course, there are the ACT Greens. The ACT Greens recently said in a letter to me:

26 October 1995

We were pleased to see a modest increase in game and gambling taxes, although we believe that the social and economic arguments for having even higher gambling taxes are very strong.

So it would appear that in the consultations we had with various parties with regard to this budget there was overwhelming support for substantial increases in taxes. Because we do not believe that taxes should be substantially above those in New South Wales - in fact, we believe that they should be lower than in New South Wales wherever possible - we took into account the information we were given during those consultations with the club movement with regard to poker machines and other things and determined that a good way to go for the ACT community was to ensure that a one per cent levy was put on large clubs, clubs with a profit of more than \$25,000 per month, to go directly into sport. I think that is an appropriate approach.

Question resolved in the affirmative.

Bill agreed to in principle.

Detail Stage

Bill, by leave, taken as a whole

MS FOLLETT (Leader of the Opposition) (5.41): I move:

Page 2, lines 12 to 16, clause 4, omit paragraph (d).

I have moved to omit that paragraph in an attempt to keep this Government to its promises. The Government promised that it would not increase taxes beyond the levels in New South Wales, and here we have, in a very early revenue Bill of the Government, in its first year as a government, a total abandonment of that decision. As I said in the in-principle debate, the Labor Party will be trying to keep the Government honest. That is a near impossible task, given their track record so far. Members might recall that even the current Attorney-General said a little while ago that he could be honest when he was in opposition - presumably, not when he is in government.

The amendment I have tabled would remove the clause in the Bill that increases the tax rate on club poker machine revenue over \$25,000 a month from 22.5 per cent to 23.5 per cent. This one per cent increase applies only to Canberra's local community clubs. It does not apply to commercial operators, and I find this a fairly blatant attack on our licensed club industry. What has happened is that the Government, through both the Chief Minister and the Government Whip, have tried to mislead the Canberra community into believing that the allocation of this extra tax revenue is guaranteed to go to sport. In fact, nothing could be further from the truth. The community has been told that the first year's revenue will go to the ACT Academy of Sport and in future years to other sporting causes, I presume to be decided upon by the Government and the Licensed Clubs Association. However, the proposed clause simply increases the tax by one per cent.

It certainly does not guarantee the expenditure of the funds in any way whatsoever. It provides no guarantee for the future, nor any guarantee of consultation with the club industry. The only guarantee is a Liberal promise, and that is not worth much these days, as the proposed clause itself demonstrates.

In an attempt to require this Government to adhere to at least some of their election promises, I urge the Assembly to support my amendment in order to ensure that the ACT tax rate remains at the same level as that in surrounding New South Wales. I think this is a very important point for a government that pretends that it is serious about the ACT's business prospects. The fact of the matter is that the tax that is proposed in Mrs Carnell's Bill in one fell swoop moves every ACT licensed club to a disadvantaged position in regard to the clubs in New South Wales. It is an instant disadvantage to clubs proposing to do business or already in business in the ACT, and Mrs Carnell puts it up barefaced.

Mrs Carnell: What happens if the licensed clubs agree?

MS FOLLETT: I did not make the promise Mrs Carnell made. She made the promise, Mr Speaker. However, I do not believe that it was such a bad promise. When we were in government, it was our general rule that taxes should be in line with those in New South Wales, unless there was a good reason for them not to be. In fact, that was the situation that applied while Labor was in government. It has taken a Liberal government, who made the promise that they would not raise ACT taxes beyond the New South Wales level, to be just about the first to break out of that mould. I think it is a pretty shameful record. Mr Speaker, I commend the amendment to the Assembly. The maintenance of that rate of 22.5 per cent is what the Liberals promised at the election.

Mrs Carnell: It is not.

MS FOLLETT: It is. It is what they should deliver, and it is what the Canberra community, and especially the Canberra local club community, has every right to expect. This kind of walking away from promises at the first available opportunity is part of the reason that politicians get a bad name. This is but one of the many promises Mrs Carnell has simply walked away from. I think it is very regrettable for an industry sector of the ACT economy that has been strong and vibrant and has contributed greatly to our community. This is an unwarranted attack upon them. There is no guarantee either that the return for the extra one per cent will be delivered. Mrs Carnell has already broken the promise on the taxes. What is to stop her breaking the promise on the hypothecation of those taxes as well?

On that subject, I reiterate that there is nothing in the Bill that guarantees that these funds will go to sport. There is no trust fund; there are no arrangements for disbursement of the funds. There is no guarantee other than the Chief Minister's word, and Mr Hird's word, about which I will not say anything further. Anybody who believes this Government's word has rocks in their head. By this very Bill they have introduced they have walked away from a promise. I think the amendment is necessary, and I would urge all members who think politicians should keep their promises to support it.

MS HORODNY (5.47): Mr Speaker, the Greens will support the Bill. We will not support the amendment because a gaming tax is entirely consistent with our policies on this issue. Mrs Carnell read out part of the letter we have sent to her, but she did not read out a particularly relevant section, which dealt with the reason why we were unhappy with where the money was being directed. We said in the letter:

We are disappointed that the increased revenue is being used to fund elite sports programs. If this revenue must be tied, we believe it would be much more appropriate to use the revenue for counselling, greater support for families of gambling addicts, and education programs.

Gambling addiction is a very big problem. We are concerned that this money will be going directly to the ACT Academy of Sport. It is not that sports do not deserve funding. I would suggest, though, that, at a time when the Government is cutting services, there are areas that are being cut that deserve to have their funding at least maintained - areas such as public transport, libraries and schools, other areas that have been grossly underfunded for years such as mental health services, and, I would suggest, rangers for our national parks in order to manage those areas properly. They are just two areas that are in far greater need of that money than the ACT Academy of Sport.

It may be that the clubs find it more palatable that taxes raised from their activities go towards supporting sports; but, as members are undoubtedly aware, the social problems associated with gambling are very serious. Encouraging healthy physical activity in the community is a good thing, but it is not more important than providing basic essential services to those in the community who are most in need. We would therefore urge the Government to redirect the money raised to other areas within the budget which are demonstrably in greater need.

MR OSBORNE (5.50): Mr Speaker, I will be brief. I will not be supporting Ms Follett's amendment. I will, however, be supporting the Bill. The Chief Minister said that this was done in consultation with the clubs. I think the fact is that they really did not have much of a choice. They were faced with the option of poker machines in the casino, pubs and taverns or an increase. I am glad that the money is going into sport. However, I agree with Ms Horodny that that may be the challenge for the Chief Minister next time she contemplates an increase for our clubs, which do turn the money back into the community, I might add. The Government might consider helping the families who are affected by the disease.

MRS CARNELL (Chief Minister and Treasurer) (5.51): We will not be supporting the amendment put by Ms Follett. I would like to clarify one issue that Ms Follett brought up, and that was that this one per cent applies only to licensed clubs. The reason for that is that hotels and taverns pay 35 per cent now, so I think they would be very pleased to go down to 23.5 per cent; but I do not think that is terribly appropriate. I do not believe that we have any hotels and taverns who turn over more than \$25,000 a month in profit. On the basis that we do not have any in that bracket and they already pay 35 per cent, it seemed inappropriate or unnecessary to have them in there.

Question put:

That the amendment (**Ms Follett's**) be agreed to.

The Assembly voted -

AYES, 7

NOES, 10

Mr Berry
Mr Connolly
Ms Follett
Ms McRae
Mr Moore
Mr Whitecross
Mr Wood

Mrs Carnell
Mr Cornwell
Mr De Domenico
Mr Hird
Ms Horodny
Mr Humphries
Mr Kaine
Mr Osborne
Mr Stefaniak
Ms Tucker

Question so resolved in the negative.

Bill, as a whole, agreed to.

Bill agreed to.

QUESTIONS WITHOUT NOTICE

Planning Process Review

MR HUMPHRIES: Mr Speaker, earlier today I took on notice a question from Ms Horodny about the planning process review. I now table the answer.

ADJOURNMENT

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

That the Assembly do now adjourn.

Assembly adjourned at 5.55 pm until Tuesday, 21 November 1995, at 10.30 am

26 October 1995

ANSWERS TO QUESTIONS

MINISTER FOR HOUSING AND FAMILY SERVICES

LEGISLATIVE ASSEMBLY QUESTION

QUESTION NO 77

Housing Trust - Evictions

MS MCRAE - asked the Minister for Housing and Family Services -

How many people have been evicted from ACT Housing Trust properties (a) this year; (b) from January 1994 - December 1994 and (c) from January 1993 - December 1993.

MR STEFANIAK - The answer to the Member's question is as follows -

- (a) 47
- (b) 60
- (c) 34

CHIEF MINISTER
LEGISLATIVE ASSEMBLY QUESTION
QUESTION NO 80

Aboriginal Deaths in Custody - Implementation of Royal Commission Recommendations

MS FOLLETT: Asked the Chief Minister -

In relation to the Report *Empowerment of Aboriginal Peoples and Torres Strait Islanders in the ACT*, page 12, second paragraph, fourth sentence (the subject of an addendum to the Report) -

- (1) Have the police completed amendment of their instructions and procedures to reflect the recommendations of the Report on Aboriginal Deaths in Custody; if not, when will this occur.
- (2) Has the upgrading of the police cells to the standards outlined by the Royal Commission been completed; if not, when will this occur.

MRS CARNELL: The answer to Ms Follett's question is as follows -

- (1) The Australian Federal Police has accepted the spirit of the recommendations of the Royal Commission and is committed to their implementation through liaison with the Aboriginal and Torres Strait Islander communities. The majority of recommendations that had not previously been police practice have been adopted through revised instructions and procedures. Those yet to be completed are:

Recommendation 129 requires evaluation of the use of breath analysis equipment to test the blood alcohol levels at the time of reception of persons taken into custody. Action has been taken to discuss with the Winnunga Nimmityjah Aboriginal Health Service, the Aboriginal Legal Service and the Aboriginal/Police Liaison Committee the evaluation of a screening device.

Recommendations 130 and 166 concerning Ministerial approval for the transfer between police and corrective services of information about the physical or mental condition of an Aboriginal person which may create or increase the risks of death or injury to that person when in custody. Protocols have been established and agencies are finalising development of a Memorandum of Understanding for approval by Ministers.

Recommendation 240c requires that when a police caution is given to a juvenile other than in the presence of any person having care and responsibility for the juvenile, that person is to be notified in writing of the fact and details of the caution administered. The Australian Federal Police instruction has been amended to meet this requirement and will be promulgated upon completion of liaison with the local Aboriginal community.

- (2) Yes.