



**DEBATES**

OF THE

LEGISLATIVE ASSEMBLY

FOR THE

AUSTRALIAN CAPITAL TERRITORY

**HANSARD**

16 APRIL 1996

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

**COMPETITION POLICY REFORM - SELECT COMMITTEE  
Report**

**MS FOLLETT** (10.31): Mr Speaker, pursuant to order, I present the report of the Select Committee on Competition Policy Reform entitled "Report on the Inquiry into the Competition Policy Reform Bill 1995", together with the minutes of proceedings. I move:

That the report be noted.

The impetus for the establishment of a select committee to inquire into competition policy reform was the Government's presentation to the Assembly of the Competition Policy Reform Bill 1995. This Bill, which is in fact template legislation, being introduced right around the country, as members will know, has very little practical effect in the ACT. However, it is fair to say that the umbrella terms "competition" and "competition policy" have been used by the Government and by others to justify a range of activity which is, in fact, part of the Government's own agenda rather than part of competition policy. I refer to activities like corporatisation, outsourcing, tendering out, downsizing and all the rest of the current buzz words. It is a fact that competition policy has very little indeed to do with the ownership of any agency of the Government. What it does have to do with is competition or the Government's business enterprises entering into a competitive mode.

It is, I believe, quite misleading to attribute to competition policy a whole range of related and, as they are often referred to, micro-economic reforms which are not dependent on competition policy at all. It was evident in the presentation of the Competition Policy Reform Bill that the ACT Government was seeking to use the umbrella term "competition policy" in an attempt to justify many of its own activities. I think that is unfortunate because it has obscured much of the debate that ought to be occurring about moves towards the greater use of competition policy throughout Australia.

The competition policy that has been put in place in the ACT, I believe, is very much a creature of the present Government. I recognise that those are their policies; those are principles which they adhere to; those are ideologies which are dear to their party. I think most people in the community can accept that that is the way a Liberal government and, indeed, some other governments think, and to have that political view, that ideology, masked in this way does a disservice to the debate.

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In looking at competition, the committee was particularly concerned at the notion of public benefit from the introduction of competition policy, and many of our inquiries were directed to teasing out what is the public benefit of all of this activity. The Competition and Consumer Commission has formalised many of the public benefits that it would expect to see out of this competition activity and the public benefits that they have defined include things like:

fostering business efficiency, especially when this results in improved international competitiveness;

industry rationalisation resulting in more efficient allocation of resources and in lower or contained unit production costs;

expansion of employment or prevention of unemployment in efficient industries or employment growth in particular regions;

promotion of industry cost saving resulting in contained or lower prices at all levels in the supply chain;

promotion of competition in industry;

promotion of equitable dealing in the market;

growth in export markets;

development of import replacements;

economic development, for example of natural resources through encouraging exploration, research and capital investment;

assistance to efficient small business, for example guidance on costing and pricing or marketing initiatives which promote competitiveness;

industry harmony;

improvement in the quality and safety of goods and services and expansion of consumer choice; and

supply of better information to consumers and business to permit informed choices in their dealings.

I believe that all of us could agree that those are indeed public benefits. There are benefits to employment; there are benefits to consumers; there are benefits to the regional nature of much of Australia. I doubt whether any of us would take issue with those public benefits.

What has not been nearly so closely defined and what has given rise to some concern, some apprehension, about competition policy are the disadvantages, the costs, of this policy. There has been very little work done in a formal sense on what the downside of competition policy might be, and that was an aspect that the select committee heard a great deal of evidence on. We did hear evidence from organisations like the Australia Institute and ACTCOSS, and we had a submission from Professor John Quiggin, that in their view there are disadvantages in competition policy. Different organisations, different submissions, took a different view of those disadvantages. In many cases they all said that there has simply been insufficient study of what the downside might be; for example, perhaps the cost to our environment of reducing the unit price of different commodities. For instance, with regard to petrol, will there be an impact on our environment? That work has not been done.

We also heard a great deal of apprehension about the possible cost to the community of a vigorous program of tendering out of community services. It was felt by some organisations, some people who gave evidence to the committee, that there had been insufficient work done on whether the community would continue to get the same quality and the same quantity in services which are contracted out to a particular price. I believe that these are very legitimate concerns about how competition policy might develop.

Overall, I think there was also a great disappointment by the committee at the relative lack of a cohesive policy on competition being put forward by the Government. I would like to quote from just one of many comments on that matter. I will quote from the ACTCOSS evidence. The evidence given was as follows:

There are a number of line managers within the ACT Government who are attempting to restructure programs on the basis of the competition [principles] agreement without, in my view, having read it. That sounds harsh, but I am of the view that these principles have gained a cultural value within Government services and are being implemented at a micro-level with, frankly, quite horrendous consequences, particularly when you look at the human services in the community sector. We seem to have a problem in that one level of Government is putting one position on the matter, but at another level you can clearly see changes in the way programs are being delivered and administered.

That was evidence put forward by one of the organisations which came before the committee and expressed concern in general terms about the lack of a cohesive Government policy on competition. I think it is unfortunate that there is so far that deficit in the Government's view on competition policy.

One of the impacts of not having a cohesive policy is that we do not have a cohesive analysis of community service obligations. There has been some preliminary work done to identify our community service obligations and to ensure that they are monitored as competition policy develops and that the community is not disadvantaged by the reduction in or abolition of community service obligations. I would like to mention in particular the evidence given by ACTEW in relation to community service obligations, which is mentioned in the committee's report. It did seem to me, as a member of the committee,

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that ACTEW had given almost no real consideration to what its community service obligations are; despite the fact that it was corporatised quite some time ago and ought to have very closely examined what its obligations are. Instead, we got a view from ACTEW that community service obligations were really a matter for the Government, not for them, and that they were not very good at it anyway. I am not doing them an injustice by making those comments. The committee was of the view that the Government must review, as a matter of urgency, all of the community service obligations across each and every one of its agencies before proceeding at too hectic a pace down the competition path. It seems to me that that task must be done absolutely if the community is not to be vastly short-changed in this process of competition.

I do not want to speak at length on the report itself; but I would like to make one further quote from Professor Quiggin, whose submission to the committee was extremely valuable. He said:

In summary, a carefully handled program of microeconomic reform based on increases in competition in appropriate areas could yield small, but useful, social welfare benefits to the ACT. An ideological approach in which policies are imposed in the name of competition, without careful analysis of costs and benefits, will almost certainly dissipate these potential benefits and leave the people of the ACT worse off than in the absence of any reform.

Whilst I have been and remain a supporter of competition policy, I believe that it is appropriate that the Government and all members of the Assembly take very seriously the words of caution offered in this report. Competition policy is a process which will take place over many years. It is an iterative process in many ways, but it seems to me that if that process does lead to our community being worse off there is no reason for us to have such a policy at all. Much of the evidence that was put to the committee identifies different aspects of the people and organisations concerned about possible disadvantage. I hope that the Government will take that very seriously.

The committee has made a number of recommendations in relation to competition policy. The first of those is that the Assembly enact the Competition Policy Reform Bill 1995. This was a commitment that I gave at the outset of the committee's inquiry. It does reflect my own view and my party's view that a competition process has some benefits for the community. The committee has recommended that. The committee is also recommending, however, that there be a range of monitoring and assessment activities in relation to competition policy as it develops. We have asked that the Government report to the Assembly on the identification and costing of every community service obligation provided by a government service before they expose that service to competition. In retrospect, I wish that we had done that in relation to ACTEW; but we did not. I think that was an omission by the Assembly. The committee has recommended that the Government should develop explicit CSOs for ACTEW, in consultation with the community, and report to the Assembly by August. We have also recommended that the Government consult and, through its agencies, enter into a process of community consultation when it identifies and assesses those community service obligations.

One of the other major recommendations that the committee made was that the Government should establish a forum to provide ongoing monitoring and advice on the implementation of competition policy and that such a forum should include representatives of the community and environmental, consumer, union, business and academic organisations.

In looking at this competition policy, I think the committee was concerned overall about a lack of coherent policy, a lack of direction, a lack of study of the full impact of competition policy. We wish to ensure that the community does have an appropriate opportunity to make that assessment and to advise the Government on what their assessment is. The forum that we have recommended has not been specified any more closely than I have just informed you. It is up to the Government to decide what shape and size that forum might take. There are a number of options; for example, the Chief Minister may wish to convene a forum from the existing consultative councils that the Government has - the Women's Consultative Council, the Aboriginal and Torres Strait Islander Consultative Council, the Youth Advisory Council and so on. That is one way of looking at it. It may be that an Assembly committee would be the Government's preferred course of action. There may be some entirely different approach. *(Extension of time granted)* I thank members. I do commend to the Government, in particular, that recommendation. I believe that, if the community is to get the benefits of competition and is not to be disadvantaged in the way that many submissions have feared, that forum, the open consultative process, would be very much to everybody's advantage.

In closing, I would like to thank my fellow members of the committee - Mr Kaine and Ms Tucker - for their work. It has been a very challenging inquiry for us, and it has involved our doing a fair amount of work in a quite short space of time. I found it a very interesting and very enjoyable inquiry. I would also like to thank the committee's secretariat - Mr Russell Keith, who did the later work on our inquiry, and Ms Beth Irvin, who started us off on our course of inquiry. I think both Ms Irvin and Mr Keith did a superb job for the committee. Members may not know, but Mr Keith will be leaving the Assembly fairly soon. He has been appointed to a position with the New South Wales Parliament. His work on this committee has been exceptional, and I would like to put that on the public record.

I would also like to thank all of the organisations and individuals who put submissions forward to the committee. I think it is fair to say that the submissions were extremely thoughtful, extremely carefully crafted and of an extremely high level of thoroughness. It made for some very difficult work for individual committee members, because we had a great deal of reading, assessment and analysis to do. But I believe that the nature of those submissions indicates the depth of debate that ought to be taking place on competition policy. If we are to get the best out of it, and I think our community should and must get the best out of competition policy, then we must look at all of the issues that have been raised by representatives from the community and from organisations which are interested in the topic. I commend the report to the Assembly.

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**MR KAINE** (10.50): I should like it noted that this inquiry was lengthy and detailed. I believe that the processes used by the committee were most meticulous in determining just what this Bill was about and what the consequences of it would be. In fact, the number of people who made submissions to and the number of witnesses who appeared before the committee, I think, speak for the complexity of the problem and of the matters that the committee had to consider.

Some of the matters raised were of importance to individuals and individual organisations, but we had to be careful that we did not lose track of what the Bill was about. Some of the discussion was quite wide-ranging and dealt with ramifications that were perhaps quite remote from the basic purpose of the Bill. I remind members that the purpose of this Bill and its effect are simply to give force to Part IV of the Commonwealth Trade Practices Act 1974 in relation to business activity under the jurisdiction of the ACT. Government activity in the ACT and elsewhere has not previously been under the conditions and terms of that Act, and that is what this Bill was intended to do; no more than that.

Despite all of the debate, all of the matters raised and all of the issues which were discussed at great length and which are summarised in the report itself, it is significant, I think, that the first recommendation of the committee is that the Bill be enacted. There was not even a suggestion that it should be amended. There was universal acceptance on the part of members of the committee that the Bill should be enacted.

That is not to say that there were not matters covered by the committee and presented by people attending the committee to give evidence that were of substance and that the Government should consider, even though they perhaps are not directly a result of the introduction of the Bill. Those matters flow from consideration of the questions of an interesting debate - and I am using the words in the report - about the "goodness of competition": Is competition necessarily good when you are talking about services that are to be delivered by government? Is it even a question that ought to be considered in the delivery of such services? There was an interesting debate about that. It is not reflected in any of the recommendations, incidentally; but there is an outline of the nature of the debate and the concerns that people had that, by an overemphasis on competition, even in connection with services being delivered by government, somehow the consumers might lose out. Although there are no conclusions or recommendations on it, I think the Government has to keep very carefully in mind that in all of this the interests of the ultimate user, the citizen out there who derives benefit from a delivery of services by the Commonwealth and by the Territory, have to be paramount. That is what it is all about or what it should be all about.

There was an interesting debate on the question of public benefit. How do you define public benefit? Where does it stop? What do you include in the definition of public benefit? Is it purely an economic thing; is it a financial thing; or does it go further? The debate on that matter also was wide-ranging and very interesting. It raised matters that the Government cannot idly set aside, because there is clearly far more to determining a public benefit than the question of how much it costs and whether you can put a dollar value on the service that is delivered in a competitive situation or a non-competitive situation. I believe that the Government should read the discussion in the report on these matters, even though the discussion is not necessarily reflected in the recommendations.



A matter on which the committee spent a great deal of time, because it was a matter of concern to a lot of people, was this question of community service obligations. The committee had the feeling at the end of the day that the Government perhaps does not even know the full ramifications of the existing community service obligations. What are the ramifications? How much do they cost? What resources do they consume in delivering them? In most cases, they are not very clearly defined at all. They flow from a government decision at some time in the past that a program would be put into place, to benefit some disadvantaged people in the community usually. It is put into place and becomes part of a system, and nobody really knows what it is costing. Perhaps nobody even knows who is benefiting at the end of the day.

Four of the committee's nine recommendations have to do with community service obligations, because it is clear that the Government has to get a better handle on community service obligations than it has now. It has to be able to define them; it has to be able to tell the community and this place what community service obligations exist, how much they cost, what resources they consume and who the beneficiaries are. Only then can you begin to understand the impact of those obligations on the community. Are they being properly targeted? Are the right people benefiting? Is the cost proportionate to the benefit that is derived? There are four recommendations on that. Again, I would hope that the Government would take those matters very seriously and come up with better information for themselves, for us and for the community.

**Mrs Carnell:** How much work was done by the previous Government on CSOs?

**MR KAINE:** We need to build on that, obviously. The only other matter that I wanted to comment on was the question of intergovernmental agreements. The committee dealt with this matter in a number of paragraphs, because it was raised by people before us. It flowed from the way that this particular intergovernmental agreement was derived and put in place. It flowed, as we all know, from a Premiers Conference, followed by lots of work done by lots of public officials working away in committees - intergovernmental committees and the like. Out the end came an obligation imposed on the ACT by agreement that we do certain things. We had the feeling - and I think Ms Follett dealt with it - that there was a certain lack of definition about the whole matter, that we were not too clear on whether governments, not only the ACT Government but all the governments, really understood what it was that they were imposing on themselves by this legislation; whether they had thought through the ramifications; whether they knew what it was going to cost; and whether they knew that there was going to be any benefit at the end of the day.

The important thing is that at no stage, until the point that this went to this committee to look at, had anybody asked the community and the Australian citizenry at large, "Do you think this is a good idea?". The report goes through all that process of development. There was not necessarily a clear definition; it came to life in the form of a Bill that this Assembly was asked to enact and that the community was asked to accept, but the community did not know anything about it.

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People argued before us that, when something as significant as this is being agreed at upper levels of government, sifts it way down through the system and ends up as a piece of legislation which is going to impact on us, we who live in the ACT, then it might be worth while exposing these concepts to a bit of public debate before they become embedded in legislation rather than after. I think there is a good deal of substance in that. I think very often governments take it for granted that the things that they do are okay and that everybody is going to accept them. I think they also assume that there is sufficient definition of what it is all about. Very often that is not the case. We have made a recommendation on this, and it has to do with setting up the arrangements whereby the making of governmental agreements is formalised in some way so that the community can have an input along the way, as well as bureaucrats, lobbyists and specialists in the field who may have their own particular view which may not be one that the general community would adopt.

I think it was an interesting inquiry. We had some interesting debate about some subjects that I had not debated since I was an undergraduate at university - whether competition is necessarily good, what is public benefit and all those things - but the recommendations are valid recommendations. I commend them to the Government for very serious consideration and implementation.

**MS TUCKER (11.00):** I would start off with the comment that, while I agree that the committee was looking at Part IV of the Trade Practices Act, I do not quite concur with Mr Kaine that that was all that it was doing, because you cannot separate the competition principles agreement from the actual Part IV of the TPA. The agreement is much broader and does include legislation review, implementation of competitive neutrality and so on. It was a broad discussion, and I think it was appropriate that it was. It was a broad discussion because a lot of people who did come and talk to us did so because they felt that it was the only opportunity that they would get to talk about these other so-called micro-economic reforms, financial reforms that are occurring across the government sector; so it was an opportunity for them. While you may be able to argue perhaps that these were not absolutely directly related, I think there also is a good case for the relevance of that other aspect of the Government's work and the general trend throughout Australia.

This was a very valuable committee, and I also enjoyed it. I enjoyed working for the first time with Ms Follett and Mr Kaine on a committee. I would also like to thank Russell Keith and Beth Irvin for their work, because it was quite challenging at times. We had a lot of material to look at. I think this report was a good result. It will be a very useful reference to explain the different elements of competition policy to anyone who would like an overview of it. There is some thoughtful analysis of some of the dangers within it. While the recommendations may not be very extensive, they deal with some of the major concerns that were raised over and over during the inquiry.

It was clear from the outset that the scope of competition policy in the ACT is much broader than the Competition Policy Reform Bill. The Government, in its submission, went to great pains to explain that the actual Bill does not require any changes to ownership or increased contracting out, but nearly all of the submissions that came to the committee pointed out that not only is the Bill one part of a much larger agenda

but also the potential ramifications of competition policy are largely unexplored and have been ill considered. People throughout government are quoting Hilmer, who, incidentally, always said that the competition principles should not be applied to service delivery; but Hilmer is being quoted and the principles are definitely being implemented. On one hand, we are told that competition principles are not to apply to the non-business aspects of government agencies and that areas like health and education are supposed to be sanctioned, but that does not appear to be the reality at all.

Many people saw this committee as the only opportunity to comment on not only competition policy but also this whole micro-economic reform agenda. The whole competition policy agenda is overseeing a major shift in the culture of the public sector. Some of it may be good, but the point is that government, unlike business, is not here only to function efficiently or on a commercial basis; it must meet much broader goals.

It was also of concern to see that there had not been any real modelling of negative economic costs of implementing these sorts of changes in delivery of services. The purchaser-provider model is always explained as something which will result in much greater efficiency; but, when you take into consideration questions like public interest and community service obligations, you realise that there is a lot of work to be taken on by government to make sure that this public interest is met. That means people; that means monitoring; that means processes; that means work. We have yet to see the costing for that.

The Government was not really sure what the extent of the application of the competition code to the ACT was. All the processes that are being set up to implement competition policy in the ACT appear to be internal, and that was of great concern to the committee. There was a lack of consultation processes for the future, and there has been little public input to date. The committee had access to a report that was prepared by the Western Australian Standing Committee on Uniform Legislation and Intergovernmental Agreements, and that committee had serious concerns about the lack of accountability.

We did have discussions about markets, as Mr Kaine said, and competition. While the market is a useful model for some purposes, it is certainly not the basic paradigm to solve all problems of delivery of service. Competition is a rather elusive concept, in fact. If you want to look at it, we can push it a bit further and say, "All right; we are looking at being competitive". Competitiveness in transport, for example, means talking about buses. Let us push it a bit further and say, "How do cars compete with buses?". We can take the discussion further than it has gone. Economic theories upon which competition policy reform is based do not value human and environmental capital. As a number of submissions pointed out, markets themselves fail and competition, far from being a cure-all, can actually have devastating consequences when imposed on many sectors of the community.

There have been very few questions asked and answered about the nature and appropriateness of the competition that is being endorsed by these reforms. I noticed this statement in John Quiggin's submission:

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It is, therefore, important that proposed reforms should be carefully assessed on a case-by-case basis, rather than being 'steamrolled' through as part of a package of measures based on an ideological notion of promoting competition.

I think that is why the Greens instigated this inquiry. That is really all that we are asking should happen. The results, I hope, will mean that the whole process will be much more accountable and that we will have an opportunity in this place to say, "Stop"; to say, "Let us see what we can do to improve these sorts of anomalies that are appearing". But, as it was, the whole thing was much too behind closed doors. We had an interesting submission from COSBOA, the Council of Small Business Organisations of Australia. They also underlined the fact that so-called competition has led to an increasing concentration of large firms in the retail sector, to the detriment of thousands of smaller businesses in Australia. I think we have about four or five main firms in charge of most of the retailing in the ACT.

The question of community service obligations was very focused in this committee inquiry. There is an interesting statement from Quiggin on that, too, that I would like to read. He wrote:

The specification of CSOs tends to be a first step towards their elimination. In part this is a result of transparency. When the cost of CSOs is spelt out, it may become apparent that the benefits do not justify the costs. A less satisfactory reason for the vulnerability of CSOs is that CSOs appear as part of the budget sector, whereas the earnings of government business enterprises are 'off-budget'. Governments are typically much more concerned about on-budget than off-budget expenditures, even though the economic implications are identical.

While we on the committee were certainly arguing for very clear identification of community service obligations, as we and a lot of people in the community obviously were quite nervous that they were going to disappear totally, as Quiggin points out, there is also a danger in that because once they do become an on-budget line they are more susceptible to cuts. If the reality is going to live up to the rhetoric that we heard from the Government, then we have to see a lot more input from the community on the development of those CSOs. In our report, four of the recommendations actually dealt with CSOs and how they can be developed and how they can stay accountable not just to the community but to this Assembly; so that we have an ongoing role of monitoring how services are being delivered, how people who require consideration are being treated and how the environment is being dealt with within these community service obligations.

ACTEW certainly was not sure what its CSOs were. It did not even seem to think it was appropriate that it be a part of definition of its CSOs. They thought it was clearly a role for the Government. You can see where we are starting from there. That is a major concern. I am sorry that we did not get a committee of inquiry into ACTEW's corporatisation, which we did argue for but, unfortunately, did not get enough support for here.

The question of regulation, legislative review and the competitive neutrality provisions of the competition principles agreement was also of concern to the committee. We recommended that there be much greater public input when implementing competitive neutrality principles, restructuring public monopolies and reviewing legislation for any competitive effects. The Federal Government has an independent body which looks at this review of legislation, and we have recommended something similar in our report. I think it is one of the very important recommendations of this report. I certainly hope that it is received favourably by the Government. (*Extension of time granted*)

I would like also to mention the last recommendation which Mr Kaine mentioned - intergovernmental agreements and input from the Assembly. I think it is obviously important, particularly with a minority government, that we have a much greater ability to have input into these sorts of agreements. That is not just about minority governments; that is about supporting the people who conduct negotiations on our behalf for the ACT. I heard from Ms Follett that there had been some quite inappropriate processes in the past that all Chief Ministers and heads of state were subjected to by the Federal Government. I would say that it is probably time that States and Territories got together on that and said, "This process is not appropriate. We want to have a more considered process when we are having to make these very significant decisions".

In conclusion, I repeat that I hope that the Government looks at this report carefully and does support the recommendations, because it was a unanimous report. What we are asking for is nothing more than reasonable.

Debate (on motion by **Mr De Domenico**) adjourned.

## **OCCUPATIONAL HEALTH AND SAFETY (AMENDMENT) BILL 1995**

Debate resumed from 17 October 1995, on motion by **Mr De Domenico**:

That this Bill be agreed to in principle.

**MR SPEAKER:** Is it the wish of the Assembly to debate this order of the day concurrently with the Workers' Compensation (Amendment) Bill (No. 2) 1995? There being no objection, that course will be followed. I remind members that, in debating order of the day No. 1, they may also address their remarks to order of the day No. 2.

**MR BERRY** (11.13): Mr Speaker, this Bill has its origins in a private members Bill that was introduced into this chamber and is mentioned at page 495 of the notice paper. It proposed to set up the Workers' Compensation and Occupational Rehabilitation Council. The original purpose was to give some legislative backing to an advisory body that would advise the Minister in respect of workers compensation amendments. The reason behind that was that a conservative government had been elected in the ACT, and there were some concerns in the work force about the way that this Government would deal with workers compensation. It was Labor's view that we needed to stiffen up the advisory arrangements to ensure that they had some sort of legislative backing, which had not previously been the case.

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In the past the workers compensation arrangements were considered by a monitoring committee which reported to the Government from time to time, but it was a government of a different flavour which had a different attitude to workers compensation and a different attitude to workers' industrial rights. It was therefore necessary, in the view of the Labor Party, to ensure that, wherever possible, these arrangements were strengthened to ensure that workers compensation benefits did not come under any attack.

I think the need for that reinforcement by legislative means is shown up in the Minister's speech. The Minister refers to the Industry Commission's report on workers compensation in Australia. The Industry Commission's position on a whole range of issues is not something that all of us in this place would support. I suspect that there would be more support for much of the Industry Commission's recent reports from the conservative side of politics. The commission did make some comments about the lack of uniformity between the States on workers compensation and occupation rehabilitation arrangements. The problem for the ACT on that issue is that it sends a signal that we are heading for a lowest common denominator in terms of the benefits which apply in respect of workers compensation.

In the past there have been concerns about the rise in costs of workers compensation in many places throughout Australia. There have been great difficulties with workers compensation arrangements. The introduction of these arrangements was supposed to have streamlined workers compensation and made them less costly and more effective in other States. I do not think that has been proven to be the case; but the workers compensation and occupation rehabilitation arrangements in the ACT, I think, have worked fairly smoothly, although there have been some calls in the past for changes to the way that workers compensation is paid, particularly in respect of common law benefits and so on. There have been changes as well, in consultation with the trade union movement, in particular to termination benefits which were a direct result of consultation with the Workers' Compensation Monitoring Committee.

As I understand it, the Government, when considering the Workers' Compensation (Amendment) Bill, decided to make the same provisions in the Occupational Health and Safety Act. Their argument was that it would rule out an area of duplication. I have no difficulty with their argument; it is an issue that I have raised with unions which are involved in the consultation process. In the early stages, there was a concern about the workload on members who might be attending to occupational health and safety matters. I have discussed that with Mr De Domenico's office. I am now informed that an arrangement has been endorsed by the Occupational Health and Safety Council whereby a working party can be formed to deal with workers compensation matters. I think that resolves the situation. Therefore, I have no doubt about the effect that this amendment to the Occupational Health and Safety Act will have. I am sure that the outcomes will be positive.

For all those reasons, Mr Speaker, Labor will be supporting the amendment which has been put forward by the Government. I would like to thank the Minister and his office for the work that they put into consulting with Labor on the issue. I am pleased to see that it has been satisfactorily resolved.

**MR MOORE** (11.19): Mr Speaker, I had the pleasure of serving with Mr Berry and Mr Hird on the Select Committee on Workers Compensation Provisions. That committee did deal with this issue in a number of ways and came out with a response suggesting the statutory authority. I think there were very good reasons for doing that.

Therefore, it was with interest that I learnt that the Government's response to our recommendation was that it did not accept this recommendation. Normally when the Government responds by saying that it does not accept recommendations, my immediate reaction is "tough", and that is how we deal with it. But in this instance the Government actually suggested quite specific reasons why it thought the approach that we had taken was negative. It presented an alternative approach that would meet the issues which we were trying to meet and which had been clearly explained in the committee's report. We were trying to resolve these particular issues; this was the way that we had tried to do it. The Government came back and said, "The difficulty with the approach that you are taking to resolving those issues is that it will exacerbate problems because it will take the responsibility away from line managers". I think that was the main thrust of the argument. The Government said, "Therefore, what we are proposing is an alternative approach that will achieve what you are trying to achieve and make sure that these issues are monitored; but at the same time we will not take that responsibility away from line managers".

The eventual wash-up is the legislation that we have before us today. I think this is an acceptable solution. I understand that it has also been supported by the relevant unions and the council itself. I think this is actually an improvement on what had been recommended. I believe in the process that we went through - taking this issue to the committee, it reporting back, the Government responding in a positive way to a range of the committee's recommendations and, when it did not accept this recommendation, providing an alternative which made sense. I also appreciated the fact that Mr De Domenico made available his staff and members of his department to brief me on these issues and explain in detail why they wanted to operate in this way. That is why I will be supporting this legislation today.

**MR DE DOMENICO** (Minister for Urban Services and Minister for Business, Employment and Tourism) (11.22), in reply: Mr Speaker, I thank members for their support. In particular, I thank members for the process that we have gone through to get what I believe to be the best possible result in an area that everybody is concerned about.

The Occupational Health and Safety (Amendment) Bill 1995, on which debate was adjourned late last year, will amend the principal Act to give the existing Occupational Health and Safety Council the additional responsibility of giving the Minister advice on workers compensation and occupation rehabilitation matters in the private sector. The amendment that I intend to put before the Assembly today seeks to further expand that role to include the provision of advice to the Minister on workers compensation and occupation rehabilitation matters in the public sector as well.

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In summary, what I would like to do is thank the members of the committee - Mr Berry, Mr Moore and Mr Hird - for seeing fit to agree to the Government's way of resolving the issue and making sure that we achieved the outcome that we were all concerned about. I believe that this legislation will make sure that we get the best possible outcomes up. I will close my remarks there and then speak to the amendment.

Question resolved in the affirmative.

Bill agreed to in principle.

### Detail Stage

Bill, by leave, taken as a whole

**MR DE DOMENICO** (Minister for Urban Services and Minister for Business, Employment and Tourism) (11.25): I move:

Page 2, line 19, clause 4, paragraph (b), after proposed new paragraph (f) insert the following paragraph:

“(fa) the operation of legislation, including legislation of the Commonwealth, that governs occupational rehabilitation or workers’ compensation in relation to public employees;”.

The amendment which I put before the Assembly today, which was distributed some time ago, seeks to further expand the role of the Occupational Health and Safety Council to provide the Minister with advice on workers compensation and occupation rehabilitation matters in the public sector. In considering the recommendations of the Assembly Select Committee on Workers Compensation Provisions and the Government's own review, it is clear that improving workers compensation management within the Public Service is a major priority, not just for this Government but for all members of this Assembly.

The Government welcomes the observations in both reports highlighting the need for improved injury prevention and management across the whole of the public sector and is committed to ensuring that everything that can be done to bring this about is done. The way to improve injury prevention and management in the Public Service is to hold managers more accountable and to ensure that they use the resources at their disposal in the best possible way to prevent injuries in the first place. When injuries do occur, managers must be accountable for ensuring that rehabilitation arrangements are put in place quickly to get staff brought back to work effectively and, above all, safely, so that employees are not reinjured.

The Government has already commenced a wide range of projects that are aimed at improving injury prevention and management. Agreement has been reached with Comcare Australia to second an experienced officer from their ACT State office, at the senior executive level, to work with staff of the Chief Minister's Department



and other agencies in reviewing all open compensation claims, commencing with those for over 45 weeks' absence. Internal reviews have commenced of claims and management processes to ensure that all information needed to manage claims is gathered in a timely manner at the outset so that any delays are eliminated. A review of premium arrangements is under way, in conjunction with Comcare Australia, to ensure that premiums most accurately reflect individual agency performance and that good performing agencies are rewarded for their improved management efforts. A review of rehabilitation case management practices is under way to ensure that injured employees are provided with the best possible assistance to return to work.

The Government does not agree and did not agree with the recommendation of the select committee that a statutory authority should be set up to take over the employer responsibilities for occupational health and safety and rehabilitation, and I thank Mr Berry and Mr Moore for seeing the light on that as well. To set up an authority would be a move in exactly the opposite direction to where we need to go. To take away the very responsibilities that we want our managers to undertake is not a responsible move, as it would encourage a lack of ownership of the issues that need to be managed and would add to the bureaucratic burden. Management responsibility should rest clearly with the manager, who must be held accountable for the management and performance overall in these vital areas. We should not offshore this responsibility to a statutory authority with no accountability in the area where the injured worker is located.

In addition to it not being the best management approach - it is confirmed by our own consultants' reports as well - there is a legislative barrier preventing the management of occupation rehabilitation and workers compensation by an ACT statutory authority. Currently, workers compensation for ACT public sector workers is under the Safety, Rehabilitation and Compensation Act 1988, which is Commonwealth legislation. Therefore, any statutory authority would have no power. In going in the direction of improved management, and to demonstrate our commitment to demanding accountability, the Government has included specific reference to occupational health and safety rehabilitation and workers compensation management in all chief executive and senior executive contracts. These provisions will then flow down through public sector organisations to supervisors and line managers, who will also be held accountable for injury prevention and management.

The Government agrees, however, with the thrust of the Assembly committee's report that there is a need for some independent oversight of public sector workers compensation and rehabilitation and proposes, by way of this amendment, to expand the role of the Occupational Health and Safety Council to fulfil this role. This expansion of the council's role will bring both private sector and public sector workers compensation, rehabilitation and occupational health and safety under common scrutiny and is a move that supports the observations of the 1994 Industry Commission report on workers compensation in Australia, which recommended strengthening these relationships. Once again, I thank Mr Berry, Mr Moore and all the other people who were consulted, including the Trades and Labour Council, the unions and businesses, for agreeing to this move as well.

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As I indicated when introducing the amendment Bill, the Government is about small, cost-efficient government. The approach of further extending the role of an existing body to cover the additional function is a responsible move and is preferable to creating a separate new statutory authority with all its incumbent costs. Mr Speaker and members of the Assembly, this amendment will provide the Government with the means to ensure that the scrutiny of workers compensation and related matters is evenly applied to both the private and public sectors. It will formalise the arrangements for the Occupational Health and Safety Council to advise the Minister on these matters. It will ensure that we take hold of the issues that must be managed in public sector workers compensation and do not allow responsibility to be shifted away from where it must be managed.

In commending the amendment to the Assembly, I thank Mr Berry, in particular, because it was Mr Berry's brainchild, I suppose, and his fear of the attitude of conservative governments, as he called it, to workers and workers compensation that made the Government decide to say, "Listen, we were going to legislate anyway". But we must thank Mr Berry for planting the seed in our mind to make sure that we did it properly and got together. Mr Berry has agreed to it, so I thank Mr Berry for his cooperation. I thank Mr Moore and Mr Hird, the other members of the committee, for their deliberations. I commend the amendment to the Assembly.

Amendment agreed to.

Bill, as a whole, as amended, agreed to.

Bill, as amended, agreed to.

## **WORKERS' COMPENSATION (AMENDMENT) BILL (NO. 2) 1995**

Debate resumed from 17 October 1995, on motion by **Mr De Domenico**:

That this Bill be agreed to in principle.

Question resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

## REMAND CENTRES (AMENDMENT) BILL 1996

Debate resumed from 28 March 1996, on motion by **Mr Humphries**:

That this Bill be agreed to in principle.

**MS FOLLETT (11.30)**: Mr Speaker, the Labor Opposition will be supporting this Bill, which was presented by Mr Humphries. The Bill basically appears to correct a drafting error in the Remand Centres (Amendment) Act that was passed last year - if not a drafting error, at least an unintended consequence. The effect of the Bill before us is to provide as an option, but not an entitlement, the holding of people in Belconnen Remand Centre after they have been convicted and during the course of an appeal. The Minister, in tabling the Bill, said:

What this Bill does is to make it clear that the previous amendment to the Remand Centres Act does not, of itself, give a prisoner who appeals against their conviction an entitlement to be held in the Remand Centre during the course of their appeal. It merely provides a capacity for the Remand Centre to hold such a prisoner ...

That is a course of action with which Labor agrees. Mr Humphries, the Attorney-General, when tabling this Bill, went on to say:

It is important to clarify that intention because otherwise there could be operational and resource problems for the Remand Centre.

For that reason, Mr Speaker, Labor is supporting the Bill.

I do want to make a couple of comments about the Minister's reference to operational and resource problems for the Remand Centre. I would like to flag with members of the Assembly that I believe that it is time that there was some public scrutiny of the operation of the Remand Centre. It has been some years since that occurred. I am not about to move that way today because, clearly, there are particular and tragic circumstances surrounding the Remand Centre at the moment.

However, Mr Speaker, I do have before me a document which indicates to me that there are considerable pressures on the Remand Centre in relation to staffing and budget. I believe that all areas of government administration have to be conscious of their budget and have to make every effort to meet their budget. In relation to the Remand Centre, it seems from the document that I have that in an attempt to meet their budget the Remand Centre has had to make different provisions, perhaps more stringent provisions, for staffing, has had to cut back on things like overtime, and has had to put its own staff under pressure, but also, according to this document, put the detainees under some considerable pressure - for example, by locking detainees in their units at approximately 5.30 pm for meals and at 6.30 pm for the night. It seems to me that that is a pretty stringent requirement. It may well be that we need to look at the resources and the operation of the Remand Centre and perhaps come to some conclusions about whether we are providing sufficient public resources to run the centre in the best interests of the whole community.

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I am also aware, Mr Speaker, from another document that I have, that the Remand Centre appears to be accommodating rather more detainees than it did, certainly on the last occasion that I visited the centre. The document that I have is a list of detainees in custody as of midnight on 14 April 1996. It indicates that there were 41 detainees in custody on that night. That appears to me to be a very high number indeed. If you take into account that there may well be other detainees being held in police cells, it seems to me that we have an awful lot more people in that kind of custody than I recall as being the case.

From the analysis that is done of the detainees on this document, Mr Speaker, we can also see that, of the 41 detainees, three are identified as being Aboriginal people, three are identified as being women, and seven are identified as being at risk. It seems to me that, with a mix of that kind out at the Remand Centre, we have a quite high work level for the staff there. There were clearly different kinds of people with different requirements in detention there at midnight on 14 April, and seven of the 41 were identified as being at risk.

Mr Speaker, I have also had a look at the length of time that people have been on remand, and that is very revealing because it indicates that, for some people, being in the Belconnen Remand Centre is a very lengthy process indeed. The longest detention on the list that I have is 201 days. That seems to me to be a very long time to be on remand. There are several people who have been there for more than 100 days, and at least half have been there for around 40 or 50 days. One person is identified here as having been on remand for 867 days. It is my view that that is a typo and it should be 86 or 87, simply from the way those numbers flow. I find it most unlikely that anybody would have been held for 867 days without it coming to my attention. Mr Speaker, I think that is probably a typo. But, 201 days? There are two people who have been there for 162 days. These are lengthy periods and it is causing me some concern. If you put that document together with the article from the *Canberra Times* of Wednesday, 20 December, which indicates that times taken to reach verdicts in the ACT, in the opinion of the writer of the article, Ms Nicole Leedham, appear to be much lengthier than in other jurisdictions, I think we have a troubling situation here.

I would like to say in mitigation of both of these documents that, in respect of the list of detainees at the Belconnen Remand Centre, every one has an appearance listed before either the Magistrates Court or the Supreme Court, and the wait for those appearances is quite short, quite reasonable - a week or two in most cases. The argument that Ms Leedham has made in her article is the conviction time, the time that the courts take to reach their conclusions. The Chief Magistrate has argued against the findings that Ms Leedham has put forward; nevertheless, I think the figures have some merit and deserve to be studied.

Mr Speaker, I seek to table all three of those documents, for the information of members. I hasten to add, in respect of the list of detainees in custody, that I have removed all of the names, the personal identifiers, but not the analysis of what category of detainee they fall into.

Leave granted.

**MS FOLLETT:** Mr Speaker, whilst I support the Bill that has been put forward by Mr Humphries, I do have some concerns about the operation of the Remand Centre. I am very concerned at the numbers of people who are there, at the mix of people who are there and at the resources that we, as a community, are allocating to the proper operation of that centre. I want to flag with members that at some future time it may well be worth a committee of the Assembly or some other body having a close look at the Remand Centre. I think that as a facility it has served the Territory for a long time now, but it may well be that it is looking a bit old fashioned as well. I recall debates in earlier Assemblies about the treatment and the facilities for prisoners with a psychiatric illness. In fact, I recollect that special provision had been made at the Remand Centre for detainees with a psychiatric illness.

It may well be that we need to revisit that issue and look at it, not as a political point-scoring exercise, not in order to beat up the Government or previous governments, but in order to come to some calm and rational conclusions about what might be the best way to continue providing this community facility in the best interests of our community and also in the best interests of the detainees, at least some of whom have not been convicted. Mr Speaker, I think we may also want to revisit the question of Belconnen Remand Centre being used to detain illegal immigrants, which the ACT does as a service for the Commonwealth, at a price. If that is reducing facilities for ACT detainees we might want to examine that issue. I will leave it with members to think about, Mr Speaker. As I say, we support the current Bill before the Assembly.

**MR HUMPHRIES** (Attorney-General) (11.40), in reply: Mr Speaker, I thank the Opposition for its support for the Bill. It is not a particularly significant Bill, although, clearly, given the things that we have been discussing in the course of this debate about resourcing the Belconnen Remand Centre, it would be unfortunate if a situation were to ensue whereby the centre became a de facto prison where those who were appealing against convictions in one of the ACT courts were effectively housed throughout the duration of their appeal, which could last some time - several years in some cases. That minor matter has been corrected by this Bill and, as I say, I welcome the support of the Opposition.

I share the concern that Ms Follett has indicated to the Assembly about the Remand Centre. In fact, I have made it quite clear on previous occasions that I think the Remand Centre is a major problem. Members may be aware that the Remand Centre was designed by the person who designed the Katingal Wing at Long Bay Gaol. Indeed, I think the design is almost identical to Long Bay Gaol's Katingal Wing and that centre in New South Wales has closed. It is no longer operational.

**Ms Follett:** It was inhumane. That was the reason.

**MR HUMPHRIES:** Ms Follett reminds me that it was closed because it was inhumane. We continue to use our version of Katingal and I think it is most important that we raise the priority of a corrections debate in this Territory. There has not been a strong one in the past and the question of how we deal with our prisoners is an increasingly important one.

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I am not sure why there have been more prisoners on average in the Remand Centre in recent days. It may be that the police are apprehending more people; it may be that the courts are adopting a harder line. I do not know. But, whatever the reason, if the trend continues, it certainly gives rise to a concern that we need to make sure that we properly accommodate people at that centre or in some alternative facility.

We now have the Periodic Detention Centre, which provides for an alternative form of post-conviction detention in the Territory. That, as such, does not take much pressure off the Remand Centre. The people who are in the PDC would otherwise probably be in a gaol somewhere in New South Wales. The question is not, in a sense, relieved by the creation of the PDC. Perhaps it has given us a greater spur to examine the other elements of our corrections policy over which we do not have much control at the present time. I have made clear my view that the ACT needs to engage in an assessment of whether it can afford, and needs to have, its own correctional facility for post-conviction prisoners. Although there are many problems with that proposal, I believe that we need to put it on the agenda and need to have that discussion start within the community.

Mr Speaker, I must say that I appreciate Ms Follett's restraint in this debate. It would be easy to make some comments that were prejudging of the coronial inquiry presently under way in respect of the unfortunate incident yesterday at the Remand Centre. Clearly, this is only the beginning of what will have to be a more extensive process of scrutiny - whether it is by an Assembly committee or some other body - of the conduct of our policy with respect to detainees, and, in particular, whether the Remand Centre fulfils the needs of a community at the end of the twentieth century. My view is that it probably does not.

The question that Ms Follett raised about the length of time that detainees are spending on remand in the centre is a matter which I note as well. The period is determined entirely by the courts. There has been some debate about whether we can reduce periods that both civil and criminal matters are taking between the point where they are ready to be heard by a judge or magistrate and the point where they come on for hearing by one of those persons. That has been a debate in the context of whether we should appoint another judge or magistrate, or several magistrates perhaps.

Mr Speaker, in general terms, the ACT has a relatively good record on the period that people need to wait to have justice delivered to them, whether civil justice or criminal justice. On a comparison with other States we stand reasonably good scrutiny, taking into account the fact that we do not have an intermediate court, like the District Court or County Court, here in the ACT. Nonetheless, it is true to say that justice delayed is justice denied. Even having to wait nine months or 12 months between being ready to have a civil case heard in the court and having it actually heard by that court is a matter of some inconvenience in some cases. In some cases it involves very considerable loss to those persons concerned. If you are in custody you need to wait several months before a hearing in, say, a trial in the Supreme Court. That period can be quite distressing, particularly if it transpires that you are deemed to be innocent.

I would welcome some scrutiny of the Remand Centre and of the way in which we deal with the whole of our corrections policy in the ACT. I am not sure what the appropriate format would be, but I would be very happy to discuss that with members to see how we would generate that. I think it is appropriate for us to await the Coroner's findings in this particular case, because they may point to some problems that we need to address in a larger context. That being said, I believe that when those findings are available we should move on them quickly if they point to some structural changes that need to be addressed.

I hope, Mr Speaker, that we can provide for better industrial arrangements at the Remand Centre. There was an industrial dispute there in the middle of last year. I am pleased to say that since that time there have been fruitful negotiations between the management and the unions at the Remand Centre. I am advised that an enterprise bargaining agreement is likely to be arrived at soon which will address some of the concerns about the Remand Centre. The cost of housing a detainee there is something like double the Australian average, which partly reflects the building itself, because it is extremely badly designed and costly to run, and partly reflects work practices which have been in force there for some time. I hope that we can deal with the latter issue, and that we can, in due course, deal with the former issue too.

Question resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

## UNIVERSITY OF CANBERRA (TRANSFER) BILL 1995

Debate resumed from 14 December 1995, on motion by **Mr Stefaniak**:

That this Bill be agreed to in principle.

**MS McRAE** (11.48): Mr Speaker, one of the very good things about the University of Canberra has always been its close identification with the people of the ACT. In the fields of computer education, communication, languages other than English and management it has offered thousands of Canberrans the opportunity not only to gain an excellent first qualification but also to keep improving their qualifications during their careers. As such, it has an affectionate and strong place in the hearts of Canberra. Many a Canberran has chosen the University of Canberra for a place to go to retrain completely as well, in the field of either nursing or teaching, when perhaps they have had a mid-career change, so it serves as a very constructive place in our community, not only for school leavers but for all people in the ACT.

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In this context the move to place the university under ACT Government control is a welcome one. It is in line with national management of tertiary institutions and in a way brings into the fold a member of the family that has not quite been part of our community before. The appointment by the Government of 10 of the 22 members of the council - appointment by the Chief Minister, in fact - will give the community a significant say in the running of their own university. I think the capacity of the ACT Assembly to examine the statutes of the university will be a productive and useful exercise, both for the Assembly and for the university.

It is a pity, in that setting, that the reporting and auditing guidelines that the university will follow will continue to be on a calendar basis. We have found in the Estimates Committee process that it is much easier to keep a tab on departments and institutions if the reports are put in place in September. Now that I mention it, Mr Speaker, could I ask the Minister, through you, to advise the Assembly as to whether the new reporting requirements that the Assembly passed late last year will apply to the University of Canberra? I think the requirement is that the annual reports have to be in around September. The Minister advised me when we were beginning to speak on this Bill that in fact the Federal Government's reporting and accounting requirements may well affect the Bill in the Federal Parliament. I would like the Minister, when he speaks on this Bill, to advise us how the ACT reporting requirements affect the University of Canberra and how the proposed changes to the Federal requirements will affect the reporting requirements for the University of Canberra.

I realise that it is a big ask to have an institution change from annual reports on a calendar year basis to annual reports on a financial year basis; but, in the way that the Assembly has operated, it has been quite useful. Just to know the possibilities would be very useful. It would also be very useful to know whether they will be required to report in accrual accounting format, as every other department or institution in the ACT is required to. Will they come into that fold as well or will their reporting requirements and financial requirements be different from that?

I am well aware that this Bill has taken three years to be developed, and the Opposition will support it; but a great deal has changed in the last three years, particularly in the area of public sector employment conditions. Again, Mr Speaker, I would like the Minister to confirm and to assure us that the staff of the University of Canberra are not going to be disadvantaged by this move in line with the changes that have happened to the ACT public sector.

In closing, I note that the transfer of the University of Canberra to ACT Government responsibility is dependent on enabling legislation from the Commonwealth. Again, the Minister mentioned this to me. As far as we understand the process, our passing of the legislation here today will put us on a good footing, but when the enabling legislation has been passed by the Federal Parliament things will happen. I would like to call on the Minister to assure us that the Federal Liberal Government will take this on as a priority issue. There has been very little evidence thus far that the Federal Government cares at all about the future of the ACT. I would particularly like, in this area, for the Minister to inform the house that he, in fact, is keeping an eagle eye on this and will not let it slip through after we have gone ahead and enabled this change to happen.



**Ms Follett:** Send it to Sydney; that is what they will do. The University of Canberra at Sydney.

**MS McRAE:** Yes, I think that is right, Ms Follett. I think we want even more assurance from our Minister here not only that the enabling legislation will go through but also that no removal of this primary and important institution is going to happen at the comfort of, perhaps, Ms Vanstone. Perhaps it will go to South Australia; who knows. Quite seriously, we would like to have some detail from the Minister as to what the Federal Government is planning and how quickly this change will happen. In the tabling speech the Minister did say that, optimistically, this would be through early in this year. Of course, the Federal election was anticipated, and I think we had some hope that it would be through by June. It would be good to get some form of indication that it will happen, that it will stay at the University of Canberra, and that it will be under the type of controls that we are envisaging.

The three points, basically, that I would like covered are that the staffing conditions will not be adversely affected by this change; that the Minister will clarify what the reporting and auditing requirements are to be and how they relate to the ACT Government requirements and the Estimates Committee processes and the scrutiny processes here; and that the Federal Government will facilitate rather than impede this change. Otherwise, Labor is happy to support this Bill.

**MR STEFANIAK** (Minister for Education and Training) (11.54), in reply: Mr Speaker, I thank Ms McRae for her comments and, I assume, all members for their support for this Bill. Commonwealth legislation to enable the transfer was introduced into parliament last session. The Federal election in March has delayed debate on the Bill. However, I am confident that the University of Canberra will become part of the ACT in 1997. The transfer is an important milestone for this Territory. It is a sign of confidence and it will enhance the Territory's reputation as a centre for excellence in education.

The Bill is a result of extensive consultation between the university and ACT agencies. Its development is a sign of the close cooperation that exists between the Territory and the university. Members should note that the university is being transferred at no additional cost to the Territory. Certainly, in the documentation that I have seen, Ms McRae - to cover one of the points you raised - there is nothing to indicate that staff will be disadvantaged in any way by the transfer. It is with great pleasure that I recommend the passage of this Bill.

In relation to a couple of other points raised by Ms McRae, as to the annual reports and accrual accounting, I will be taking that up with the university and getting back to her in relation to that. Finally, as to when things are likely to happen, I am advised that, as some people realise, the passage of the University of Canberra (Transfer) Bill scheduled for debate today cannot be finalised in terms of the detail stage, as Ms McRae has alluded to. The university financial reporting requirements within the Bill are dependent upon the passage of the Commonwealth Bill, the Commonwealth Authorities and Companies Bill.

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The passage of that Commonwealth Bill has been delayed due to the Federal election and it is expected to be passed in the winter sitting. If the financial reporting requirements of that Bill are altered, the relevant provisions in our Bill will need to be amended. Hence the undesirability of finalising the detail stage today. Accordingly, Mr Speaker, when it comes to the detail stage, I will be seeking to adjourn the debate. I have already informed both Ms McRae and Mr Moore of that. I thank members for their support.

Question resolved in the affirmative.

Bill agreed to in principle.

### **Detail Stage**

Clause 1

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

**Sitting suspended from 11.56 am to 2.30 pm**

### **QUESTIONS WITHOUT NOTICE**

#### **Public Sector - Job Cuts**

**MR WHITECROSS:** Mr Speaker, my question without notice is to the Chief Minister. Chief Minister, given that accommodation takings in the ACT tourism industry have increased by only 0.8 per cent in the last 12 months, compared with 12 per cent nationally and a 5.4 per cent inflation rate; given that the retail turnover in the ACT has increased by only 4.2 per cent, well below the national figure of 8 per cent and also below inflation; given that in the building industry the value of residential approvals has plummeted by 40 per cent in the last 12 months, compared with a national average of 10.8 per cent; and given that business expectations in the ACT for the forthcoming year are already well below the national average - can you explain to the ACT community how public servants who will lose their jobs will get jobs in the private sector, or do you really agree with your colleague Mr Kaine that it is far more probable that sacked public servants will pack their bags and leave Canberra?

**MRS CARNELL:** It is interesting, Mr Speaker, that statistics can be used to show really anything. One of the very interesting things that Mr Whitecross brought up was the issue of building approvals. Of course, Mr Whitecross would be aware that, for the last five months, building approvals have actually increased, after 17 months of solid decrease. That really shows a turnaround in the ACT. There is no doubt that the first few months of this year, after the Federal election was called, saw a slowdown, shall we say, in the ACT economy. In fact, according to OFM, exactly the same problem occurred in the last three elections that they looked at. What happens when a Federal election is called? ACT people stop spending. They get a little bit touchy, shall we say. I can fully understand that.

Mr Speaker, ACT public servants and others will be able to look to the private sector for jobs simply because this Government has taken the approach that the previous Government should have taken, and that is to start putting in place programs and approaches that actually encourage business in this city. If that had been done three or four years ago, we would not be in the current position. During the last 12 months of the Follett Government, I think there were 700 extra jobs created - only 700 in 12 months. That really showed an economy that was screaming to a halt. How much money was in the bank when we took over government? There was a big fat zero. That is what we were facing.

**Mr Berry:** How much is in the bank now, Kate? Tell us.

**MRS CARNELL:** I can tell you that it is not zero. Under this Government, in the 14 months that we have been in power, even with all of the problems that a Federal election causes the ACT economy, we still have 2,300 more jobs than we had when we took over. That compares with 700 extra jobs that were created in the previous 12 months, when there was not even a Federal election in sight.

Let me mention the sorts of things that we have done, Mr Speaker, in an attempt - I think, a very successful attempt in many circumstances - to encourage private sector employment in the ACT. They include projects like AOFR, which in the next couple of years will actually employ an extra 300 people.

**Mr Berry:** Is that all?

**MRS CARNELL:** Mr Berry asks, "Is that all?". Mr Berry does not think 300 people are important. He obviously does not care about 300 extra people or new jobs for the ACT. It is those sorts of programs which create not just any jobs but jobs with a very definite future, ones that give this Territory an opportunity to move away from being a company town, where we rely totally on a single employer - two employers, I suppose, if you take into account the ACT Government. The Federal Government has been the major employer in the ACT since Canberra was established. We simply have to move away from that.

Why do we have to move away from it, Mr Speaker? We have to ask: How many people did the previous Labor Federal Government get rid of last year? How many redundancies were offered by the Labor Federal Government last year alone? The answer is 5,500. Where was Mr Whitecross then? How many people were offered redundancies by the previous Labor Federal Government over the past, I think, seven years? The answer is 18,000. That is the sort of figure we are talking about. The realities are that it is up to every government - - -

**Mr Whitecross:** Talk about selective statistics!

**MRS CARNELL:** You asked the question, not me.

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**Ms McRae:** Why don't you answer it?

**MRS CARNELL:** It is exactly what I am answering. What we have to do in this city is ensure that we do have other jobs, that we do have an active and vibrant private sector to pick up the tab. It is the job of every government in this country to make its budget balance. It is up to every government - Labor or Liberal - not to spend money that it does not have. That will inevitably mean, as it did under the previous Labor Federal Government and as it did under the previous Follett Government, reductions in the number of people that work for governments all over this country.

So, it is the role of this Government - and we are taking it seriously, unlike the previous Government - to ensure that the private sector has a future in this town. It will happen only if we are competitive in terms of our rates and our charges, and if we can make business decisions quickly. That has been the approach we have taken since we came to government. It is just a real pity, Mr Speaker, that this approach did not start four years ago. We would then be in a much better position to offer jobs in this city to the 7.8 per cent of Canberrans who do not have jobs.

**MR WHITECROSS:** Mr Speaker, taking account of the glib generalisations of the Chief Minister, can I ask the Chief Minister by way of a supplementary question: Does this mean that you support your Industrial Relations Minister, Mr De Domenico, when he says, "My reaction to public sector job cuts is, 'So what!'"?

**MRS CARNELL:** Mr Speaker, I was not at this particular supposed meeting, and I do not necessarily trust what is reported in the media. I know very well that Mr De Domenico's view is that we do have a problem with reductions in Commonwealth Government employees, but what we have to do is look to the future. What we have to do as a Government and as an Assembly is create an environment where the private sector can employ in this town, where we can end up with new businesses coming to Canberra and setting up. Unfortunately, again, Mr Speaker, that was not started four years ago, or for that matter at self-government, when it should have been started. We have had to start it in the last 14 months. It is a long job for this city; but already there are 2,300 more jobs than there were 14 months ago. Compare that with 700 jobs in the previous 12 months.

### **Australian Public Service - Job Cuts**

**MR KAINE:** Mr Speaker, through you, I ask a question of the Chief Minister and Treasurer. Chief Minister, in recent days there has been a fair amount of what seems to be ill-informed and unproductive comment about the possibility of job cuts in the Australian Public Service.

**Mr Berry:** Is it this "ill-informed" stuff you are talking about: "Exodus to follow Public Service cuts"?

**MR SPEAKER:** Order! We do not want to see your laundry list, Mr Berry. Ask your question, Mr Kaine.

**MR KAINE:** I am sure that the Chief Minister is well aware of some of this unproductive debate.

Members interjected.

**MR SPEAKER:** Order!

**Mr Berry:** Mr Speaker, I might be able to help Mr Kaine. I could table this.

**MR SPEAKER:** Would you mind sitting down, Mr Berry. Mr Kaine is asking a question.

**MR KAINE:** That was not speculation either, far from it. Chief Minister, are you concerned about the possible effects on Canberra of any possible loss of Public Service jobs, and is the ACT prepared to cope with these cuts? In the broader sense and in the context of the question previously asked by the Leader of the Opposition, can you tell us how this Government's approach to generating economic growth in Canberra differs from the Follett Government's record in this matter?

**MRS CARNELL:** I thank the member for the question, because it is an issue that, at least on this side of the house, we take extremely seriously. Those on the opposite side seem to think it is a big joke. Like everybody, at least on this side of the house, I am worried about the possible effects of Federal public sector job cuts in the ACT. Nobody here wants to see jobs lost in Canberra, no matter how or where they are lost. That is why I have been lobbying my Federal coalition colleagues on this exact issue, pointing out to them quite forcefully that the current speculation about massive job cuts is damaging confidence in the ACT economy. There is no doubt about that. At the leaders forum in Adelaide on Friday, I reminded State Premiers that some 85 per cent of Commonwealth employees are based outside Canberra.

**Mr Berry:** Did they like being called "stupid"?

**MRS CARNELL:** Mr Speaker, I will say that again, because Mr Berry does not seem to be too interested in this issue, which is very important to this Assembly. Eighty-five per cent of Commonwealth employees actually do not work in Canberra at all. Some Premiers proposed quite ridiculous figures for public sector cutbacks. I was quite happy to say that they made stupid comments about our city. I think they were running off at the mouth. That was really what it was about. They were bandying around figures that could do nothing but hurt our economy, and hurt it quite seriously. I made those statements, I believe, very forcefully in Adelaide and I will continue to do so.

The member asked whether the ACT was prepared for public sector cuts. As I have said previously, the answer is no; we are not as well prepared as we should be. Since our election a year ago, we have been moving the ACT away from the complete reliance on the Commonwealth public sector that typified the previous ACT Labor Government.

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We recognise that, if the ACT economy is to grow, we can no longer afford to be simply a one-company town, and we have to focus our efforts on making the ACT a much better place in which to do business. If the previous ACT Labor Government had put anything like the required effort into changing the focus of this town, we simply would not be placed in the position that we are now. But, unfortunately, they sat on their hands and did absolutely nothing to encourage business - except, of course, for one notable offshore TAB deal. I think, to paraphrase Paul Keating, the man responsible for the big budget deficits that the Federal Coalition Government now has to clean up, the Follett years in the ACT were the "Rip Van Winkle years" - the years when you did nothing and possibly just nodded off to sleep. They were years of lost opportunity for the ACT. It was evident to anybody that there would have to be, and there was, rationalisation going on at the Commonwealth public sector level. Those opposite were, I think, to say the least, a little uncomfortable. They should have been.

It seems that Mr Berry must have actually forgotten that the Follett Government spent \$37.7m on redundancy payments - and how many people did that relate to? Over 1,000 people received redundancy payments under the Follett Government. In fact, it was 1,019, to be exact. So, all of the carrying on by those opposite is simply rubbish.

Members interjected.

**MR SPEAKER:** Order! The Chief Minister is answering the question.

**MRS CARNELL:** This Government, though, has worked hard to encourage private sector investment in the ACT, to cut the apron strings of dependency; but every step of the way, Mr Speaker, we are thwarted by those opposite. They do not want us to get anything on track in this city. All they want to do is knock, knock, knock, whinge, whinge, whinge. That is what we see every day of the week. This Assembly has to take the bull by the horns here. We have to accept that there will be no extra jobs and there will probably be fewer jobs in the public sector in this town.

**Mr Berry:** You do not have to accept it.

**MRS CARNELL:** You did. You accepted 18,000 job reductions in the APS and did not make a comment.

**Mr Berry:** In fact, it grew.

**MRS CARNELL:** You accepted 1,019 redundancy payments and did not say a thing. The reality is, Mr Speaker, that all governments have to live within their means. That will mean that there will be fewer public sector jobs in this city, and that categorically means that this Assembly and this Government have to take the responsibility for creating jobs in the private sector. It is that simple.

## Teachers - Enterprise Bargaining

**MR MOORE:** Mr Speaker, my question is to Mrs Carnell, as the Minister who has control of industrial relations. I guess that I should direct it to her as Treasurer. Recent reports indicate, Mrs Carnell, that your Government has offered teachers in the ACT an 8 per cent increase over 24 months; in other words, about 4 per cent a year, which is pretty close to the consumer price index. I understand that teachers are the only group now without an agreement with your Government. In making this offer, which is roughly the same rate as, for example, for bus drivers, did you take into account the level of training that teachers have - four years' university training at least - the level of professionalism required of our teachers and their responsibility in terms of our children?

**MRS CARNELL:** I thank Mr Moore very much for that comment. Obviously, those things have been taken into account on many occasions by the Industrial Relations Commission and by governments all around Australia who have determined teachers' wages in this country. I know that Mr Moore's view is that teachers' salaries are too low. I think one of the great problems in Australia in the last 10 years, and possibly for even longer, has been that the balance between professional wages, for people like nurses and teachers, and those for some people who are possibly somewhat more active in the union movement, one would say, has caused a very real skew. So, we have a situation where people like teachers - who, I know, do not take industrial action easily - have ended up possibly behind other people in our economy who may be more interested in taking industrial action.

I think one of the real challenges for the new Industrial Relations Minister federally is going to be how we overcome those sorts of problems in the future. Teachers are definitely important to our community. They are important to our young people. The offer that we have made them - the 8 per cent over 24 months, which is 5 per cent from our budget and 3 per cent in productivity and efficiency measures - is, at this stage, the most that this Territory can afford. I would like to be able to afford more; but the reality is that, while the Commonwealth Grants Commission takes the approach that it has taken to our retention rates, while the view - - -

**Mr Whitecross:** Is it someone else's fault?

**MRS CARNELL:** Do not be stupid. While that view is being taken federally with regard to education funding, the reality is that this is the best we can do. We have taken it very seriously. I believe that the productivity and efficiency measures that have been offered are very much in line with a professional work force, and I believe that the offer we have made is a good one.

**MR MOORE:** I have a supplementary question, Mr Speaker. In her reply, Mrs Carnell talked about industrial action. She is probably conscious of the fact that teachers are planning a stop-work meeting on Tuesday, which may or may not go ahead, depending on this issue. Chief Minister, do you think that the teachers will be treated in the same way as other unionists as far as stop-work meetings go? My understanding is that some workers have actually been paid for their stop-work meetings. First, is it the case in other unions where people have attended stop-work meetings that they have actually been paid for the time? Secondly, is that going to be the case for teachers?

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**MRS CARNELL:** For some stop-work meetings that have been approved, people have been paid. For those that have not been approved, they have not been.

### **Information Technology - Government Expenditure**

**MS FOLLETT:** Mr Speaker, I have a question without notice to the Chief Minister. Chief Minister, there are over 800 companies in the information technology field in the ACT; so, it is a very significant sector of the ACT economy. Many of those companies are small businesses, in terms of the numbers of people that they employ. My question is: What will be the impact on the ACT's information technology industry, given that the Howard Government has said that it intends to slash \$1 billion - \$1,000m - from the Federal Government's expenditure on information technology?

**MRS CARNELL:** Mr Speaker, I do not think that it is really within my purview to comment on Commonwealth Government policies in this area; but I am very happy to speak about the ACT Government's policies.

**Ms Follett:** On a point of order, Mr Speaker: In her answer to the previous question, Mrs Carnell made reference to the Federal Minister for Industrial Relations and, in her complete non-answer to the question before that, she quoted extensively from the former Federal Prime Minister. So, do not give me that excuse.

**MR SPEAKER:** Nevertheless, quoting on matters of that nature is allowable; but you cannot ask the Chief Minister to comment on Federal matters.

**Ms Follett:** I am not, Mr Speaker. Would you like me to restate my question?

**MR SPEAKER:** Would you mind restating it.

**Ms Follett:** The second part of my question, Mr Speaker, was: What will be the impact on the information technology industry in the ACT of the Federal Government's plan to slash \$1 billion from its government expenditure on information technology? The point is, Mr Speaker, that most of the information technology businesses in the ACT rely for their work on government business. Everybody knows that. Surely, our Treasurer has had some analysis done of the impact. I would like to know what it is.

**MRS CARNELL:** I will do my best, Mr Speaker, to answer what is very much a hypothetical question. Mr Speaker, to my knowledge, this question is pure speculation. I certainly do not have the information, and I understand that nobody has the information, on whether and where those cuts will occur. I think one of the things, though, that we have to do in Canberra and one of the things that we have already addressed with the new Prime Minister is to ensure that, as they go down the path that they are going down - and that is to contract out more services to the private sector, which is something that we would also support - the treatment of ACT suppliers, our small businesses, is on a totally level playing field compared with the treatment of businesses in other places.



This has not always been the case under the previous Labor Government, Mr Speaker. We have seen contracts go to marginal electorates. We have seen things happen that simply are not good business and certainly are not fair to ACT businesses. That is something we simply will not allow to happen under the new Government. Yes, there will be contracting out of a lot of IT services. I believe that that potentially can help our small businesses here, particularly if we do not see the sort of carrying-on we saw in the past, with contracts being given outside the ACT simply for political purposes.

**MS FOLLETT:** I have a supplementary question, Mr Speaker. I note that Mrs Carnell has referred to as “speculation” something which was, in fact, an election commitment given by Mr Howard. This is a new interpretation of election commitments; they are mere speculation these days.

**MR SPEAKER:** Order! The Chief Minister is not responsible for comments made by Mr Howard. Would you ask your supplementary question, Ms Follett.

**MS FOLLETT:** I would suggest that he is not responsible either, Mr Speaker, if his colleague has referred to it as mere speculation.

Mr Speaker, I would remind the Chief Minister that Mr Howard made an election commitment, not to tender out IT business, but to reduce expenditure by \$1 billion. My supplementary question is: Has she done any analysis whatsoever of what that reduction in Commonwealth business would mean for the more than 800 IT businesses in Canberra? It is a simple question. Give her another go at it. Yes or no?

**MRS CARNELL:** It seems as though they all got out of bed on the wrong side this morning. They are very grumpy today.

Mr Speaker, where the reductions in information technology were going to be, as I understand from the pre-election commitments of the coalition, was not spelt out. The actual areas involved were not spelt out. There will be a substantial move, as I understand it, away from a department-by-department approach to information technology. As Ms Follett probably does not realise, there was a Senate inquiry, prior to the last election, that actually suggested a whole-of-government approach to information technology and that that whole-of-government approach would save substantial amounts of money in terms of duplication. As the Howard Government is also committed to reducing duplication wherever possible, I am confident that it will go down that path. And is it not interesting, Mr Speaker, that that is exactly the approach that we are attempting, against all odds at times, to achieve in the ACT?

### **Homebirth Program**

**MS TUCKER:** My question without notice is to the Minister for Health and Community Care, Mrs Carnell. Can the Minister inform the Assembly of the fate of homebirth options under the community midwives program and explain why she has been unable to deliver on the commitment she made to this Assembly regarding the commencement of the program by the end of March this year?

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**MRS CARNELL:** Mr Speaker, this question is a very important one. As those opposite would know, the basis of Ms Tucker's question is that I organised a full briefing for her on this particular issue. I indicated to the Assembly on 29 February that I was optimistic about the inclusion of planned - - -

**Mr Berry:** No; you said that it would happen.

**MRS CARNELL:** Mr Speaker, I am very happy for him to rave on the whole time, but it gets a tiny bit tedious.

**MR SPEAKER:** I would be much happier if Mr Berry would get up and ask a question instead of interjecting on everybody else's. Ms Tucker has asked the question; she is deserving of an answer. Continue, Chief Minister.

**MRS CARNELL:** I indicated to the Assembly on 29 February that I was optimistic about the inclusion of planned birth at home for women who are currently participating in the community midwives pilot project. This was, however, as Ms Tucker will remember, conditional upon the final outcome of extensive consultation on policies and protocols that would enable this aspect of the project to be implemented. Based on advice from Dr David Ellwood, the Professor of Obstetrics and Gynaecology at the Canberra Clinical School, it now appears that it would be premature to include homebirth at this stage. I am personally totally committed to public homebirth being an option for women in the ACT. What I feel very personally aggrieved about is that our current obstetricians are unwilling to agree to a protocol that has been - - -

**Mr Berry:** Carnell goes soft on doctors again.

**MRS CARNELL:** Mr Berry, would you like to go ahead with homebirth without protocols in place? Yes or no? Go on.

**Mr Berry:** I would like you to go tough on the doctors and straighten it out.

**MRS CARNELL:** That is not the issue here. Mr Speaker, we have a problem, in that the doctors involved are - - -

**Ms McRae:** Well, sack them.

**MRS CARNELL:** I assume that those opposite will actually go out and deliver the babies for us if we do that.

Mr Speaker, the issue here is that the obstetricians have determined that they will not approve the protocols that are needed for the handling of homebirths in our public hospital system. I refer to the protocols that would be involved in an emergency transfer into our public hospital system of somebody who was participating in a homebirth. Mr Speaker, at this stage, I am unwilling to go ahead without those protocols in place.

**Mr Berry:** You would not want to upset the doctors. You would not want to upset the obstetricians.

**MRS CARNELL:** It is not about upsetting the doctors. It is about protecting women who are having homebirths. Without protocols in place, Mr Berry, there is no indication and no commitment that we will have an appropriately qualified and experienced doctor available at the hospital as part of that program.

Mr Speaker, this is not a problem unique to the ACT. At a meeting of Health Ministers that I attended on Friday in Adelaide, I brought up this issue, and every Health Minister in this country explained that they had exactly the same problem. Because of that, I have written to Michael Wooldridge, the new Health Minister federally, and have asked for his help in this area. It appears that the College of O and G nationally has as part of its policy direction a lack of support, to say the least, for homebirths. We as a community and as an Assembly have to find a way through this. There is no doubt about that.

We believe that public homebirths are an important option for women in this area; but it would be very unfortunate to suggest that our whole community midwives program is somehow not a success simply because public homebirths, at this stage anyway, will not be an option for the women involved. Public homebirth is an option chosen by only some one per cent of women who give birth. Even if that number were to double, we would still not be talking about a large number of women involved. I am sure that all members of this Assembly have had letters from women who have been involved in the community midwives project, along the lines of how important and how valuable they found the whole project. I am disappointed that public homebirth would appear, at this stage, not to be an option - as I said to Ms Tucker, unless this Assembly wants to push the issue of going ahead with public homebirths, with no protocols in place, and is willing to take responsibility for the possible outcome.

**MS TUCKER:** My supplementary question is: What strategy does the Chief Minister, as the Minister for Health and Community Care, have in mind to try to reduce the power of minority groups such as the College of Obstetricians, if we are to get to a position where women in this region can choose to have their babies where they wish to and have the birth publicly funded?

**MRS CARNELL:** I thought I had already answered that, Ms Tucker; I am sorry. I made the comment that I had brought it up at the Health Ministers conference and that I have subsequently written to the Federal Minister for Health. This is a Federal issue. It is an issue that needs to be addressed at that level. The obstetricians do not have special rules for the ACT; they have them across the country. All Health Ministers are having exactly the same problems. They are issues that need to be addressed; but they need to be addressed with all the Health Ministers, including the Federal Health Minister. My briefings on the issue were that what appeared to be consultations and what appeared to be an approach that was working in the ACT, bringing all of the stakeholders together and working up a set of protocols, were progressing well and that public homebirths would be a reality in the ACT. It appears that, at the last moment, the obstetricians have chosen to go along with their Federal college, and I think that that is extremely unfortunate. But, again, if this Assembly chooses to force the issue and is willing to take the consequences, so be it.

### **ACTION Services**

**MR HIRD:** My question is to the Minister for Urban Services, Mr De Domenico. Can the Minister inform the parliament of the decision by members of the Transport Workers Union, the TWU, last week to accept the new, revised ACTION Network 96 timetable?

**MR DE DOMENICO:** I thank Mr Hird for the question. Mr Speaker, after months of consultation with the Canberra community, ACTION has drawn up the new timetable for this year, designed to maximise bus services for commuters and eliminate wasted services on which few, if any, people travel. At a meeting of the members of the Transport Workers Union last Friday, drivers were very positive about the Network 96 timetable, agreeing to work to include the timetable as quickly as possible and to negotiate one or two issues of concern to them. We hope to see the Network 96 timetable in place within three or four weeks.

Mr Speaker, it is clear from Mr Whitecross's very negative comments in the media last week about the new timetable that he is totally out of touch with what bus drivers and commuters want from their public transport system. The Government will not stand by and see buses run with too few people on board while the community loses money. We will increase the efficiency of the ACTION network and at the same time we will improve the service to commuters. The Network 96 timetable is a clear indication of this.

Mr Speaker, it was interesting to see in the *Chronicle* a great big photograph of Mr Whitecross. Once again, he was misquoting statistics and figures. He made some outrageous comments about route 120 in Tuggeranong, which he picked out and which is in his electorate as well as in mine. Tuggeranong interchange to Woden interchange through West Kambah was the route he was commenting on. Mr Speaker, for Mr Whitecross's edification, ACTION currently offers 15 departures from Tuggeranong before 10.00 am on weekdays. These services are used by about 88 people per day, or 17.6 passengers per bus. The most heavily loaded service operates with an average of 38.2 passengers. Six of the departures are carrying fewer than 10 passengers, and one carries only 3.6 passengers. The capacity of an ACTION bus is currently 65 passengers, including 40 to 42 seated. Mr Speaker, Network 96 offers 10 departures - yes, Mr Whitecross, it is down from 15 to 10 - per weekday before 10.00 am. The average passenger loading should increase to 26 passengers per bus from 3.6. That is still low for peak services, Mr Whitecross. The most disadvantaged of all passengers would have to either advance their departure time by 14 minutes or delay it by 16 minutes, and travel with 14 other people on the bus, rather than eight.

Mr Speaker, the bottom line is that this Government will continue to rationalise those services. This Government will continue to make sure that there will be fewer buses running around Canberra with no-one in them. At about \$37 or \$38 per passenger, if there is anyone on there, it is cheaper to send out a cab. This Government and this community expect value for money, as well as a cost-efficient, clean and efficient public transport system. Under this Government, that is what they will get.

## Youth Unemployment

**MS REILLY:** My question is to the Chief Minister. Chief Minister, you have repeatedly claimed that you are concerned about youth and youth unemployment in the ACT. Noting that youth unemployment in the Territory is presently at 40.7 per cent, I ask: What specific measures is your Government taking to bring down this disgraceful figure and offer some hope to young people in the ACT?

**MRS CARNELL:** I agree that it is a disgraceful figure, and it is one that existed every single month under the previous Government. Maybe you should turn around and ask the previous Chief Minister what she did to address the issue. Yes, youth unemployment is unacceptably high - although I am sure that, if Ms Reilly had asked Ms Follett, she would have got a good explanation of why the figures seem higher than they really are in percentage terms. That is simply, Ms Reilly, because we have a 97 per cent retention rate at school, which artificially skews our figures for youth unemployment. In fact, we have just about 3,000 young people who are available for work in the full-time work force. So, if you have 1,000 or so young people looking for jobs - which is an unacceptable figure - it ends up looking substantially higher than is the case elsewhere. I am sure that you can get a very good explanation from Ms Follett on that; but, if you cannot, I am very happy to run through it in greater depth.

Taking that into account, I suggest that the only way that young people are going to get jobs in this city is by making sure that we get the private sector running. Under the previous Federal Labor Government we saw a virtual cessation of employing young people in the Australian Public Service. We saw a situation where the number of people under 25 in the APS - remember that the APS was our major employer - had nosedived to an all-time low level. That sort of situation has caused problems in Canberra; there is no doubt about that. It is only by approaches like encouraging new small businesses in the ACT and getting projects up and running - projects that can actually employ for the future - that any of us are going to be able to ensure that our kids get jobs in this city.

What happened under the previous Government? Potentially, you should ask that as well. The reality is that nothing happened. There were no jobs from our major employer and certainly no incentives for the private sector to pick up the tab. We have a number of exciting industries in this city - ones that really can grow - but they can grow only if they are given the right incentives and the right environment. That can be done only if this Assembly takes this issue seriously; and certainly the Government does.

**MS REILLY:** Chief Minister, you have raised many interesting things in relation to youth employment, and it is hard to decide which supplementary question to ask. One thing I would like to just mention to you, in case you had not realised it, is that between February 1994 and February 1995, in fact, there was only one month when youth unemployment went over 40.7 per cent. You might like to have a look at those figures.

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**Ms Follett:** She might like to apologise.

**MR SPEAKER:** Order! Ms Reilly might like to ask her supplementary question.

**MS REILLY:** We are talking about a similar 12 months period, from February 1995 to February 1996. We are still talking about a youth unemployment rate of 40.7 per cent, which is a disgrace. You have talked about the various things that you are going to do; but what can young people believe? When you have a freeze on in the ACT Public Service, there is no opportunity for jobs there.

**MRS CARNELL:** I think it is interesting to put on the record now, Mr Speaker, that there was actually one month under the Follett Government when youth unemployment peaked at, I think, over 50 per cent. The areas where youth can be employed in the ACT are ones that we know well. They are areas such as R and D, information technology, tourism, education - all those sorts of areas that require a government and an Assembly that are interested in ensuring that those industries can grow in the ACT. Yes, it is true that the level of teenage unemployment in the ACT is higher than the national average and, yes, it is true that it is unacceptably high; but the only way that we can - - -

**Mr Berry:** It is higher than anywhere else in Australia.

**MRS CARNELL:** But it has been higher than anywhere else in Australia under you as well, and you simply have not done anything about it.

The difference with us is that we are addressing the problem. We are looking at industries that will employ young people in this city. We are creating business incentive schemes. We are not just looking at them; we are putting in place business incentive schemes. So far, since we took over government 14 months ago, I personally have opened, I think, over 25 new businesses. Those are just the ones that I personally have opened. It is still not good enough; but it is up to this Government and this Assembly to get behind employment and to get behind the private sector.

### **Australian International Hotel School**

**MR OSBORNE:** My question is to the Minister for Education and Training, Mr Stefaniak, and it is in regard to the Australian International Hotel School. Minister, considering the recent problems at the school, does the current management enjoy your full support?

**MR STEFANIAK:** I thank the member for the question. As the member would no doubt be aware, as a result of some publicity in relation to that hotel school, the Government has asked the ACT Auditor-General to conduct a detailed inquiry into the school. That is now being undertaken, and the Auditor-General will be reporting back to the Government and, indeed, to the Assembly in relation to that inquiry. So, I think, Mr Osborne, what we do need to do is wait until we see the results of that most comprehensive inquiry into the hotel school.

**MR OSBORNE:** I ask a supplementary question. Minister, have any Government members, their staff or their friends had free meals at the hotel school recently; and, if so, how many?

**MR STEFANIAK:** As far as I am aware, Mr Speaker, a number of Government members have been to the hotel school for a number of purposes and a number of functions in the course of their responsibilities as Government members. As far as I know also, a number of other members have gone to the hotel school and supported it. I would say, Mr Speaker, that it has an excellent kitchen, although it is certainly not the cheapest in town. I went there with a colleague, and we had a very nice meal. Whilst it is certainly not the cheapest place to eat, the meal was of excellent quality. I could certainly recommend the kitchen to anyone who would like to go there, because at the time I went there recently it was excellent.

**Mr De Domenico:** Mr Wood and Mr Whitecross enjoyed it too, and it was not free.

**MR STEFANIAK:** It certainly was not. In terms of exact numbers, I would not have those details available for you, Mr Osborne, but - - -

Members interjected.

**MR SPEAKER:** Order! We might be discussing food; but this is not a smorgasbord of interjections.

**MR STEFANIAK:** Mr Osborne, I think I have answered your question. In terms of going to the hotel school, you might like to go there and sample its wares. It certainly has a very good kitchen.

### **Public Sector - Job Cuts**

**MR WOOD:** Mr Speaker, my question is to the Chief Minister. Has the Office of Financial Management done any modelling or other assessments on the likely effects of the loss of jobs in the Federal Public Service and the ACT Public Service on the ACT economy, and specifically on revenue from conveyancing, land sales and payroll tax?

**MRS CARNELL:** I am not 100 per cent sure what the member opposite is actually after. OFM constantly does modelling on projections. In fact, as Ms Follett would know, we have an area in OFM that simply does modelling on revenue projections all of the time. It was interesting to hear Mr Wood yet again come up with the spurious comment that somehow things have chronically changed. I have already made the comment that 18,000 redundancies from the Australian Public Service were offered under the previous Labor Government. Was modelling done under those circumstances? Of course it was done. I assume that it was. Maybe you should ask Ms Follett and those opposite. The reality is that I do not believe that the Howard Government has processed any redundancies at this stage - maybe a couple at the very senior management level - so it is extremely difficult to determine.

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Mr Wood, we have identified the sorts of costs that would occur to the ACT if some of the, I believe, outlandish figures that some people, including some of those opposite, have been bandying around - - -

**Mr Kaine:** Scaremongering.

**MRS CARNELL:** It has been scaremongering, without doubt. In fact, in line with that approach, we have made it clear to the Federal coalition that, if significant redundancies were to happen in the ACT, that would produce substantial costs to the Territory and we would expect those costs to be picked up in terms of our grants. The sorts of figures are very difficult to come up with, simply because we do not know how many redundancies there would be. But the work is being done; there would be costs to the ACT; and we have spoken to the Federal Government and told them quite definitely that we would require appropriate compensation if they took the approach that some people have suggested.

**MR WOOD:** I have a supplementary question, Mr Speaker. The Chief Minister has again quite clumsily tried to sidestep the question. I was not asking how things had chronically changed, if indeed they had. I was asking about the assessment of the likely impact by her Office of Financial Management. I was not scaremongering. If anything was scaremongering, it was the statement by Mr Kaine that 15,000 people might leave this Territory. There has been no stronger statement than that.

**MR SPEAKER:** Is that a supplementary question? There is no answer to it, really.

**MR WOOD:** I am quite happy to carry on, Mr Speaker.

**MR SPEAKER:** Just ask your supplementary question; otherwise, you will not be carrying on at all - except perhaps somewhere else.

**MR WOOD:** Let me ask the question in a slightly different way. Does the Chief Minister and Treasurer expect that the budget forecasts on revenue - - -

**Mr Kaine:** On a point of order, Mr Speaker: Does a supplementary question consist of asking the same question in a different way? I think you should rule on that. I thought a supplementary question was supposed to be a supplementary question.

**MR SPEAKER:** I will listen carefully. Of course, there is the possibility that, if it is the same question, it may evince the same answer.

**MR WOOD:** We have been trying for years just to get the right answer, or to get an answer at all, from the Chief Minister and other Ministers - not continual sidestepping, as we have seen today. Does the ACT Treasurer expect that the budget forecasts of revenue from conveyancing, land sales and payroll tax are on target, or does she expect that the budget forecasts will be affected by likely Commonwealth action?

**MR SPEAKER:** I will allow the question; but you may answer it as you see fit, Chief Minister.



**MRS CARNELL:** Mr Speaker, I am at a loss to know what Commonwealth redundancies have to do with current forecasts for revenue in the ACT. By current, I mean right now; what is happening right at this moment. Mr Speaker, if Mr Wood is after a comment on how revenue in the ACT is tracking at this moment, let me say that, before there has been one redundancy offered from the Federal Government - as I have been quite open about and as our financial reports have shown very definitely - yes, there is a shortfall in revenue in the ACT at this stage; yes, our projections in conveyancing and other areas are not on target at all. We have made that very clear, and we have made it very clear in this place.

To try to answer his question on what hypothetical future reductions in the APS could or would produce, No. 1, we would need to know how many we were talking about. But, as I said in my first answer to the question, yes, that modelling is being done. Some of it has already been done, and we have already approached John Howard and have made it very clear that we would expect ACT funding to be appropriately compensated for any reductions outside the 2,500 that were promised in the Federal election campaign.

### **Contaminated Sites**

**MS HORODNY:** My question is to the Minister for the Environment, Land and Planning, Mr Humphries. Mr Humphries, under section 114 of the Land Act, certain development proposals which have a high probability of environmental impact require a mandatory preliminary environmental assessment. The types of development proposals that require mandatory assessments are prescribed in Appendix II to the Territory Plan. One of the items in that appendix states that proposals on sites listed on the ACT contaminated sites register require a mandatory assessment. Given the growing evidence for the existence of a significant number of contaminated sites in the ACT and the community concern about the Government's management of these sites, could you tell me whether the ACT contaminated sites register actually exists and whether it is available for public perusal?

**MR HUMPHRIES:** Ms Horodny, you do not need to ask me whether a contaminated sites register exists. If you look at your own press release, issued earlier today, you will find that it does not exist. Mr Speaker, let me say how angry I am to see releases like this put out and, presumably, legislation that this press release foreshadows coming forward. The Assembly has called together an inquiry, through its Standing Committee on Planning and Environment, into the whole question of the way in which contaminated sites have been handled. This Government supports that inquiry. It is an important inquiry to take place. It is a sensitive issue. We realise that an issue of how to manage those sorts of issues does need to be carefully examined, and an Assembly committee is quite appropriate to do that.

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The Government, quite understandably in those circumstances, suspends policy decisions on subjects that are properly the subject of that inquiry. Obviously, we have to proceed with dealing with individual landholders who happen to have a problem on their land, where they are living on a contaminated site. But other policy things that flow from those issues that are properly within the purview of an Assembly inquiry are matters that the Government does not proceed on pending the inquiry's completion and its recommendations to the Assembly and action flowing from that. I read this in this press release, Mr Speaker:

The nearly 3 year delay in getting the Register operational is unacceptable. There is growing evidence for the existence of a significant number of contaminated sites in the ACT ... The crisis caused by the finding of an old sheep dip site under houses in Watson may be only the tip of the iceberg.

Mr Speaker, it is very easy to trade on people's fears over their living near contaminated sites; but this Government has not moved to establish a contaminated sites register because the issues surrounding such a register are sensitive, and we intend to honour the process outlined and honoured in this Assembly in the past and allow the Assembly's Planning and Environment Committee to report before we move down that path. That, Mr Speaker, is the action of a responsible government. It is a pity that some of the members of this Assembly cannot show the same responsible action.

**MS HORODNY:** I have a supplementary question, Mr Speaker. Yes, it is a sensitive issue, and it is one on which the Government should be taking much stronger action, I might say.

Members interjected.

**MS HORODNY:** I do have a question, Mr Speaker, if I am allowed to ask it. The point is that this provision has been in the Territory Plan since 1993. It is quite - - -

**Mr Kaine:** On a point of order, Mr Speaker: I do not believe that the member is entitled to make a statement on the matter. She may be entitled to ask a supplementary question.

**MR SPEAKER:** I uphold the point of order. Ask your supplementary question, Ms Horodny.

**MS HORODNY:** It is a supplementary question. The issue of contaminated sites is right here in the Territory Plan. It is hardly an issue that has just come on board because there is an inquiry under way. It is here in the Territory Plan, and it is something that you should have addressed, Mr Humphries. The question - - -

**MR SPEAKER:** Ask your supplementary question.

**MS HORODNY:** The question is: How can you be sure that development proposals lodged with the Planning Authority since the time that this was put into action have been validly assessed, when there has been no formal checking of whether or not sites on which developments have been proposed are contaminated?

**MR HUMPHRIES:** Mr Speaker, the naivety of some of those opposite is just breathtaking. That provision in the Territory Plan you are quoting is not the only basis on which a preliminary assessment can be conducted.

**Ms Horodny:** It is one of the things.

**MR HUMPHRIES:** It is one of the mandatory triggers for it; but on any number of bases a preliminary assessment can be conducted. Mr Speaker, this Government would not be proceeding with development on any contaminated site, much less doing so without having a preliminary assessment. So, Mr Speaker, the claim made by Ms Horodny that somehow development might be proceeding in the Territory without preliminary assessments is completely baseless and irresponsible to make, and contrary to her duty as a member of this parliament to treat the people of the ACT without unduly alarming them on issues of this kind. You are not the first person to come along in this place being concerned about the environment. It would have been very easy indeed for people preceding you to have made a meal out of contaminated sites issues. We were on the opposition benches a couple of years ago, and we refrained from doing that. This Opposition is now in that position and has refrained from doing it. But you people on the crossbenches - you Greens, so-called - are not afraid to chase an ambulance or a vote if you see one, and you should be ashamed of that fact.

Mr Speaker, there is no requirement for that register to be in place to hold preliminary assessments. They can be and they are being held now, and they would be if there were development proposals in respect of contaminated sites. But, to my knowledge, there have not been any such proposals, and therefore the issue does not arise. Mr Speaker, next time the Greens over there jump up, bristling with indignation because the Government appears to have done something while an Assembly inquiry is going on, I suggest that they look back at their own press release. I ask them: What exactly is the Government supposed to do? When the Assembly holds an inquiry to determine issues like whether there should be a register of contaminated sites, are we supposed to sit back and do nothing, anticipate what the committee is going to find and do it ahead of the committee, or what? What exactly are we supposed to do?

**Ms Horodny:** Read your own Territory Plan; that is what you should do.

**MR HUMPHRIES:** We do not need to enact a register to hold preliminary assessments, Ms Horodny.

**Ms Horodny:** Yes, you do.

**MR HUMPHRIES:** No, you do not.

**Ms Horodny:** Yes, you do.

**MR HUMPHRIES:** Do, do, do, do! Mr Speaker, I really have given up on the Greens. They are off on some sort of green planet somewhere, completely inaccessible by ordinary mortal logic. All I can say is that perhaps one day I can sit down quietly with Lucy and explain to her what is going on; but the fact is - - -

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**Ms Horodny:** I raise a point of order, Mr Speaker.

**MR SPEAKER:** What is the point of order?

**Ms Horodny:** Relevance.

**MR SPEAKER:** This is proving very difficult. I am having a hard job here today, I can assure you.

**MR HUMPHRIES:** Mr Speaker, I have to say that, if you want to talk about relevance, this approach is the one that lacks any relevance to what is going on in the Territory at the present time. We will proceed with a consensual policy on contaminated sites. We hope that we will bring the rest of the Assembly with us. I am afraid that, if some people here are more interested in chasing votes than in fixing the problem, that might not be possible.

### **Australian Public Service - Job Cuts**

**MS McRAE:** Mr Speaker, my question is to Mr De Domenico in his capacity as Industrial Relations Minister. Mr De Domenico, here is your big opportunity to explain.

**Mr De Domenico:** Yes, teacher.

**MS McRAE:** Be good. Minister, you were quoted in the *Canberra Times* on 15 April, and I have heard no denial from you, as saying, "My reaction to the Public Service cuts is, 'So what?'. Will you explain to the Canberra community, and particularly to all those public servants and their families who are going to lose their jobs as a result of your party's policies, why you are so indifferent to their fate and why your only reaction is, "So what"?"

**MR DE DOMENICO:** I am delighted that Ms McRae asked me that question. Mr Speaker, let me firstly say that I and this Government are concerned about the wellbeing of not only public servants but all Canberrans - every single one of them out there. Mr Speaker, as usual, Ms McRae and Mr Whitecross, in particular, used the media yesterday to twist some words for their own political gain.

**Mr Berry:** You made the statement.

**MR DE DOMENICO:** Now, hold on; you do not know what statement I made, Mr Berry, with respect. You were not there. They would not let you anywhere near the joint; so do not start on that one. Mr Speaker, Mr Whitecross called for my sacking over what was a total distortion, might I say, of what I actually said. Mr Whitecross was not there either, by the way, Mr Speaker, because they would not even know who he was to invite him; so, that is why he was not there. Anyway, it was a distortion of what I actually said on the matter of job cuts in the Public Service. My words were taken completely out of context.

Mr Speaker, let me tell the chamber what I actually did say and clear up the matter for Ms McRae, Mr Whitecross and everybody else who wants to score political points on the issue - at least for the benefit of Mr Whitecross, in particular. In a speech last week for the launch of the Young Business Club of Canberra, I said:

So what, it's nothing new - there have been job cuts in the Federal Public Service for as long as we can remember.

Mr Speaker, under Labor, for example, Canberra suffered from some of the biggest ever cuts in the Public Service. In the past seven years - in fact, since the start of self-government - Labor has slashed 18,000 jobs in the Commonwealth Public Service. I am absolutely astounded by the hypocrisy of the ACT Labor Opposition in accusing this Government of not caring about the future of the Public Service, when its Federal counterparts so heavily cut jobs and reduced the size of the public sector.

Mr Speaker, while any job cuts in the Public Service are regretted, it does provide an exciting opportunity to stimulate the private sector. In fact, over the last 15 years, the ACT economy has consistently outperformed the economies of all other States and Territories. That means real jobs growth - as Mrs Carnell said, over 2,000 jobs, thousands of jobs under this Government, in comparison to 700 under the other mob over there. We cannot overlook the fact that Canberra is no longer just a Public Service town, with over half of our work force employed in the private sector. This Government is committed to further developing that and to the creation of even more jobs in the private sector.

Mr Speaker, this Government has sought an end to damaging speculation about Public Service job cuts and has asked the Prime Minister to outline just how many positions may go in Canberra. At this stage, we do not know how the cuts will affect Canberra, as most jobs may, in fact, be lost elsewhere in the country. The sooner we know the impact on Canberra, the better. Mr Speaker, this Government is concerned about the future of both ACT and Commonwealth public servants, despite Mr Whitecross's and Ms McRae's grubby political grandstanding. I am also convinced that Canberra has a bright economic future.

**MS McRAE:** Mr Speaker, through you, I have a supplementary question to Mr De Domenico. Minister, now that you have confirmed that you said, "So what?", would you like to resign, as being totally unfit to be a Minister for Industrial Relations?

**MR DE DOMENICO:** Mr Speaker, let me answer that supplementary question, because I am delighted to do so. They keep throwing these marshmallows across the floor. They land over there somewhere. What hypocrisy, Ms McRae, once again; what hypocrisy from you lot over there!

**Ms McRae:** I did not say "So what?".

**MR DE DOMENICO:** You did nothing. You sat on your hands while your Federal Labor colleagues, over the past seven years, cut 18,000 jobs from the Commonwealth Public Service. We lost the CSIRO to Melbourne. We had job cuts everywhere. For you people to come in here and talk about something that might

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happen in the future is just sheer hypocrisy. I am aware that this week Mr Whitecross is Leader of the Opposition. Perhaps next week Ms McRae, from another electorate, wants to be Leader of the Opposition.

**Mr Kaine:** She could not do a worse job.

**MR DE DOMENICO:** Thank you, Mr Kaine. She could not do a worse job. The reality is, Mr Speaker, that what this lot ought to do is get on the front foot, start talking up the Canberra economy, start talking up the Canberra community, and stop whingeing and moaning. Mr Whitecross, we know that the CFMEU manual on how to be an opposition leader says, "Whinge, moan and criticise". If that is what you want to do, go ahead and do it. In the meantime, we will go ahead and create jobs, go forward on the front foot and really sell Canberra as the best place on earth in which to live and work. If you do not agree with that, you resign.

### Hospital Waiting Lists

**MR SPEAKER:** Mr Berry, at last you are on your feet, instead of just interjecting all the time. Do you have a question?

**MR BERRY:** Mr Speaker, thank you for your help and commentary.

**MR SPEAKER:** You are welcome.

**MR BERRY:** Mr Speaker, my question is to the Chief Minister in her capacity as Minister for Health. Chief Minister, on Saturday you were quoted in the *Canberra Times* as claiming that 348 fewer patients were on the waiting list since you came to government. Which category or categories of the waiting list did you target as a priority for waiting list reduction? Was it done by specialty or by length of time on the list?

**Mr Humphries:** Was it done at all?

**MRS CARNELL:** I think the point that must be made first, Mr Speaker, is exactly what Mr Humphries just said. At least we did it, unlike under Mr Berry. I think, during the four years that he was Health Minister, he managed to allow the waiting list to blow out further and further. In fact, I think it went from some 1,789 to about 4,500, which really shows that his Government obviously did not have a waiting list strategy, as the ACT Government now has.

**Mr Berry:** Mr Speaker, do you think I would have time to go and get a cup of tea while she gets to the answer?

**MR SPEAKER:** There is no point of order. The Minister is answering the question as she sees fit.

**MRS CARNELL:** Mr Berry is the Opposition's health spokesman. It is concerning to me that he does not actually know that there is a waiting list strategy, which was released by this Government a number of months ago. I am more than happy to provide a copy of the waiting list strategy to Mr Berry.

The approach that we have taken is to put at least an extra \$2m into this budget for a waiting list strategy, specifically for the increase in patients that we have seen in this last little while. That approach is unlike Mr Berry's. Mr Berry managed to blow out four health budgets; but at the same time he blew out the waiting lists and cut beds. Wow! What a wonderful exercise - budgets blowing out, waiting lists blowing out, and no beds! If I were he, I would be extremely cautious about making any comment at all on waiting lists. The approach that we have taken is to address people who have been on the longer-term waiting lists - people who have been waiting for essential surgery for long periods of time. Do you want a run-down on the category approaches that exist in the ACT, or is that your supplementary question? Would it upset your supplementary question?

**Mr Berry:** No. I have already asked it. I am just trying to get an answer. It is like pulling teeth.

**MRS CARNELL:** The approach that we have taken is to target people on the longer-term waiting list - people who are waiting for such things as hip replacements and so on, and who have been waiting for long periods of time for surgery that is essential.

**MR BERRY:** Mr Speaker, I have a supplementary question. I wonder whether Mrs Carnell could advise us of how many of those were dogs, and how many dogs are left on the waiting list.

**MRS CARNELL:** To my knowledge, we actually do not have a dog waiting list.

**Mr Berry:** You are not sure, though?

**MRS CARNELL:** I am confident that we do not have a dog waiting list, and I am interested that those opposite think that this is funny. I do not. I think it is totally unacceptable behaviour. We have made it clear that the doctors involved are subject to a number of inquiries, including an independent inquiry by the fraud prevention unit. There is also action being undertaken by the Medical Board and by a peer group review board at Woden Valley Hospital itself. So we have in place a significant number of inquiries into this situation, which is simply unacceptable.

Mr Speaker, we have a situation where, for the first time since self-government, we have a real reduction in waiting lists, a reduction of some 358 since we took over government, unlike the situation under Mr Berry where waiting lists went from 1,700 to 4,500 at the same time as he cut beds, blew out budgets and in many circumstances did not even see any extra patients at all. How on earth he can make any comments whatsoever on waiting lists absolutely escapes me.

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

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### Secondary College Teachers

**MR STEFANIAK:** Mr Speaker, on 26 March Ms Follett asked me a question relating to courses in colleges. I took it on notice. I have subsequently provided her with an answer in writing, and I now seek to have that answer incorporated in *Hansard*.

*Answer incorporated at Appendix 1.*

### Leasehold Administration - Board of Inquiry Costs

**MRS CARNELL:** Mr Speaker, on 12 February 1996 I wrote to Mr Wood, providing him with further information relating to an answer concerning question on notice No. 97. The question sought information on the costs of the Stein inquiry. I now seek leave to have this further information incorporated in *Hansard*.

Leave granted.

*Document incorporated at Appendix 2.*

### Office Development - Turner

**MR HUMPHRIES:** Mr Speaker, in the previous sitting week, Mr Moore asked me a question concerning the capacity to hold up or reverse a decision to grant approval for a development on Northbourne Avenue, at Northbourne House. I indicated in my answer at that stage that I believed that the decision, if any, that was made in respect of that particular property was reversible, and I think I said "if it was the wrong decision". Mr Speaker, the approval for the application, in fact, was carried out pursuant to section 241 of the Land Act, and it would appear that the only power that I have under the Land Act to revoke an approval given by one of my delegates is under section 253; that is, if the application was fraudulent or contrary to heritage legislation.

Mr Speaker, it does not appear that either of those circumstances is there in this particular case. I want to indicate to the Assembly, therefore, that it is probably not possible to reverse the approval given in that respect. However, I can indicate to the Assembly that there is yet to be a design and siting application made in respect of that particular block, which involves the assessment of matters such as amenity, building design, traffic and parking - and that, of course, is yet to be approved. I have indicated to the department - to the Planning Authority - that I would wish to take a personal interest in this matter rather than have it dealt with purely by way of my delegate's operation.

I have also undertaken to Mr Moore that the comments and concerns raised by the Turner Residents Association, to the extent that it is appropriate, will be picked up in that process. I am very happy indeed to meet with the Turner residents to consider whether there are any concerns that they have which may be properly taken into account during the design and siting application process.



## **STUDY TRIP**

### **Paper**

**MR SPEAKER:** For the information of members, I present a report of a study trip to Tasmania undertaken by Mr Moore, MLA, from 1 March to 21 March 1996.

## **SUBORDINATE LEGISLATION**

### **Papers**

**MR HUMPHRIES** (Attorney-General): Mr Speaker, pursuant to section 6 of the Subordinate Laws Act 1989, I present subordinate legislation in accordance with the schedule of gazettal notices for approvals, a determination, an exemption, management standards and a regulation.

*The schedule read as follows:*

Building Act - Exemption - ACT Magistrates Court - No. 26 of 1996 (S58, dated 29 March 1996).

Children's Services Act - Children's Services Regulations (Amendment) - No. 2 of 1996 (S46, dated 22 March 1996).

Heritage Objects Act - Instruments of Approval - Heritage Objects Register -

No. 27 of 1996 (Merry-go-round and organ and Ethos) (S61, dated 10 April 1996).

No. 28 of 1996 (Bamberg Theodolite, 1949 AEC Regal Mark III Omnibus and Armorial Bearings of the City of Canberra) (S61, dated 10 April 1996).

Public Sector Management Act - Management Standards -

No. 6 of 1996 (S55, dated 28 March 1996).

No. 8 of 1996 (S64, dated 11 April 1996).

Remuneration Tribunal Act - Determination of fees and allowances for Tribunal Members - No. 25 of 1996 (S57, dated 29 March 1996).

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**PUBLIC SERVICE CUTS**  
**Discussion of Matter of Public Importance**

**MR SPEAKER:** I have received a letter from Mr Whitecross proposing that a matter of public importance be submitted to the Assembly for discussion, namely:

The economic crisis facing Canberra as a result of the Howard and Carnell Governments' cuts to the Public Service.

**MR WHITECROSS** (Leader of the Opposition) (3.45): Mr Speaker, the ACT does indeed face a very serious economic crisis as a result of the Howard and Carnell governments' cuts to the public sector. The seriousness of this economic crisis is made even greater by the manifest incompetence, unpreparedness and indifference portrayed by the Chief Minister in her answers to questions in question time. We have a situation where the new Howard Liberal Government is proposing quite significant cuts. The Liberal Government has made a number of statements in relation to its intentions to cut the Public Service. They have not been specific about which of those intentions will be realised, but what we do know is that they will be significant. We have numbers starting at 2,500 - the number Mr Howard was willing to put on those cuts before the election. We have 6,000 cuts, which is more like the number, based on their own efficiency dividends. We have 20,000 - - -

**Mrs Carnell:** From the CPSU.

**MR WHITECROSS:** No, not from the CPSU, Mrs Carnell; from the Deputy Prime Minister: "If this means 20,000 less public servants, so be it", or, to quote Mr De Domenico, "So what?". In more recent times we have heard the shock-horror Mother Hubbard story from the Howard Government, suggesting that perhaps 2,500 was not going to be enough and that we would have to ratchet it up a bit more; 13,000 has been suggested, with 7,000 for Canberra. Whichever of these numbers turns out to be the case, we have a very significant crisis facing the ACT.

**Mr Humphries:** On a point of order, Mr Speaker: I would ask Mr Whitecross to table the sources of the figures he has just referred to.

**MR WHITECROSS:** Mr Speaker, I have not quoted from any documents. I have referred to figures which are in the public domain. It is not a point of order, as far as I am concerned.

**MR SPEAKER:** I will make that decision.

**MR WHITECROSS:** I am expressing an opinion on it, Mr Speaker, and what I am saying is that I have not quoted from a document.

**MR SPEAKER:** You are not quoting from a document?

**MR WHITECROSS:** No. If Mr Humphries wants to read a few documents and some of the Liberal Party's own comments, he will find these numbers for himself.

**MR SPEAKER:** So you have no document to table; is that correct?

**MR WHITECROSS:** No, that is right.

**Mr Humphries:** Mr Speaker, I realise that, if there is a document that is on the table from which Mr Whitecross is speaking, I am entitled to ask or even move that it be tabled. I realise that he is not speaking from a document that is tabled. Nonetheless, I ask him, as a matter of courtesy, to produce the sources of the figures he is now producing in this debate. Presumably, he has obtained them from somewhere. We would like to know where they come from. We ask him, therefore, to table the sources of those figures.

**MR SPEAKER:** Can that be done, Mr Whitecross?

**MR WHITECROSS:** Mr Speaker, this is an extremely frivolous interjection. I have already indicated that I was not quoting from a document. If Mr Humphries does not like the fact that the Howard Government wants to sack public servants, I suggest that he take it up with Mr Howard rather than quibbling with me.

**MR SPEAKER:** No; Mr Humphries reasonably raised, as a point of order, that if you are quoting figures you must have had some source for them, and he wanted you to table details of that source. I do not think that is an unreasonable request.

**MR WHITECROSS:** Can I seek a clarification from you, Mr Speaker, as to the standing order under which he is seeking that I table these? As far as I am concerned, he is just wasting the time of the Assembly.

**MR SPEAKER:** I do not think it is an unreasonable request at all.

**Mr Berry:** Mr Speaker, on the point of order: I do not see that it is your role to decide what is a reasonable request and what is not reasonable. All you have to do is abide by the standing orders.

**MR SPEAKER:** Very well. I am being asked by Mr Humphries - - -

**Mr Berry:** Whether he asked you or not, Mr Speaker, you only have to abide by the standing orders. Under what standing order does he make the request?

**Mr Humphries:** Mr Speaker, there is no requirement for every point of order one raises to be based on a standing order. I was simply making a request. It is not a request that needs to be based on any standing order. I am sure that Mr Whitecross is basing his comments on accurate figures, on accurate sources, and would be very happy to table those sources in this place. He does not have to do it now. He can do it later, if he likes.

**MR SPEAKER:** I will consider the standing orders on this matter. Continue, Mr Whitecross.

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**MR WHITECROSS:** Mr Speaker, even Mr Humphries's own colleague, Mr Kaine, seems to think that 7,000 jobs are up for grabs in Canberra; so I think it is a bit lame for Mr Humphries to be now making a fuss about where these figures came from. His colleagues have produced these figures. His own Deputy Prime Minister has said that 20,000 fewer public servants would not be too many. Let us not have any messing around on the part of the Government here that there is going to be - - -

**Mr De Domenico:** We do not believe you, Andrew.

**MR WHITECROSS:** Mr De Domenico is the only person in the entire ACT who does not believe that the Howard Government is serious about reducing the size of the Public Service. What I am saying is that this will result in a serious economic problem for the ACT.

Mrs Carnell tries to say that it is not as bad as it seems. She says that 85 per cent of public servants are outside the ACT, so even though the Howard Government is going to sack all these people it probably will not affect Canberra. This shows Mrs Carnell's ignorance of how public sector job cuts work. The Federal Government's own rhetoric is attacking duplication. Mr Kennett in Victoria has a better understanding than Mrs Carnell of how this is going to work. They are going to attack areas of so-called duplication, such as health and education. Where do the people in the Department of Health and the Department of Education work? They work here in the ACT. They do not work in the States; they work here in the ACT. The reality is that at least half of these job cuts will be based in the ACT. That is the consistent experience of these sorts of things, and Mrs Carnell is only fooling herself if she thinks anything different.

On top of the announced job cuts, we have seen Mr Howard also undertake to reduce expenditure on information technology by \$1 billion - \$300m a year. That is going to be a significant cut to the operation of the public sector. That is a significant cut to business for Canberra firms in this Territory who service public sector departments. Mrs Carnell hides behind saying, "We do not know; let us wait and see. It will be all right in the long run. Who knows what is going to be the effect?". The Howard Government wants to cut \$1 billion from IT, they want to cut thousands and thousands of jobs, and Mrs Carnell's response is not that we have to have a plan but, "Who knows? Let us wait and see".

The problems created for the ACT economy by the Howard Government's attack on the public sector are compounded by Mrs Carnell's approach. Since Mrs Carnell came to government she has allocated \$12m for voluntary redundancies, which she is going ahead with at a time when the ACT economy is far from being in a great situation. She has put a job freeze on, which means no more recruitment, which means further job losses through natural attrition. We have a situation here where the Howard Liberal Government is attacking job prospects in the ACT in the public sector; we have the ACT Government reducing its commitment to providing employment in the ACT. At a time when the Canberra economy is a problem, this is the record of Liberal governments, this is the promise of Liberal governments for the future: Fewer and fewer jobs in the ACT.

The Liberal Government just says, "So what? Let us not worry too much about it. Hopefully, it will all turn out". But unemployment is not a joking matter; it is something that seriously affects people's lives. Public servants who lose their jobs and young people who cannot get jobs because of staff recruitment freezes like Mrs Carnell's suffer loss of self-esteem; they suffer hardship for their families; they suffer the social dislocation of having to abandon houses, to sell houses; they impose burdens on social security. It is a very serious problem for the people who are affected. It is not a joking matter, and there is no way out being offered by Mrs Carnell, who sits by and watches her Federal colleagues reducing the size of employment.

At the same time as this is going on, we have a situation where the private sector is already in a poor state. We have a situation, as I indicated earlier, where the retail sector is reporting increases in retail sales at half the national figure and less than the rate of inflation. The tourism industry is reporting a massive underperformance compared to the national average. Once again, the increase in business being taken by the tourism industry is less than the rate of inflation. At the same time, we have the housing industry in the doldrums. The housing industry, a major employer of people in the ACT, with significant multipliers for the general community, is going nowhere, and it is going nowhere because of the crisis of confidence in the business community, the crisis of confidence in the ACT community. The economy is in a desperate state and it is about to get worse, as Mr Kaine has rightly said.

People who lose their jobs face two choices: A life of unemployment in the ACT or packing up their bags, upping stumps, and moving to somewhere where the jobs are. Whichever option they take, the result will be the same: Less revenue for the ACT Government, less business for the private sector, and a disastrous situation for the Canberra community as a whole. Yet this Government and this Chief Minister are doing nothing about it. Mrs Carnell says, "It is all too hard to think about because we do not know which number to pick. We do not know how to do this, so we are just going to bury our heads in the sand. We are just going to hope that the private sector will pick it up". A more unrealistic, more naive approach than the approach being taken by the Chief Minister and the Deputy Chief Minister would be hard to imagine. They have a fatalistic belief that somehow or other you can contract the size of the public sector, you can contract the size of the ACT economy, and at the same time create more jobs in the private sector. It is just naive, stupid and absurd.

In Mrs Carnell's answers earlier today she made some false claims about the performance of the former Government. The reality is that, between March 1983 and March 1995, 15,600 extra people worked in the Commonwealth public sector. That is the record of the Federal Labor Government - an increase in employment over that period. They are ABS statistics.

**Mr De Domenico:** You cannot say that. That is bunkum. They are CFMEU statistics, I think.

**MR WHITECROSS:** The bunkum is the rubbish being talked by the Government. The record of the Labor Government was that more people worked there at the end of the Labor Government than worked there at the beginning. Those are ABS statistics.

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Let us not have any of this nonsense from the Government that somehow or other the former Government sacked lots of people. Employment went up under Labor. Mr Howard proposes to bring it down. Let us not be under any illusions.

The Chief Minister needs to do something about this. Her response to the threats by John Howard and the other Ministers was weak and insipid: "At least tell us how many you are going to sack". Mrs Carnell today says, "I asked for more money". Mrs Carnell asked for more money after I and Mr Kaine made the suggestion to her.

**Mrs Carnell:** No, it was not. It was last week.

**MR WHITECROSS:** Mrs Carnell's only response last week was, "Please tell us how many you are going to sack, so that we know how many you are going to sack".

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

**MR WHITECROSS:** I ask for an extension, in view of the time wasted by Mr Humphries.

**MR SPEAKER:** Not on an MPI.

**Mr Berry:** Yes, you can.

**Mrs Carnell:** You cannot have an extension on an MPI.

**Mr Berry:** I am telling you that it depends what the Assembly says. You want to block us. You played games with the time earlier. Mr Speaker, I seek leave to move for an extension of time.

Leave not granted.

**MR SPEAKER:** I remind members that there is a fixed time for matters of public importance.

**MR BERRY (4.01):** Mr Speaker, I move:

That so much of the standing orders be suspended as would prevent the extension of the time allocated to the matter of public importance for the period of time normally granted to a member in extending their speaking time.

That is usually about seven minutes, on my understanding. Mr Moore wants to gag this. He was outside the chamber while all the funny business was going on.

Mr Speaker, this unusual motion arises because there was a quite deliberate attempt by members opposite to soak up the time of the member speaking on this MPI. Mr Humphries rose to his feet repeatedly to try to soak up the time this member would normally have. It is unusual to move such a motion. We sought leave for an extension

of time, and I think it is quite appropriate that we therefore move to extend the time for the MPI to take account of any extra time the member uses. It is quite simple. Mr Whitecross is not going to make a welter of this; I am sure of that. He is going to conclude his speech within what would be the normal time, merely to take account of those precious minutes that were soaked up by Mr Humphries playing games.

Question resolved in the negative.

**MRS CARNELL** (Chief Minister) (4.03): Mr Speaker, it is interesting to hear the Labor Party continually use the word "crisis". The real crisis they need to face is the crisis in their own ranks all around this country, in every State and Territory, but mostly here in the ACT. Quite honestly, after hearing - - -

**Mr Berry:** Mr Speaker, I take a point of order on relevance.

**MR SPEAKER:** There is no point of order. The Chief Minister has only just begun speaking.

**Mr Whitecross:** On a point of order, Mr Speaker: Mr Berry rose on a point of order in relation to something that is actually a standing order, namely, relevance, and was dismissed out of hand. Mr Humphries raised a point of order that related to no standing order at all, and you entertained him for four minutes.

**MR SPEAKER:** There is no point of order. Sit down, Mr Whitecross.

**MRS CARNELL:** I am fascinated, because the one sentence that I have so far managed to say was about the word "crisis", which is the third word in their MPI. It would seem to me extremely relevant, really. What we hear from those opposite is this carping and moaning about the supposed crisis, when you have to look at why there is a crisis, if there is one. The crisis we are talking about here is an \$8 billion Beazley black hole that was left by the previous Federal Labor Government. Why does the new Federal Government need to reduce expenditure? Because they ended up inheriting an \$8 billion black hole in the budget. That is what the problem is. That is the same problem that every Liberal or coalition government around this country has inherited. It is Labor mismanagement. There is a situation where governments, this one included, inherited budget shortfalls that no-one can live with. That means that it is important to pull back expenditure.

The Howard Government made it quite clear in the election campaign that they were looking to reduce the Australian Public Service by some 2,500 positions and voluntary redundancies. How does that compare with the recent history of the Australian Public Service under the Federal Labor Government? Unlike those opposite, I would like to table the Australian Public Service Statistical Bulletin for 1994-95 - - -

**Mr De Domenico:** A special copy for Mr Wood. He kept calling for it before.

**MRS CARNELL:** Yes, a special copy - unlike those opposite, who quote figures without any knowledge whatsoever of where they come from. This document shows that in 1994-95 there were 5,600 retrenchments from the Australian Public Service.

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That is 5,600 retrenchments in just one year under the previous Labor Government, and that was far from one-off. The same publication shows that in 1993-94 there were 2,636 retrenchments; in 1992-93 the figure was 2,655 retrenchments. In fact, in the last seven years a total of 18,000 Commonwealth public servants have been retrenched by the Hawke and Keating governments. The figures tabled show that 18,000 Commonwealth public servants have been retrenched under Federal Labor governments over the last seven years.

Where were Mr Berry, Mr Whitecross and Ms Follett when these massive redundancy programs were under way? They did not make a comment. There was no crisis then, no view that this was an economic crisis, doom and gloom, and we were all doomed. They were absolutely silent. There were no protests. In fact, the then Chief Minister, Rosemary Follett, said - and again I think I can table it, because we do not quote things we cannot source:

... the Commonwealth will undertake the same sort of process of efficiency that we have undertaken in the Territory and that all other governments are also undertaking.

That is it. Mr Speaker, I think I might say that again:

... the Commonwealth -

that is the previous Federal Labor Government - - -

**Mr De Domenico:** Ms Follett is saying this?

**MRS CARNELL:** This is Ms Follett saying this:

... the Commonwealth will undertake the same sort of process of efficiency that we have undertaken in the Territory and that all other governments are also undertaking.

There is a fascinating change of heart today. As recently as last year, when the Federal budget was brought down, the then Public Service Minister, Gary Johns, indicated that another 4,000 jobs would have to go from the APS. Once again, where was the crisis? Where was the absolute shock, horror, doom and gloom from those opposite? There was absolutely nothing, Mr Speaker.

We heard from Mr Whitecross a whole heap of figures, speculation on the size of the Howard cuts. At the moment, it appears that the new Federal coalition Government is proposing to go beyond the cut of 2,500 jobs promised in the campaign - something that no person, at least on this side of the house, is happy about; something that we will not be quiet about, as those opposite were absolutely quiet when it was done by the previous Labor Government. One of the problems is that we do not know how big these cuts are going to be or, for that matter, where they could end up. Mr Whitecross indicated somehow that cuts to the Australian Public Service that are based upon duplication will inevitably be in the ACT. What about all the regional offices? That does not mean that I am happy about it; I am not. But we are not attempting to rewrite history.



The reality is that there is an \$8 billion hole in the Federal Government's budget, and what we have to do here in this Assembly is ensure that the ACT and Canberra are not targeted. That has to be our bottom line, and it was the point I made to the State Premiers on Friday in Adelaide. I have asked the State Premiers to stop needless speculation for purely political purposes in their States. Nobody at last Friday's leaders forum in Adelaide was left in any doubt as to what I thought about the succession of State Premiers coming to Canberra to urge ridiculous cutbacks to the Commonwealth Public Service. Many of them were saying that they should all be here in Canberra because they certainly did not want them in their own States. The basic reason for the approach they were taking was that they did not want any cuts whatsoever in their own States.

I can assure this Assembly that I have expressed exactly the same sentiment to the Prime Minister, who has told me categorically that there are no figures at this stage. They are currently working through the departments, working through the budget, to determine what it is that they will have to do to undo the damage done by the previous Labor Government. I have told the Prime Minister that we will be doing everything in our power to ensure that whatever cuts are brought down are fair and equitable and that Canberra is not targeted, unlike those opposite and the cuts that were made under the previous Government. I think it is worth keeping in mind that some 85 per cent of Commonwealth employees are located outside the ACT. It certainly seemed to me that many of the Premiers and others had forgotten that that was the case. I have also raised with the Prime Minister's office the need for adequate compensation for the ACT, by way of increased grant funding, should cuts of any considerable magnitude to the Public Service departments here in Canberra go ahead. We are the national capital and we do have the greatest concentration of Commonwealth public servants. Clearly, that makes the ACT a special case when it comes to consideration of these matters.

That brings me to the second part of this debate, the impact of my own Government's supposed cuts. Comments were made about this crisis, the massive cuts to Commonwealth funding and the massive cuts the ACT Government has put in place. Why has there been a need, not just for me but for Ms Follett as well, to go down the path of redundancies and cuts in the ACT Government Service? It is because of the massive cuts the previous Federal Labor Government had imposed upon the ACT since self-government. This is the key underlying reason for the ACT's tight budget situation. As Ms Follett will know, since 1989 general purpose funding to the ACT from the Commonwealth has been cut by 49 per cent. That means that it has been cut in half. Once again, whom was that inflicted by? The previous Labor Government, the Federal Labor Government. Where were those opposite? Were they standing up for the ACT? They were pretty silent, Mr Speaker. The previous Government had to reduce its own expenditure because of one simple fact: The Federal Labor Government cut ACT funding in half. That is what I see as the real hypocrisy in this MPI. The Follett Labor Government went down the path of offering a total of \$37.7m in redundancy payments; that is, over three years a total of 1,019 ACT public servants were retrenched through voluntary redundancies.

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Let us talk about what we have done, because we heard Mr Whitecross make some pretty unusual comments. In this year's budget, we set aside \$12m for voluntary redundancies. I am advised that less than \$2m has been spent from the redundancy pool, and that equates to fewer than 100 people. I certainly hope that some more ACT public servants choose to take voluntary redundancies, but at this stage \$2m has actually been spent from the redundancy pool in respect of 100 people. That sounds like a real crisis to me: 1,019 redundancies in the previous three years under Ms Follett, and at this stage of the financial year less than \$2m has been spent out of the redundancy pool. In other words, we are now being condemned, I suspect, for doing on a smaller scale the same things the accusers opposite, the Labor Party, did themselves; but, again, we are doing it on a much smaller scale. Rather than cutting government jobs for the sake of it, we are approaching change in a rational and structured way, asking the necessary and sometimes hard questions about the future and form of some government functions. The change agenda for this Government is aimed at strengthening the leadership and intellectual rigour of our service, introducing real customer understanding and commitment, and ensuring that community services are delivered in an affordable and effective way. We are at the leading edge of reform, with accrual budgeting, purchaser-provider divisions, contestability and so on.

The reality here is that those opposite are simply hypocrites. They are very happy to hop up in this place with figures that they cannot source, with quotes that they do not quite know who made - and what have they done about it? Where was the one comment in Mr Whitecross's statement that said what they would have done? We know what they would have done. They would have done what they did in the past, and that was offer redundancy payments to ACT Government public servants, but not necessarily address the cost problems we have in the ACT Government, and certainly not address the fundamental structural problems we have - all of those sorts of things. Did they address the issue of a government town with a single major employer, the APS, when 18,000 redundancies were offered over the previous seven years? No, they did not, Mr Speaker. I think that is really what it comes down to here.

As an Assembly, rather than standing here wasting taxpayers' money and time by supposedly throwing insults, we should be looking at ways to improve and increase private sector job opportunities in this city to ensure that there are futures for our children, to ensure that there are opportunities for Federal public servants who may accept redundancies. We also have to be out there fighting for Canberra, ensuring that the Federal Government, whether it be a Labor Party, Liberal Party or coalition government - whoever they are - realise that Canberra is the national capital, that Canberra does matter, and that any reductions in jobs need to be shared over the whole of this country. It is ridiculous for Mr Whitecross to suggest that somehow all we should do, whether it be federally or locally, is employ more people with money we simply do not have.

**MR BERRY (4.20):** Mr Speaker, that was a rather feeble attempt at a disarming speech. The facts of this matter are that in the ACT we have been faced with a mountain of rhetoric before both the ACT election and the Federal election. Who will forget Mrs Carnell's promise to cut \$30m out of the health budget? She is about \$44m out on that score. And where was it going to come from? It was going to come from jobs, of course. Mr Howard claimed that he would stick to 2,500 jobs by natural attrition.

That is no longer true, as Mr Kaine properly pointed out in his comments, which were reported in the *Canberra Times*. Mr Kaine said that any big loss of jobs would have a depressing impact on Canberra. So true! Mr Howard, of course, intends to do that. Mr Kaine said that it is going to be about 7,000.

**Mrs Carnell:** He did not say that. He said "if it was".

**MR BERRY:** I can see much tightening of the belt in the ACT if it is going to be about 7,000. It is fairly obvious that the Deputy Prime Minister intends that 20,000 across Australia would be acceptable. On calculations I have seen, that stands for about 7,000 in the ACT, in addition to those that Mrs Carnell had intended to cut.

The impact becomes pretty savage, because you then have to add to that the multiplier effect of what would occur in the private sector. If the unemployed in the public sector and in the private sector were to stay in town, you would get a situation where our unemployment rate would spiral massively higher. We know that those people would not stay in the ACT; they would leave town. What would that do for us? As they left town, it would lower our unemployment rate but it would leave empty houses, empty car parks, empty service stations, shopping centres with fewer people shopping in them, and trade generally in decline. There is a crisis in the offing here; there is no question about that.

Mrs Carnell made great play of the argument that the Keating and Hawke Labor governments had slashed many jobs from the public sector. In fact, the Bureau of Statistics points out that over the period between 1983 and 1994 there were 14,800 more jobs in the Commonwealth public sector, including in the ACT. Mrs Carnell ought to have a look at the figures. This is 14,000 more jobs in the ACT. So let us not have any of the big ones; let us stick to the facts.

**Mr De Domenico:** Table your source.

**MR BERRY:** The Bureau of Statistics. Go and ask them yourself.

**Mr De Domenico:** No, table it. We tabled ours. You table yours.

**MR BERRY:** Mr Speaker, I will supply you with a copy after the sitting.

**MR SPEAKER:** Thank you.

**MR BERRY:** Mrs Carnell tries to avoid the rhetoric, which has been going on for some time. She is back to her old tricks. Just think back a little way. Do you remember the attacks on the so-called clipboard nurses and the bureaucrats? "When are you going to get rid of the management people and the clipboard nurses?", she said. They are all still there; but Mrs Carnell, continuing with that old rhetoric, goes on with a populist attack on public servants. Just keep kicking the dog; that is Mrs Carnell's and John Howard's approach. It is an ideological position they cannot shake. They just cannot help themselves. Mrs Carnell, in particular, has given us 12 months of stagnation in the job sector here in the ACT. Have a look at the figures.

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**Mr De Domenico:** What figures?

**MR BERRY:** The ABS figures, the labour force figures. Get your own. The civil population has grown over the period from January 1995 from 229,000 to 231,000, and the unemployment rate has grown faster than the population.

**Mr De Domenico:** Give us the employment rate.

**MR BERRY:** It does not matter what figures you use. Unemployment is 13,200. The population has grown, but the percentage keeps growing. We now have 7.8 per cent of the population in the ACT unemployed because of Mrs Carnell's action. Mrs Carnell is chasing the national figure. She is trying to get us up there. She thinks it is great to be up there with the rest. Mr Speaker, I would rather be down at the bottom, thank you very much. That is where we were in the final period of the Follett Government, but Mrs Carnell is dragging us up to the top again. No matter how you describe it, the percentage rate is higher. Our youth unemployment rate is a disgrace; it has been climbing month after month. Mrs Carnell wrongly said in question time that it was 40 per cent for every month of the Follett Government. That was completely untrue. It is now 40.7 per cent. It has been over 40 per cent for the last five months - a national disgrace.

That is the crisis we have here in the ACT. We have a leader who has created a crisis of confidence in the business sector, and it has been mostly because of her attacks on the public sector. Every businessman out there knows that if you cut the public sector in the ACT, or threaten to cut the public sector in the ACT, people stop spending. Who are the first people who are hurt? Small business people, the people these Liberals opposite dare to claim they represent. They do not represent small business people. In fact, they are the enemies of small business people in the ACT. Their attacks on the public sector create this crisis of confidence because people just stop spending each time confidence falls. Plumbers are finding it harder to get work, electricians are finding it harder to get work, small shopkeepers are finding it harder to get people through their doors. People are not spending because they are concerned about what John Howard is going to do to their jobs, about the effect John Howard's attacks on the Public Service will have on the private sector, if they happen to be employed there. They are concerned about the future of their businesses. Let us not hear this claptrap from those opposite that they are the friends of small business. They are the enemies of small business. They have created the crisis, and small business people out there know it. I have had them talking to me about the problems you are creating and the lack of confidence that has occurred because of your steerage of the ACT economy.

Let us look at the ACT economy for a moment. Later on this afternoon we will be looking at a new Bill begging for more money from the Assembly, begging for permission to shift money around in the budget. This is the same Mrs Carnell who made so many promises before the last election. Small business now knows that somehow they are going to have to pay the extra \$14m for health, and they know that it is going to cost jobs. It is going to come out of another area of expenditure, probably capital works, so the crisis - - -

**MR SPEAKER:** Do not pre-empt debate, Mr Berry.

**MR BERRY:** Mr Speaker, this is about the effects on the public sector in the ACT, and Mrs Carnell has been an anchor on development in this place ever since she came here. Have a look at the job figures. That is all you have to look at. Look at the population growth, look at the employment growth, and look at the job figures. You look at the unemployment figure - 7.8 per cent. You cannot avoid it. In the period that you people have been in office it has climbed to a massive 7.8 per cent, and you sit there entirely blush-free. How can you do that? It is an absolute disgrace.

This crisis of confidence out in the business community, in particular, has been caused by the mismanagement of the ACT economy. Trevor Kaine recognises it: "Exodus to follow public sector cuts".

**Mr De Domenico:** He did not say that. That was Clack, I think.

**MR BERRY:** Indeed, Mr Kaine's comments underpin the headline. There is no question about that. It makes it very clear that Mr Kaine, the former Treasurer of the ACT, understands it better than Mrs Carnell. Though burdened by that old rhetoric, Mr Kaine still has an understanding of the issues. Mrs Carnell does not. That is the difference.

People out there in the ACT are wondering where we are headed. Unless Mrs Carnell can do better than she did at the last Premiers Conference, we are headed down the tube. What a weak effort was put on by Mrs Carnell. What confidence would the business sector get from Mrs Carnell's effort? It was only after she was goaded into action that she dared even to complain about what Mr Howard intends for the ACT. The best she could do was say, "Please tell us when it is going to happen, so that we can ready ourselves for the pain". What a disgraceful effort from the leader of a government, and from people who ought to be concerned about the future of the ACT! Mrs Carnell has demonstrated clearly that she does not care, and I do not expect that there will be much change.

**MR DE DOMENICO** (Minister for Urban Services) (4.31): Mr Speaker, as the Chief Minister has already indicated, the Government is very concerned about recent speculation surrounding public sector job numbers in the Territory. In this context, we have asked the Prime Minister to give some indications of the possible magnitude of the proposed cuts. It is very interesting that we should do that, because on 12 May 1994 - and I will quote from the *Hansard* of that date - I asked this question of the former Chief Minister and former Leader of the Opposition, Ms Follett:

Today the Federal Minister for Industry, Science and Technology, Senator Cook, described the reduction by 352 in the staff of the CSIRO, which was announced in Tuesday's budget, as a "shifting of scientific priorities" ...

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In other words, Senator Cook sacked 352 people and called that a shifting of priorities. I asked Ms Follett:

Chief Minister, given that a large number of these jobs will be eliminated in Canberra, do you concur with Senator Cook that 352 people losing their jobs from the CSIRO is a simple "shifting of scientific priorities", or do you concede that it is a shifting of employment priorities?

Interestingly, Ms Follett, in part of her answer, said:

... I consider that it is perfectly legitimate for the Commonwealth and for any other government, including my own, to seek to operate as efficiently as it is humanly possible to do. We must ensure that the community gets value for its money.

I will table that too, Mr Speaker. That was Rosemary Follett. It is disappointing, although hardly surprising, that those opposite would jump on the speculation for their own grubby political purposes, with little regard for the damage this beat-up might do to the economy. There is no disputing the dampening effect that any election has on an economy, and the ACT is no different. Whilst the Carnell Government has created 2,300 new jobs in its first year of government - I repeat, 2,300 new jobs in its first year of government - there has been a levelling out in the economic indicators more recently. There is no denying that. Rather than sitting back and accepting the impact of the recent Federal election, this Government will work towards creating a viable and emerging economy.

Mr Whitecross has recently called for my resignation, amongst others, over what he said was my lack of consideration for public sector job cuts. I was misquoted - never let the facts get in the way of a good story; is that not right, Mr Whitecross? What I did say was that this Government recognises that the public sector in this town has been shrinking for some time, under both a Federal Labor government and an ACT Labor government. It is time we recognised the importance of the private sector in the ACT's future. This Government has already done much to ensure that Canberra is well positioned for growth in the private sector. The initiatives funded through the budget, announced in September 1995, are part of a comprehensive and coherent program squarely aimed at actively fostering a strong and vibrant private sector in the Canberra region. It will generate employment, investment and income through developing and marketing our industry potential. Two central elements underline the Government's strategy. The first is our determination to develop a strong partnership between the public sector, business and the community, which is fundamental to sustained economic development. The second is our role in setting the broad economic direction and providing a competitive environment by aiding rather than hindering business growth.

We have \$1m to undertake more aggressive marketing of the Canberra region. It will be used to bid for major events which have significant business, cultural, sporting and tourism benefits. We have also established CanTrade as a major advisory body to the ACT Government, providing expertise and advice from senior levels of the business sector. A significant investment will also be made in developing Canberra's

tourism infrastructure, to capitalise on the outstanding potential for economic growth that this sector offers: \$737,000 to initiate the redevelopment of the Kingston foreshore, and we are looking forward to the committee deliberating on that issue so that we can go ahead and do it; \$1.85m to upgrade the Visitor Information and Interpretive Centre on Northbourne Avenue; \$250,000 for further investigations of transport infrastructure options on the Sydney-Canberra corridor, including high-speed rail.

We have also provided targeted assistance to those industries that have great potential in terms of expanding our export base by expanding the industry assistance package by \$850,000, aimed at assisting business to expand or locate in the ACT. In February, I announced the establishment of the ACT business incentive scheme, ACTBIS. ACTBIS brings together two existing assistance measures, financial grants and direct land grants, along with two new measures, tax concessions and work force development assistance, to provide a comprehensive scheme. Along with the financial grants, expanded in the 1995-96 budget, ACTBIS provides a mechanism not only to help local firms expand and create jobs but also to attract national and international investment. We have provided an additional \$125,000 for continuing improvements in advisory and planning services for business, particularly small business - the very people we represent and will continue to represent strongly. We also provided support to the CeBIT 96 information technology and telecommunications trade exhibition, which was held in Hanover, Germany, from 14 to 20 March this year. The ACT was represented by a group of nine local companies and organisations. Results achieved by ACT companies have been estimated by the companies at \$6.2m in immediate and potential sales over the coming 12 months.

Mr Speaker, significant priority has also been given to developing a conducive business environment. We have already begun implementing the recommendations of the Red Tape Task Force - another election commitment delivered - to reduce areas that appear to impose significant or unnecessary burdens, cost or disadvantage on business. We are currently developing a systematic review of all legislation and regulations over the next two years, again aimed at ensuring that no unnecessary burdens are placed on business. Similarly, we are well advanced in re-engineering the processes in the planning and land development area towards a more seamless approach to client requirements as a response to the Stein inquiry, the Mant/Collins review and the Red Tape Task Force. These initiatives represent a commitment of over \$5m new funding to encourage and develop Canberra's private sector. We have also maintained a commitment to labour market programs of \$1.56m, which is broadly in line with the forward estimates. The Government has also sought to decrease the financial burden on the small business sector by increasing the payroll tax threshold to \$600,000, and there will be more initiatives along these lines in years to come.

The Commonwealth Government's announcement of the establishment of an Office of Small Business within the Department of Industry, Science and Tourism will complement the initiatives this Government has taken to help business to get on and do business. Two major initiatives of the coalition Government, for example, in this area are the convening of a small business summit in June and the creation of a small business deregulation task force to look at Federal imposts on business. Can I say also that, in discussions with the Minister for Small Business, Geoff Prosser, he has been very encouraged by the Red Tape Task Force report and may take on board some of those

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recommendations in order to avoid duplication. Once again, this ACT Carnell Liberal Government is taking the lead and others are following. We are positioning ourselves to realise the opportunities that a higher level of contracting out by the Federal Government could bring and probably will bring to the ACT private sector economy. Rather than wringing our hands and talking down the Canberra economy, which is the hallmark of the Opposition - talking down, wringing their hands, opposing for the sake of opposing - we are getting on with making the ACT a place where people will want to do business.

I noted that much was said about information technology. The majority of savings on information technology will come from reducing duplication and increasing outsourcing. If the full story had been told to the Assembly, Ms Follett and Mr Whitecross would have said that. In other words, we are reducing duplication and increasing outsourcing. We are ready to analyse the results when the facts are known. In this environment, the local industry could well benefit from the changed approach of the Federal coalition Government. Let us get the whole truth out there. Any outsourcing in the IT industry will benefit local industry, and that is where most of the savings are going to happen.

The initiatives of this Government and of the Federal coalition Government will, in the longer term, result in the ACT having a broader-based and more stable economy. I recommend to those opposite that, instead of whingeing and moaning and criticising for the sake of criticising, they should, No. 1, get their facts straight; No. 2, learn their politics properly; but No. 3, and more importantly, not use this Assembly or the tabloid newspapers to whinge and moan for their own political survival.

Let us not talk down the Canberra economy. Let us get on the front foot and be positive. Let us realise that there are going to be some cuts in the Federal Public Service. There have been cuts in the Federal Public Service since 1983. There will probably be cuts in the Federal Public Service in the future, notwithstanding what government is in power federally. We can sit here and moan, groan and whinge, and talk about crises that never occur; or we can get onto the front foot, we can get positive, we can have a real look at what is out there in the community and say, "Research and development, technology, education and tourism are the things we do better than any other city in this country". Let us be positive. Let us try to enhance what we can do. Let us get on the front foot. Let us not talk down the economy. Let us, for once in our lives, get together and be positive for the sake of the future of the ACT. If we are going to create jobs, and we will, we must realise that those jobs are going to be in the private sector. Let us enhance their position to be able to create new jobs in the future.

**MR WOOD (4.41):** Mr De Domenico talking about getting together and being positive and talking up things does not sound like the same person I heard on this side of the house over some three years when he was in opposition. In question time earlier in the afternoon, the Chief Minister accused some people of misusing statistics. She then went on, during question time and again in this debate, grossly to misuse statistics herself. That is not an infrequent habit of the Chief Minister.



The claim was made, or appeared to be made, that some 18,000 Commonwealth public servants had been lost from the ACT. A document was tabled, and I guess the figures add up to 18,000 people moving out of the Public Service. But the heading on this document that was tabled says, "Separations of Permanent Staff, Retrenchments". There is no indication that it is the ACT. We have only a brief page here - I do not have the whole document - but it is pretty clearly retrenchments from the Commonwealth Public Service Australia-wide.

**Mr Hird:** So, you agree that 18,000 went Australia-wide?

**MR WOOD:** No question. The whole inference, however, was that there were 18,000 fewer public servants in Canberra as a result of the Federal Government. That was the complete inference, and was deliberately designed to mislead this Assembly. Nor did she indicate the contra part of this - the number of people who had been employed in the Commonwealth Public Service in that time. The heading here is clearly "Retrenchments". What about new employment, the people who come into the Commonwealth Public Service? My colleagues have gone back to 1983, the era of the Hawke and Keating governments, and quoted a substantial increase in the number of bureaucrats.

Let me quote the Australian Bureau of Statistics figures for just the last three years for Canberra: From early 1992 to early 1993, there were 2,500 more Commonwealth public servants employed in Canberra. The Chief Minister has been deliberately misleading this Assembly. There are more Commonwealth public servants in Canberra now, on my ABS figures, than there were three years ago. So her figures and the whole import of what has been given from that side of the house are wrong.

**Mrs Carnell:** On a point of order, Mr Speaker: It seems that Mr Wood is suggesting that I in some way misled the Assembly. I would like him to withdraw that.

**MR WOOD:** I will withdraw it, and I will leave the speaking to the documents. They are unmistakable.

**Mrs Carnell:** That is right. There were 18,000 redundancies.

**MR WOOD:** Say that again.

**Mrs Carnell:** There were 18,000 redundancies.

**MR WOOD:** In Canberra?

**Mrs Carnell:** No; I never said "in Canberra".

**MR WOOD:** But you inferred that. You did not say "across Australia". The Chief Minister at no time said "across Australia", and she did not indicate that it could be offset by new positions, new employment, in the ACT or the Commonwealth generally. The documents are there and they speak for themselves.

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Both sides of this house acknowledge that the numbers of positions in the Public Service, ACT and Commonwealth, are reducing; but the clear trouble we have at this moment is a likely unprecedented attack by the new Federal Government. Contrary to the statement under the signature of John Howard that there would be only 2,500 over three years and that they would be by natural attrition, contrary to that misleading statement - would that describe this advertisement in the *Canberra Times*, Chief Minister? - there is now a clear indication by John Howard and his colleagues that Public Service cuts will be most significant. It is about time the Chief Minister showed some concern about that.

**MR SPEAKER:** The time for the discussion has now expired.

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

**MS FOLLETT:** Mr Speaker, I present Report No. 3 of 1996 of the Standing Committee on Scrutiny of Bills and Subordinate Legislation. I seek leave to make a brief statement.

Leave granted.

**MS FOLLETT:** Mr Speaker, Report No. 3 of 1996, which I have just presented, was circulated when the Assembly was not sitting, on 4 April 1996, pursuant to the resolution of appointment of 9 March 1995. I commend the report to the Assembly, but I would like to make a couple of very quick points in relation to it.

In relation to the subordinate legislation that the committee has looked at there is a comment on Instrument No. 16 of 1996, made under section 19 of the Credit Act 1995. The committee has pointed out that there appears to be an omission in relation to facsimile transmission. Section 122 of the Act does not have effect in relation to communications by post, telephone or telex. The committee asks whether it should also mention facsimile transmission.

There is another point that I would like to mention, Mr Speaker, because it has been a recurring irritant to the committee, I believe, and that relates to an inaccuracy in the *Gazette* that has been repeated on several occasions. It relates to the determination of fees and charges made under the Health Act and the revocation of previous determinations of fees and charges. Mr Speaker, the determination states that the previous determination "was published in Australian Capital Territory *Gazette* No. S241 on 21 September 1995". In fact, the determination was not published at all. There was merely a reference to the determination having been made. I think we need to try to be a little bit more accurate in what is made public by way of the *Gazette*.

In relation to that point again, the committee has pointed out that the *Gazette* also contains descriptions of regulations under the Children's Services Act 1986. The description of the instrument in the *Gazette*, as the committee has said, is extremely brief and totally uninformative. The committee believes that the regulations are very important. As the explanatory memorandum for that legislation indicated,

they are the forerunner to some quite significant events in this area, proposed amendments to the Children's Services Act. The committee has pointed out that it might well be appropriate for the Minister to take steps to ensure that there are more informative descriptions included in the *Gazette* in the future. The committee has, in fact, taken up that matter with the Minister previously and believes that it might be helpful if similar procedures - that is, a more fulsome explanation - are also applied to regulations so that members of the Assembly who are interested in them can get some information on what has been proposed.

Mr Speaker, I commend the report to the Assembly. I thank my fellow committee members for having elected me as the chair of the committee. I will certainly endeavour to do justice to that position; but I can warn the Assembly that, should Professor Whalan ever decide to retire, that committee will be in grave difficulty, no matter who is in the chair.

**MR SPEAKER:** Thank you, Ms Follett. I can only agree with you.

### **ECONOMIC DEVELOPMENT AND TOURISM - STANDING COMMITTEE** **Inquiries into Education and Training for Overseas Students and Sport**

**MR KAINE:** Mr Speaker, I wish to inform the Assembly, pursuant to standing order 246A, that on 5 March 1996 the Standing Committee on Economic Development and Tourism resolved to inquire into and report on two matters. The first of those is: The marketing and provision of ACT government and non-government education and training services to overseas students, with particular reference to: (a) the aims of providing ACT education resources for overseas students; (b) the cost of marketing; (c) the cost of providing those resources; (d) the financial and other benefits to the ACT of present policies; (e) proposed future developments; (f) the coordination of activities between agencies; and (g) any related matter.

The second is: The opportunities for fostering new and existing representative, commercial and other sports in the ACT, with particular reference to: (a) their potential contribution to the ACT economy; (b) the cost of fostering such sports; (c) the extent and nature of and benefits from government assistance; and (d) any related matter.

### **APPROPRIATION BILL (NO. 2) 1995-96**

**MRS CARNELL** (Chief Minister and Treasurer) (4.52): I ask for leave to present the Appropriation Bill (No. 2) 1995-96.

Leave granted.

**MRS CARNELL:** I present the Appropriation Bill (No. 2) 1995-96 and its explanatory memorandum, together with an information document entitled "Appropriation Bill (No. 2) 1995-96 - Department of Health and Community Care".

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Title read by Clerk.

**MRS CARNELL:** This Bill provides an appropriation of \$14.2m to the Department of Health and Community Care for this financial year. It varies the original appropriation for Health and Community Care by 4.8 per cent, from \$297.1m to \$311.3m. Significantly, this additional appropriation is funded from within the total original budget limits set by the Government for this financial year. Mr Speaker, this appropriation will not require the Government to undertake additional borrowings to cover the expenditure of \$14.2m. The need for any further borrowings this year will ultimately depend upon any further reductions in revenue associated with the economic performance of the Territory. Put simply, we are not prepared to adopt the practice that has been used in previous years of making artificial cash management arrangements to conceal what is a significant overrun in the health and community care budget. This Government believes that a second appropriation by the Assembly is a more open and transparent mechanism for budget adjustment.

Mr Speaker, today I will outline why this overrun has occurred and what steps the Department of Health and Community Care is taking to address what is a clearly unacceptable budget performance. The community should demand nothing less. Mr Speaker, in our budget last year this Government outlined a significant reform program for the Department of Health and Community Care. Of fundamental importance was the goal of enhancing the health of the people of the Canberra region by improving health, improving client service and quality of life outcomes, valuing and improving staff effectiveness, and improving resource management.

The budget reflected a three-year strategy for increased efficiency to allow the Government to achieve service improvements without significant additional outlays, with the overall aim of bringing our health costs into line with appropriate national benchmarks over that period. This strategy included the restructure of the department along purchaser-provider lines; improving operational efficiency, particularly in the hospital and corporate areas; and the transfer of some services, including Upper Jindalee Nursing Home and general medical practice, to the private sector. We also outlined a number of new initiatives, such as a waiting list reduction incentive program, the provision of individual support packages for people with disabilities, and matching of Commonwealth growth funds for the home and community care program.

Mr Speaker, since that time important progress has been made on improvements in health and community care services. However, I am sure that you all share my concern about the need for a much improved performance in the area of financial management. Before I outline the Government's strategy to rein in health costs and improve financial management in Health and Community Care, it is important to detail the key factors behind this second appropriation. Three key cost areas have been identified. These are cost increases relating to additional services and throughput totalling \$4.2m; delays in the implementation of the operational efficiency agenda, at a cost to budget of \$8.7m; and \$1.3m in costs associated with delays in the sale of Upper Jindalee Nursing Home. This makes a total of \$14.2m.

I will turn first to cost increases. By the end of this financial year Woden Valley Hospital will have handled an increase of 7 per cent in hospital admissions. This has resulted in significant additional costs in areas such as sessional payments, pharmaceuticals and medical supplies. The impact of this increase in throughput is estimated at \$3.2m. Mr Speaker, while the Government is disappointed at this budget outcome, on this point at least I am proud to note that a significant component of the cost overrun is actually being used to treat more patients. In previous years we actually saw budget blow-outs even though fewer patients were treated. Another cost increase that was not anticipated is the superannuation guarantee payments for visiting medical officers, which were subject to a ruling by the Commonwealth Government. These have had to be paid back, at an additional cost of \$0.6m. The appropriation also includes an additional \$0.4m for Calvary Hospital due to increased medical costs relating to the previous year.

The second factor concerns delays in the achievement of reforms in management and service delivery areas. In the original budget allocation the Government sought to achieve major changes to virtually every line area of the department, including significant reductions in the cost of administration. Many efficiencies have been achieved on target; but, regrettably, savings have been delayed in four main areas - the operational efficiency review at Calvary and Woden Valley public hospitals, contract arrangements for visiting medical officers, the disability services program, and failure to achieve the full productivity component required to fund the previous enterprise bargaining agreement.

Mr Speaker, the operational efficiency review carried out by Booz Allen and Hamilton still has the potential to achieve significant savings in a full year. However, delays caused by industrial opposition to these changes have reduced the savings that were projected for this year from \$5.5m to \$1.4m. The Assembly has already debated the issue of changes in the contracts for visiting medical officers. As the Government has already noted, these new contracts are projected to save \$200,000 in 1995-96. This still represents a shortfall of \$2.8m.

Despite additional funding for people with disabilities, a shortfall of \$600,000 is also projected to occur in the residential services program. Again, industrial opposition to changes in work practices and models of care has resulted in delays in achieving the reforms identified by the Dell report.

Debate interrupted.

## ADJOURNMENT

**MR SPEAKER:** Order! It being 5.00 pm, I propose the question:

That the Assembly do now adjourn.

**Mr De Domenico:** I require the question to be put forthwith without debate.

Question resolved in the negative.

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## APPROPRIATION BILL (NO. 2) 1995-96

Debate resumed.

**MRS CARNELL:** The enterprise bargaining agreement signed by the former Follett Government prior to the 1995 election was based on the achievement of significant productivities to fund pay increases. Unfortunately, about \$1.2m of these efficiencies still has not been achieved, and there is no agreement in place to allow these efficiencies to be realised.

The final factor in the cost overrun relates to the delay in the implementation of the budget decision to sell Upper Jindalee Nursing Home. The original budget appropriation allowed for its sale in December 1995. From that date, no Government expenditure was allocated. Due to the sale being delayed until March 1996, the department has been required to fund an additional three months of operation, at a cost of about \$1m. These additional costs are largely met by the Commonwealth, which funds nursing home care, and by resident contributions; so this represents more of a technical adjustment. However, in order to pass this revenue on, the second appropriation provides for the additional expenses.

In addition, following sale of the home, there are 22 former staff members who have still not been permanently placed and who are undergoing retraining within Woden Valley Hospital. As a result, some \$300,000 will be required this year to continue to pay these staff as well as to meet excessive casual staff costs which were incurred when a massive amount of sick leave was taken by some personnel at Jindalee prior to the sale.

Mr Speaker, the issues I have outlined above have combined to put the budget for the Department of Health and Community Care under enormous pressure. I want to make it clear, however, that while we are seeking a second appropriation today we are determined to put in place changes to tackle such budgetary problems in the future. So, in tabling this second Appropriation Bill, I believe it important to outline what strategies this Government is putting in place to rein in our unacceptably high health costs without compromising our high standards of care and quality. Again, the community, and this house, should expect nothing less.

This Government has embarked upon a total restructure of management in Health and Community Care the like of which has never been seen in the Territory before. Already, a new chief executive of the department has been appointed, as well as an experienced hospital manager at Woden. Already, under the guidance of David Butt and Allan Hughes, the department is under no misapprehension that it has to lift its game. In coming weeks, Mr Speaker, the majority of senior managerial positions across the organisation will be spilled and advertised. As with other portfolios, senior managers will be employed on performance-based contracts which will clearly spell out their accountabilities for budget management, quality and outcomes. This move to performance agreements is fundamental not only to Health and Community Care but to public sector management in the ACT overall.

Mr Speaker, I do not resile for one moment from the tenet of ministerial responsibility; but all too often I have heard excuses given for mistakes or budget problems which have occurred in the health portfolio, with senior staff saying that it is not their problem, or blaming someone else. As several members of this Assembly well know, that has been the case under previous governments as well. The fact is that budget management problems are everyone's problems because they reflect badly on the department and the people who work in it, and no doubt contribute to staff morale problems.

We have also experienced a virtually annual problem with many managers and clinical staff not taking the budget seriously, believing that on past experience they can simply overspend and they will be bailed out. Given the increasing pressures on funding to the ACT, including reductions in Commonwealth grants, that is simply not possible, and managers and clinicians are going to have to learn that the budget bottom line means just that. Under the performance agreement structure there will be very clear accountabilities, including budget management accountabilities, with both individual and mutually shared accountabilities for performance.

Today I can also foreshadow the introduction of legislation to create a single statutory authority that will incorporate the service provision areas of the department, separating them clearly from the policy, strategic advice and regulatory functions of the new central office. The creation of such a clear split between the purchasing and the providing of health and community care services will reduce duplication and overlap and ensure very transparent accountabilities throughout the organisation. Again, it will very clearly bring home the responsibilities for financial management within the organisation, with, for example, Woden Valley Hospital being responsible for management of its own budget.

**Ms McRae:** Why did you not keep Greg Fraser? He knew how to do it.

**MR SPEAKER:** Order! The Treasurer should be heard in silence.

**Ms McRae:** Like the Liberals always hear us in silence. Yes, Mr Speaker.

**MR SPEAKER:** Do not be cheeky.

**MRS CARNELL:** Purchasing contracts are being developed between the central office and the providers, based on cost, volume, quality, and access to services. Thus the department will not manage Woden Valley Hospital or community care. Under a statutory board, these services will be responsible themselves for achieving the outputs that are specified. This in turn will create incentives to deliver high-quality, accessible and efficient services in the most appropriate setting, focused on the needs of the individual, integrated services and continuity of care. The department will also press ahead with changes agreed under the operational efficiency review carried out last year. This will lead to more streamlined operations in ancillary and support services. Mr Speaker, to give just one example, I remain to be convinced that we can afford 56 tradespeople at Woden Valley Hospital alone. Due to changes in the Medicare agreement, new incentives also will be introduced from 1 July to improve the treatment of elective surgery patients according to their clinical need, in accordance with the Commonwealth's waiting times urgency categorisation system.

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I also have previously announced the introduction of casemix from 1 July, which once more will lead to management improvements. Casemix will be used as both a funding mechanism and a management mechanism, in that it will enable the health system to link financial information and patient activity information, and will assist managers in making decisions about costs and priorities. In the future there must be a far stronger link between budget and activity. The fact is that we do not have an open-ended budget, and decisions have to be made on priorities in health care.

The introduction of casemix, supported by improved reporting and monitoring through the use of better information, will assist managers and clinicians in making those decisions about funding priorities. This will assist with the objective of increasingly focusing on performance results - an obsession with outcomes, quality and customer service. No longer will it be good enough to do something simply because it has always been done, or to introduce new services simply because they represent the latest in whiz-bang technology.

**Ms Follett:** Like casemix.

**MRS CARNELL:** Casemix is actually required under the Medicare agreement, Mr Speaker, that was put in place by the previous Labor Government. Rather, there will be an increasing focus on providing the best practice, the most appropriate, most efficient and effective, and highest priority services. We are therefore looking at strengthening the links between clinical practice, teaching and research, to ensure that the people of the ACT have access to best practice in health and community care.

For example, the Department of Health and Community Care and the ACT Division of General Practice have lodged a joint submission to the Commonwealth to conduct a coordinated care trial that will aim to break down some of these barriers that exist between hospital and community care. The ACT Government also is acutely aware of the role of staff in ensuring access to high-quality services. We have recognised that the best way to improve productivity, efficiency and quality is in partnership with staff, and this has been the emphasis of our recent negotiations on enterprise bargaining with health industry unions. For example, in the often vexed area of nursing, the Government and the unions are negotiating for a joint commitment to a new style of cooperation to improve nursing services and to enhance service provision. I am confident that with good faith, cooperation and participation we can achieve substantial improvements over the life of the agreement. Enterprise bargaining is fundamental to improvements in health and community care, in that it clearly connects improvements in productivity and efficiency to enhanced incomes of staff.

These new agreements will represent important new milestones in achieving reforms to work practices and high cost structures, and go to the core of the problems that have beset the ACT health and community care sector. They include a commitment to tackle factors which contribute to our high Comcare costs, and to improve theatre utilisation, quality of care and bed management in accordance with our waiting list management strategy.



I will also mention the negotiations currently under way between the ACT and the New South Wales Government about cross-border payments for the treatment of patients. Probably no area highlights the cost problems we face better than this. As you are all aware, the ACT is a net provider of services to New South Wales, with some 25 per cent of our hospital activity attributable to New South Wales patients. Under the Medicare agreement, we are negotiating with New South Wales this year for an increased payment to the ACT in recognition of our above average costs for treating patients. It would hardly surprise you to learn that New South Wales is resisting such a push and is, in fact, suggesting ways that it can reduce the flow of New South Wales patients to our services to avoid our higher costs.

**Mr Whitecross:** They choose to pay the VMOs more and New South Wales should have to pay for it.

**MRS CARNELL:** This may be good for us in budget terms, but it is hardly likely to lead to the best clinical practice. Mr Speaker, obviously those opposite do not care about best clinical practice. Again it demonstrates the need to push on with the reform program we have identified for health and community care to make our own system competitive on a national basis and to bring our costs down to appropriate national benchmarks.

In conclusion, Mr Speaker, in introducing this second Appropriation Bill, the Government is making an open and accountable statement to the community about the costs of health care and the changes that are needed. Certainly, it can be argued that we were elected with a clear mandate to tackle waste and inefficiency, duplication and overstaffing within the health portfolio. To date, support from some other members of the Assembly to enable the Government to come to grips with many of these challenges has been less than forthcoming, Mr Speaker. Yet it is imperative that we reduce our costs by becoming more efficient, while always ensuring that our services strive for the highest possible standards. We have developed strategies that will deliver efficiencies, that will address the health goals and targets that we have identified, and that will improve the financial performance of the department.

This current projected overrun is unacceptable to you, to this Government and to the Canberra community; but, as I have clearly outlined, the health budget is under extreme and serious pressure. Given our unique size and location, we have the potential in the ACT to deliver a model of care which is envied by other States and Territories, that is a model of health and community services for the rest of Australia; but to do that we must ensure, first, competent financial management and, second, that we are cost competitive with the rest of the nation. I leave the Opposition and the members of the crossbenches with this thought. For the cost to the ACT of treating two patients in our public hospital system, on average three people are treated in other States and Territories in similar sized hospitals. This has to change.

Mr Speaker, as I said earlier, this appropriation will not require the Government to undertake additional borrowings to cover the expenditure of \$14.2m. However, I believe that the approach we have taken in seeking this second appropriation, and the strategies we are putting in place for the future, demonstrate the Government's openness and decisiveness in tackling this important subject. Mr Speaker, health budgets have overrun

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just about every single year since self-government and, in the past, all that has been done is that the figures have been juggled, behind closed doors usually. We will not take this approach. I look forward to the support of this Assembly, and I commend this Bill and this new approach to openness in financial management to the Assembly.

**MR SPEAKER:** You would like to move that the Bill be agreed to in principle, I presume, Chief Minister?

**MRS CARNELL:** I move:

That this Bill be agreed to in principle.

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

### **ADDITIONAL ESTIMATES 1995-96 - SELECT COMMITTEE Appointment**

**MR BERRY** (5.17): Mr Speaker, I seek leave to move a motion relating to the appointment of a Select Committee on Additional Estimates.

Leave granted.

**MR BERRY:** Mr Speaker, I move:

That:

- (1) a Select Committee on Additional Estimates 1995-96 be appointed to examine the expenditure proposals contained in the Appropriation Bill (No. 2) 1995-96 and any other related matters;
- (2) the Committee be composed of:
  - (a) two Members to be nominated by the Government;
  - (b) two Members to be nominated by the Opposition; and
  - (c) two Members to be nominated by either the Independent Members or the ACT Greens;to be notified in writing to the Speaker by 4 pm, Thursday, 18 April 1996;
- (3) four members of the Committee shall constitute a quorum of the Committee;

- (4) the Committee report by 6 May 1996;
- (5) if the Assembly is not sitting when the Committee has completed its inquiry, the Committee may send its report to the Speaker or, in the absence of the Speaker, to the Deputy Speaker, who is authorised to give directions for its printing and circulation;
- (6) the Committee is authorised to release copies of its report, prior to the Speaker or Deputy Speaker authorising its printing and circulation and pursuant to embargo conditions and to persons to be determined by the Committee;
- (7) the foregoing provisions of this resolution have effect notwithstanding anything contained in the standing orders.

Mr Speaker, what we have just heard seems to be a photocopy of the budget speech for health that we heard earlier on. It was not much different, except for the rebirth of the Board of Health and the attack on tradespeople at Woden Valley Hospital. It is all about blaming somebody else. Nothing has changed in relation to the matter. This is a new era for this Assembly. This is the first time a Minister has come back and admitted defeat in such a way. She has failed dismally on all scores. It is the first time the Assembly has seen a second Appropriation Bill. Because of the unprecedented situation, Assembly members will have to satisfy themselves that this is an appropriate move. Therefore, we need an additional estimates process.

A series of questions have to be answered. I think the first one that we need to look at is the issue of honesty, Mr Speaker. Mrs Carnell said in her speech:

Put simply, we are not prepared to adopt the practice that has been used in previous years of making artificial cash management arrangements to conceal what is a significant overrun in the health and community care budget.

Mr Speaker, I refer you to a statement of expenditure pursuant to subsection 47(2) of the Audit Act 1989, which is expenditure remaining as a final charge to the Treasurer's Advance, about the transfer of cash when budgets have overrun. It lists a whole range of administrative units and reasons why the money was moved around; and guess whom it was signed by? It added up to \$10m and it was signed by Mr Walker and Mrs Carnell. Mrs Carnell claims that that is a dishonest approach. That is not a dishonest approach. It is quite appropriate for these matters to be referred to the Assembly and they could be dealt with in the course of debate in the Assembly if that were the wish of the Assembly. There is nothing secret about it at all. There have been no secrets kept in the past when there have been overruns. It has been dealt with in an appropriate way. Do not try to re-chisel the tablets of stone. History is set in concrete. Just saying that it is different does not change it.

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The issue here is honesty. If the issue is honesty, tell the whole truth. That is what you are not doing. It was always dealt with honestly in this place before, because when money was transferred from one administrative unit to another the matter was brought back into this place in the same way as the document to which I referred does it, Mr Speaker. Mrs Carnell is trying to create some new impression of history. Nobody is fooled by that and she will be exposed by the Estimates Committee process which is proposed in this motion. Mr Speaker, that is the first issue of honesty that we have to deal with.

The second is the attempt by the Chief Minister to blame everybody else for the problem. If Mrs Carnell was a decent manager and was honest in the way she approached her work she would accept the responsibility for her failure and among these documents that have been circulated with the Bill we would find her resignation. This Chief Minister and Treasurer holds the record for the largest overrun ever. It is \$14m so far, Mr Speaker. She has the belt. She has the trophy on the mantelpiece, and she can keep it, Mr Speaker, because I do not think anybody will be trying to knock her off her perch on this one. This is an overrun of monstrous proportions when you bear in mind what was anticipated in the budget. Mrs Carnell was very keen to criticise other governments in relation to those matters that they could anticipate. She built all of those into her budget and still overran by \$14m. Of course, she blames everybody else. She says that it is not her fault. Mr Speaker, I think the Estimates Committee process will uncover those issues.

Mr Speaker, we have to go back to whether the budget was wrong in the first place. Did the Chief Minister and Treasurer set the wrong parameters? Something is wrong and we have to uncover the facts. This is a far cry, Mr Speaker, from the honeyed promises that we have had in the past. Where are the 50 beds amongst all of this? She could not afford to do it, apparently. Mr Speaker, the promise was a phoney and the budget was a phoney as well. Where will the money come from? Who suffers as a result? Will it mean that capital works projects do not go ahead? Will it mean, Mr Speaker, that there will be fewer jobs out there in the business sector, particularly the small business sector, because of Mrs Carnell's inability to manage the health budget?

This Minister has already been censured for her management of the health budget and she is back in here again begging for more money to cover up her own incompetence. What we have to determine is whether the right cuts are made in other areas. We have to uncover whether or not the health budget should have been addressed differently. For two years Mrs Carnell has been saying that she has the answers. I think this is an indictment. I think this clearly sends the message. I do not think she has the answers. She has a little bit further to go.

It looks to me as though Mrs Carnell does not even know the right questions to ask, and that, in a sense, makes this a sad day for the ACT. This is an admission that Mrs Carnell has failed as a Minister for Health. It will be pointed out that she has failed as a Treasurer in making this admission and bringing this document to the Assembly. That the Chief Minister has not attached her resignation to this Bill is a disgrace. Nobody before has tried this sort of a stunt. We are not being offered a solution.

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All we are being asked to do is to forgive her; to hand her the money and accept her reason that it is somebody else's fault. I am sure that the Estimates Committee process will look at the issues closely and uncover all the false statements that have been made in the past in relation to this. History is set in concrete. You cannot change it just by making a few glib comments.

Question resolved in the affirmative.

### **ADJOURNMENT**

Motion (by **Mr De Domenico**) agreed to:

That the Assembly do now adjourn.

**Assembly adjourned at 5.25 pm**