



**DEBATES**

OF THE

LEGISLATIVE ASSEMBLY

FOR THE

AUSTRALIAN CAPITAL TERRITORY

**HANSARD**

2 December 1997

**Tuesday, 2 December 1997**

Authority to broadcast proceedings .....	4231
Estimates 1997-98 - select committee.....	4231
Public Accounts - standing committee .....	4243
Scrutiny of Bills and Subordinate Legislation - standing committee.....	4254
Medical Practitioners (Amendment) Bill 1997 .....	4254
Suspension of standing orders .....	4254
Medical Practitioners (Amendment) Bill 1997 .....	4256
Health Professions Boards (Procedures) (Amendment) Bill (No. 2) 1997 .....	4257
Dental Technicians and Dental Prosthetists Registration (Amendment) Bill (No. 2) 1997.....	4257
Long Service Leave (Building and Construction Industry) (Amendment) Bill 1997 4258	
Questions without notice:	
Economy .....	4262
Economy .....	4264
ACTEW - special dividends.....	4267
Poker machines .....	4269
Economy .....	4271
Sportsgrounds .....	4273
Economy .....	4275
Ministerial support services.....	4276
Economy .....	4277
ACTION - gas-powered buses.....	4280
Economy .....	4281
National Capital Futures Conference (Ministerial statement).....	4283
Public Accounts - standing committee .....	4293
Leave of absence to member .....	4299
Financial management report.....	4300
Subordinate legislation and commencement provisions .....	4300
Remuneration Tribunal determinations .....	4302
Murrumbidgee River Corridor plan of management (Ministerial statement).....	4303
Aboriginal deaths in custody - implementation of recommendations of royal commission (Ministerial statement).....	4304
Public Accounts - standing committee .....	4317
Economic Development and Tourism - standing committee .....	4322
Planning and Environment - standing committee.....	4328
Planning and Environment - standing committee.....	4337
Planning and Environment - standing committee.....	4337
Planning and Environment - standing committee.....	4338
Papers.....	4339
Prisoners' Interstate Leave Bill 1997 .....	4339
Remand Centres (Amendment) Bill 1997.....	4342
Legal Aid (Amendment) Bill 1997.....	4343
Payroll Tax (Amendment) Bill 1997 .....	4346
Private members business - consideration .....	4347
Financial Management (Amendment) Bill (No. 2) 1997 .....	4348
Financial Management (Amendment) Bill 1997.....	4377
Adjournment: Bushfires.....	4397

**Tuesday, 2 December 1997**

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The Assembly met at 10.30 am.

*(Quorum formed)*

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

### **AUTHORITY TO BROADCAST PROCEEDINGS**

**MR SPEAKER:** I present, for the information of members and pursuant to subsection 8(4) of the Legislative Assembly (Broadcasting of Proceedings) Act 1997, an authorisation to broadcast given to a number of television and radio networks and to the Clerk of the Legislative Assembly for the Australian Capital Territory in relation to proceedings of the Assembly for this session for the production of a training video and proceedings of the Standing Committee on Planning and Environment relating to the committee's inquiry into the John Dedman Parkway on Friday, 21 November 1997.

### **ESTIMATES 1997-98 - SELECT COMMITTEE Report on Annual and Financial Reports for 1996-97**

**MS McRAE** (10.33): Pursuant to the order of the Assembly of 8 April 1997, as amended on 28 August and 6 November 1997, I present the report of the Select Committee on Estimates 1997-98, together with the minutes of proceedings, and I move:

That the report be noted.

The report, as we note early in the actual report, is more by way of observation and commentary than about real action. We are really at the end of the cycle now, and nothing really much depends on this report, as opposed to previous Estimates Committee reports, which the Government had to respond to before the budget went through. The exercise became more one of offering criticism, observation and helpful feedback that we hope will influence both the activities of the current Government and the activities of the next Government of the Australian Capital Territory.

The annual reports this year came after a prolonged period of establishing the accrual accounting process. I think they are only the second set of annual reports that we have seen since accrual accounts were introduced, and to a certain extent they still display some of the teething pains of moving to accrual accounting. Some of the changes are not yet complete; some adjustments still have to be made.

*2 December 1997*

A lot of our commentary focuses on the requirement of the Assembly to know, as opposed to the Government choosing how to give information. It is a crossing of cultures. Assembly members want to know things, want to see material in a particular way and want particular information. Annual reports should reflect accurately what has happened over a year, but I do not think they have yet fully adjusted to the impact of accrual accounting and the new reporting processes.

We believe most fervently that it is time for the Assembly to have a really good look at what the estimates process is for. Under accrual accounting, the level of financial information available is fundamentally different to that which was available in the First Assembly when the first Estimates Committee was put together. It is time to have a thorough look at what the estimates process is really for, how it can best help the Assembly processes and how we can achieve this.

We recommended earlier this year, and we have recommended again in this report, a review of the estimates process. This time we have recommended that the review be done by the Assembly's Administration and Procedure Committee, given that they have carriage of the management of our standing orders, they have carriage of the management of the Assembly and they have good representation across the entire Assembly. We have listed that as the third recommendation, but it is one of the most important recommendations. We need to take stock of what has happened over the last three Assemblies and have a really good look at what the estimates process is for.

We need to see how the presentation of accrual accounting has changed, how information needs to be presented and whether there are perhaps better ways. Many a different idea has been floated. Each parliament grapples with this issue. Each parliament around Australia has a different way of dealing with the issue, although every parliament more or less now has an estimates committee and a review process. We are in no way advocating the removal of the estimates process, but we are asking people to have a long and thorough look at how the Assembly and the people of Canberra could be better served in other ways.

I come to the substance of some of the things that really worried us. Again we found that the presentation of material was sloppy, it was badly coordinated, there was no cross-referencing, and no real thought was given to the readership of annual reports. The quality of presentation was very uneven, and during the hearings we commented on the reports that we found absolutely outstanding and those that we found almost useless. Given the information presented in some of the reports, we may as well not have bothered. The accounts were sufficient in themselves. The words offered very little. We commented on those on the way through. We have not done a ranked scale of best to worst, but it would not be difficult for the bureaucrats to work that out. I think that all should try to emulate the best practice and the very best of the annual reports that we saw. When we did get annual reports in detail, the committee had far less trouble in coming to grips with where the Government was going and, as a consequence, offered far less criticism, because nothing was hidden and information was not withheld.

What we found very unsatisfactory was that Territory-owned corporations are not required to report within the same timeframe as everybody else. That ended up holding up the estimates inquiry process. We have recommended that Territory-owned corporations fit within the same timeframe as all other departments and agencies. We are convinced that that is entirely practicable. We also believe that their annual reports should fulfil the same requirements as all other annual reports in terms of information on EEO, FOI requests and all the other management processes that have to be reported on.

We found, as we have long been saying, that borrowings are borrowings are borrowings, and no amount of rephrasing of that or putting it under any other accounting framework can hide the fact that the Government has borrowed. We have made that quite clear in this report, and I believe it is coming through much more clearly in other reports, as well as in the comments offered by the Auditor-General. We believe that it is very important for the people of Canberra to know that, no matter what scheme is used, the Territory has actually incurred liabilities in the form of borrowings. These must be known about and must be dealt with in an open and consistent manner.

We were very disappointed with the way departments reacted to questions on notice and requests for further information. Although there was a very high level of goodwill, the process for the management of answers to questions on notice was very slow. In some cases the answers were inadequate and members had to go back and ask for further detail. We must put the departments on notice that the Estimates Committee is one of the most important committees for the people of the ACT. The people of the ACT must know that when information is sought and when details are requested all members are treated with respect and that that information is provided. It is as important for the people of the ACT as it is for the Assembly and for the good working of government. We were very disappointed with the management of that process and we very strongly recommend that what happened never happen again.

The Public Accounts Committee determines the budget for the Auditor-General. It became clear that in some areas of technical inquiry that the Auditor-General seeks to undertake his resources are probably not sufficient. This was so in relation to the report on the management of betterment and the payment of betterment, to which the Government is still to respond. It seems to the Estimates Committee that, if the Auditor-General has a broad brief to review and examine every activity of government, the Assembly and the people of Canberra must be assured that the resources are sufficient for the Auditor-General to do that. Recommendation 6 deals with that matter.

Recommendation 7 begins a series of comments which are really an indictment of the Government's reporting on its social policy initiatives. We found out that nobody really knew how many people were homeless and nobody really knew how the data was collected. The process of data collection was entirely inadequate. We found that completely unsatisfactory. How on earth could we measure what the Government was doing and whether its policies were effective if, in fact, its data collection mechanisms were insufficient and of very poor quality?

*2 December 1997*

We found that the Community Advocate may need to have a broader reporting role. We are not convinced yet that we have the answer, but clearly on some issues that confront the Community Advocate broader input from the Assembly, more than just reporting to a Minister, may be of assistance. We have recommended that the Government look at this area in more detail and perhaps report back to the next Assembly. There are several models that could be looked at. We need to be convinced that we are not putting into the public arena a series of issues that the Community Advocate must deal with in an unemotive and non-political way. The jury is out on that one, and we look forward to both the Government's response now and the next Assembly's response in future years.

We discovered a curious thing while looking at the Department of Education. The legislative requirements under the Schools Authority Act are such that we really should have a board of management for the Schools Authority. One member in particular became quite concerned about this, but on further questioning it was discovered that that board was abandoned long ago. It was not simply this Government that was responsible for the non-compliance with the legislation but every government since the beginning of self-government. We decided to make a broad-sweeping recommendation, so that before we form government next year, be it us or the Liberal Party or a collection of Independents - who knows who is going to come into government next time? - we are assured that every department has reviewed its legislative requirements for boards of management and advisory authorities and that the incoming Minister knows of those requirements and appoints those boards. If appropriate, amending legislation should come before the house so that the Minister for Education is not caught out - as this Minister was, and the Minister before him, and the Minister before him - and does not operate at odds with the requirements of his Act.

The issue of school sponsorship was discussed because it raises the ongoing and really serious social policy issue of the management of equity within the education system. More importantly, it raises the issue of reporting of sponsorship. Personally, I found the Department of Education's report one of the most disappointing because one had no flavour at all of all the exciting and really good things that have been happening within the Department of Education and no flavour at all of some of the real difficulties that confront the system in terms of the unevenness of schools' capacity to gather money. I do not really mind schools getting sponsorship. As opposed to other members of the committee who perhaps would have liked to abolish it altogether, I think sponsorship is very valuable and links a school very closely to its community. But we need to know that some schools are not disadvantaged and that the Department of Education has a handle on that and can deal with the ongoing and chronic difficulties faced in some schools, more often than not by virtue of their location, in that there are no businesses nearby, no shops nearby, and no-one can offer them sponsorship. I think the Government ought to look at that a little more seriously than it has.

We also looked at green issues. Invasive plant weeds are apparently still on sale. That is a matter of concern. We really need a more comprehensive plan for managing our environment. We ask that the Government have a look at that in more detail. The ongoing debate on greenhouse emissions is dealt with yet again.

As I said, I think it is quite clear from looking at the annual reports that all the departments and the Government are still in the process of transition to how best to deal with the requirements of accrual accounting and how best to marry accrual accounting with the overall objectives of the Government, Government policy and the management of policy. Accrual accounting offers a very clear indication of how money is spent and of accruing liability; but it offers very little in terms of ongoing Government plans, objectives, policies and their management and tracking how far we have moved towards achieving objectives on some of the more difficult issues rather than simply balancing the budget. We need to know why we are balancing the budget. We need to know why we are managing money in the way we do. We need to know why we have made decisions to spend money in one area rather than another. Annual reports should give us some flavour of that. As I said at the very beginning, some of them do and some of them do not.

In closing, I thank Bill Symington and Fiona Clapin, who assisted the committee in what was a very rigorous and time-consuming task. I also thank my fellow committee members for working through a long and arduous inquiry, which we managed to complete with very little acrimony or unpleasantness, and for their willingness to compromise and work together to put together a report which offers guidance and commentary rather than vitriolic criticism. I hope that the report will assist the workings of both this Government and those to come.

**MR HIRD** (10.48): Mr Speaker, at the outset I compliment the chair of the Estimates Committee. As deputy chair and coming from the Government side of this house, I compliment Ms McRae for her chairmanship and her stewardship in respect of this report. On behalf of my colleague Mrs Littlewood, I also congratulate the chair on the way that she brought about a report which was agreed to by the representatives of all parties on the committee.

As the chair said, it has been a long and arduous task to bring the committee's deliberations to the report which we have before us today. Hearings ran for 10 days from 30 October to 18 November. During that time the Chief Minister, other Ministers and you, Mr Speaker, as well as officials from the various departments, gave evidence to the committee. Because this year the budget was brought down earlier than in previous years, Estimates Committee hearings were held over two sessions - one at budget time and the later one to which this report relates.

I thank the committee staff, including the secretary, Mr Bill Symington, very much. They have put together an excellent report. It has not been easy, as the chair has said. Mr Speaker, consideration might be given by the next Assembly to changing the committee system to enable various standing committees, rather than a select committee, to investigate and report on the estimates for their respective areas of responsibility. There is a limited number of members within this chamber, and the Estimates Committee is made up of members who attend and work on standing committees and whose workloads are fairly heavy.

2 December 1997

I commend the report to the parliament. In doing so I would like to make one more observation. It is very obvious from this report that the Assembly's finances are in a much healthier state than they were three years ago. The days of living on a credit card are long gone.

**Ms McRae:** Ask Mrs Kennett.

**MR HIRD:** Mr Speaker, I had a little bet with my colleague, Mrs Littlewood. She just lost; I won. I bet her that I would get an interjection. I am delighted that I have such a rapport with those opposite. When I was brought up, like you, Mr Speaker, I was taught good manners, and I do not normally interject when other people do not.

I think it is a credit not just to the Government but to the public servants that we are not living on a credit card. We are actually moving forward. It looks to me, from some of the activities of the Government, that in 1998 we will be looking to a very fast train and our international airport to give us some stability and to help us with the problems we have, in particular with jobs for our youth. I commend the report to the house.

**MR MOORE (10.52):** Mr Speaker, no doubt Mr Hird, like you, was brought up with good manners. The question is: What has happened since then? I am going to address some specific issues in the report of the Estimates Committee, rather than reiterate the general comments that Ms McRae made, with one particular exception, and that is that once again we have a unanimous report of an Assembly committee. I think that reflects a great deal of credit on the chair, who worked particularly hard to ensure that it would be the case, and on members of the committee who were prepared to compromise in order to ensure a unanimous view.

Recommendation 6 recommends that consideration should be given to what provision should be made in the budget to enable the Auditor-General to undertake audits in the area of lease administration. An examination of a series of specific leases by the Auditor-General identified a \$3.8m loss to the Territory in revenue forgone. This followed people in the community identifying particulars of leases and ensuring that the Auditor-General understood their concerns about those particular leases. It is entirely appropriate that the Auditor-General monitor this area, because large sums of money are involved in the decisions that are made in this area. I would like to emphasise to the Government that it is particularly important that the Auditor-General be able to examine those leases.

Recommendation 8 recommends that the role of the Community Advocate be reviewed by the Government in the next Assembly and that it report to the Assembly on the possibility of the Community Advocate reporting to an Assembly standing committee as well as to the Minister. The role played by the Community Advocate is primarily to protect disempowered people within our community, particularly young people and the disabled. Where the Community Advocate is of the belief that action should be taken which the Minister ignores, he or she should have some outlet such as an Assembly committee to ensure an appropriate sense of justice. That is the role that the Community Advocate is charged with.



It seems to me that, if the Community Advocate had the ability to report to an Assembly committee, then the report could be taken seriously, and it may well be that the matter would be resolved between that Assembly committee and the Minister. The Assembly could, in fact, take on a particular role in this way. It would also allow the committee to determine whether the matter should remain confidential. I think that it would have two advantages. Firstly, it would ensure protection of the people whom it is the Community Advocate's role to protect. Secondly, it would ensure that confidentiality was respected, when appropriate. I think that is a very sensible recommendation that clearly needs further investigation. The committee recognised that it needed further investigation. I hope that such an approach will be adopted.

I also draw attention to recommendation 10, which states:

The committee recommends that before the government is formed in the next Assembly, the requirements of all legislation similar to that covering the Schools Authority be reviewed to ensure that all statutory boards and advisory authorities can be established by the next government or, where appropriate, amending legislation be introduced.

Under questioning in the Estimates Committee it became very clear that the legislation that applied to the Minister for Education was not being obeyed. When legislation is not being obeyed, then the will of this parliament is not being respected. It is a very serious matter. Had it not been for the extenuating circumstances that came out on further investigation, I would have done what I had intended to do, namely, move a motion of no confidence in the Minister for Education. The extenuating circumstances were that it would have been only fair to move a motion of no confidence in every Education Minister since self-government. I accepted the view of the committee that what quite clearly had been an oversight by all Ministers ought not to be visited on this particular Minister only.

However, there was an important issue for us and for all members who might at some stage become a Minister. When you have legislation that you are responsible for, one of the important things that you must do is go through that legislation and ensure that you are acting in accordance with the legislation, even if something is out of date. There are two courses, as was the case here, if something is clearly out of date. You can bring into the Assembly an amendment to the legislation and you can put your case to the Assembly. It should also send a very clear message, as I believe this situation did, to senior members of the bureaucracy that they have a responsibility to ensure that the legislation that their Minister is responsible for is followed. I think they have a responsibility to advise their Minister accordingly. We probably ought to ensure that that is in the employment agreements that such senior bureaucrats now sign.

I would also like to draw attention to the recommendation that the Government review all issues associated with the sponsorship of schools and provide information in the department's annual report on the amount of sponsorship received by the department and by each school. I am particularly concerned about the possibility of sponsorship resulting in some government schools being very well off compared to others and there no longer being equitable educational outcomes for our children. The fundamental principle underlying government education is to ensure that there is an equitable educational outcome for each and every child in our community.

2 December 1997

Recommendation 12, which looks at invasive plants, goes back to the recommendation that the committee that I chaired in, I think, the First Assembly made on invasive plants and feral animals. The fact that we still do not have a sensible solution is poor, particularly when we are just talking about limiting the spread of such plants from domestic gardens. I would be pretty keen to see whether we could get rid of privet hedges, just for what they do to my hay fever. I do not care about the other issues. That is just a personal one.

With those few words, Mr Speaker, I am proud to have been on this Estimates Committee. This is the first time we have dealt with the annual and financial reports in a review rather than in the budget process. Probably what we ought to do in the next Assembly is have a select committee on estimates and budget review. I think we should at least recognise in the name what it is that we want the committee to do. I think it has been a very successful committee and I have been pleased to be part of it.

**MS REILLY (11.01):** First of all, I would like to thank my colleagues on the Estimates Committee for making the estimates process such an enjoyable process. I will get to the Ministers and bureaucrats later. I also thank Ms McRae for her excellent chairing of the committee. It meant that there was less controversy than there may have been. I also thank Bill Symington and Fiona Clapin for the work that they did. I must also thank Mr Moore for his special tip on what to do about hay fever and asthma. This is something I was not aware of.

The Estimates Committee has many uses, not the least of which is to ensure openness and transparency in government, which does not always happen. Doing it in two parts this year was very interesting, because it gave opportunities for further examination that were not available last year. Looking at annual reports and the budget together put an extra workload on members and it did not give them as much time for reflection and consideration. The committee recommends that we look at how we go about dealing with the estimates process in future Assemblies. This will be important.

We do not want to get rid of the estimates process, because, as Ms McRae said, nearly every other jurisdiction has an estimates committee. The ACT is the first jurisdiction that I have lived under that has had an estimates process. I grew up in Queensland and spent considerable time in the Northern Territory. Queensland was extremely slow to take up an examination of estimates. The Northern Territory has still not had the gumption to do so. That is a sad reflection on the Government there. I think it is unfortunate for the community at large that their elected representatives do not have an opportunity to examine what the Government is up to. One is left wondering what they are hiding and why they do not want to trumpet their triumphs and show the community what they are doing.

I watched part of the estimates process in the Queensland Parliament last year. I hope that we do not go the way they have gone, with extremely tight questioning and limits on how many questions you can ask, the length of questions and the time to reply. I think that puts unnecessary restriction on what can be done.

When you really need only

a short answer, everybody takes the allotted time and you get a whole lot of unnecessary verbiage. Also, the restrictions do not allow for continuing questions when particular issues need a number of questions. When the next Assembly considers how we run the estimates process in the ACT, I hope that we take the broadest view so that we can have the greatest transparency of process.

On the whole, there are some good points about what we do in the estimates process in the ACT, but I must raise concerns about the information that was provided in some annual reports. At times it was confusing and it was not clear what was being presented. As Ms McRae said, there were some excellent reports, but I think we need to look at trying to upgrade information and the way in which information is presented through annual reports.

There were a number of discussions about some of the elements of the output data statements and performance statements that were provided. Obviously, this relates to the impact of the introduction of accrual accounting. Even though the ACT has been a leader in the introduction of accrual accounting, we cannot suggest that this is such a new system that there is no information on what has been done in other jurisdictions. Some aspects of output data and performance statements have been examined and used by the Commonwealth Government for a number of years. At times during our questioning it did not seem that people were taking account of work that had been done elsewhere in the development of annual reports and budget processes. I am sure that, along with the examination of the estimates process, this will be taken up further and we will get a system that is the best in Australia, which of course is what we are aiming for.

In discussing the openness of the process, I mention that at times one felt that there was no real effort to answer the questions. If a witness could find a quick and easy way to answer a question or slightly misinterpret what information was being asked for, that was the easy way to go about it. This is a sad reflection on what we are trying to do within the ACT, which is to have a bureaucratic and government process that is open and transparent, so that people can understand what is going on, where money is being spent, what services are being provided and how we can continue to improve the situation in the ACT. I am hoping that there will be a less adversarial approach to the estimates process in the future; that we can work towards getting the best outcome for the ACT community and for the ACT electors.

I want to mention a couple of issues in a little more detail. Disability Services awarded six separate contracts to a company called Fame, even though they were all for interrelated matters. The explanation of how this was gone about was very unsatisfactory, for several reasons. It was concerning that what should have been a contract for nearly \$150,000 was let in six separate parcels. The reason given was that they were not sure whether they would continue, so they were doing it stage by stage. It was also said that you did not need to go out to an open tender for this contract, even though it was for up to \$150,000, because the group that was awarded the contract was known by some of the people in Disability Services. This was very advantageous.

2 December 1997

We also need to note that Fame is not an ACT-based company. Surely we do not let contracts for government business on the basis of who is known by people within the department. I think it is an outrageous criterion for selection that someone be known by the departmental officers. Obviously, anybody looking at a contract has to look at the track record of those who have put in to undertake the work. To say that just because they are known is a reason for selecting them and not going to open tender is worrying.

A further concern about this piecemeal approach is that the Chief Minister and Minister for Community Care has made a number of statements about the new directions being taken in Disability Services. In fact, there was a considerable response to the Standing Committee on Social Policy in relation to that. If Disability Services are to work better, improve their guidelines and information available to both consumers and the public and improve training and information for staff, one would expect an overall strategy about what is going to be done. But there appears to be no strategy or plan for what you are doing, because the company that was hired to provide the information for the guidelines and the future directions was given contracts in small parcels. Everybody was going forward in the dark to develop this brave new world for Disability Services. If, in fact, there was an overall strategy and if they knew where they were going and what was going to happen in relation to the development of the new guidelines and the new policy statements, then why was one contract not let in an open and competitive fashion? In the end it may have been won by Fame. Why was it done in this piecemeal way? There was no explanation for this.

It was done in small parcels either because they had no plan, which makes one wonder about what was going to be achieved and why we had a new program for Disability Services when we had no idea where we were going to end up, or as a means of deliberately avoiding giving reasons for having an open and competitive process. These questions were left unanswered at the end of the estimates process. Any estimates committee in the future has to consider how contracts and tendering processes are undertaken by agencies and ensure that there is no opportunity to deceive by splitting contracts into smaller parts so that there does not have to be an open tendering process. We need to ensure that when government money is being spent we know the purpose for which it is being spent. (*Extension of time granted*)

Questioning on the extent of homelessness in the ACT revealed that there appears to be no plan for the development and provision of community and social services in the ACT. In part, this is due to inadequate data on which to base decisions for the development of such a plan. This was commented on by me and by others when the budget was brought down in May and in the early examination of that budget through the estimates process. There appears to be very little data available on a broad range of areas within the ACT. You are left wondering how the Government decides on certain types of expenditure. For instance, you wonder how the Government decides how much money should be spent on constructing and purchasing housing if it does not know the extent of homelessness. How were decisions made to sell over 200 houses and units in the ACT in 1996-97 when we do not know the extent of homelessness? How are such decisions reached if we do not know the people we are providing services for?

It is simplistic to say that we have a “wait your turn” list for housing and that that is how we develop our policies. This is only one part of the data that should be collected. To rely on a “wait your turn” list is to accept that people know how to apply, that people are not discouraged, and that people are not living in unsafe circumstances and do not know how they can change that situation. It is important that we improve the collection of data and the analysis of that data and ensure that the data is not collected in such a way that you cannot get an indication of need across the whole of the ACT.

Another point I raise relates to the very small and shrinking reporting on issues related to the Women’s Consultative Council and women’s affairs. I made some comments last year on the annual report of the Chief Minister’s Department in relation to what was reported on the work of the Women’s Consultative Council, and I was assured that this was going to be taken into account in the following year. In the annual report of the Chief Minister’s Department this year the number of words and the space allocated to reporting are even smaller. It is hard not to think that this is an indication of the importance which the Chief Minister and this Government place on women’s affairs.

Further questioning elicited the fact that there is no women’s policy in the ACT. It is a great failure by this Government that they have not developed a women’s policy. This is not to say that women’s services are not available in the ACT. There was discussion of some women’s health services that are available, although we were left uncertain about whether the removal of Commonwealth money would cause these services to fold. These are important preventive services in relation to women’s reproductive health. I hope that these services will not disappear. We need to understand where services for women are available, what gaps there may be and what duplication there may be. Without a women’s policy, there is no way of measuring what is going on in this area. This is also true of social policy in the broader sense. We have so little data that we cannot work out what services are necessary and what services could be improved. In future consideration of estimates and scrutiny of budgets we need to look at how decisions are made for the delivery of services. This is an area that I would particularly request future Assemblies to consider when doing the estimates process.

**MS TUCKER** (11.16): The Estimates Committee was quite smooth this year compared to some. Ms McRae did an excellent job of chairing. I was a little bit concerned about the time it took us to get answers to some of the questions that we asked. The response to one question that was taken on notice came to us only this morning. That is not good enough. There is a recommendation in the report calling on agencies to take greater notice of questions asked and to ensure that answers are prompt, detailed and accurate.

There are a couple of other recommendations I will briefly speak to. We highlighted that, although the Government has been claiming that the sale and lease-back arrangements are not borrowings, their financial statements quite clearly show that they are. It is disappointing that Mrs Carnell said in her budget speech that it was a budget that would not require any new borrowings. Under the heading “Borrowings” the annual report of the Chief Minister’s Department clearly states that a “financing arrangement” was entered into with BT Australia Ltd in January 1997, relating to the Magistrates Court building and the Dame Pattie Menzies Building, under which the ACT Government was advanced \$49m-odd which will be repaid with interest over a 15-year period.

*2 December 1997*

This transaction is clearly a borrowing - money being advanced to the ACT and repaid with interest over 15 years - no matter how the Government tries to dress it up. It is essential that we have greater openness from the Government. The Chief Minister made a very clear, plain promise about borrowings and should not use accounting doublespeak to try to gloss over the fact that she has broken it. Her Government has clearly borrowed more than \$49m to be repaid with interest.

We also saw a flaw in the Government's greenhouse strategy released last week - a failure to tackle the transport issue in the ACT. Transport accounts for 50 per cent of energy use. The latest State of the Environment Report has stated that Government policies have not been successful in curbing the growth in motor vehicle usage. If we are to reduce greenhouse gas emissions, it is critical that we reduce them in the transport area, and I look forward to a very comprehensive response from the Government to the recommendation of the Estimates Committee on this matter. We also recommended a bicycle strategy. That has now been released. It was released on Sunday. I hope to see more members here riding their bikes.

The committee talked again about ACTEW. I raised the issue of the hedging contract that ACTEW has entered into with Yallourn and how this fits in with ACTEW's corporate objective of pursuing policies consistent with ecologically sustainable development. I am very disappointed that the Government, the same Government that claims that they are leading Australia in reducing greenhouse gas emissions, is not willing to enter into more open discussion about the implications of the national electricity market. I disagree wholeheartedly with the Government's argument that if we do not someone else will, or that it is just a financial arrangement. The fact is that both Yallourn and ACTEW do benefit from this deal, or they would not have entered into it. ACTEW should be taking a lead in promoting clean technology, not the oldest, dirtiest technology we can find in Australia.

There was also great concern - and Ms Reilly has referred to it - about the level of information the Government has about homelessness in the ACT. The questions that I asked were not answered appropriately at all. Mr Stefaniak claimed that seven people in the ACT were homeless. He was not sure where his figures came from. First, they were anecdotal, then they were from the ABS. What is clear is that we have to have a willingness from the Government to look at how they would assess or define homelessness. It obviously is not just about people sleeping on the streets. It is about people moving from one friend's house to another. It is about several families living in one house. It is about 10 to 15 young people, as I have heard in the Social Policy Committee hearings on children at risk, sharing one bed-sitter. That is what you call homelessness. You need to look at those issues. When you have understood how many people are living inappropriately, then you have a chance to make informed policy decisions.

The school sponsorship issue came up again. One of the fundamental concerns that the Greens have about imposing the market model on our education system is that we see an ever-increasing reliance on private sponsorship and on parental contributions for our schools' financial viability. Our concerns are to do with equity and the provision of high-quality education which is equally accessible to all children in the ACT, regardless of the income of their parents or of the school that they are in. We hope that a future

government will insist that the department hold an absolutely clear picture of exactly which schools are benefiting and which schools are not benefiting from these extra sources of income and ensure that schools that are disadvantaged are subsidised, so that we do not end up with a two-tier public education system. I have mentioned it before, but I will say it again: The fact that we have charities offering scholarships and bursaries to help children get through our public education system in Canberra is absolutely appalling.

We also made recommendations about weeds. Much more needs to be done to prevent the introduction of weeds. We have been calling for some time, and were in fact working on legislation, for a ban on the sale of weeds and for the labelling of less invasive weeds with advice on how best to limit their spread beyond domestic gardens. I look forward to seeing a positive response from the Government to the recommendations of the Estimates Committee. I would like to thank Bill Symington and Fiona Clapin for their work in supporting the committee.

Question resolved in the affirmative.

### **PUBLIC ACCOUNTS - STANDING COMMITTEE** **Report on Industry Assistance Program and Business Incentive Scheme**

**MR WHITECROSS** (11.23): Pursuant to order, I present Report No. 31 of the Standing Committee on Public Accounts, entitled "Report on the industry assistance program and the business incentive scheme", together with the minutes of proceedings. I move:

That the report be noted.

Mr Speaker, this inquiry was indeed needed. Although it is late in the life of the current Assembly, the committee's nine recommendations point the way to achieving a business incentive scheme more relevant to the needs of both the ACT and the business community, should the scheme continue in its present form next year. They also focus on the desirability of a more transparent and responsive basis for providing business development assistance.

One significant recommendation is that the Public Accounts Committee in the next Assembly resume this inquiry and access data used by this committee. That recommendation resulted from the committee's inability to access material from the administering agency essential to its being able to make a more detailed assessment of the efficiency and effectiveness of the business incentive scheme. Although the committee explained fully the imperatives driving this inquiry, it had difficulty in obtaining a departmental submission. When eventually received, the submission lacked essential information and further delays were experienced in obtaining additional information from the department.

2 December 1997

The committee has a responsibility to the Assembly in relation to the financial affairs of the Territory and may exercise delegated compulsive powers in relation to the provision of papers and records. While the committee chose not to exercise these powers in view of the time constraints on the inquiry, it notes with concern the unwillingness of the department to provide information, even on a confidential basis, which would allow the committee to reach an informed position on the benefits to the Territory of funds and assets granted to certain private companies. This has been a major obstacle for the committee, and it is a matter on which the committee would expect the PAC in the next Assembly to focus.

Mr Speaker, the report - paragraphs 1.22 to 1.28 in particular - deals with the issue of confidentiality and commercial-in-confidence. When this reference was first made to the committee, there was a great deal of acknowledgment on both sides of the house, and from the crossbenches, of the importance of dealing sensitively with confidential or commercially sensitive information, or information which had been provided to the Government on a confidential basis. Notwithstanding that acknowledgment at the time the reference was made, the capacity of the committee to deal responsibly with confidential information was not followed up in the deliberations of the committee. In particular, I draw attention to two of the paragraphs of the committee's report. Paragraph 1.27 says:

The committee has become aware in recent times of an increasing use of the "commercial in confidence" claim for the non disclosure of documents to committees and considers that the principles outlined above -

parliamentary scrutiny -

may have been misunderstood ...

Paragraph 1.28 says:

The underlying principle should be that if information can be disclosed to the government on a confidential basis there is no reason for it not to be disclosed to an Assembly committee also on a confidential basis.

Mr Speaker, I think that is essential if there is to be a proper process of accountability to this place and scrutiny in this place.

In particular, the majority of the committee had the view that the amounts of assistance provided to private companies ought not to be the subject of confidentiality agreements. Some of the larger assistance packages offered under the business incentive scheme, particularly to AOFR/ADC, which is reputed to be in excess of \$1m, and the assistance package offered to Fujitsu, were unable to be scrutinised at all, because all aspects of those arrangements were claimed to be commercial-in-confidence. In fact, at one stage in the public hearings the department even claimed commercial-in-confidence for information which was available in their annual report. That suggests, Mr Speaker,



that the use of commercial-in-confidence is more of an ambit claim than a well thought through claim by the Government of what is actually of a confidential nature. Notwithstanding that, I return to the conclusion of the committee that, if information can be disclosed to the Government on a confidential basis, there is no reason for it not to be disclosed to the Assembly on a confidential basis.

Mr Speaker, a committee with more time should return to these matters, to ensure that the committee has a proper avenue for scrutinising the efficiency and effectiveness of these programs. Recommendations 3 and 6 go to this matter. If it is not dealt with by a committee or by the Auditor-General, then there is no actual mechanism for the Assembly to satisfy itself that the resources devoted to this program are being used in the most efficient and effective way. Mrs Littlewood, in her dissenting remarks, makes the suggestion that she does not see the point in having a further inquiry. I can only say that there are a number of matters which deserve closer scrutiny and further inquiry in relation to the efficiency and effectiveness of the scheme. It does not have to be a trawling exercise for political point-scoring, as Mrs Littlewood seems to think. Mrs Littlewood appears, in her dissenting report, to be obsessed with political point-scoring. Instead, it can be just a prudent scrutiny of what is the best way of using the limited resources of the Territory to achieve results.

Mr Speaker, we were simply unable to test a number of the criteria set out in the documentation about the operation of the business incentive scheme. For example, we were unable to test whether assistance to businesses was such as to provide unfair competition to other players in the market. For example, the committee was unable to satisfy itself that the assistance provided to Fujitsu gave it an unfair competitive advantage in the marketplace compared to other IT companies already operating in Canberra. We were unable to scrutinise that because we were unable to access any documents about the Fujitsu deal in order to ascertain whether, in fact, the deal with Fujitsu gave it an unfair advantage in competition. A great number of issues need to be investigated, and the committee is recommending that these matters be followed through in the next Assembly.

Mr Speaker, one of the recommendations of the committee was that the Government develop an industry plan which ought to be considered by an Assembly committee in the next Assembly and which should form the framework for the way in which business incentive and industry assistance arrangements operate. I think the development of an industry plan is an absolutely essential element of any coherent industry policy. After this inquiry was announced, the Government indicated that they would be coming forward with an industry strategy. That was confirmed by officials in the hearings before the Public Accounts Committee. However, we have yet to see this industry strategy. It should be noted that the industry assistance package and the business incentive scheme have been operating for three years in the absence of an industry strategy. Mr Speaker, we think that, for the future, it is important that there be an industry strategy or an industry plan which enjoys the broad support of people in the Assembly and the community as an appropriate framework for carrying forward the operation of business incentive and industry assistance schemes.

*2 December 1997*

Mr Speaker, the committee also recommended that the Government explore, in consultation with the Commonwealth and New South Wales governments, the possibility of developing a cooperative regional industry incentive program. This recommendation is indeed ambitious, but it recognises the importance of regional development and it recognises the importance of the ACT as part of the national capital region and the need for us to work together and go forward together if we are to achieve outcomes in the interests of the whole region.

I was surprised to find Mrs Littlewood dissenting from this recommendation and not agreeing with the concept of cooperation between people in order to further regional development, apparently because she does not trust the New South Wales Government. There is no doubt that intergovernmental cooperation is a difficult thing. It is a politically ambitious task to get governments to cooperate and to see common interests. But I do not think that the ambitious nature of this recommendation is a reason for rejecting this approach out of hand.

I was particularly taken with the extraordinary claim in Mrs Littlewood's dissenting report that the New South Wales Government had adopted a self-serving attitude to the question of assisting Bega Cheese. Here we have the ACT Government offering Bega Cheese an incentive package worth over \$6m to relocate to Canberra from somewhere else in the national capital region and the New South Wales Government seeking to assist a business in Bega, which is in the State of New South Wales, and Mrs Littlewood's conclusion is that the New South Wales Government's action in assisting their own constituents in Bega is a self-serving attitude.

It is no wonder that Mrs Littlewood does not favour trying to cooperate with other jurisdictions if she starts off from the position of thinking that the action of another government in trying to look after the interests of their own constituents is a self-serving attitude on the part of that government. I would have thought that they were doing their job. I think it is important that we do try to build closer relations with the New South Wales and Commonwealth governments, to ensure that we do get an appropriate scheme whereby we can take the region forward as a unit. We are not going to get the kind of regional development that we all aspire to if we are competing with each other.

The other recommendations deal with some issues to do with the detail of the industry assistance package and the business incentive scheme, particularly issues to do with the timeliness of consideration of grants. There was criticism by some of the recipients over timeliness and how that impacted on their business. There was also criticism about business expertise and how the lack of business expertise on the part of some of the people considering applications impacted on the consideration of those applications.

Recommendation 8 deals with the question of land grants. One of the matters which concerned at least some members of the committee was the fact that on two occasions land grants had been given to applicants under the business incentive scheme even though the applicants lacked the capital actually to develop the land in question and to build anything on it. Both recipients in question were under the apparently mistaken impression that they could raise capital from these land grants; that they could borrow against the equity in this land, not realising that the conditions on the land grants made that impossible. It seems to be something of a failure of the scheme if people are given

blocks of land where they have one set of assumptions which is different from the actual facts in relation to those land grants. I would hope that these sorts of issues could be resolved in the interests of ensuring that we make the most effective use of assistance provided under the business incentive scheme.

Of perhaps even more concern, one of the recipients of a land grant had not actually applied for a land grant and in his business plan had no way of actually making use of the block of land. There are some differences of opinion on the conditions under which that land grant was given, the recipient claiming that he had always assumed that he could sell the block of land, which members of the committee found hard to believe. Equally, he had a business plan which meant that he had no capital on which to construct a factory; in fact, his business plan provided for his leasing a factory. It seems a bit curious, under those circumstances, that a decision was made to offer this recipient a block of land when the business plan specifically provided for leasing a factory, not building a factory. We believe that more attention needs to be paid to making sure that all parties understand the conditions applying to land grants and that, in making the decision to grant land, proper scrutiny needs to be done of business plans to ensure that they can make use of land that is provided.

Recommendation 9 deals with new forms of assistance that were proposed by some witnesses before the inquiry. Mr Speaker, the committee saw some merit in some of the suggestions about new forms of assistance and has recommended that the Government look at some of these options and report back. Recommendation 5 deals with representations made by business organisations about better promoting the business incentive scheme within the business community so that they can more clearly understand its objectives and its processes. The existence of an industry plan or an industry strategy would certainly help in that regard.

Finally, Mr Speaker, recommendation 7 deals with coordination between government departments and mentoring and, once again, responds to specific representations from particular witnesses before the inquiry that some process of mentoring which helped people to move between departments within the government service, and even between Commonwealth and Territory departments, would assist those people in better achieving their objectives and better advancing the interests of the Territory. (*Extension of time granted*) I think that is a sensible recommendation. I note that the Government has recently introduced a partners in progress scheme which aims to achieve some of those objectives. Mr Speaker, the committee was not able, in the short time that that has been operating, to evaluate its effectiveness in achieving these kinds of outcomes, but the recommendation is certainly aimed at ensuring that that issue stays on the agenda.

Mr Speaker, industry assistance is an important part of ensuring that we achieve the kind of growth and diversification of the employment base in the ACT to which I think everybody in the community aspires. It is essential to ensure that we take our place with other States and Territories in providing an appropriate environment for businesses to locate and to flourish. The existence of an industry plan will certainly assist in ensuring that we can present a coherent front to prospective businesses so that the business

2 December 1997

community understands what objectives we are trying to achieve. Further evaluation of this scheme in the next Assembly will ensure that we can make further progress in refining industry assistance arrangements to ensure that they provide the best outcomes for the Territory.

As I said earlier, a disappointing aspect of this inquiry was the inability of the committee fully to evaluate the effectiveness of the scheme. But one statistic that it is interesting to note is that, of the six firms provided with assistance under the industry assistance package with a promise of 95 jobs, the outcome at the moment is about 14 full-time jobs. It is important, if industry assistance is to be credible, that governments do not make exaggerated and inflated claims about the number of jobs created under these arrangements and that they provide a realistic assessment; otherwise the community will make false assessments of the value for money they are getting from the schemes. That is why we need a committee of inquiry which is able to deal with confidential information in an appropriate way, a way this committee was unable to achieve in the time available because of the view of the department.

In closing, I should make reference to one other thing in Mrs Littlewood's dissenting report. Mrs Littlewood, in her dissenting report, said that the committee was twice offered access to sensitive information about administrative procedures and the conduct of due diligence exercises, but declined. Mr Speaker, the fact is that what the committee was offered was the opportunity to view a file of the department's choosing - not to be given the file, but for the secretary of the committee to view the file. It was to be a file of the department's choosing. When it was put to the department that we should be able to select our own files, it was suggested that that would not be possible. So, I do not think it is at all accurate for Mrs Littlewood to say, as she has here, that the committee was offered access to sensitive information; it simply was not. I should say, with due respect to the department, that at some stages the department did present an apparent willingness to provide information on a confidential basis; but, after going away and, presumably, consulting with the Minister, that information was not provided. Certainly, when the chief executive left the committee, I had a very different impression of the chief executive's willingness to provide information on a confidential basis.

Mr Speaker, I commend the report to the Assembly. Within the constraints that I have discussed, I think it provides some useful suggestions about ways that the industry assistance arrangements can be refined and it provides a way to proceed so that we can make further improvements in the future.

**MRS LITTLEWOOD (11.44):** Mr Speaker, I cannot commend all of the report, as Mr Whitecross has done, for a number of reasons. Probably one of the major things that concerned me from the outset of this inquiry was the lack of understanding by some members of the committee with regard to management or, in fact, business. I think that is rather sad for this community, because if this community is to survive - I am sure that it will; the private sector is in the process of doing some wonderful things - then it must be supported by government. I really think that in doing that there has to be an understanding of what business is and how it operates. Unfortunately, that certainly did not come through in this inquiry from some of my colleagues on the committee.

Parts of the report are simply incorrect. For example, paragraph 1.4 claims that the ACT economy is slowing. In fact, the economy is growing. A look at the most recent indicators shows: There have been two consecutive quarters of growth in the gross State product. The ACT has the strongest growth in retail spending of any Territory or State. The ANZ job advertisement data for October show the ACT recording the strongest growth of jobs advertised for any State or Territory. Over 6,000 jobs have been created in the past 12 months. I suggest, Mr Speaker, that that is not an indication of a slowing economy; but, rather, one that is on the move.

Other parts of the report convey an incorrect version of events. Mr Whitecross mentioned that I was concerned with political point-scoring. I suppose I could make the point that I think Mr Whitecross is somewhat obsessed with commercial-in-confidence, which again goes to show his lack of understanding of the business process. For example, in paragraph 1.3 BASAT was criticised for not providing vital information within reasonable timeframes. However, the report failed to point out that, apart from confidential matters - I emphasise "confidential" - all information was provided on time, to my knowledge. What the majority of the committee calls vital information was, in fact, confidential information which, by its very nature, could not be disclosed. Again, I go back to a failure to understand how business operates. Moreover, the seeming interest displayed by the majority of the committee in this confidential information was, I believe, purely a trawling exercise. I do not believe it was other than that. I may be wrong, but I do not believe so. Mr Whitecross mentioned that I was incorrect with regard to the information that was offered in confidence and was rejected. I suggest that that is not exactly the case, either.

Mr Whitecross mentioned recommendation 2, which is something that I am quite concerned about. It relates to cooperation between the Commonwealth, the ACT and New South Wales in developing a program. Putting it in simple terms, suggesting that is a bit like suggesting that the local hamburger joint go and have a chat with McDonald's and come up with a program to promote the sale of hamburgers. I know who would win out on that.

Mr Whitecross expresses concern about the regional aspect of things. As an observer of the H Division, he should know that this Government has done all it can about that. The Chief Minister gets together with all of the people in the region for quarterly regional meetings. In fact, the Chief Minister, on 7 November or thereabouts, attended the promotion of the region at the country embassy in Sydney. I think that is working pretty cooperatively with the region. We are pushing the region. But there are some aspects of it that we have to look at purely from a Canberra point of view, unfortunately, because of the relationship to jobs for our people in Canberra.

Reference is made in paragraph 4.3 and in section 5 to certain approved proposals not meeting the guidelines for assistance, thereby seeking to denigrate BASAT for not administering the BIS properly. However, the members of the committee pushing this line are being somewhat unfair because they know the details of the particular case in question and they also know that, although the guidelines were met, some information was withheld and that this matter is currently the subject of a police investigation. Accordingly, I dissociate myself from this part of the report. I must say, too, that that particular recipient, in giving evidence, did very little to impress me, I can assure you.

2 December 1997

**Mr Whitecross:** I do not think you impressed him, either.

**MRS LITTLEWOOD:** I am pleased that I did not, because, if I had to base my life on impressing people like that, I would rather not be impressing anybody. I could call the man a crook, but I will not.

Paragraph 6.15 is also misleading because it cites with approval the criticism of a grant recipient that the BIS is directed to high technology industries, to the apparent exclusion of others. However, the majority report lacks balance because it then fails to point out what committee members know - that there are many other suitable industries, including financial and business services, health care, personal services, media, recreation, tourism and so on. The latter part of paragraph 6.15 is an example of a contradiction inherent in the report, namely, the call for greater scrutiny of applications in some parts of the report against the criticism of too much detail being required and too much time being taken for assessment in other parts. It was not resolved. Recommendation 6 sits very oddly with the recommendations that it go back to the Assembly next time round. I do not believe that it should; I really do not.

From the text leading up to recommendation 8, it is apparent that a change in the form of assistance is envisaged after approval has been given. The arguments are not well canvassed, but the proposal seems to open the scope for continuing intervention and increasing dependency by recipient firms. That prospect may sit well with the majority of the committee, but it is not the economic environment in which firms become competitive and create a sound basis for employment growth. Therefore, I do not support that recommendation.

Mr Speaker, I think it fair to say that there have been a few comments made about those working within the department in this area. From my experience and my dealings and from feedback from other people, the people in the department have done very well. The department might not have a 100 per cent strike rate; but, by crikey, they have not done too badly, either. COMS21 and Modernfold come to mind. I think they are to be congratulated for what they have done, and I think the department is to be congratulated as well.

It has also been mentioned that the public servants working in this area do not have the necessary background and business experience. I would just like to point out that that is not the case. In doing so, I would like to wish one of the members of that area well as he is about to take up a position elsewhere as the general manager of Sir Laurence Street's new company. If he did not have the background experience in business, he would not have been offered that job. To suggest that there is a lack of expertise is not exactly correct. There may not be as many people as you would like with the expertise that you want, but there are certainly people with expertise who know what they are doing.

In conclusion, Mr Speaker, I say again that I think it is rather sad that we do get down to point-scoring, particularly with something as important as this, because we do need to encourage people and business in this Territory if the Territory is to survive. Mr Speaker, I cannot support the report as it is.

**MRS CARNELL** (Chief Minister and Minister for Business and Employment) (11.52): Mr Speaker, I wish to make a couple of brief points. Obviously, I have not had a chance to read the report at length, but I have listened to the debate. I was really interested in the report. There seem to be some parts of the report that say that we have gone too fast and made decisions too quickly and other parts of the report that say that we have gone too slowly and should have made decisions more quickly. That might mean that we made them at about the right speed, on average.

The thing that I was most interested in was Mr Whitecross's comments about cooperation with New South Wales, particularly the south-east region of New South Wales. As I think everybody, except those opposite, would realise, our cooperation with the south-east region is now better than it has ever been as a result of the Leaders Forum.

**Mr Berry:** It has been around for years, Kate.

**MRS CARNELL:** The Leaders Forum is actually a new forum. It is working extremely well. The thing that I found most interesting was the view that the committee seemed to have that somehow, if we cooperated closely with New South Wales, we would be able to work together to encourage businesses to come to the ACT and the south-east region of New South Wales. It is a lovely idea, I have to say; but there are two things that would have to be achieved. First and foremost, Mr Berry would have to meet Mr Carr. That is something that is pretty important if you are to have cooperation.

The second most important thing is to have a significant change of heart by the New South Wales Government. I will just give an example, and there are many. Members would be aware of the great success of the Youth500 program. Youth500 is now up to something in the vicinity of 473 jobs.

**Mr Berry:** How many of them employed by government departments?

**MR SPEAKER:** Order! Stop interjecting, Mr Berry.

**MRS CARNELL:** Thank you. Mr Speaker, over 470 of the 500 Youth500 positions have already been taken up. It was obvious quite a number of weeks ago that this was going to be a very successful scheme. We were getting a lot of requests from young people over the border for Youth500 packages. Of course, it is funded by the ACT taxpayer. Therefore, we believed that they should go to ACT young people. But I wrote to the Premier of New South Wales, Mr Carr, which I regularly do - as he has said, I actually meet with him regularly as well - and suggested to him that it would be a really good idea to extend Youth500 to Youth1000 and make it applicable to the whole of the national capital region.

We were happy to put forward some extra dollars, over and above the \$500,000 we had already put in, because we believe the scheme is such a success. The mayors and the regional leaders in the area were very keen to give it a go. The benefits of the scheme were that a number of the organisations, such as the Chamber of Commerce, already cover the region. Our advertising media also cover the region. So, there were lots of benefits in doing this. The answer, of course, was a resounding, "Not interested", which is pretty interesting, taking into account the success of the program.

2 December 1997

I must admit that I was really disappointed, because I would have liked the people in our region to have the same benefits as people in the ACT have had. Mr Speaker, I believe that we should work more closely with New South Wales. We are working very closely with the region. But, again, Mr Carr would need to have a slightly different approach to people in the region. Maybe next budget he will look at it again. The other sorts of issues on which we have had, I suppose, less than positive approaches from New South Wales - initially, anyway - have been in such areas as sharing both the environment money and the Telstra money. In the end, with lobbying from all sorts of people, we have managed to pool the dollars for the whole of our region. I think that has been a great initiative.

Generally, Mr Speaker, I think that what those opposite need to do is to have a look at how well this system has worked. I am sure the reason that it has ended up being a pretty political document is that it is very hard for them to accept that anything that this Government has done has been a success. This has been an enormous success. I think up to 32 business packages have been put in place, worth very close to \$60m in new investment and over 2,000 jobs. That would strike me as being something that is desperately needed in the ACT right now, and it is very unfortunate that those opposite obviously are not supportive of this sort of approach.

**Mrs Littlewood:** Because it is positive. You cannot be positive. You have to be negative.

**MR WHITECROSS** (11.58), in reply: I cannot believe Mrs Littlewood would ever criticise anyone for being negative, Mr Speaker. I want to deal with a couple of matters in reply. The first is that all members of the committee, even Mrs Littlewood on this occasion, accepted the importance of industry assistance as part of an overall plan for business growth in the Territory. A number of the recommendations go to issues which we in the committee - perhaps, not including Mrs Littlewood - believe would improve the business incentive scheme. In fact, Mrs Littlewood managed to dissent from only three of the nine recommendations; so, presumably, she endorses the others.

Mrs Littlewood, in her comments in this debate, said that the department had provided its submissions to the committee on time. Mr Speaker, the department provided its submissions to the committee the day before the committee hearings - not on time, but the day before the hearings. In fact, one of its submissions arrived so late that Mrs Littlewood could not even find it to bring to the hearing. It arrived so late that she did not even know it had arrived at all. She has the gall now to get up in this place and say that they all arrived on time. Clearly, it arrived too late for Mrs Littlewood to read the submission, because it had arrived so late that she did not even know it had arrived at all.

In relation to cooperation with New South Wales, Mrs Carnell clearly contradicted herself. Having given some examples of how the New South Wales and ACT governments can cooperate, she still managed to conclude that we could not cooperate because the New South Wales Government did not sign on to her Youth500 initiative. Cooperation does not consist of Mrs Carnell writing a letter to Bob Carr and then putting out a press release criticising him when he does not agree to do whatever she wants. That is not regional cooperation.



If Mrs Carnell wants to achieve an even greater level of cooperation between the ACT and New South Wales governments, then she is going to need to find a more effective way of dealing with colleagues from the States than the kind of political point-scoring that was involved in that exercise. Her prime objective seemed to be to big-note herself to regional mayors, rather than achieving an outcome which would benefit the region. As Mrs Carnell herself indicated, she was able to arrange cooperation when political point-scoring was less important to her. What we are saying is that we ought to be aspiring to achieving more cooperation. Mrs Carnell has the capacity to do that if she puts her mind to it, I am sure. Certainly, a future Labor government in this Territory would put more effort into cooperating with the New South Wales Government - Labor, as it will be for some time, or Liberal at some time in the future.

I want to emphasise a couple of other matters. Some clear examples are highlighted in the report of how the business incentive scheme has successfully assisted a business to establish and to grow. Some of those businesses made suggestions about how they could have received other kinds of assistance which would have enabled them to grow even faster. We have referred to those in our recommendations. Other recipients indicated dealings with the department which inhibited their ability to establish and grow, and we have highlighted those. In doing so, I think we have provided a balanced report. The fact is that the Government will not move towards providing a better standard of industry assistance in this Territory if they close their eyes to all the deficiencies that have come up in relation to the operation of the business incentive scheme, if they do not learn from their mistakes and try to do better next time.

I think the report finds ways of doing better. As I said before, I commend the report to the Government, albeit notwithstanding their reluctance, in order to ensure that in the future we can provide a better standard of assistance to industry than we have in the past. This is an important area. Jobs growth for the Territory is an important issue and the effective use of industry assistance is important. But we will get that effectiveness only if we place an emphasis on reviewing what has gone before, on learning from our positive and negative experiences, and on finding ways to improve things, not by secreting all the details of these arrangements behind an impenetrable wall of commercial-in-confidence, ignoring the prerogatives of the Assembly to scrutinise government, and trying to sweep under the carpet all the problems that we have experienced. This is too important an issue for that approach to be taken. Mr Speaker, I urge the Government, in spite of their reluctance to learn from their mistakes, to consider some of the recommendations of the report, because I believe those recommendations provide a path for further development in the future and further improvement in the future.

Question resolved in the affirmative.

2 December 1997

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

**MR WOOD:** Mr Speaker, I present Report No. 17 of 1997 of the Standing Committee on Scrutiny of Bills and Subordinate Legislation. I ask for leave to make a brief statement on the report.

Leave granted.

**MR WOOD:** Report No. 17 of 1997, which I have just presented, was circulated when the Assembly was not sitting, on 1 December 1997, pursuant to the resolution of appointment of 9 March 1995. I commend the report to the Assembly.

**MEDICAL PRACTITIONERS (AMENDMENT) BILL 1997**

**MRS CARNELL** (Chief Minister and Minister for Health and Community Care) (12.04): I ask for leave to present the Medical Practitioners (Amendment) Bill 1997.

Leave granted.

**MRS CARNELL:** Mr Speaker, I present the Medical Practitioners (Amendment) Bill 1997, together with its explanatory memorandum.

Title read by Clerk.

**MRS CARNELL:** I move:

That this Bill be agreed to in principle.

Mr Speaker, I ask for leave of the Assembly to incorporate my presentation speech in *Hansard*.

Leave not granted.

Debate interrupted.

**SUSPENSION OF STANDING ORDERS**

**MR HUMPHRIES** (Attorney-General) (12.05): Mr Speaker, I move:

That so much of the standing orders be suspended as would prevent the speeches for the Medical Practitioners (Amendment) Bill 1997, the Health Professions Boards (Procedures) (Amendment) Bill (No. 2) 1997 and the Dental Technicians and Dental Prosthetists Registration (Amendment) Bill (No. 2) 1997 from being incorporated in *Hansard*.

Mr Speaker, the obvious childishness of the Opposition in such matters continues to be breathtaking, notwithstanding the many times that we have seen it in this place. Mrs Carnell conformed with the convention that has been developed in this place of circulating the presentation speeches and, indeed, the Bills to members of this place, I think, last night. That was the arrangement that it was agreed some time ago would be necessary in order to obtain leave to incorporate speeches in *Hansard*.

These matters are singularly unimportant and insignificant; that is, they are not major amendments; they are minor amendments to the legislation concerned. It really is quite disgraceful that we should see this sort of filibustering by the people opposite. If they have something serious to debate, if they have a substantive issue to debate, let them bring it forward and we can see what that issue is. But we have not seen anything from this Opposition. If they have nothing better to do than make silly points like this, on the floor of the Assembly, then heaven help the Assembly if they are the government in this place after February's election.

**MR BERRY** (Leader of the Opposition) (12.07): This is typical of a government that is too tired to do its duty to the community of the Australian Capital Territory in relation to legislation which is presented to the house. As the Opposition spokesperson on health, I would be quite interested to hear what Mrs Carnell says in her speech.

**Mr Humphries:** You have already seen it.

**MR BERRY:** I have not read it; I intend to hear it today. It is quite appropriate that the Chief Minister read her speeches. If the Government seeks to suspend standing orders so that the Chief Minister may avoid giving speeches, I am perfectly happy to allow them to do that, because they will look quite silly. The fact of the matter is that on some issues it has been agreed in the past, but it is hardly a convention that Ministers do not read speeches when they are introducing Bills. It is not a convention; that is a figment of Mr Humphries's wild imagination, once again.

We will not be opposing the suspension of standing orders, but it will be a matter of record that the Government wants to avoid having Ministers live up to their responsibilities as Ministers when introducing legislation, to deal with their speeches in an appropriate way. If they are too tired to do that, perhaps they need to hand the reins over to somebody else. We would happily take them and read the speeches.

**MR CORBELL** (12.08): Mr Speaker, we seem to be having to rely on some unwritten code or signal from the Government as to when they do not want to read a speech and instead want to incorporate it in *Hansard*. We get little packages pushed under our doors late at night, and this is meant to be a signal that the Government does not want to read a speech; instead, it wants to have the speech incorporated in *Hansard*. It is simply not good enough, Mr Speaker. At no time has the Government approached this side of the house in advance and said, "Will you agree to having these speeches incorporated in *Hansard*?". Instead, all they have said is, "We popped it under your door, and that is your de facto consent because we have already given you an advance look".

2 December 1997

That is simply just not good enough. That is not what the forms of the house are about. If the Government does have concerns about its time and its ability to read a speech in the time provided - - -

**MR SPEAKER:** Which is being used up at the moment; but go on.

**MR CORBELL:** Mr Speaker, it is the Government that have pushed this issue onto us. If the Government had been prepared to accept a refusal to grant leave, it would have been all over by now. But when the Government does not even approach us and say, "We would like to seek your agreement for leave to be granted", and when they just push the piece of paper under the door, they cannot expect this side of the house to agree.

**Mr Humphries:** I did. I spoke to Wayne a while ago about that.

**Mr Berry:** You did not.

**Mr Humphries:** I did. I came to you and spoke to you about the idea of me reading Kate's speech.

**Mr Berry:** You liar. You are a liar.

**MR CORBELL:** If they dealt with it in a more civilised and more appropriate fashion, they would get agreement from this side of the house; but when they continue to behave in this manner they will not.

**Mr Humphries:** Mr Speaker, I think Mr Berry called me a liar, and I would ask for that to be withdrawn. The record will show that I did speak to Mr Berry about this matter some while ago in the chamber.

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

### **MEDICAL PRACTITIONERS (AMENDMENT) BILL 1997**

Debate resumed.

*Speech incorporated at Appendix 1.*

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

**HEALTH PROFESSIONS BOARDS (PROCEDURES)  
(AMENDMENT) BILL (NO. 2) 1997**

**MRS CARNELL** (Chief Minister and Minister for Health and Community Care) (12.10): I ask for leave to present the Health Professions Boards (Procedures) (Amendment) Bill (No. 2) 1997.

Leave granted.

**MRS CARNELL:** I present the Health Professions Boards (Procedures) (Amendment) Bill (No. 2) 1997, together with its explanatory memorandum.

Title read by Clerk.

**MRS CARNELL:** I move:

That this Bill be agreed to in principle.

I present my presentation speech.

*Speech incorporated at Appendix 2.*

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

**DENTAL TECHNICIANS AND DENTAL PROSTHETISTS REGISTRATION  
(AMENDMENT) BILL (NO. 2) 1997**

**MRS CARNELL** (Chief Minister and Minister for Health and Community Care) (12.11): I ask for leave to present the Dental Technicians and Dental Prosthetists Registration (Amendment) Bill (No. 2) 1997.

Leave granted.

**MRS CARNELL:** I present the Dental Technicians and Dental Prosthetists Registration (Amendment) Bill (No. 2) 1997, together with its explanatory memorandum.

Title read by Clerk.

**MRS CARNELL:** I move:

That this Bill be agreed to in principle.

I present my presentation speech.

*Speech incorporated at Appendix 3.*

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

2 December 1997

**LONG SERVICE LEAVE (BUILDING AND CONSTRUCTION INDUSTRY)  
(AMENDMENT) BILL 1997**

Debate resumed from 13 November 1997, on motion by **Mr Stefaniak**:

That this Bill be agreed to in principle.

**MR BERRY** (Leader of the Opposition) (12.13): Mr Speaker, when this Bill - - -

**Ms McRae**: He has a read speech.

**Mrs Carnell**: No; this is the debate.

**Mr Humphries**: This is the next thing. He strained his brain doing that much, but he has gone on to other things now.

**MR BERRY**: You have to get personal, don't you, Gary? Just sit down quietly and listen.

**MR SPEAKER**: Order! Let us move on.

**Ms McRae**: Why couldn't we go to the cricket? You have organised this so badly.

**MR BERRY**: Why don't you just go to the cricket? We will give you a pair to go to the cricket, if it is bothering you.

When the Government first introduced this Bill, what I was most surprised to find absent from the Minister's speech was some crowing about the 150 new jobs that were to be created by the increase in the amount of money which was to be transferred to the training fund from the money collected by the Long Service Leave Board. I searched right through the speech. I recall a quite strong emphasis on the 150 jobs that were to be created by the transfer of this money in the first place, when this situation was first created. When the amount of money for the training fund was increased from 10 per cent to 40 per cent, the Government went on at great length about the 150 new jobs. I must say that I am disappointed that the Government has not been able to crow about achieving those 150 new jobs as a result of the transfer of the funds.

Mr Speaker, one other matter behind this, which is extremely important, is the inability of the Government to get on with its work and achieve reasonable outcomes, with the time available to it. We are talking about a situation over several years where the Government has indicated that it was to come up with an alternative means of collecting funding for training. It uses, as an excuse, that over the last two years circumstances have changed. I will come back to that in a minute. The first matter I want to deal with is the period of time that the Government has had available to it to find a new measure of funding for training in the ACT. Two years have passed. A sunset clause was included to ensure that at 31 December the 40 per cent levy on moneys collected from the Long Service Leave Board would conclude. At the time that this legislation was first introduced, Labor resisted its carriage, but it was eventually supported by the Government and others.

At the time we expressed concern that another measure to apply training funding from another source had not been created before the decision was taken to increase the level of money to be allocated from the Long Service Leave Board for training. I am unhappy to stand up today and say, "I told you so", because the transfer of funds from the Long Service Leave Board for training ought not to have been changed until there was an arrangement in place to properly collect it for the purposes of training. At the outset let me say that I agree in principle with the object of arranging another source of funding for training in the ACT; that is a good idea.

What I find most disturbing is the inability of the Government to deal with the issue. We have known that the ideologues on the Government benches have, for years, been lurching out on the idea of bleeding the long service leave funds in the ACT for the construction industry white - bleeding the piggy bank white. What they set out time and time again to do was to reduce the amount of money that was going into the fund; and then to reduce the amount of money that was available for expenditure on workers' benefits. Time after time we saw moves from those opposite, when in government or in opposition, seeking to achieve that questionable outcome. Well, they made it; they reduced the amount collected from employers from 2½ per cent to one per cent and increased the amount that was taken from the Long Service Leave Board for the training fund from 10 per cent to 40 per cent.

In the course of another debate about an increase in benefits for construction workers, much was said about the need for an actuarial assessment of the issues concerning the ability of the fund to pay for its ongoing commitments to long service leave provision. Happily, improved conditions were made available to construction workers, on the basis of an actuarial report which indicated that for several years employers would not have to worry about increased levies as a result of the increased benefits. There is no such actuarial report attached to this move to again extend the collection of increased funding for training from the Long Service Leave Board's coffers.

I asked the Minister's office. I have to say that a staff member in Mr Kaine's office has been very helpful in relation to this and arranged for me to get a departmental paper which set out the balance sheet for the Long Service Leave Board, in order to prove that there were funds available to deal with this issue over the next six months of that extended sunset period. I think it would have been more appropriate had the Minister made this decision on the basis of an actuarial report, but that has not been done. That is quite disappointing. Nevertheless, that is the course that the Government has chosen to follow in relation to this matter.

Mr Speaker, we have here a situation where the Government has failed to put in place alternative arrangements for the collection of training funds for the ACT construction industry, and now it is going to bleed the Long Service Leave Board's funds whiter, because of the Government's incompetence to come up with a suitable measure to deal with the issue. I know that they say there has been consultation with the industry and the community about new arrangements which are to conclude after the consultations on a discussion paper which is scheduled for 18 December this year. It strikes me as odd that you would put in place an arrangement for the collection of funds for training,

2 December 1997

knowing that an alternative was necessary, and then go into a phase of consultations very late in the piece. It seems to me that is a quite deliberate act to get the Government off the hook so far as doing anything about this issue is concerned. This needed some decisive action to ensure that appropriate resources for training funds were made available from some source other than the Long Service Leave Board's funds. The Government has failed on this score.

It seems to have failed on its long-argued claim that 150 jobs would be created. I am sure it would have been mentioned in the Minister's speech were it to be the case. I have not seen opportunities lost by the Government so far as trumpeting their successes is concerned. This, apparently, has not been so successful. A little while ago, I referred to the Minister's speech and the problems that the construction industry has been facing in recent times. They ought not complain about it too much, because they created it; that is, the Liberals created it. First of all, the Liberal Government opposite cut about 2,500 jobs out of its own public sector. That amounted to about 7.6 per cent of its work force, setting the pattern for John Howard, I suppose, who then came along and decided he would do a little better and cut 7.8 per cent out of his ACT work force, with some dramatic effects on the ACT. This, of course, is something that has been constructed by the Liberals opposite. Let us not forget Senator Campbell's comments about the ACT: "We have created a recession in the ACT". To paraphrase it, "Isn't that good?". So, there is a certain amount of glee amongst the Liberals about their effects on the ACT and no shame from those opposite that they belong to the same group of ideologues who are anti-public servant and anti-ACT.

Mr Speaker, Labor will be supporting this Long Service Leave (Building and Construction Industry) (Amendment) Bill, with some reservations. I have some personal reservations about the ability of the fund to provide the necessary money for this continued increased drain on its funds for training purposes. I know that it is a meagre \$250,000 and, if you say it quickly, it does not sound like much; but it will, in due course, affect the ability of the Long Service Leave Board either to make its own operations more efficient or, in fact, to provide benefits to those people who are beneficiaries of the fund. Indeed, it may lead to an earlier resumption of increased levies on employers in the ACT. Those factors are important in considering the matter.

But the most important fact that has to be understood in relation to this matter is that the Government has failed in its commitment to this Assembly that it would create an alternative funding arrangement for training in the construction industry in the ACT and will not have achieved the promised outcome in its entire term of government. It will be leaving this, like many other things, for future governments and future generations in the ACT to deal with. This \$250,000, though a minor amount when you compare it to the other wrong priorities of the Government opposite, will be a burden for somebody else to worry about, which is just typical of the way that this Government has operated in relation to many of its portfolio areas. Not only will the funding be a matter for somebody else to worry about, but it will also be left for somebody else to devise a scheme whereby training funds are collected from the construction industry and applied to training within that industry. Again, it is a shameful performance by this Government and a performance that they could not boast about. But then there is not much over the last three years that this Government could boast about truthfully.



**MR STEFANIAK** (Minister for Education and Training) (12.26), in reply: I thank members for their comments. Given that I introduced this Bill on behalf of Mr Kaine, the Minister for Industrial Relations, I now close the debate. Mr Speaker, this Bill provides us with an interim strategy. It will allow training in the building and construction industry to continue until a long-term strategy which incorporates community and industry advice can be established. I think that is essential. I would not agree with the comments Mr Berry has made in relation to that. I do think that is important.

Mr Speaker, the Government circulated a discussion paper on funding for training in the building and construction industry, along with a draft Bill which would create an industry training fund as one option. I think it is very important that public consideration of this issue does not unduly disrupt training. This Bill ensures that training in the building and construction industry will continue at a level of 40 per cent of the income of the long service leave training fund for a further six months, up to 30 June 1998. The continuation of funding guarantees that training will not be interrupted by a sudden drying-up of resources. The last thing we would want would be for some trainees who otherwise might receive training not to receive it.

This Government is committed to working with the industry to promote ongoing training, and we seek to investigate the best ways of encouraging training in this vital industry area. In fact, as I have already stated, the Government is canvassing the views of the community on options such as a training levy in a voluntary industry controlled and managed scheme. Clearly, the emphasis on training in the building and construction industry needs to be sharpened. The Government is confident it can work cooperatively with the building and construction industry to develop a long-term strategy to improve training. The investment in training in the industry positions the sector well for any new wave of construction in the industry. I point out to Mr Berry that, far from a number of jobs being lost under this Government, we have seen, in very difficult times, over 6,500 jobs created.

I was interested to hear Mr Waterford, the editor of the *Canberra Times*, on ABC this morning, indicating that the economy was looking up; that jobs have been created; and that we probably have turned the corner in a remarkably short period of time. Given the substantial cuts that the Federal Government has made to the Federal Public Service, I think that brings great credit on this Government for the efforts it has made to create jobs in what are difficult times for Canberra. Mr Berry should be giving us a big pat on the back, rather than engaging in rather pathetic attempted point-scoring there. I commend this Bill to the Assembly.

Question resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

**Sitting suspended from 12.30 to 2.30 pm**

## QUESTIONS WITHOUT NOTICE

### Economy

**MR BERRY:** My question is to the Chief Minister. Chief Minister, I refer to your comments at the Property Council conference last Friday where you described the recession, the hard times in Canberra, as “the transition we had to have”. On Saturday, 29 November, it was reported that Canberra families were facing their toughest Christmas, with 30 per cent of families in the ACT now living on an annual income of \$11,000 or less. It was also reported that requests to the Anglican Church welfare arm, Anglicare, were up by 50 per cent over the past 12 months. St Vincent de Paul expect to spend around \$100,000 in getting families through the Christmas period - an increase of 5 per cent. The Salvation Army is also reporting an increase in requests for assistance from Canberra families to help them through the Christmas period. Chief Minister, is this the transition you said we had to have, and why?

**MRS CARNELL:** Thank you very much. You have to laugh, have you not?

**Mr Berry:** You would laugh.

**MRS CARNELL:** Mr Speaker, I made the comment. I am laughing at - - -

**MR SPEAKER:** Order! There is a lot of business to get through. I am not going to put up with constant interjections at question time or at any other time. I just remind all members of the Assembly of that.

**MRS CARNELL:** Mr Speaker, Mr Berry knows perfectly well that I was not talking about public service downsizing or the hard times Canberra was going through at that stage of my speech. I was speaking about the transition from the Federal Government as our major employer to an economy that was more private sector based and to a more diversified business base. Those who have been in this place for a while would remember Rosemary Follett, I think, making exactly the same comment - that the challenge for Canberra was to move to a situation where we were not as reliant on the Federal Government. These are the exact words that I used - we were not as reliant on the Federal Government. We never want to be in the situation that we were in in the late 1970s, and that we have been in before that when a Federal government decided to downsize. When it decides to have a bit of a financial hiccup, the ACT is the entity that suffers.

I believe that the transition to having a more balanced business base, a more balanced employment base, is absolutely essential for this city. Fascinatingly, Rosemary Follett thought exactly the same. I think Trevor Kaine before that felt exactly the same. It appears that the only person who does not understand that is Mr Berry. I think that is really tragic, Mr Speaker. If Mr Berry wants to be at the beck and call of various Federal governments, Federal governments that, I have to say, have not shown a whole heap of care about the ACT over all sorts of different permutations and combinations,

then I think he will be letting the ACT down. I believe that the transition to a more diversified business base is absolutely essential for the future of this city. Mr Berry obviously does not believe that.

Nobody in this place believes that the downsizing that the Federal Government has done over a very short period of time has been acceptable at all. I did not think the downsizing that happened under Paul Keating was acceptable at all either, Mr Speaker. The fact is that various Federal governments have been downsizing in the ACT for 15 years. Yes, the last 20 months have been tougher; there is no doubt about that. But the difference for us is that we are getting out there and we are creating a more diversified business base. The fact is that there are 6,100 more full-time jobs now than there were a year ago. The fact is that there are more jobs in Canberra now than there were when we came to government. I think that shows that the diversified business base that we believe is essential is the way to go, Mr Speaker. If Mr Berry wants to put the fate of Canberra in the hands of the Federal Government, I do not think too many Canberrans will agree with him.

**MR BERRY:** I have a supplementary question. So, Chief Minister, you think the transition which has come from the massive slashing of public servants by you and John Howard is a good thing. Why is it good for 30 per cent of families in the ACT to be living in poverty as a result of this transition that you say we had to have? Why is it good for Canberra families to depend on welfare to meet their basic needs as they are affected by this transition you said we had to have - the transition that comes from reducing the public service, which was effected by you and John Howard? Is this the fantastic achievement, to quote Senator Campbell, that your party wanted?

**MR SPEAKER:** There are inferences, imputations and hypotheticals within that question.

**MRS CARNELL:** Mr Speaker, I am happy to answer bits of that. I think it is tragic that Mr Berry would trivialise this issue; but still, that is fine, if that is what he wants to do. Mr Speaker, as I think all members of this Assembly saw, I was not terribly supportive of Senator Campbell's statements. That would be an understatement. Senator Campbell's statements were truly stupid, Mr Speaker, and it was good to see that in this case the Prime Minister jumped on him very quickly and we did get an apology.

**Mr Berry:** Keep it in the bag. Do not tell anybody.

**MRS CARNELL:** The comments were stupid. It is that simple. You cannot even look at them in any other way, Mr Speaker.

**Mr Berry:** "I told you to keep that quiet".

**Mr Whitecross:** That is right. Do not tell anybody.

**Mr Humphries:** Mr Speaker, it is very hard to hear the Chief Minister, even sitting next to her.

2 December 1997

**MR SPEAKER:** Order! If there are any more interjections, I would remind Mr Berry that the next suspension is for two days.

**MRS CARNELL:** Thank you. Mr Speaker, I come back to the comments that I made. Yes, I believe that a transition to a more diversified business base is essential. Rosemary Follett believed that in the last Assembly, a long time before the Howard Government was elected. I think almost everyone, except those opposite obviously, has understood that Federal governments have been downsizing for a long time. We all wanted to get to a stage, apart from those opposite - - -

**Mr Corbell:** That is not what John Howard said before the last election.

**MR SPEAKER:** Mr Corbell, you are going very close to being warned.

**Mr Corbell:** It is the first time.

**Ms McRae:** Mr Speaker, you did not even call for order.

**Mr Wood:** Come on! This is outrageous. Why don't you just close the place down?

**Mr Corbell:** Go to the cricket.

**Ms McRae:** Show us in which parliament interjections are not allowed.

**MR SPEAKER:** Do you wish to finish, Chief Minister, or would you like to sit down if they do not want to listen?

**MRS CARNELL:** Thank you very much, Mr Speaker. I was letting those opposite have a little bit of a chat among themselves.

I believe, as I have said before, that anybody who does not believe that that transition to a more diversified business base, to a more diversified job culture, is essential for this city is simply kidding themselves. It shows again, Mr Speaker, that Mr Berry has absolutely no idea of where he would take this city if, as the polls would show, he is elected as Chief Minister next year. In fact, it would appear that the only thing Mr Berry knows how to do is spend the cash-in-bank part of a balance sheet that has already been spent. The last time I checked you could not spend the same dollar twice.

## **Economy**

**MR WHITECROSS:** Mr Speaker, my question without notice is to the Chief Minister. Chief Minister, last Monday you were demanding the resignation of the Parliamentary Secretary to the Federal Treasurer, Senator Ian Campbell, for describing Canberra's recession as a fantastic achievement and in so doing letting the cat out of the bag about what your party's intentions are for Canberra. Yet, at the end of the week, at the Property Council conference on Friday, you described the recession in Canberra as "the transition that we had to have". You confirmed that the economic pain and suffering

that Canberrans have experienced over the last three years was a deliberate intention of your party's policies. Will you resign or apologise in the same way as you demanded of Senator Campbell?

**Mr Humphries:** It is a stupid question.

**MRS CARNELL:** It is a stupid question. It is very hard to work out why those opposite could not have read even the Evatt Foundation report, Mr Speaker. That report certainly had a lot of mistakes in it, but even it suggested that this was not a government that had embraced economic rationalism. Even the Evatt Foundation report made comments such as this:

... she has also campaigned for a national industry policy, converted her own government's planned redundancy payments into business incentives and created a rash of job and business development programs.

Mr Speaker, that comes not from an entity that is usually regarded as heavily on the side of the Liberal Party. It seems that even the left wing think-tank, the Evatt Foundation, understands that we have spent significant dollars - - -

**Mr Berry:** Mr Speaker, I wonder whether Mrs Carnell - - -

**MRS CARNELL:** I would be embarrassed too.

**Mr Berry:** No, no; I wonder whether Mrs Carnell will get to the subject of the question. I do not recall that the question focused once upon the Evatt Foundation. It really focused on other things which ought to have been pretty clear - - -

**MRS CARNELL:** Mr Speaker, the question was - - -

**MR SPEAKER:** I am sure you are coming back to it, Chief Minister. It was relevance, was it not?

**Mr Berry:** No.

**MRS CARNELL:** Mr Speaker, Mr Whitecross, as I understood it, quite clearly was saying that somehow we had wrecked the economy and had caused the sort of recession that happened in Canberra last year. I was quoting the Evatt Foundation to show that even the Evatt Foundation sees that we have created a rash of job and business development programs here in the ACT. It said that the Liberals have also introduced a range of progressive social policies, and the Government is also notable for its level of community consultation and commitment to the environment. I would agree with those things, but I would not agree with other bits in there.

Mr Speaker, I come back to the issue here. Nobody on this side of the house believes that the approach the Federal Government has taken has been acceptable in the ACT, but we do believe strongly that it is essential that the ACT ends up with a more diversified business base and gets away from being a government town. In that speech I spoke about

2 December 1997

transition and said that in the 1970s 60 per cent or 65 per cent of Canberrans worked directly for the Federal Government, and another 25 per cent worked indirectly for the Federal Government, which made 90 per cent. The figure now for people who work for the Federal Government is about 30 per cent. Obviously, you have to add the ACT to that. When I was talking about transition I was talking about a city that had moved - - -

**Mr Berry:** Squirm, squirm, squirm.

**MRS CARNELL:** I am just telling you what I said in the speech. We were moving away from a situation where 90 per cent of Canberrans worked either directly or indirectly for the Federal Government to a situation now where 30 per cent of people work for the Federal Government. That transition to a new business base and to a new employment approach in the ACT is something that I believe is essential, and my Government will continue to be committed to it.

**MR WHITECROSS:** I have a supplementary question, Mr Speaker. Chief Minister, am I to take it from your answer that you do not apologise for saying that the recession is the transition we had to have, that you do not apologise for praising John Howard's last budget, and that you do not apologise for spending \$50m on redundancies within your own work force? Chief Minister, why do you set different standards for Senator Campbell than you do for yourself?

**MRS CARNELL:** Mr Speaker, I have answered this question now three times. I did not say that a recession was a transition that we had to have. What I did say was that we did have to have a transition to a more diversified business base, something that we have been doing for years. Mr Speaker, those opposite - - -

**Mr Corbell:** Thou doth protest too much, methinks.

**Mr Humphries:** Mr Speaker, on a point of order: The lack of opportunity for the Chief Minister to make her comments in answer to Opposition questions is, I think, extremely rude, apart from being a breach of standing orders.

**MR SPEAKER:** I uphold the point of order. I also think that the question, "Have you stopped beating your wife?", should not be addressed, Chief Minister.

**MRS CARNELL:** I assume it is that question; but, Mr Speaker - - -

**MR SPEAKER:** It certainly was framed that way, madam.

**MRS CARNELL:** Mr Speaker, in this Assembly you have to wonder at times. What we will not be doing is going on as those opposite do, just whingeing. That is what we are talking about here. We will get on with generating jobs and attracting new businesses to this city. I think this question time already is showing a very clear contrast between those opposite, who just want to whinge, and us, who want to get on with the job, as the Evatt Foundation says, of creating a rash of job and business development programs.

### ACTEW - Special Dividends

**MRS LITTLEWOOD:** My question is to the Chief Minister and it relates to the financial gurus across the way there. Recent media reports have quoted new Labor leader Wayne Berry, his deputy, Andrew Whitecross, and the Labor candidate Mr Ted Quinlan as all being highly critical of plans to require special dividends from ACTEW Corporation over the next two years to fund capital works that benefit the whole community. Can the Chief Minister inform members of the budget impact of cancelling these special dividends?

**Mr Moore:** Mr Speaker, can we have clarification of that? Is Mrs Littlewood talking about “new Labor” or “a new Labor leader”?

**MR SPEAKER:** There is no point of order, Mr Moore.

**MRS CARNELL:** It would be nice to have some new Labor, I have to say. Mr Speaker, it is true that factored into the budget papers is a special dividend from ACTEW of \$100m this financial year and a further \$100m next financial year. There is no doubt about that. Members of this Assembly have been very critical of this. In fact, I believe Mr Moore has been critical as well, but those opposite have been very critical. Mr Speaker, it was well publicised when the budget was released in May and it attracted very strong criticism from all of those opposite, particularly from Mr Whitecross - but Mr Berry has been out there too.

**Ms McRae:** And Paul and Michael and Kerrie.

**MRS CARNELL:** And Michael, yes. The Labor Party, curiously, I must say, could not seem to understand the logic of providing a greater return to the whole Canberra community from a public asset worth more than \$1 billion that is virtually debt-free, but I accept that there was lots of criticism. More recently, we have heard Mr Berry thundering on about this issue - “\$100m from ACTEW”; “street lights next year”; “shock, horror!”. Obviously, Mr Speaker, you would have to assume that Mr Berry would not be going ahead with this sort of approach if he were in government. Who can forget the shamelessly misleading stunt he conducted down at the Lakeside Arena when he included - - -

**Mr Berry:** It was a good one. I got you 422 times.

**MR SPEAKER:** I beg your pardon!

**MRS CARNELL:** He included the \$100m from ACTEW in a list of money that he claimed was squandered. Mr Speaker, I think it really is important. Mr Berry, down there at the Lakeside Arena, claimed that \$100m from ACTEW this year was squandered, and he was very critical about next year as well. The fact is that this is revenue, not spending, and, indeed, revenue that has not even been collected yet. That was something that obviously was lost on Mr Berry, but, when it comes to figures, we assume that will happen.

2 December 1997

Then we had Mr Quinlan, who no doubt was still smarting from Mr Berry's snub at not being included in the A team of candidates at the Lakeside Arena event, or stunt, accusing the Government of "ripping money out of ACTEW", to quote again. You would expect those opposite, if they had any political or moral principles at all, to back up this absolute indignation with a commitment to reverse those budget decisions. You would expect that, would you not, Mr Speaker? That is a pretty fair thing to say. You would expect at least one of these sums of \$100m to be in the next budget, one that those opposite, I am sure, are hoping to control. In other words, they would leave the money in ACTEW and not use it for the sorts of things we are using it for - the good of the whole community; things like building roads, schools and health centres. But they have said that that is not what they would do, Mr Speaker, or that is what we thought. It is quite within their power, of course, to make that commitment. It is entirely up to the next ACT government to decide whether the further \$100m is required from ACTEW next financial year, through either the sale of the street lights or some other arrangement. Quite simply, no final decision had been made, and we made that clear as well in the estimates process.

The problem for the Labor Party is that they have trouble distinguishing between income and spending; they have trouble reading a balance sheet. We have seen that time and time again. They also seem to have trouble working out that if you remove the \$200m from the budget you will have a major black hole in it to fill. Now, \$200m is a lot of money, Mr Speaker. It is all very well for Mr Berry, Mr Whitecross and Mr Quinlan to run media stunts and express mock outrage at these payments, but they have said nothing about how they would make up the shortfall. Mr Speaker, this is really important. I went through Mr Berry's working capital manifesto, looking for answers on just how this \$200m shortfall would be made up.

**Mr Berry:** I take a point of order. There is a question about the length of this answer. It really sounds like a ministerial statement. This morning the Chief Minister was seeking to put small speeches on the table. Maybe she could consider the same thing with her answers.

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

**Mr Humphries:** Mr Speaker, there is no point of order about the length of speeches. This is an abuse of question time and an abuse of standing orders. There is no standing order about the length of answers to questions.

**MR SPEAKER:** Exactly; there is no point of order.

**Mr Moore:** It should be concise and confined to the subject matter, under standing order 118(a).

**MRS CARNELL:** But they are interjecting too much. Mr Speaker, I think it would be important for all members of this Assembly to take on board or to look at Mr Berry's working capital manifesto and work out just where they were going to make up this \$200m shortfall. It is curious, is it not, Mr Speaker, because there is absolutely no reference to the \$200m anywhere?



Mr Speaker, it gets worse. Not only was there no commitment from the Labor Party to leave the money in ACTEW; but the working capital manifesto actually uses the ACTEW money to fund the whole bloody thing. Does Mr Berry realise why there is an increase in the amount of cash in the current assets over a couple of years, the cash that he said many times in the document was reserves? It goes up for a couple of years because of the ACTEW money. Not only has Mr Berry not understood that you cannot use cash-in-bank twice, that the money is already committed; but he also did not understand that the \$100m from ACTEW was in there for two years - this year and next year. Mr Berry has just funded his whole election approach not only on money that has already been allocated, but on money that supposedly has been ripped out of ACTEW - something which, according to Mr Quinlan, Mr Berry and Mr Whitecross, simply should never have happened. Well, why in heaven's name, Mr Speaker, did they go and fund their election commitments out of something that they do not agree with?

**Mr Berry:** You said the money was not there, but all of a sudden it is.

**MRS CARNELL:** It is not there.

### **Poker Machines**

**MR MOORE:** Mr Speaker, my question is to the Chief Minister. Chief Minister, you are responsible for the formulation of Government policy on the allowance and distribution of poker machines in our community. In doing so, the community would expect that you would serve the public interest, and uphold policies, laws and things such as the national competition policy. Given that responsibility, what obligations have you entered into which bind you or your Government to interest groups and lobbies, especially the Licensed Clubs Association of the ACT and its members, in regard to the making of policy on poker machines? Why, and in whose interests, have you entered into such obligations? How can you explain the very different approach you have taken to the Licensed Clubs Association compared to the treatment of, say, the Australian Hotels Association and its members?

**MRS CARNELL:** Mr Speaker, in regard to the next election, there are no undertakings in place with regard to either the AHA or the Licensed Clubs Association. It is on the record that the ACT Government made a commitment to the Licensed Clubs Association that we would not extend poker machines to other venues in the life of this parliament. The reason that that was done, Mr Speaker, was - - -

**Mr Berry:** What about tax levels? Did you make any promise about tax levels?

**MR SPEAKER:** Would you be quiet, Mr Berry. I have already reminded you of the two days' suspension.

**MRS CARNELL:** Mr Speaker, with regard to the number of poker machines, the Liberal Party determined before the last election that the community benefit that the clubs gave back to the people of Canberra was worth maintaining the monopoly for at least another term. Certainly, this is an issue that does need to be addressed from time to time, but the licensed clubs do put a lot of money back into the Canberra community.

2 December 1997

Just in the last couple of weeks, Mr Speaker, I was out at Tuggeranong opening the new indoor sports stadium, which is a joint venture between the Southern Cross Club, Basketball Canberra and the ACT Government. That involved significant dollars from the Southern Cross Club. A little while before that I was out at Conder opening a new playground that had been put there by the Tuggeranong Rugby Club. There are a number of other initiatives of that sort. We do have to weigh up the community benefit from allowing a monopoly to stay in place versus the potential revenue benefits to government of allowing an extension of poker machines. It will be an issue that I am sure this Assembly will address many times in the future.

**MR MOORE:** I have a supplementary question, Mr Speaker, to the Chief Minister. Knowing that the day before you were sworn in as Chief Minister the Licensed Clubs Association made a donation of \$12,000 to the ACT Liberal Party and that a couple of days later they did the same for the Labor Party, how can you explain away the appearance that the policy protection that you have given to this lobby group is really about donations to a major political party?

**MR SPEAKER:** Order! Standing order 114 says that questions may be put to a Minister relating to public affairs with which that Minister is officially connected. I am not at all convinced, Mr Moore, that whatever money may be paid to a political party has any direct relationship to the Chief Minister.

**Mr Moore:** On a point of order, Mr Speaker: The issue that I am dealing with is how the Chief Minister handled this portfolio. It is appropriate that I ask her whether there is any outside influence. I have specified a particular possibility of an outside influence that has influenced the way she operates this part of her responsibilities. That is why I think the question is in order.

**MR SPEAKER:** I will allow that question as it seeks an explanation, Chief Minister, but do not stray into areas for which you do not have responsibility.

**MRS CARNELL:** Mr Speaker, I am happy to be quite categorical. I can guarantee that there is no influence by either the LCA or the AHA on ACT Liberal Party policy as a result of donations. Mr Moore may not be aware that I understand that the AHA is one of a very small group of single biggest contributors to the Federal Liberal Party. On that basis, Mr Speaker, we have two lots of conflict of interest that would tend to balance, if Mr Moore's approach was right. The reality here is that there is no input from donations that are made to political parties, certainly to the ACT. I do not know that you could go quite that far when you consider the huge amounts of money the Labor Party gets from poker machines, but I can guarantee that the AHA and the LCA both contribute quite heavily to the Liberal Party.

## Economy

**MS McRAE:** My question is to the Chief Minister. Chief Minister, I refer to your comments at the Property Council conference last Friday where you described the recession in Canberra as “the transition that we had to have”, which you subsequently pointed out is the transition from people losing jobs in one sector and waiting forever to get jobs in another sector. Is negative gross State product in four of the last five quarters the transition we had to have? Is negative dwelling unit approvals in six of the last seven months the transition we had to have? Is a falling employment trend for six months in a row the transition we had to have? Is a rising unemployment trend for six months in a row - all confirmed in these Bureau of Statistics publications - the transition we had to have? How do you justify your actions to the Canberra community, or is it your view, still, that we should all stop whingeing because it was good for us?

**MRS CARNELL:** Mr Speaker, I have answered that question four times.

**MS McRAE:** Mr Speaker, I have a supplementary question. What an appalling performance! Quite clearly, it is because - - -

**MR SPEAKER:** Order! We are not asking for a critique; we are asking for a supplementary question.

**MS McRAE:** Well, I was asking for an answer, Mr Speaker, and I would have appreciated getting one. Quite clearly, Chief Minister, it is because you believe that the recession in Canberra is the transition we had to have. Is that why you sacked 7.6 per cent of your own work force at the same time as John Howard was sacking 7.8 per cent of his work force? Was the pain and suffering experienced by those public servants now out of work, and those still under threat of losing their jobs, the transition that Canberra had to have? How do you justify your actions? You cannot, can you?

**MRS CARNELL:** Mr Speaker, I do not know whether this Assembly wants me to answer the same question. For the sixth time the same thing has been asked.

**MR SPEAKER:** You cannot. Standing orders do not allow it. A question fully answered cannot be renewed, says standing order 117(h).

**Ms McRae:** Mr Speaker, please point out just when a question was fully answered. We would love your guidance on that. We have yet to hear a question fully answered. We are in your hands.

**Mr Humphries:** Mr Speaker, the Chief Minister has fully answered this question now four times. She made it clear to the Assembly that her reference to a transition we had to have was not a reference to the recession, the now past recession. That point has been made perfectly clear. If the Opposition wants to take points of order to try to avoid the fact that their question has been fully answered, that is bad luck; but it is not going to waste the time of the Assembly.

**MR SPEAKER:** As far as I am concerned, the question has been adequately answered.

2 December 1997

**Mr Whitecross:** Mr Speaker - - -

**MRS CARNELL:** Sit down.

**Mr Whitecross:** If you are going to answer the question I will sit down.

**Mr Berry:** She wants your job, Mr Speaker.

**MR SPEAKER:** Order! The Chief Minister is on her feet. As far as I am concerned, Chief Minister, you have answered the question.

**MRS CARNELL:** Mr Speaker, Ms McRae asked about the Bureau of Statistics figures.

**Ms McRae:** Mr Speaker, on a point of order: I not only waved this but I actually referred to it in my question.

**MRS CARNELL:** You did not ask me to - - -

**Ms McRae:** If the Chief Minister would like to listen I will ask the question again and then perhaps this time - - -

**MR SPEAKER:** No; we already have the question.

**Ms McRae:** Perhaps she would like to answer it. Every single one of my statistics was from this, which does not confirm that we are in recession. Quite the contrary; it confirms that her policies were wrecking Canberra. That is the question I want her to answer.

**MR SPEAKER:** You are abusing standing orders, Ms McRae.

**Ms McRae:** Never, Mr Speaker. I would never abuse standing orders.

**MRS CARNELL:** Mr Speaker, I am happy to answer the question about our policies. In fact, yesterday I gave a major speech on our future direction, and on the achievements that we have made leading to where we are up to now. I referred to the sorts of things that have happened in Canberra, such as the 6,100 new full-time jobs over the last 12 months - more jobs now than when we came to office, Mr Speaker. I think for 12 months now we have had increases in motor vehicle sales or registrations in the ACT.

**Mr Corbell:** Rising unemployment trend; negative gross State product.

**MR SPEAKER:** I warn you, Mr Corbell.

**MRS CARNELL:** Thank you. The figures that came out today on retail sales are up again. Last month they were the highest in Australia, but they are still going up today. Building approvals are starting to go up again. There have been two consecutive quarters of growth. Population is back in the positive direction now. In fact, on the last figures

we got, the population figures looked better than our budget projection. We could talk about final private sector consumption and final public sector consumption. Private sector consumption has continued to go up the whole way through the last couple of years. Even public sector consumption has started to increase now.

Mr Speaker, we can go on about those things forever. I think all sensible commentators are now saying that the ACT economy is through the worst. I think it is appropriate to quote Jack Waterford this morning. He made the point that the ACT is past the worst, and it has happened, I think Mr Waterford said, in a surprisingly quick timeframe. I would agree with Mr Waterford.

### Sportsgrounds

**MR HIRD:** My question - surprise, surprise - is to the Minister for Sport, Mr Stefaniak. At the grand final of the ACT Australian Football League in September one of Labor's B team candidates for the forthcoming election went to great pains to make a name for himself by starting a "the sky is falling" panic about the future of Australian football here in Canberra. Can you, Minister, advise whether the "Chicken Little" approach is an accurate reflection of the Government's intention to provide first-class facilities to attract a major Australian football commitment as well as other sports teams and events to Canberra?

**Mr Whitecross:** Was *Chicken Little* the last book you read?

**MR HIRD:** Listen and you might learn something.

**Mr Berry:** I take a point of order, Mr Speaker. Mr Hird mistakenly referred to Labor's B team. There is none. We are all in the A team. That is the B team over there.

**MR SPEAKER:** There is no point of order.

**MR STEFANIAK:** Thank you, Mr Speaker. Thank you, Mr Hird, for the question. I cannot, just off the top of my head, remember the name of the B team member; but it was a rather remarkable - - -

**Mr Whitecross:** It was Harold Hird.

**MR STEFANIAK:** No, on your side.

**Mr Hird:** The A team.

**MR STEFANIAK:** Yes, you are in the A team, Harold. It was a remarkable statement by that gentleman, and he also handed out some rather strange pamphlets. I can confidently advise Mr Hird that Mr Wayne Jackson, the chief executive officer of the Australian Football League, certainly does not share the lack of confidence in Canberra that the aforesaid B team member apparently has. Mr Jackson is a very plain speaker and he is willing to operate on the basis of fact and straight talk. I met with him

2 December 1997

in August this year to discuss our plans to upgrade facilities at Football Park in Phillip and at Manuka, in tandem with the redevelopment of Bruce Stadium. He accepted that proposal and he said it was an extremely significant improvement on his understanding of what we were proposing to do at that stage to either Manuka or Phillip. I told him the amount of money we were thinking of spending. He indicated that that was a very significant amount of money; that a lot could be done with that, and he was very impressed. Mr Jackson said nothing to indicate to me that he agreed with "Chicken Little's" assumption that the proposal would result in a facility that would "inevitably be rejected again by the AFL", as quoted in that person's literature that he was handing out on grand final day. In fact, Mr Jackson was very positive about the role Canberra had to play in the future growth of Australian rules football, and said that the proposed upgrades would only strengthen the AFL's plans in this area.

I have now handed over cheques of \$50,000 each to ACTAFL and the ACT Cricket Association, whilst reconfirming the Government's intention to provide multimillion dollar funding for the improvement of facilities at Football Park, Phillip, and at Manuka Oval. Mr Speaker, \$3.4m will be provided to ACTAFL to enable them to design and build TV standard lighting at Football Park, Phillip. Initially, the \$50,000 was provided to enable them to commence design and to undertake all the necessary planning procedures. The provision of TV standard lighting at Phillip will enable ACTAFL and the Cricket Association to stage night games in both sports in the future, hopefully commencing with some Ansett Cup Australian football games in February 1999 and some day-night matches for the Canberra Comets cricket team in the Mercantile Mutual Cup competition - they are going well so far this year - in the 1998-99 season. Televised night games will give national coverage to Canberra cricketers and will be a significant boost to ambitions to host more Ansett Cup football games in Canberra. If members saw the news last night they would have seen the very positive statements made by Mr Kevin Delmenico, and Justice John Gallop on behalf of ACT Cricket, which indicate just how pleased those two groups are with what the Government is doing.

Mr Hird, \$1m will also be provided to ACT Cricket to enable them to improve the facilities at Manuka Oval by upgrading the Bradman Pavilion.

**Mr Corbell:** I take a point of order, Mr Speaker, on relevance. I do not believe that Mr Hird raised at any stage the issue of funding for cricket or any other sport apart from Australian rules football.

**MR SPEAKER:** No, but he most certainly should have. Continue, Mr Stefaniak. It is a most appropriate day, I might add. We are playing South Africa.

**Mr Hird:** And you have on a cricket tie.

**MR SPEAKER:** I do.

**MR STEFANIAK:** Well done, Mr Hird. So, \$1m will also be provided to ACT Cricket to enable them to upgrade the Bradman Pavilion. The \$50,000 was handed over yesterday to enable design work to commence on that project. The new extensions to the Bradman Pavilion will enable ACT Cricket to provide extra corporate facilities, press facilities and upgraded office accommodation for that association.

The Government also intends to build up to 15,000 semipermanent seats which will be used at both locations. Those seats will be designed so that they can be used at Bruce Stadium for Olympic soccer and other events in 2000 as well as other major sporting events like the Brumbies or Super League finals at the stadium. This upgrading program, in tandem with the redevelopment of Bruce Stadium, will see Australian football, cricket and the rectangular field football codes given access to state-of-the-art facilities. At the end of this development, Mr Speaker, these three major ovals in Canberra will be state-of-the-art facilities, and that is good for all the sports and organisations that will use them.

It seems that the B team, unfortunately, is learning from the failed A team and is continuing to play the game by attempting to disparage anything positive done by its opposition. Maybe it is because they do not have the skills or the commitment to do otherwise.

**MR HIRD:** I have a supplementary question. Mr Berry took a point of order and said that there was only an A team. Could the Minister enlighten us as to whether a Mr Ted Quinlan, a candidate for the Labor Party in Molonglo, stated in the *Canberra Times* that there was an A team and a B team?

**MR SPEAKER:** Order! That is not relevant to the question that you have asked.

### Economy

**MR WOOD:** Mr Speaker, my question is to the Chief Minister. I refer her to comments at the Property Council conference last week about the "transition that we had to have". We have seen personal bankruptcies rise by nearly 38 per cent in one year, with similar rises in business bankruptcies. Was this a necessary transition?

**MRS CARNELL:** Mr Speaker, I wonder how many times those opposite will mislead this Assembly by misquoting from an address that I made last week. Mr Speaker, quite seriously, I have made it clear time and time again that I did not make the statements that those opposite are saying that I made. If those opposite want me to go through the state of the ACT economy again, I am very happy to do that. I am very proud that this city has pulled out of the recession that it did have last year as quickly as it has.

In trend terms, compared with October 1996, employment is up by 4.4 per cent, unemployment is down from 8.6 per cent to 8.4 per cent, and there has been no increase in the number of unemployed people despite the fact that we had a participation rate increase from 71.4 per cent to 72.6 per cent. The ANZ job advertisement trend figures increased by something like 2.1 per cent in October, which is the highest level since the Howard Government took office. We have had seven consecutive months of increases in retail sales, and 12 consecutive months of increases in motor vehicle registrations. I can go on and on. We have even had an increase, in the figures that came out today, in residential building approvals - an increase of something like 7.9 per cent over September 1997. Over the last two months some \$400m worth of new development in the ACT has been announced. I would have thought those opposite would have been pleased about that, but they simply cannot be positive about anything.

With regard to bankruptcies, Mr Speaker, I have explained to those opposite. If those opposite understood the figures they would realise that the bankruptcy figures for the ACT do not apply just to the ACT. ACT bankruptcies are the bankruptcies for the whole region. They just happen to be registered in the ACT. The only way that those opposite could get accurate figures would be by going down to the Australian Securities Commission, or wherever, and ascertaining the addresses of the people concerned. The last time we did that, especially with regard to business bankruptcies, it showed that the level of bankruptcies over the 12-month period that we looked at was more or less the same. Nobody doubts that it is tough for small business. It is always tough for business. What business needs is a government that gets rid of red tape. Just this week we announced the BLIS scheme, the business licence information service scheme. Mr Speaker, when you look at what small business and business think of government in the ACT, I have to tell those opposite that they are not choosing them.

### **Ministerial Support Services**

**MR OSBORNE:** My question is to the Minister for Education and Training, Mr Stefaniak. Minister, I see from your department's annual report that it spent a total of just over \$6.9m providing ministerial and government advice in 1996-97. I also note that this figure was 16.8 per cent over the budget target. The same report, Minister, shows that the average cost of providing services to you that year was \$1,072. This was nearly 90 per cent over the budget target. I probably know the answer to this, Minister, but how do you explain these figures and the fact that ministerial support was so badly over budget?

**MR STEFANIAK:** It is a big area, Mr Osborne, and a lot of work has to occur there. I think if you look at some of the other figures you will find that that average cost is not necessarily dissimilar to some other areas, but it certainly is one of the biggest departments. It includes a large number of things in terms of support and other services to people in the department, not just service, strictly speaking, to me. A lot of effort goes into that, Mr Osborne, and it is not necessarily dissimilar to other large departments.

**MR OSBORNE:** What do you do with the advice, Minister? Do you read it? Anyway, my supplementary question is - - -

**Mr Whitecross:** Ask him about "Chicken Little". He can handle that.

**MR SPEAKER:** Mr Whitecross, be very careful.

**MR OSBORNE:** The department does not have a lot of clay to work with, Mr Speaker. Minister, will you review the cost of providing ministerial advice and explore the possibility of spending some of the money on teaching students?



**MR STEFANIAK:** Like I said, Mr Osborne, that money goes into a whole lot of different things - education and training and a number of other services as well. Like my colleagues here generally, we will certainly be reviewing the way we do business here, to ensure that we can make it as efficient as possible and get costs down generally right across the board wherever possible. That makes us quite different from the lot over the way there if they happen to get the reins of government in February 1998, Mr Osborne. Certainly, in terms of reviewing those types of expenditures, yes, I will certainly be reviewing them to see whether we can get those costs down. We provide a lot of service to a lot of people. If some people opposite did not ask so many silly questions, that might assist as well. There are a number of factors there that - - -

**Mr Osborne:** Well, why bother?

**MR STEFANIAK:** Yes.

### **Economy**

**MR CORBELL:** I wish I had a question for Mr Stefaniak, but I do not. My question is to the Chief Minister. Chief Minister, I refer to your comments at the Property Council conference last Friday when you described - - -

**Mrs Carnell:** The ones I did not make.

**MR CORBELL:** Oh, you did not make them now?

**MR SPEAKER:** Order!

**MR CORBELL:** I think the Chief Minister had better be careful not to mislead the house, because she did make these comments.

**MR SPEAKER:** One has difficulty in hearing - - -

**MR CORBELL:** You described the recession in Canberra as “the transition that we had to have”. Yes, you should lower your head, Chief Minister. Is the present crisis in the tourism industry the transition we just had to have? Chief Minister, are falling visitor figures and tourism takings for four quarters the transition we had to have?

2 December 1997

**MRS CARNELL:** Mr Speaker, I would like to ask Mr Corbell a question, but I know I am not allowed to. I am confident that, when the tourism figures for the three months just finished come out and when they are up significantly, Mr Corbell will come out and say definitely that it is because of the absolutely wonderful job that this Government has done. Mr Speaker, I will make another comment on this. Those opposite are misleading this house with regard to comments that I made at that meeting.

**Mr Berry:** I think the imputation should be withdrawn, Mr Speaker. It is clearly contrary to standing orders.

**MR SPEAKER:** I have not heard it yet.

**Mr Berry:** Mr Speaker, I will repeat it for you, then. She said, "I think those on the other side are misleading this house".

**MR SPEAKER:** Yes, but I have not heard the reason, the justification for that statement.

**Mr Berry:** Dare I draw your attention to a small matter?

**Ms McRae:** Mr Speaker, you do not need a reason.

**Mr Berry:** You do not need a reason. The fact of the matter is that the imputation was made and should be withdrawn.

**MR SPEAKER:** If you - - -

**Mr Humphries:** I think, Mr Speaker, you have ruled in the past that collectives like that do not have the same effect. You should, if you have not.

**Ms McRae:** No, he did not. It is the opposite.

**MR SPEAKER:** Order! I think I can ask the Chief Minister to withdraw it because she will be able to explain.

**Mr Berry:** No, no.

**MRS CARNELL:** Mr Speaker, I am happy to withdraw it.

**MR SPEAKER:** Order! I said I can ask the Chief Minister to withdraw the comment because she will then be able to explain how it happened.

**MRS CARNELL:** Thank you, Mr Speaker. I already did.

**MR SPEAKER:** Thank you.

**MRS CARNELL:** Mr Speaker, I am pleased to be able to give some more bankruptcy figures for those opposite, because they were interested in this in the last question. The success of our business strategy, I think, is reflected in the data from the Australian Securities Commission on the number of corporate insolvencies and terminations. Over the three months between June and August 1997 the number of insolvencies and terminations in the ACT was 33 per cent lower than in the previous three months, and 44 per cent below the number in the same period in 1996. Over the same period the ACT had 476 new incorporations. Mr Speaker, I was confident that - - -

**Mr Berry:** Mr Speaker, this does not seem to have anything to do with the question Mr Corbell asked. His question was in relation to tourism matters.

**MR SPEAKER:** Order!

**MRS CARNELL:** You do not think companies are of interest?

**MR SPEAKER:** Order! The Chief Minister is answering the question. She is developing her answer. I am sure that all will be revealed if you are patient.

**Mr Corbell:** I raise a point of order, Mr Speaker. Can you advise this side of the house as to what bankruptcy has to do with tourism? How relevant is that to tourism matters? Is the tourism industry going to go bankrupt?

**MR SPEAKER:** Order! The Chief Minister is answering the question as she sees fit. If you people want to have a talk together, I suggest you go out into the lobby. Otherwise, I will take it as an interjection and deal with it.

**MRS CARNELL:** Mr Speaker, those opposite are making a joke of this house. They are using a quote that they cannot quote back because I did not make it, Mr Speaker. They are wasting an enormous amount of time in this house. I restate what I said on the last question. All reasonable commentators are now making it quite clear that the ACT is out of recession. In the ACT, areas such as retail, motor vehicle sales, even corporate bankruptcies, and growth over the last two quarters, are all looking good, and those opposite simply cannot cope with it. They cannot cope with the fact that things are looking much better for the ACT. I think that is so sad.

### **ACTION - Gas-powered Buses**

**MS TUCKER:** My question is to Mr Kaine as Minister for Urban Services. As the Minister is aware, ACTION gave up on gas-powered buses after an unsuccessful trial of two compressed natural gas buses. Unfortunately, ACTION has never looked seriously at the production models now used in Sydney, South Australia, Western Australia and Britain. This is an area where well-proven popular and environmentally friendly alternatives are available. For the Minister's information, these buses have been shown to reduce particulate emissions by 90 per cent, noise by 50 per cent and carbon dioxide emissions by 20 per cent. Mr Kaine, given the Liberal Party's enthusiasm for reducing greenhouse gas emissions in the ACT and the fact that New South Wales has recently purchased another 300 gas buses, taking its fleet of buses running on compressed natural gas up to 400, will you commit your Government to having another look at gas buses, and in particular what is happening in New South Wales, with a view to introducing gas buses in the ACT?

**MR KAINE:** Mr Speaker, I will undertake to get a comprehensive briefing from ACTION as to what they are currently doing in this matter, what regard they have had to the experience elsewhere, and what, if anything, they propose that we should undertake to do in the future. I will produce a copy of that briefing for Ms Tucker.

**Mr Whitecross:** I take a point of order, Mr Speaker. Ms Tucker has asked a question in this place. I think all members are entitled to an answer, not just Ms Tucker. I ask that the Minister be asked to present his answer in the Assembly, not just privately to Ms Tucker.

**MR KAINE:** Mr Speaker, I said I would seek a briefing. I do not intend to make a statement to the house. Ms Tucker has asked me a question. I will seek a briefing on the matter and I will make that briefing available to her. If other members want a briefing, they can ask me accordingly.

**Mr Whitecross:** Yes, please. I will have that briefing; thank you.

**MR SPEAKER:** There you are. Now sit down.

**MR KAINE:** I do not consider that as a request.

**MS TUCKER:** I think he is going to make it available to everyone. Thank you for that, Mr Kaine. Would you also be prepared to make a commitment similar to that of Liverpool Council - or at least get a briefing on this too - to look at the possibility of converting the passenger vehicle fleet to natural gas?

**MR KAINE:** I think, Mr Speaker, that depends on what advice I get from my experts at ACTION buses.

**Ms Tucker:** Ask about the cars.

**MR KAINÉ:** It may be that their briefing demonstrates that there is no particular advantage in doing so, in which case I would be foolish to give that sort of a commitment. I will wait until I have a proper briefing on the subject - on which I am not expert, and I do not claim to be - and then I will consider where to go from there.

**Mr Moore:** Mr Speaker, I think the supplementary question was misunderstood.

**Ms Tucker:** Yes. I would like to clarify that. I was asking about cars, the fleet of cars, not just buses.

**Mr Moore:** The ACT car fleet.

**MR KAINÉ:** I recollect that the question asked me to give some commitment. The answer is, Mr Speaker, that on the basis of the information that I currently have I could not give such a commitment, but I will seek information and I will act from an informed position.

### **Economy**

**MS REILLY:** My question is to the Chief Minister. Chief Minister, I refer to your comments at the Property Council conference last Friday where you described the recession in Canberra as “the transition that we had to have”, or, as you may have preferred to call it, the hiccup on the hill. Is that why Canberrans have been forced to watch the equity in their homes disappear as housing prices in the ACT plummet? Collectively, home owners in Canberra have lost over \$1 billion in the value of residential property. Is this transition that we had to have the reason why the ACT has experienced the lowest building approvals since statistics were first collected?

**MRS CARNELL:** For the interest of all of those present, my extraordinarily efficient staff have produced a copy of the speech I made. Maybe it would be useful for me to quote the piece out of the speech that those opposite are using.

**MR SPEAKER:** Proceed.

**Mr Berry:** It was not in the speech. You said it when you were sitting beside me.

**MR SPEAKER:** I warn you, Mr Berry.

**MRS CARNELL:** After going through all of the sorts of approaches that we were taking, such things as unveiling an industry strategy in the near future, I think I said - well, I know I said - that we have to be enthusiastic. I then said:

We have to take the chip off our shoulder. We have to ignore the Canberra headlines and use them to our advantage. We will continue with reforms to streamline planning and approval processes, programs that encourage more innovative investment such as our Civic Revitalisation program and other initiatives.

2 December 1997

Here it is, Mr Speaker:

Canberra is in transition. It's a transition we have to make. If we don't, then the city will die. This Government has embraced and promoted this transition as a strength so that the next time the Commonwealth sneezes, we don't catch a cold.

I am happy to table this speech for anybody who would be interested in quoting it properly next time, for the interest of members.

I come back to the core issue here. Those opposite are trying to somehow spin a line that the ACT economy is not improving. There are simply no statistics to show that. Just to use the statistics that Ms Reilly just used, in the last set of figures we got housing prices had even started to increase. So all of those figures are showing that the economy has turned around, and in record quick time, taking into account the huge Commonwealth Government downsizing. As I said today, that is happening even with residential building approvals, the area that often is the last to really pick up. Would it not be great if those opposite could just accept that the economy has actually turned around? Even the Evatt Foundation believes that the ACT Government is doing, in their view, a reasonable job. Everybody but those opposite believe that, Mr Speaker.

**MR SPEAKER:** Do you have a supplementary question, Ms Reilly?

**MS REILLY:** I am not quite sure, from the various similes that are being used, whether we are catching a cold, whether we are having a transition or what, but the question is - - -

**Mr Humphries:** Mr Speaker, is this a preamble to a question or is it a question?

**MR SPEAKER:** No preamble.

**MS REILLY:** You can tick one. Is that the reason why we have seen a depressed building industry that has seen workers go interstate in search of work? Will you be explaining face to face to these workers, who have to uproot themselves and their families, that it is all in their best interests?

**MRS CARNELL:** Mr Speaker, looking at what is happening in the building area right now, following the recent release of the Nicholls lakeside development at Gungahlin I understand that 54 blocks were sold in four hours. In fact, before the day of the launch of the 90 blocks that were available, 84 were sold. From that developer's perspective it was the best result he had had since 1993. The problem that Mr Humphries and I have at the moment is the number of builders on our doorstep suggesting that maybe we should start thinking about land releases again because land is starting to sell out there. That is probably the reason why the figures today show a 7.9 per cent, I think, increase in building approvals.

Again, Mr Speaker, those opposite are simply wrong. Yes, it has been a tough 12 months or tough two years; but the figures all show that the economy is turning around, and in many areas it has turned around. It is just that those opposite cannot accept it.

**Ms McRae:** Yes, they see us coming. That is why.

**MRS CARNELL:** Thank you very much. I am very pleased that Ms McRae just admitted that it was true that the economy had turned around.

**Ms McRae:** I think you should quote me in full if you are going to quote my interjections.

**MR SPEAKER:** All could profit by that, Ms McRae.

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

### **NATIONAL CAPITAL FUTURES CONFERENCE Paper and Ministerial Statement**

**MRS CARNELL** (Chief Minister): Mr Speaker, for the information of members, I present the record of proceedings of the National Capital Futures Conference which was held in September 1997. I seek leave to make a statement.

Leave granted.

**MRS CARNELL:** Mr Speaker, on 29 and 30 September 1997, the National Capital Futures Conference was held at Old Parliament House to consider the vision and strategic directions for Canberra's growth and development. I am pleased today to be able to table the report of proceedings from the conference.

Mr Speaker, I think it is worth while to take a few moments to reflect on the extraordinary lengths to which the organisers went to ensure that the conference was well publicised and that a broad cross-section of the community was able to attend and to contribute to the discussion and the debate. Over 5,000 registration brochures were circulated. Advertisements were placed in local newspapers. Letters were sent to over 60 business and professional institutions and associations. ACT and Commonwealth government departments were notified. Embassies and high commissions were notified. The ACT Legislative Assembly members and all local Federal parliamentarians were invited.

Pre-conference workshops were held with representatives from social, arts, heritage, sport, multicultural, indigenous and youth groups, small and large business organisations and students from local universities and colleges. At least two representatives from each of these workshops were invited to the conference free of charge. Almost 100 invitations were sent to community organisations and volunteer workers, including the Trades and Labour Council, to attend the conference free of charge. A competition through local newspapers was conducted, where local citizens could win a place at the conference

2 December 1997

free of charge. Representatives from local businesses and clubs were invited to participate through a sponsorship arrangement. People could register for a relatively small subsidised fee. Students from a number of secondary schools and colleges were invited to be ushers for the conference and to participate in the conference discussion and debate. All information relating to the conference was made available on the ACT's Internet site, and it will continue to be an information source for the community.

The conference brought together a wide cross-section of the Canberra community, including representatives of all sorts of associations - professional and business - politicians and government employees. I am pleased that we were able to attract so many local, national and international speakers, including Vicki Buck, the Mayor of Christchurch; Richard O'Brien, the Irish Ambassador; Frank Sartor, the Lord Mayor of Sydney; Aldo Giurgola, as we know, the architect of Parliament House; Lex Marinos; Wendy McCarthy; Rob de Castella; Barry Jones; and Annette Ellis - to name but a few.

**Mr Whitecross:** And Wayne Berry.

**MRS CARNELL:** And me. I was pleased that members of the Assembly, including Gary Humphries, Wayne Berry, Andrew Whitecross, Michael Moore and Kerrie Tucker, were also able to attend. I believe that, overall, their contributions helped to make the conference a real success. I would particularly like to thank Kerrie and Michael for believing in the capacity of the Canberra community to come up with a direction for our city and for believing that government is not about just the 17 people in this Legislative Assembly; that it is also about involving the community and allowing them to participate. I know that Michael, Kerrie and I share the view that, as time goes on, the community will, and should, require more and more input into the political process.

However, like many others at the conference, I was somewhat disappointed with the attack by the Leader of the Opposition, Mr Berry, on the work done by the participants at that conference and with his lack of commitment to a bipartisan approach to the development of a vision and a strategic plan for Canberra. I was, however, pleased that the Commonwealth was well represented. The opening address was made by Warwick Smith, the then Minister for Sport, Territories and Local Government; a presentation on the Australian capital region was made by Michael Ronaldson, representing the Minister for Transport and Regional Development; and contributions were made by a number of key Commonwealth agencies, including the National Capital Authority. This level of involvement augurs well for an ongoing commitment by the Commonwealth to the development and implementation of a revised ACT strategic plan, consistent with the wishes of the Assembly.

As members may be aware, a key outcome of the conference was the communique developed by the participants. While the recommendations contained in the communique did not have unanimous agreement, they did have clear majority support at the plenary sessions. As I indicated in my closing address to the conference, the Government will be taking into account not only the recommendations of the communique, but all of the conference outcomes, when continuing to develop a revised strategic plan. In fact, Mr Speaker, I made a speech yesterday that brought together a lot of the outcomes of that conference and other work that has been done.



In this regard, my department is currently drawing together the outcomes of this conference and the pre-conference workshops, the earlier work done on the 2020 report and *Canberra: A Capital Future*, and suggestions already made by this Assembly, to develop a revised strategic plan. The Government will continue to progress this work into the new year and beyond, in consultation with the Assembly, the Commonwealth and the community. Mr Speaker, I think it is important to realise that this sort of process does not have, I suppose, a definite beginning and a definite end. It is an ongoing process. But I think community participation in government will always be that way, and it is something that I believe is a step in the right direction.

**MR BERRY** (Leader of the Opposition): Mr Speaker, I seek leave to comment on the paper.

Leave granted.

**MR BERRY**: This document, which is essentially a record of proceedings - a *Hansard* of proceedings, I suppose, would be the best way to describe it - is part of a campaign that really began before the last election, when the Chief Minister promised a council style of government, along with a range of other promises which, of course, were never to see the light of day. Mr Speaker, there was then the strategic plan, which was developed in the ACT by the Government and was widely criticised; there was the *Governing Canberra* report, again widely criticised; and then a process was set up, described as the National Capital Futures Conference.

On the face of it, it looked like a fairly positive thing; but, once you had a little bit of a look behind the scenes, it was very clear that it was not an entirely representative conference. It was a conference where community organisations and the community were far outweighed by other sectors of the ACT. But then the crunch came when it was decided somewhere along the line that the conference would make majority decisions. That is when any semblance of it having a positive nature went out the window. Fancy structuring a conference which was biased one way or another and then deciding that it was going to make majority decisions which governments might take into account when formulating decisions for the future governance of the ACT.

In the course of it, some quite loopy ideas emerged. One was the popular election of the Chief Minister in the ACT. That would be one of the most ridiculous things that I have ever seen emerge from any sort of conference in the ACT. I notice that it was sponsored mostly by the Minister responsible for electoral affairs, Mr Humphries. I am thankful that the conference communique does not show that this particular approach was endorsed, because it was dumb. It was an approach that would lead us nowhere, in the context of proportional representation in the ACT, and it was just nothing but trouble for the future of the Territory. That, I think, undermined the quality of the conference. It certainly did for me.

What troubled me most was that the conference was declared to be representative. Of course, the main aim was to engage as many people as possible, so that they could be declared to be owners of the outcome when it was declared. I do not mind being involved in things, provided that there is a fair process which results in decisions that can be

2 December 1997

considered by government. But it was certainly not a process that politicians in this place ought to have been too closely involved in, and I said that at the conference when I spoke. I was critical of aspects of the conference because I felt that those criticisms needed to be made.

I certainly think that politicians should not have been anywhere near it, because politicians are elected by the people of the ACT, and the government makes decisions in this place on their behalf. It seemed to be a conflict of interest for one to be participating in a quasi policy-making consultative body and then getting a chance to make decisions on those policies in this house. Once you have been involved in the decision-making process, you have committed yourself to decide upon a certain course and then find yourself in the parliament making decisions in respect of it. When it comes to a particular matter, it would be a rare event for politicians to walk away from decisions they had wedded themselves to in the legislative process.

So, in summary, Mr Speaker, I think it is best to describe this whole process from beginning to end - the promise to have a council-style government and the way this whole election campaign has been run - as a very expensive exercise which has been sponsored by the Territory's taxpayers. I have yet to see anything useful that will come out of it for the governance of the ACT.

I note that in the conference an announcement was made about an inquiry into the ACT Government. I note further that there have been a few exceptions to that. It was a broad-ranging inquiry, which was done without consultation with anybody in the early stages. It is typical of this Government: "We promise to consult after we have made the decision". They made the decision to have this conference so that they could distance themselves from the model in the ACT. It is a very cynical approach to the body politic in the ACT that the Chief Minister should distance herself from it by way of these sorts of mechanisms. This inquiry was to create the impression that there was something wrong with the model in the ACT and it was not the Chief Minister's fault; but she was fixing it.

The fact of the matter is that the way that it has been approached will not fix it either, because it has been a very cynical agreement between the Chief Minister and the relevant Minister on the hill. There was no consultation with the parties. If there was consultation with the parties, it was only with some of them in the lead-up to this conference. The inquiry has had a head appointed. I have relentlessly bagged the process, because I think it was a nonsense, and any decisions - - -

**Mr Humphries:** Because you always do, Mr Berry.

**MR BERRY:** No; because the decision to have the inquiry should have been made in here by elected politicians. If you and those people who support this inquiry into the ACT were fair dinkum, you would have an inquiry into everything, including the electoral system. But nobody wants to see that happen, because you are a bit worried about it. It has been wiped out of the process.

**Mrs Carnell:** Because there has been a referendum and the community have decided what they want.

**Mr Humphries:** That is right; twice.

**MR BERRY:** Mr Speaker, because there has been a referendum and the community have decided what they want, does that mean that no questions can ever be asked about it again? That is absolute rubbish. When faults are found with anything, one is entitled, if one is intelligent - - -

**Mr Moore:** How would you know?

**MR BERRY:** If one is intelligent, and not belligerent and rude, then one can ask sensible questions about processes in the course of looking at them. Those who know nothing about government processes would exclude an electoral system from an examination of the process of government.

Mr Speaker, the facts of the matter are that this entire process has been about electioneering. It has not been about producing anything positive for the ACT. I have already been critical of the inquiry into the ACT Government. I am even more critical of a process where, by negotiation with other parties in this place, certain matters have been excluded from the inquiry. What an outrage; what a farce! That particular approach has been dishonest from the outset.

There was always an undertaking that this Government would be open and consultative. Many of us did not believe that; but some in the community mistakenly would have believed it. Nothing evidenced more clearly the fact that the Government had no intention of being consultative than did its approach to this inquiry into governance in the ACT. It went and did the job by itself and then attempted to go through the pretence of consultation, only to exclude issues which certain of its supporters did not want examined because there might be questions asked about the validity of past decisions in relation to the matter.

So, Mr Speaker, this process has to be regarded as part of an electioneering process. I have yet to see that it will deliver anything palpable for the people of the ACT. In fact, it seems at this stage only to have soaked up a lot of taxpayers' dollars in what has been, from go to whoa, a fancy-dancing media exercise. I note that the inquiry into governance in the ACT continues. I look forward to seeing what comes of that; but I fear that the inquiry's result will be inadequate, because it has not been permitted, in its terms of reference, to examine all matters which affect governance in the ACT. It is quite a nonsense to suggest that you could look at the parliamentary process in the ACT and the government process in the ACT without looking at the electoral system. The two are intertwined.

2 December 1997

**MS TUCKER:** I seek leave to comment on the paper.

Leave granted.

**MS TUCKER:** It seems that Mr Berry may have been at workshop 3; but I did not see him.

**Mr Berry:** I would not participate in the workshop.

**MS TUCKER:** That is right; of course. I forgot. You said that politicians should not be there. So, I will address that.

**Mr Moore:** Except to make his comments at the end.

**MS TUCKER:** Yes. It was all right to come in and bag the whole thing. There are a couple of things I would like to say here. First of all, this conference was an attempt to bring people together to talk about where we want to go as a community. When I summed up in my final speech, I also made comments about the fact that the group was not entirely representative and that the background papers that were developed outside the forum with members of the community must be integrated into any final document that came from it. I am not quite sure that that has happened yet. I cannot see it in here; but maybe it still will happen. But I was certainly prepared to be positive about bringing people together to talk about these issues.

On Saturday night, at a dinner, we had an address by David Suzuki. He has recently published a book called *The Sacred Balance*. In it he refers to the social and environmental problems that are facing us, particularly in light of the trend towards globalisation. Members may be aware that the World Trade Organisation is now moving further with the MAIs; so, we will actually end up with multinational companies having the right to move into any country with their business. This is a very frightening threat to the environment of the whole world. What David Suzuki was saying was that the only way we can actually counter this force, which does not take into account social or environmental issues, is to have thriving local sustainable communities. We have the opportunity in the ACT to make ourselves as sustainable as possible and to foster community development, so that we make our lives fulfilling and sustainable, both socially and environmentally. For that reason, I am always interested in supporting any kind of dialogue which is looking at these issues.

Mr Berry spent most of the last 10 minutes or so talking about one workshop out of six. The workshop he was talking about was the one on governance in the ACT. I did pop into that workshop for a little while. I have some difficulties with how it was facilitated, and I do not think the outcomes of it were necessarily representative of even the people there; but that is okay. It was a view. I was disappointed that Mrs Carnell seemed to take it as an indication that there did need to be a review. But, once again, we are prepared to have some input into that review that is occurring, because something is happening. We are thinking about how we can work better in this Assembly.

One thing that is very clear to me is that, when people like Mr Berry - or Labor - are going to just refuse to be part of anything, therein lies a basic problem. We do not need to redo the whole Assembly. We do not need to find a different way of electing the Chief Minister. All we need to do is try to work more cooperatively, as 17 people, and draw on the skills of those 17 people. What Mr Berry has just done today has really highlighted for me the fact that we have problems in this place. They do not need a review; they just need the 17 people here to sit down and work together a little bit more cooperatively.

The way Mr Berry has just discussed it was, I think, a misrepresentation of that whole conference. As I said, it was one of six workshops. The other workshops were called "From Vision to Reality", "Maintaining Canberra's Quality of Life", "Getting Coordinated Commitment", "Paying and Planning for the National Capital" and "Delivering Social Outcomes".

**Mr Moore:** Actually, it was one of nine. That was on day one. There were nine workshops altogether.

**MS TUCKER:** Mr Moore is correct. On day two, there were more. They were called "Innovation and Creativity" - I was moderating that one - "Growing the Australian Capital Region" and "Asserting the Identity of the National Capital". There were a number of broad issues addressed by a broad range of people. They were not all men in suits. Most of them were; but there were young people there and there were some community representatives there. Those people, in good faith, contributed to the discussion, even if it was somewhat flawed in the way that the conference was put together. Those people worked in good faith.

I think it is very insulting of Mr Berry to say that politicians should have boycotted it because it was a flawed process and/or because they had a conflict of interest somehow, as decision-makers, in being part of a discussion about the direction in which the ACT should go. It seems to me that it was perfectly appropriate that we were there. Michael Moore and I were there in the capacity of moderators. We were certainly not there, in that capacity, pushing our own views. We had the opportunity to speak at the end - as did Mr Berry - on our particular view of a vision for Canberra, which we did, although I do not remember Mr Berry actually presenting a vision at all. All he did was criticise the conference. But others of us took the trouble and took the opportunity to talk to those several hundred people about how we thought Canberra could move into the future in a way that would meet the needs of the community.

So, I just want to say that I think this was a view. If we see the background papers integrated into the final document, it will be something that is on the path towards developing a strategic plan. We have seen some very good suggestions made, within this conference and within the background papers, about where we need to go next. The social outcomes workshop certainly addressed some of the issues that I have been very concerned about, like developing good social indicators. The need for a social plan and so on has certainly come up in discussion. So, I do not think that we should be negative at all about this. I think we should accept it with its faults, acknowledge

2 December 1997

its faults, but not take it as a definitive statement from the community on where we should go. We will never have the definitive statement anyway; but, if we have a number of different ways of trying to reach agreement as a community about the direction in which we want to go, then we have a better chance of actually achieving outcomes that are appropriate.

**MR HUMPHRIES** (Attorney-General): I seek leave to make a short statement on this subject, Mr Speaker.

Leave granted.

**MR HUMPHRIES:** Mr Speaker, I will be brief. It is obviously very difficult, in an exercise as large and complex as the National Capital Futures Conference, to please everybody. It is clear from some of the comments made in this debate that that has not occurred; that is, that everybody has not been pleased. That is, as I said, not surprising. But I think it needs to be placed on the record very firmly that an exercise like this, where the Government comes down among the key stakeholders and ordinary citizens in the Territory and attempts to ascertain their views on these matters, is a vitally important part of the process of understanding where the community should be heading.

We have a process of government in the ACT which is centred very much around the operation of this parliament. It is a representational structure of government. People elect us to serve for three years in this place; we make decisions in those three years; and we go back at the end of three years and say, "Did I do a good job, or did I not?". But sometimes other structures are needed to supplement the process of decision-making and reaching consensus about where we should be headed, in a more subtle and sensitive way than is possible through the very blunt instrument of electing party A or party B to be the government of the Territory.

So, Mr Speaker, what happened here was, I think, a very important exercise. Whatever shortcomings it might be said to have, nonetheless it is extremely important. It is extremely easy for those opposite to just sling mud at it in a very determined way. But, again, I think we cannot regard that kind of process as credible unless we know what alternative mechanism they would use to probe the views of citizens of the Territory. If they, in government next year after February's election, were to say, "Our mandate is enough consultation for what we are going to do. We can make these decisions and engineer these changes based on our majority, or based on our numbers, in this place", then clearly, Mr Speaker, we would have a serious problem. I think it is important that governments, whatever their numbers on the floor of the Assembly, whatever their position, whatever the recentness of their mandate, need to be going back to their electorates, to their constituencies, and saying, "What do you think about this? How does this idea fly? Where do we go on this?". And that is what the National Capital Futures Conference did.

I think Mr Berry and his colleagues over there would do well to take a few leaves out of the book of Mr Beazley up on the hill. He has been careful, as a Minister relegated to the opposition benches after a long period in government, to accept that there needs to be a process where you accept some things, you support some things and you oppose others.

He has done that, I think, with some balance, and I applaud him for that. Unfortunately, the Labor Opposition led by Wayne Berry has shown none of that capacity. Everything that the Government does - in fact, everything that the Labor Party does not do - is criticised and attacked. They leave themselves extremely small parameters within which to work should they be elected in February, because much of what has gone before them are, of necessity, going to have to pick up and use in government themselves. If they have criticised it, they are going to be accused, quite rightly, of being hypocrites for picking up the very ideas and the very mechanisms which they have so roundly criticised. The \$100m premium from ACTEW is one very good point from the Chief Minister's comments in question time.

So, Mr Speaker, I support the process being used here. I think the idea, for example, that I put on the table, of having a directly elected Chief Minister, was a worthwhile idea to consider. It obviously is only one of many possible formulations of government in the ACT. I am sorry that Mr Berry is so frightened of new ideas that he should feel that the conference needs to be condemned because Gary Humphries put this idea to the conference. That is a pretty strange argument, it seems to me. Before I take seriously any of the criticisms I heard from those opposite, I want to know what they will do to keep in touch with the people of Canberra after next February's election, when, according to the opinion polls, they will be on this side of the chamber running the Territory. What are they going to do? Let us hear about it.

**MR MOORE:** Mr Speaker, I seek leave to make a short statement on the same matter.

Leave granted.

**MR MOORE:** I would like to start by quoting from page 251 of the record of proceedings. Mr Gary Sturgess, who was the facilitator of the conference, felt obliged to respond to the words of Wayne Berry. He said:

... I guess I would like to say some words in defence of the forum. I will be blunt as Chair. This is not representative democracy and representative democracy in some ways is a bit easier. This has been an experiment in direct participation. That is always messier, it is always harder, there are always questions about who should have been presented and whether the numbers were right. Representative democracy just takes away a whole lot of those disputes. It has been difficult. The time has obviously been too short, but then people have come away from work and other commitments to be here. This has been obviously a difficult process dealing with big questions in a short timetable, but I think that you are entitled to be proud of your participation in a discussion of issues.

Indeed, Mr Speaker, I am very proud of my participation in the discussion of those issues. But my pride goes much further than that. My pride goes back to 1992, when I went into an election saying that what we need is a vision for Canberra; that what we need to do is to look into the future at 2020; that what we need is a strategic plan for our city that combines the full range of things that our city does and proceeds down that path.

2 December 1997

That is what I want still. Unfortunately, Mr Speaker, I will go into the 1998 election saying the same thing. But at least it will not be in a vacuum. At least since 1992 the Labor Government has prepared a 2020 vision - Dr Ellyard, in particular, did a huge amount of work on that - commissioned by Rosemary Follett and the Government of which Wayne Berry was a Minister, and they did some fantastic work. There was the Government's response, and that in turn led into the electoral period of this Assembly.

It was in my role as chair of the Planning and Environment Committee that we began a process of developing a strategic planning exercise for Canberra with reference to land planning, since a full exercise had not been done. Indeed, we conceded, and handed that over to the Government when the Chief Minister indicated that she would work with the Federal Government in order to develop a full strategic plan for Canberra. Although in many ways I would have liked to have control of a system for ensuring that the strategic plan went along by the method that I thought was the most appropriate, I thought it was even more important for there to be a relationship between the Federal Government and the Territory Government by which they would become closer. There was a series of processes after that. Only a small part of them was to do with governance. They have led to the National Capital Futures Conference proceedings being tabled in this place today.

I was extremely disappointed by the response of Mr Berry, who, when the rest of us had spent two days at this conference, stood up and said, "I do not think I should have been at the conference anyway; but I am here to bag it. I am not really here to bag the conference as a conference; but I am here to bag the conference for the benefit of the media". As we heard in Wayne Berry's speech on this matter earlier today, it demonstrates very clearly what the Berry Labor approach is about. It is a very different approach from that of his predecessor. It is the approach that says, "I am not interested in anybody else. I will bag everybody else. I am not interested in compromise. I am not interested in working with people. I am not interested in the best outcomes for Canberra. What I am interested in is getting a majority for Labor".

The result of that, Mr Speaker, is the Labor Party that we see at the moment, with the Berry taint. It is very sad that we have lost the cooperative approach that had been growing in this Assembly, in one section of the Assembly. Even when I say that, Mr Speaker, I am conscious of the fact that there are members of the Labor Party who are very willing to work cooperatively and try to find ways through. Just this morning, I complimented Ms McRae on her chairing of the Estimates Committee. I was in another committee today where a sensible compromise was worked out when different people had very strong views. I think that these things can be achieved. The only person that I see actually working to undermine that, to wreck that, is Wayne Berry. That is a great disappointment. I ask him yet again, as I have done on many occasions, to reconsider that position and try to find ways to work cooperatively for the best outcomes for the Territory.

**Mr Berry:** Michael, we cannot all agree with you all of the time. Be tolerant of people who do not agree with you, Michael. If you come up with loopy ideas, people will criticise them.



**MR MOORE:** The interjection from Mr Berry is, "Michael, be tolerant of people who have different ideas from yours". The irony of that comment, Mr Speaker, is not to be missed.

**Mr Humphries:** It is lost on him.

**MR MOORE:** As Mr Humphries interjects, it is probably lost on Mr Berry. It seems to me, Mr Speaker, that the National Capital Futures Conference was an attempt at direct participation. It is difficult. It is a messy business. We probably can do it better; but we are going to achieve very little if, apart from the next couple of months, we spend the next three, six, or 10 years just having somebody sitting in opposition, bagging for the sake of bagging, instead of looking at finding ways to work with other people to get the best possible outcomes for the people of this Territory.

**PUBLIC ACCOUNTS - STANDING COMMITTEE**  
**Report on Review of Auditor-General's Report No. 3 of 1997 -**  
**Government Response**

**MRS CARNELL** (Chief Minister and Treasurer) (4.09): Mr Speaker, for the information of members, I present the Government's response to Report No. 28 of the Standing Committee on Public Accounts, entitled "Review of Auditor-General's Report No. 3, 1997 - 1995-96 Territory Operating Loss", which was presented to the Assembly on 28 August 1997. I move:

That the Assembly takes note of the paper.

Mr Speaker, I wonder whether I could have my tabling speech incorporated in *Hansard*.

**Mr Whitecross:** No. Mr Speaker, as chair of the committee, I might want to respond to it. I am not going to be able to respond to it if Mrs Carnell does not speak.

**MRS CARNELL:** I am happy to read it.

**Mrs Littlewood:** It is 28 pages long.

**MRS CARNELL:** No; it is not that one. They are going to make me read that one as well.

**MR SPEAKER:** Read it to them slowly, Chief Minister.

Leave not granted.

**MRS CARNELL:** I am pleased to table the Government's response to Report No. 28 of the Standing Committee on Public Accounts, entitled "Review of Auditor-General's Report No. 3, 1997 - 1995-96 Territory Operating Loss". The Government is appreciative of the work of the committee and welcomes the committee's report.

*2 December 1997*

The Government acknowledges the role the committee has played in helping to achieve open and accountable government. Mr Berry is obviously not the chair. This Government, as always, responds to the committee's recommendations in a positive manner. This response provides advice to the Assembly on the committee's comments and recommendations.

The committee's report comments that the Government has ignored the basic audit opinion that the PTE sector recorded a loss after payments to the Government were taken into account, a situation exacerbated in the 1997-98 budget where the Government extracted an extraordinary dividend from ACTEW. That is at paragraph 2.7. This is patently untrue. The audited operating results of the PTE sector and PTE payments to the Government in the form of dividends or tax equivalents are entirely separate matters. The PTE sector reported an operating profit of \$35.1m for the 1995-96 financial year. This result reflects well on their operation. The payments made to the Government will not influence their operating result. Obviously, the better the PTE sector performs, the greater its capacity to make payments through tax equivalents and dividends to the Government. The special dividend of \$100m from ACTEW is a return of capital to the Government, which is the shareholder. This special dividend will not impact on the operating result of ACTEW or the PTE sector. It will also not have any impact on the whole-of-government operating result. This is a capital transaction.

The magnitude of the overall Territory loss has been improved for the 1996-97 year. The original budget forecast was for a loss of \$231m, or about \$2,000 per household. When the 1997-98 budget papers were prepared, the 1996-97 outcome projection was a loss of \$190m, or around \$1,650 per household. While the final outcome for the whole-of-government is still subject to audit - I think that, since this speech was put together, it has been audited - the operating loss for the Territory this year is \$153m, which is a significant improvement on the \$231m that was the original budget forecast. That is an outcome, I have to say, that we on this side of the house are very proud of. This indicates that the range of strategies the Government has adopted are moving the result in the right direction. The experience of this would indicate that the size of the forward year losses should be reduced. The Government is continuing to explore options for addressing the Territory's operating loss. There is no simple solution that will resolve the Territory's operating loss. Many different measures, combined with a continued change in management approach, will assist in addressing the loss.

The Government has already implemented a range of measures, some of which are acknowledged in the Auditor-General's report - in fact, at paragraph 2.2.8 - and in the committee's report, at paragraphs 2.18, 2.19, 2.25 and 2.26. The committee also noted, at paragraph 2.45, the significant contribution by Health, Education and Urban Services towards the operating loss of the Territory. The Government is continuing to pursue initiatives in these areas. Some of the additional measures the Government has introduced, since the Auditor-General's report, to address the operating loss include reviewing ACT policing arrangements with the Commonwealth; ongoing efficiencies in Health through further initiatives in the purchaser-provider area; review of superannuation for new entrants into the ACT Public Service; competitive tendering and contracting in social policy-volunteer types of areas; the VFT; and opening up Canberra's airport to international charter traffic.

At paragraph 2.30, the Auditor-General made comparisons with the Commonwealth and other capital cities. The committee considers that interstate comparisons of the kind attempted by the audit are important; but, given the relatively crude nature of these comparisons, caution is required in dealing with them. That is at paragraph 2.37. The Government reiterates the comments made in its submission to the committee that comparisons with State government, local government or other major cities are invalid because of the fundamentally different nature of the ACT to any of the comparison groups.

The committee makes comment at paragraphs 2.54 and 2.57 regarding the treatment of sale and lease-back and other financing-type arrangements. The Government received advice from Macquarie Bank, who were themselves advised by KPMG, on the fleet lease; and the Commonwealth Bank on the lease and lease-back of the ACT Magistrates Court and Dame Pattie Menzies buildings transactions. The advice was that these transactions were operating leases. Despite this, the Government acknowledged the Auditor-General's concerns and, in the end-of-the-year financial statements, the lease and lease-back of the ACT Magistrates Court and Dame Pattie Menzies buildings have been treated as borrowings even though the Government holds a different view about the interpretation of the application of that accounting standard.

The Government believes that the financial management reforms it introduced have made managers more accountable for their operating results. The improvement shown in the 1996-97 operating results for reporting entities is a reflection of the change in management approach. It is expected that further improvements in operating results will be made following final implementation of the financial management framework in 1998-99.

The committee's first recommendation is that the Government present a table of municipal accounts for the current budget year, that is, 1997-98, and that such a table be presented in all further budgets. The Government does disagree with this recommendation. The Government believes that the reforms it has introduced have changed the fundamental focus of the budget from inputs to service delivery and outcomes. The provision of municipal services forms part of many output classes across different agencies. Managers within these agencies are responsible for overseeing the provision of a variety of services to the Government in accordance with their purchase agreements. The information will not assist managers in providing services in an efficient and effective manner. The Government believes that the municipal information would still not be comparable to other municipal accounts because of the unique nature of the ACT.

The fundamental changes to the financial management framework introduced by this Government are aimed at encouraging departments to provide goods and services to the community in the most efficient manner possible. Management focus is not on a particular aspect of their operation but on the entire operation. Their performance is based on their ability to deliver outputs, and they are assessed according to the performance measures relating to the outputs. Delivery of municipal services is a subset of a range of different outputs and cannot easily be isolated and reported on separately. The Government is accountable to the Assembly and the community on a complete range of services, not just municipal services.

2 December 1997

The committee's second recommendation is that the Government report to the Assembly on the short- and long-term options for addressing the emerging and accruing costs of superannuation, taking account of the relevant recommendations of the 1996-97 and 1997-98 Estimates Committee reports. The Government agrees with this recommendation. The Government is committed to developing a long-term strategy to address the issue of unfunded superannuation liabilities for the ACT Public Service, that is, the ACTPS, and in the shorter term to developing alternative superannuation agreements for new ACT Public Service employees from 1 July 1998. The CSS was closed to new entrants in 1990. The Commonwealth announced on 23 September 1997 that it will close the PSS to all new entrants from 1 July 1998.

Recent actuarial estimates show that, for the ACTPS, current unfunded liabilities are around \$700m and were projected to increase to approximately \$1,600m by the year 2013 had the PSS remained the principal scheme for new entrants and there was no change to the present funding policy. The annual costs will increase from the 1997-98 level of \$16m to over \$120m by the year 2027, that is, in 1997 dollar values. It is against this background that a review of the ACTPS superannuation agreements foreshadowed in the 1997-98 budget will take place. The review has been initiated and I think the tender documents went out last month and are in place. The outcome should be available to the Government by the end of March 1998.

The final committee recommendation is that the Government seek to reach agreement with the Auditor-General on interpretations of accounting standards and advise the Assembly during the December 1997 sittings of the Assembly on the outcome. The Government agrees with this recommendation; but the timeframe is a bit funny. The Government respects the views of the Auditor-General and his interpretations of accounting treatments. In many instances, the Government agrees with his views; and, in others, it has acquiesced or deferred to his judgment. Recent examples of this include the ACT fleet lease arrangements being classified as a finance lease rather than an operating lease, as originally interpreted and advised by the Macquarie Bank.

Ongoing discussions have been held, and will continue to be held, with the Auditor-General on the reforms that have been put in place to date, as well as the remaining aspects of the reforms that are yet to be implemented, to reach agreed interpretations of accounting standards. This recommendation is ongoing as interpretation of accounting standards is something that changes over time. Obviously, it would not be possible to table this in the December sittings as we are in them right now, but we do believe in principle that we should reach agreement with the Auditor-General wherever possible in this area. I trust that this information is of assistance to the Public Accounts Committee and to all other members of the Assembly.

**MR WHITECROSS** (4.23): Mr Speaker, I rise as chair of the committee to respond to some of the comments made in the Government's response to the report of the Standing Committee on Public Accounts. I might start at the end. Mrs Carnell seems to think it is somewhat amusing that she be asked to report to the December sittings on the outcome of discussions with the Auditor-General, given that we are now in the December sittings.

But, of course, she has had the report since August, which is over three months ago, and therefore has had time to do it. But I note the comments that have been made in the Government's reply which indicate that the Government has made some progress in relation to agreeing with the Auditor-General on accounting standards. I welcome that.

It is interesting to note in that regard that the Government is leading something of a double life when it comes to the treatment of leases as part of the sale and lease-back or lease and lease-back arrangements. The Government continues to peddle the rhetoric that these are operating leases, while quietly agreeing with the Auditor-General to treat them as finance leases; but they will never admit in public that they are really finance leases because that would be an admission that they are really borrowings.

For instance, the Chief Minister in her statement today says that she believes that the Magistrates Court and Dame Pattie Menzies buildings transactions were operating leases, even though every single aspect of the buildings in question will be a cost to the Territory. The only contribution of Bankers Trust to these transactions is to pay an up-front amount for the right to collect the rent for the next 15 years. That is their only expense. Everything from insurance to maintenance to minor repairs - everything - is a cost to the Territory. So, how this can be described as an operating lease escapes me. It is nothing more than a finance lease, and the Auditor is perfectly right to argue that way. It is interesting to note that, notwithstanding the continued rhetoric for public consumption, they have quietly agreed to do it the Auditor's way.

There were a couple of other issues that were raised in the committee's report which I wanted to return to. Recommendation 1 related to municipal accounts. I must say that the Government's response to our recommendation that the Government continue to present a set of municipal accounts is rather disappointing. The gist of the response seems to be that, because comparisons would be difficult, we should not even try to produce a set of municipal accounts. I think that, to properly understand the ACT's accounts, it is very helpful for all people looking at ACT accounts that there be a separate set of municipal accounts produced.

I acknowledge, and I am sure any fair person would acknowledge, the difficulties of comparison between one jurisdiction and another. That is why this country spends so much money on Grants Commission processes, to enable them to effect comparisons between the accounts of different States. But that does not mean that individual States say, "We are not going to produce a set of accounts because you would not be able to compare them with anybody else's". I think it is useful information, and I think the argument that comparison with other jurisdictions would be difficult is, quite frankly, weak.

I also note the response to the recommendation in relation to short- and long-term options for addressing the emerging and accruing costs of superannuation. It is interesting to note that this has been the subject of recommendations in the 1996-97 Estimates Committee report and the 1997-98 Estimates Committee report, as well as the Public Accounts Committee's report; yet we are advised today that the Government so far has got only as far as letting tenders for a review of the superannuation scheme. For an issue which has been a matter of public discussion for the last three years and the subject of numerous committee recommendations brought into this place, it is disappointing that it is only

2 December 1997

in the dying days of this Government that they have actually initiated a review of superannuation arrangements, a review which, coincidentally, is due to report at the end of March 1998, after the election. The community would have a right to think that an issue which the Government have made so much of, and which has been of concern to members in this place over the last three years, would have been addressed by the Government before the election, not after the election.

It is also interesting to note the recent actuarial estimates that are included in paragraph 3.9 of the Government's response. It states:

Recent actuarial estimates show that, for the ACTPS, current unfunded liabilities of around \$700m are projected to increase to approximately \$1,600m by the year 2013 had the PSS remained the principal scheme ... The annual costs will increase from the 1997-98 level of \$16m to over \$120m by the year 2027 (in 1997 dollar values).

It is interesting to note that statement in the Government's response, because they have not told us the impact on those projections of closing the scheme. The impact of closing the scheme is virtually none. The evidence produced for the Estimates Committee and for the Public Accounts Committee in relation to this matter is that it does not have a significant effect until after the year 2027 and that the Commonwealth superannuation scheme, which is already closed, contributes the lion's share to the escalating costs between now and the year 2027; so that the impact of closing the PSS is actually marginal. But, of course, it does not suit Mrs Carnell to acknowledge that this cut in benefits to public servants will have no significant effect over the next 30 years on the escalating costs of superannuation to the ACT community, although it will have some impact on the accruals for new entrants only.

The only other matter that I wanted to particularly comment on was paragraph 2.5 of the Government's response, which dealt with the question of the overall Territory operating loss. In recent days Mrs Carnell showed a great deal of enthusiasm for the Territory operating loss in 1996-97 and even made the claim, which I note is not repeated here, that the Territory operating loss is going to be only \$100m for 1996-97. Unfortunately, Mrs Carnell has not chosen to record in this document the fact that her 1997-98 budget papers, which she quotes in relation to the 1996-97 outcome, project that for 1997-98 the operating loss will be \$236m, a considerable increase on the amount that she has been claiming for 1996-97, which suggests that, far from the problem getting better, as Mrs Carnell has claimed, the problem is, in fact, getting worse. It is disappointing that, in defending the Government's record in relation to this matter, Mrs Carnell has not acknowledged that the problem, according to her own figures, is getting worse.

**Mrs Carnell:** How can you be sitting on a pile of money and have an operating loss at the same time?

**MR WHITECROSS:** Your budget papers indicate that the operating loss is \$236m, Mrs Carnell; and it is disappointing that you are trying to convince the Canberra community that you have solved the problem when, in fact, the problem is not solved at all.

Finally, Mrs Carnell's comments in relation to the \$100m special dividend, I think, missed the point. The committee, I am sure, would acknowledge that operating results before distribution of dividends or tax equivalents, or particularly before distribution of dividends, indicate the success of the operation of PTEs. However, it has to be acknowledged, as indeed the Auditor-General emphasised, that, if after the payment of dividends and tax equivalents the situation is that the PTE sector has recorded a loss, that affects the ongoing viability of the PTE sector. That was an issue that the Auditor-General was raising; that was the issue that the committee reported on.

The bottom line is that the Government cannot keep stripping money out of the PTE sector at a rate greater than they are earning it, without having a negative effect on the PTE sector. The Liberals opposite always like to lecture the Labor Party on business. They are the self-appointed experts on business. But Mrs Carnell is the only person I know - Mrs Carnell runs a small business, so she ought to know better - who comes into this place and says, "We can take out of a business more money than it makes in a year, but that will not affect the viability of the business. We can take money out of a business, which they do not have, but they will not have to borrow. We can increase our liabilities, but that is not the same as borrowing". Mrs Carnell says all these things. I think those elements of the Government's response are disappointing.

I welcome the fact that some progress has been made in relation to accounting standards. I hope the Government will in future give up their rhetoric about operating leases and admit that the leases are finance leases. We welcome, albeit very belatedly, the Government finally starting to take some action in relation to the issue of reviewing superannuation arrangements and producing proposed options for the short- and long-term addressing of emerging and accruing superannuation costs. I look forward to hearing from the Government details of whom they have appointed to conduct the review of the superannuation arrangements, when that is decided, if it has not been decided already.

Question resolved in the affirmative.

### **LEAVE OF ABSENCE TO MEMBER**

Motion (by **Ms Tucker**) agreed to:

That leave of absence for today, 2 December 1997, be given to Ms Horodny.

## **FINANCIAL MANAGEMENT REPORT Paper**

**MRS CARNELL** (Chief Minister and Treasurer): Madam Deputy Speaker, for the information of members and pursuant to section 26 of the Financial Management Act 1996, I present the consolidated financial management report for the period ending 31 August 1997, which was circulated to members when the Assembly was not sitting. It is unfortunate that Mr Berry did not read this report. If he had read it, he would not have written, "Instead of allowing the Carnell Government to sit on a huge pile of cash the voters of Canberra can choose a Labor government".

**MADAM DEPUTY SPEAKER:** I think you are out of order, Mrs Carnell. You do not have leave to make a statement.

## **SUBORDINATE LEGISLATION AND COMMENCEMENT PROVISIONS Papers**

**MR HUMPHRIES** (Attorney-General): Pursuant to section 6 of the Subordinate Laws Act 1989, I present subordinate legislation in accordance with the schedule of gazettal notices circulated and notices for the commencement of the Acts listed.

*The schedule read as follows:*

Animal Diseases Act - Declarations of -

Endemic Diseases - No. 247 of 1997 (S347, dated 7 November 1997).

Exotic Diseases - No. 248 of 1997 (S347, dated 7 November 1997).

Stock - No. 249 of 1997 (S347, dated 7 November 1997).

Bookmakers Act - Determinations of -

Location of sports betting venue -

No. 243 of 1997 (S333, dated 31 October 1997).

No. 250 of 1997 (S353, dated 13 November 1997).

Directions for the operation of a sports betting venue - No. 244 of 1997 (S333, dated 31 October 1997).

Building Act - Building Regulations (Amendment) - No. 29 of 1997 (S323, dated 27 October 1997).



Canberra Institute of Technology Act - Instrument of appointment to the Canberra Institute of Technology Advisory Council - No. 208 of 1997 (S275, dated 16 September 1997).

Children's Services Act - Instruments of appointment to the Children's Services Council -

Nos 222 to 224 (inclusive) of 1997 (S275, dated 16 September 1997).

*Children's Services (Amendment) Act 1997* - Commencement (25 November 1997) of remaining sections (S373, dated 25 November 1997).

Domestic Violence Act - Instruments of appointment to the Domestic Violence Prevention Council of the Australian Capital Territory -

Nos 239 and 240 of 1997 (S315, dated 17 October 1997).

*Domestic Violence (Amendment) Act (No. 3) 1997* - Notice of commencement (1 November 1997) of remaining provisions (S332, dated 31 October 1997).

Electoral Act - Electoral Regulations (Amendment) - No. 28 of 1997 (S324, dated 27 October 1997).

Environment Protection Act - Environment Protection Regulations - No. 36 of 1997 (S388, dated 2 December 1997).

Liquor Act - Liquor Regulations (Amendment) -

No. 24 of 1997 (S293, dated 1 October 1997).

No. 25 of 1997 (S294, dated 2 October 1997).

Motor Traffic Act -

Determination of fees - Inspection of motor vehicles and trailers by authorised examiners - No. 246 of 1997 (S339, dated 4 November 1997).

Determination of fees - Registration of motor vehicles - No. 245 of 1997 (S338, dated 4 November 1997).

Motor Traffic Regulations (Amendment) -

No. 26 of 1997 (S297, dated 2 October 1997).

No. 27 of 1997 (S317, dated 17 October 1997).

2 December 1997

*Motor Traffic (Amendment) Act (No. 3) 1997* - Notice of commencement (4 November 1997) of sections 3, 4, 5, 10, 11, 16 and 17 and (1 December 1997) of sections 6, 7, 8, 9, 12, 13, 14 and 15 (S337, dated 4 November 1997).

*Motor Traffic (Amendment) Act (No. 4) 1997* - Notice of commencement (7 November 1997) of paragraph 4(a) and section 11 (S351, dated 7 November 1997).

Supreme Court Act - Supreme Court Rules (Amendment) -

No. 30 of 1997 (S328, dated 30 October 1997).

No. 31 of 1997 (S329, dated 30 October 1997).

*Territory Owned Corporations (Amendment) Act (No. 2) 1997* - Notice of commencement (1 October 1997) of remaining provisions (S341, dated 5 November 1997).

Vocational Education and Training Act -

Instruments of appointment to the Vocational Education and Training Authority -

Nos 209 to 214 (inclusive) of 1997 (S275, dated 16 September 1997).

Instruments of appointment to the ACT Accreditation and Registration Council -

Nos 215 to 221 (inclusive) of 1997 (S275, dated 16 September 1997).

## **REMUNERATION TRIBUNAL DETERMINATIONS Papers**

**MR HUMPHRIES** (Attorney-General): Pursuant to section 12 of the Remuneration Tribunal Act 1995, I present determinations Nos 22, 23, 24 and 25, including statements, relating to the Chief Justice of the Supreme Court, Master of the Supreme Court, Chief Magistrate and magistrates, and special magistrates.

**MURRUMBIDGEE RIVER CORRIDOR PLAN OF MANAGEMENT**  
**Papers and Ministerial Statement**

**MR HUMPHRIES** (Attorney-General and Minister for the Environment, Land and Planning): Madam Deputy Speaker, for the information of members and pursuant to section 6 of the Subordinate Laws Act 1989, I present Instrument No. 268 of 1997, being the approval of the Murrumbidgee River Corridor plan of management made under section 204 of the Land (Planning and Environment) Act 1991, including the plan of management. Under section 207 of that Act, the plan of management is a disallowable instrument for the purposes of the Subordinate Laws Act 1989. I seek leave to make a statement.

Leave granted.

**MR HUMPHRIES:** Before introducing this plan I would like to state that the Government has embarked on an accelerated program to finalise management plans for nature reserves and review the plan for Namadgi National Park. I am pleased to report that plans for the nature reserves for the ACT are now well advanced and a start has been made on the revision of the 1986 management plan for Namadgi. The Murrumbidgee River Corridor, that strip of land straddling one of the most important river systems in Australia, now has a plan which will guide its future management and assure the protection of its diverse values.

The corridor is perhaps best known as the most popular site for swimming during the summer months. However, less well known but just as important, are the ecological, scenic, cultural and other recreational resources that the corridor offers. Landscapes range from dense scrub at Woodstock Reserve through open productive native and pasture grassland country to the steep and rugged gorges at Red Rocks. The corridor possesses perhaps the most important piece of ACT pastoral history, Lanyon, while Lambrigg was the site of this country's most important wheat breeding trials. The corridor offers a host of natural habitats and a variety of recreational experiences. This diverse nature of the corridor is seen by some as being its most appealing feature - and all this along a dynamic river on the doorstep of a growing and vibrant city of 300,000 people. Regionally, the corridor is important too. As the largest inland city in Australia, Canberra has a major role to play in minimising the impact of land uses and ensuring that the quality of water is not diminished in its passage through the Territory.

The management plan that I present to you today considers these elements and provides a broad framework in which the values of the corridor can be maintained and, where necessary, enhanced. Above all, it seeks to protect and enhance the river system and its adjacent land for the benefit of all Canberrans, visitors and downstream users. Under the Land (Planning and Environment) Act, it is necessary to lay this plan before the Assembly for a period of five days. This requirement is one of many that the plan has been subject to during its development. Included in its development have been a review

2 December 1997

by the Standing Committee on Planning and Environment, representations from community organisations such as the National Parks Association and the Conservation Council, and comments from other organisations and individuals. Where possible, the comments received have been incorporated into the plan, and I thank all those who have made a contribution.

An important aspect addressed in the plan will be the production of implementation plans. These plans will build on the framework established in the management plan by identifying specific activities for a rolling three-year program and setting achievement target dates. Implementation plans will direct annual work programs and performance indicators, will target those management aspects most in need of attention and will direct funds to achieve the objectives outlined in the management plan. It is proposed to have an implementation plan for the corridor in place 12 months from the acceptance of this management plan by the Assembly. Madam Deputy Speaker, the Government is confident that this management plan reflects the community's aspirations for the Murrumbidgee River Corridor and that it will serve to ensure the sustainable management of the corridor for years to come. I commend the plan to the Assembly.

**ABORIGINAL DEATHS IN CUSTODY - IMPLEMENTATION OF RECOMMENDATIONS OF  
ROYAL COMMISSION  
Ministerial Statement and Paper**

**MRS CARNELL** (Chief Minister): Madam Deputy Speaker, I ask for leave of the Assembly to make a ministerial statement on the implementation of the recommendations of the Royal Commission into Aboriginal Deaths in Custody.

Leave granted.

**MRS CARNELL**: Madam Deputy Speaker, I understand that it is the view of the Assembly that I should read this statement; that members are not willing to give me leave to incorporate it in *Hansard*.

**MADAM DEPUTY SPEAKER**: You have not sought leave yet.

**MRS CARNELL**: I seek leave to have my statement incorporated in *Hansard*.

Leave not granted.

**MRS CARNELL**: Madam Deputy Speaker, I am pleased to table in the Legislative Assembly today the 1996-97 ACT Government implementation report entitled *Implementation of the Recommendations of the Royal Commission into Aboriginal Deaths in Custody*. The Government is committed to the progressive implementation of the recommendations of the Royal Commission into Aboriginal Deaths in Custody. The Government has approached implementation of the recommendations both literally and by seeking to address the underlying intent of the recommendations.

In implementing the recommendations, the Government has worked in partnership with the Aboriginal and Torres Strait Islander peoples in the ACT. I firmly believe that this approach is the key to effective implementation. The majority of the royal commission's recommendations have been, and are continuing to be, implemented in the spirit in which they were intended. Several recommendations have not been implemented because there was no context for the ACT. These are listed in the report.

This is the fourth implementation report by the ACT Government and the first in a thematic format. This format is consistent with the move towards thematic reporting by the Commonwealth and all State and Territory governments. Unlike the previous reporting format, which individually addressed each of the 339 recommendations, this report aims to be reader friendly and clearly show the across-government effort in implementing the recommendations. It provides an outline of the Government's policies and programs and the way they are having a real impact in addressing the problems experienced by Aboriginal and Torres Strait Islander people. It also provides a resource for people to assess the current situation in relation to various issues and see the direction of Government policies and programs.

The new format has also identified areas that need more work, such as the need for more comprehensive statistics on the usage of ACT government services by Aboriginal and Torres Strait Islander people. The report outlines the Government's monitoring and reporting mechanisms, which include a range of ministerial councils and the Ministerial Summit on Indigenous Deaths in Custody in July 1997. It also includes population statistics from the ABS 1996 census. The 1996-97 report provides information on what the Government is doing in relation to five themes - consultation with Aboriginal and Torres Strait Islander people; law and legislation; preventing deaths in custody and reducing the incarceration rate; addressing the underlying issues; and reconciliation.

At the Ministerial Summit on Indigenous Deaths in Custody on 4 July 1997 Commonwealth, State and Territory Ministers with responsibility for justice, policing, correctional services and indigenous affairs, along with indigenous representatives, examined issues relating to the continuing over-representation of indigenous people in the criminal justice system. At the conclusion of the summit Ministers agreed, in partnership with indigenous peoples, to develop strategic plans for the coordination of Commonwealth, State and Territory funding and service delivery for indigenous programs and services. These include working towards the development of multilateral agreements between Commonwealth, State and Territory governments and indigenous peoples to further develop and deliver programs. It was agreed that the focus of the plans would address underlying social, economic and cultural issues; justice issues; customary law; law reform; and funding levels. Madam Deputy Speaker, the Government has started to develop strategic plans which it will take an across-government, an intergovernmental and a coordinated effort to achieve. I would like to outline some of these plans.

There is the justice strategic plan. The Aboriginal Justice Advisory Committee, the AJAC, will provide the indigenous partnership for the development of strategic plans and agreements in the justice area. Currently, the AJAC function is undertaken by a subcommittee of the Aboriginal and Torres Strait Islander Consultative Council.

2 December 1997

As an outcome of the summit, the Government has decided to formally establish a separate Aboriginal Justice Advisory Committee to be facilitated by the Attorney-General's Department. The formal establishment of the AJAC will present an opportunity to develop a more streamlined and coordinated approach to dealing with Aboriginal justice issues in the ACT. The Aboriginal and Torres Strait Islander Consultative Council supports this move.

Development of a strategic plan for indigenous health is currently under way as part of the Commonwealth, ACT and ATSIC tripartite Aboriginal and Torres Strait Islander health agreement. This agreement involves a Health Forum with representatives from the Winnunga Nimmityjah Aboriginal Health Service, the Aboriginal and Torres Strait Islander Consultative Council and the ATSIC Regional Council.

As part of a strategic plan for education, implementation of a three-year ACT-Commonwealth indigenous education agreement is under way. The agreement includes indigenous consultation. The Minister for Education and Training has appointed an indigenous education consultative body to advise on indigenous education matters. Under the agreement the ACT is a participant in the national Aboriginal education plan, which includes 21 goals for indigenous education.

The Commonwealth and the ACT are in the process of developing an indigenous housing agreement. The consultative council has been briefed on the proposal and will be consulted on the proposed principles of the agreement. Work has commenced on developing a strategic plan for indigenous training and employment in conjunction with an indigenous reference group. This plan will incorporate public and private sector employment and associated training issues and will involve discussions with the Commonwealth.

I turn to population statistics. The release of the 1996 census has revealed that the indigenous population of the ACT has risen to 2,898, or one per cent of the ACT population. This is an increase of 81.9 per cent since the previous census in 1991. This rise in population has significant implications for service delivery by the ACT Government. To improve the monitoring and performance reporting by mainstream programs, in preparing the 1998 report on Commonwealth-State service provisions all jurisdictions have been asked, as part of their data collection, to give particular attention to the performance of services in relation to indigenous clients. The ACT 1998 data collection for the 1998 report on Commonwealth-State service provision will provide meaningful indigenous indicators for many areas of government service provision. This includes data on school education, vocational education and training, children's services, protection and support services, housing assistance, aged care, disability services, public health care, courts administration, emergency services, and police and corrective services. In some service delivery areas data collection methods will need to be further developed to allow reporting to the desired level.

Consultation with Aboriginal and Torres Strait Islander peoples is the first theme of this report. To ensure that quality services are delivered, considerable consultation with the indigenous community has been undertaken across government with a range of advisory mechanisms. The Aboriginal and Torres Strait Islander Consultative Council have

continued to provide advice to government. Over the past year the consultative council have received briefings, discussed specific matters and advised the Government on the ACT Aboriginal and Torres Strait Islander Cultural Centre; the Aboriginal friends call-out scheme; the report on the mental health needs of indigenous people; the *Bringing them home* report; strengthening the Aboriginal Justice Advisory Committee; draft legislation, including the draft Coroners Bill 1997; the Commonwealth-ACT Aboriginal and Torres Strait Islander education agreement; the ACT native title claim; the community role of the Aboriginal liaison officer position within the AFP, ACT Region; and the ACT-Commonwealth indigenous housing agreement. One of the council's most important tasks, set out in its terms of reference, is to monitor the Government's implementation of its commitment in response to the royal commission. There are also other specific advisory bodies or processes covering the areas of health, education, heritage, youth justice, corrective services, police, park management, and family services.

Law and legislation is the second theme of the report. The majority of the law and justice recommendations have been implemented. The situation regarding the outstanding recommendations - Nos 94, 118 and 151 - is outlined. Legislative changes of particular relevance to the indigenous community over the past year are listed. Preventing deaths in custody and reducing the incarceration rate is the third theme. The ACT has had no indigenous deaths in custody. The Government is continuing to work to ensure that this remains the case. Some examples of this approach are programs such as cross-cultural awareness training in the AFP, the Magistrates Court and Youth Justice, and the establishment of indigenous positions within government programs where they will be in contact with Aboriginal and Torres Strait Islander peoples.

An important initiative this year was the enhancement of the Aboriginal and Torres Strait Islander interview friends call-out roster. After considerable consultation with the indigenous community and relevant justice agencies, the Government announced the allocation of \$75,000 in the 1996-97 budget and \$70,000 recurrently to fund the enhancement of the Aboriginal interview friends call-out roster. The funding allocated is to be divided between three distinct phases of the project - employment of a part-time roster coordinator, payment of a call-out fee to volunteers and an accredited training course for those volunteers. The first group of volunteers are now part way through the course and working on the roster.

The Government is implementing the principle of imprisonment as a last resort through police practices and procedures, diversionary conferencing, a community service order program and periodic detention. The following figures illustrate successful implementation of the principle. During 1996-97 nine indigenous people were involved in diversionary conferencing. That is 2 per cent of offenders. At June 1997, 37 indigenous people, or 6.9 per cent, were subject to community-based orders; and seven indigenous people, or 7.79 per cent, were subject to periodic detention orders. In relation to adult custody, in 1996-97, 35 indigenous men, or 10 per cent, were remanded in custody at the Belconnen Remand Centre, and the average percentage of ACT prisoners in New South Wales gaols who identified as indigenous was 3 per cent.

2 December 1997

I turn to youth justice. The situation regarding indigenous youth gives some cause for concern. There were 14 indigenous young people being supervised on community-based orders during 1996-97, representing a decrease of 30 per cent compared with 1995-96. There was, however, an increase of 77 per cent in indigenous young people held on custodial orders. In terms of numbers, this was an increase from 18 people in 1995-96 to 32 in 1996-97. Youth justice programs aim to divert indigenous young people from the criminal justice system. Programs include alternative correctional schemes for those who do not enter the system and community programs to strengthen young people's links with their communities.

The Hindmarsh Education Centre at the Quamby Youth Detention Centre was officially established in 1996-97. It is an accredited educational facility adjacent to the main campus and managed by a teacher from the ACT Department of Education and Training. The centre uses an innovative project and program base enabling many residents, including Aboriginal children, to pass the various modules leading to school certificates. This official recognition of their achievements often facilitates their return to mainstream school.

Programs available to Quamby residents during the last year included the industrial arts program; permaculture; a theatrical production with Big hArt Theatre Company; a project facilitated by staff from Woden Youth Centre in the design and completion of murals which were displayed at the National Reconciliation Convention that was held in Melbourne - the Quamby murals were presented by the residents to the ACT Legislative Assembly for display at various Canberra public buildings; a driver awareness course; a first aid course, music and drama classes; and sport.

Addressing the underlying issues is the fourth theme of the report. I would like to outline some key initiatives in this area. One of the major events of the past year was the release of the *Bringing them home* report by the Human Rights and Equal Opportunity Commission National Inquiry into the Separation of Aboriginal and Torres Strait Islander Children from their Families. I am pleased to say that this is one issue that has received support from every MLA. The Assembly unanimously moved a motion of apology on 17 June 1997 and another motion on 19 June 1997 inviting representatives of the ACT's indigenous community to appear before the Assembly on 26 August 1997. Six representatives, including two who had been forcibly removed from their families, addressed the Assembly on that day. They were the first witnesses ever to be called to the bar. We will all remember the impact on all members of the Assembly and everyone listening of hearing the stories told by those Aboriginal people.

The Government is currently preparing a response to the *Bringing them home* report. I would like to report that over the past 18 months a number of Aboriginal people have accessed the special agreements made through the Adoption Information Service to trace links with families or communities. In recognition of the need for close liaison with the Aboriginal community concerning the care of Aboriginal children, Family Services has established four Aboriginal-identified permanent child protection/youth justice caseworker positions which are in the process of being filled. The Aboriginal child placement principle is a formal policy guiding all child protection actions. If it is considered



appropriate for children to be removed from their home, Family Services try to make contact with children's extended families or kinship groups, including any relevant members of the Aboriginal and Torres Strait Islander families, groups or community associations, before considering other arrangements for substitute care.

Madam Deputy Speaker, I would like to mention two initiatives that will go some way to addressing the concerns of indigenous youth coming into contact with the criminal justice system. Firstly, the Government has demonstrated its commitment to maintaining services to Aboriginal young people by providing, from 1 January 1998, ongoing funding to the Gugan Gulwan Youth Aboriginal Corporation. Gugan Gulwan's annual Commonwealth funding was withdrawn on 31 March 1997 as part of the significant funding reforms implemented through the Aboriginal and Torres Strait Islander Commission. Although limited funds were provided by ATSIC as an interim measure, it was expected that Gugan Gulwan would have to close by the end of 1997.

Debate interrupted.

### ADJOURNMENT

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

That the Assembly do now adjourn.

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

Question resolved in the negative.

### ABORIGINAL DEATHS IN CUSTODY - IMPLEMENTATION OF RECOMMENDATIONS OF ROYAL COMMISSION Ministerial Statement and Paper

Debate resumed.

**MRS CARNELL:** This Government is very conscious of the importance of maintaining quality services for our young Aboriginal and Torres Strait Islander people. A 12-month contract will therefore be negotiated for the provision of these services, with Gugan Gulwan as the preferred provider in the first instance. The service provided by Gugan Gulwan will consist of an Aboriginal-managed youth centre, a substantial outreach function designed to actively foster the access of Aboriginal and Torres Strait Islander young people to established mainstream services, and a youth health support function to focus on drug and alcohol issues. Before the end of the initial 12-month contract period we will undertake a rigorous consultation and review process with stakeholders and the ACT Aboriginal and Torres Strait Islander community. This will allow us to gauge the success of these programs and provide direction for further programs for Aboriginal young people in the ACT. At this point either Gugan Gulwan will be recontracted for the service or the service will be subject to tender.

*2 December 1997*

Secondly, the Australian Federal Police, ACT Region, in conjunction with the New South Wales Police in Queanbeyan have recently run two inaugural wilderness programs for indigenous young people as part of Project Saul. Six boys, whose average age was 14 years, attended the first program from 27 to 31 October 1997 and a mixed group of eight attended from 17 to 21 November 1997. In addition, three young indigenous inmates from Quamby, accompanied by an indigenous staff member, visited the first course program. The programs were supervised by police volunteers, who considered them very successful. As well as teaching bushcraft and survival skills, the aim of the program is to teach young people mutual respect and teamwork and to help restore self-esteem. An Aboriginal elder visited the program and spoke about cultural issues. At the end of the first course the Assistant Commissioner of Police, Mr Bill Stoll, presented certificates to all of those who completed the course. I am delighted to say that support for the successful Project Saul program is coming from many quarters. The Little Sisters of Mary at Calvary Hospital recently donated a four-wheel-drive vehicle and a Shell card to the project in recognition of the positive outcomes of Project Saul. Transport for the October program was by commuter bus recently donated to the Civic Youth Centre by the Snow Foundation for Youth Projects.

I am pleased to report a range of positive initiatives and outcomes in the health area. In June 1997 the ACT Department of Health and Community Care published "The Health of Aboriginal and Torres Strait Islander People in the ACT". This document draws together available data to give as detailed an analysis as possible of the profile of Aboriginal and Torres Strait Islander people in the ACT and its surrounding region. It was developed in consultation with the Australian Bureau of Statistics and the Australian Institute of Health and Welfare.

Madam Deputy Speaker, a very important initiative by the Canberra Hospital was the allocation of a house in Gaunt Place, Garran, to be used to accommodate interstate Aboriginal and Torres Strait Islander families who have a family member as a patient in the hospital and are in need of short-term accommodation. This year the Department of Health and Community Care plans to establish an Aboriginal youth alcohol and drug worker position in the community. The worker will develop the role by involving Aboriginal and Torres Strait Islander young people. In March 1997 the ACT Mental Health Service released a report on the needs of ACT indigenous people in relation to mental health services. The recommendations of the report include a number relating to the employment of Aboriginal mental health workers. Implementation of the recommendations is being considered in the context of the overall reform measures being introduced across the Mental Health Service.

I would like to outline a number of projects under way to improve indigenous people's access to mainstream health services. The ACT Maternity Services Advisory Committee is working in conjunction with the ACT Aboriginal and Torres Strait Islander Health Forum to improve the appropriateness of birthing options for Aboriginal and Torres Strait Islander women in the ACT region. A cross-cultural project officer has been funded by a joint project developed under the ACT home and community care program,

the Commonwealth aged care program and the ACT Aboriginal health program. This project aims to increase the usage of ACT HACC services by the Aboriginal community through changes to practice and procedures and to training and recruitment strategies.

The ACT child, family and youth health programs outreach model includes free childhood immunisation and improved health screening, particularly access to hearing tests, assessment and treatment during one school visit. The ACT Breast Screening Clinic makes arrangements for Aboriginal and Torres Strait Islander women to be screened at specific clinic times. ACT Community Care was represented at the first National Aboriginal and Torres Strait Islander Well Women Workshop in October 1997 and sponsored two indigenous women from ACT community organisations to attend. The Aboriginal liaison officer employed at the Canberra Hospital provides training and advice to hospital staff and has been involved in the development of protocols within the hospital.

In education, the Department of Education and Training has a number of strategies to improve outcomes for indigenous students from preschool through to tertiary level. An early childhood teacher now assists schools in implementing the Aboriginal perspectives and Torres Strait Islander perspectives across the curriculum. During 1997 the focus has been on literacy and developing a collection of appropriate resources for schools. Even though retention rates of Aboriginal students in secondary school appear to be fairly good, there remains a hidden problem with retention due to the itinerant nature of the indigenous population of the ACT. In an attempt to address this problem, two camps were held at Birrigai with funding obtained from the Commonwealth. The camp for students in Years 6, 7 and 8 had a focus on staying at school and the camp for students in Years 9, 10, 11 and 12 focused on post-school options. The literacy levels of indigenous students is also a concern for both parents and schools. The work of the early childhood teacher in this area is one method the department is employing to redress the problem.

Aboriginal contact officers have also been established in every school where a teacher takes on the duty to monitor the progress of indigenous students, distribute materials to indigenous students and liaise with parents and the department. A positive move that will assist indigenous students is the appointment of anti-racism contact officers in schools for staff and students. The officers are specially trained to recognise, prevent and resolve racist incidents in their workplaces. A draft anti-racism policy handbook has been circulated throughout all ACT government schools and departmental workplaces. It very clearly states that racism and racist behaviour are not acceptable in our society and that there is legislation in place to deal with racism.

The Yurauna Centre at the Canberra Institute of Technology continues to provide comprehensive student support services for indigenous people in accessing designated places in CIT courses, Abstudy, tutorial assistance and accommodation. Staff also participate in the development and review of courses specifically for indigenous people.

*2 December 1997*

A number of courses have been conducted specifically for Aboriginal and Torres Strait Islander students during 1997, including orientation; certificate course in adult basic education; Aboriginal fashion and art; sport and recreation sales and marketing; food and beverage service; and an accredited course developed as part of the new Aboriginal interview friends scheme.

Madam Deputy Speaker, I would now like to speak about employment. In the public sector, all ACT government agencies employ indigenous staff. In 1996-97 there were eight newly created Aboriginal identified positions - two at the ASO6 level, four at the ASO4 level, one police liaison position and a trainee ranger. Significantly, this employment is in specific service delivery areas in regular contact with indigenous peoples. In addition, there was an ATSIIC-funded policy officer in the Chief Minister's Department to assist the consultative council in its monitoring of the Government's implementation of the deaths in custody recommendations. The ACT Public Service Indigenous Network met regularly throughout the year. A representative from the network was one of the six indigenous representatives who addressed the Assembly in August 1997. The strategic plan for training and employment being developed will incorporate public sector employment as well as private sector employment.

The annual employment grants program has a number of programs specifically designed for Aboriginal and Torres Strait Islander peoples. These programs are the Caloola Farm Company basic office skills course; the Retail and Office Training Centre certificate I in retail operations; and the Capital Careers introduction to information technology course. In 1997-98, \$31,000 was allocated to the security training program. The program focuses on providing indigenous people with the opportunity to enter the security industry in the ACT and builds on successful courses conducted by the CES in 1996-97. The program has been developed in consultation with indigenous groups and the ACT and Region Chamber of Commerce and Industry. An amount of \$40,000 is allocated for indigenous employment initiatives from the \$290,000 annual employment grants program. Grants provide one-off annual funding for projects where organisations have identified training needs and developed appropriate programs.

The ACT has commenced negotiations with the Commonwealth on principles which will form the basis of a bilateral agreement on indigenous housing in the ACT. The aim of the bilateral agreement is to examine strategies for greater coordination of housing and related services for indigenous people in the ACT. This agreement is expected to comprise agreed principles only, as the Commonwealth has said it will not allocate any Aboriginal rental housing program housing money to the ACT. This reflects Commonwealth policy of allocating funds on a needs basis and remote communities being a priority for the current distribution of housing funds.

Madam Deputy Speaker, I am delighted to be able to tell the Assembly of the significant progress made this year in establishing the Aboriginal and Torres Strait Islander Cultural Centre. The centre is to be opened by January 2001 and will be co-located on Acton Peninsula with the National Museum of Australia and the Australian Institute of Aboriginal and Torres Strait Islander Studies. On 29 October 1997 it was announced

that Ashton Raggatt McDougall had been selected as the architect for the centre, and of course for the museum as well, and the project is now full steam ahead. While the emphasis is placed on contemporary indigenous cultures, the underlying philosophy behind the centre is to build a place for all people to visit to learn about and experience indigenous cultures as presented by indigenous people themselves.

The business elements of the cultural centre will provide a range of employment and training opportunities for indigenous people, including retail and hospitality. The indigenous community will be encouraged to use the centre as a space for cultural expression through either the visual or the dramatic arts. These programs will be open to the general public. An Indigenous Design and Construction Working Group advised the Government on the development of the functional brief for the centre. The centre will continue to be developed through extensive consultation with the ACT indigenous community. ArtsACT has managed the design and development of the centre and will continue to manage the project through to its construction. Madam Deputy Speaker, I would like to thank the Canberra Theatre Trust for their continuing support for the work of indigenous performing artists during 1996-97.

NAIDOC Week continues to be a focus for all Canberrans on indigenous cultures. There were many activities across the ACT this year, including those organised by government agencies. The flying of the Aboriginal and Torres Strait Islander flags on Canberra's main thoroughfares and the large Aboriginal flag on City Hill was a colourful reminder to the city of NAIDOC Week. I participated in the ceremony to open NAIDOC Week at the Boomanulla Oval and a number of other functions, as I know did other members of the Assembly.

ACTEW held its annual flag raising ceremony and it also organised a free barbecue, sports auction and kidsfest with children's entertainment such as a jumping castle, an Aboriginal face painter, boomerang throwing and lots of other things. The Canberra Hospital launched the opening of the Aboriginal residential facility with a barbecue. The Belconnen Remand Centre was presented with a kit of indigenous culture books and the Aboriginal and Torres Strait Islander flags at a special NAIDOC function. A barbecue was held for detainees, with entertainment from a local indigenous dance group. Artwork painted by an indigenous detainee was purchased by the ACT NAIDOC committee and presented to the centre for permanent exhibition.

ACT Heritage has instigated a study of Aboriginal heritage in the ACT. It is anticipated that the local Aboriginal people will assist in the direction of this project and play a leading role in its implementation. Aboriginal and Torres Strait Islander people will participate in Australia's first National Multicultural Festival to be held in January 1998. The four-week program is designed to celebrate Australia's rich diversity and showcase indigenous culture featuring many faces of Aboriginal and multicultural Australia. The inaugural National Indigenous Fashion Awards will be launched during the festival.

I turn now to the ACT's native title claims. Members are aware that the ACT Government is in the preliminary stages of negotiating a regional agreement with the Ngunnawal people in relation to their native title claims in the ACT. The Government's commitment to settlement of the native title issue is not dependent on a successful claim through the National Native Title Tribunal. The Government has indicated

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2 December 1997

to negotiate a solution consistent with the Native Title Act but using processes which do not involve long, expensive court procedures. It is critical that negotiations and arrangements are made with the proper claimants. The Ngunnawal people have some differences to resolve before negotiations can begin in earnest. Meanwhile, the Government is working in preparation for those negotiations. As members are aware, an Australian Local Government Association workshop on developing regional agreements was organised for all MLAs and relevant government officials in November 1997. Additionally, Environment ACT has discussed joint park management issues with the other States and the Northern Territory. The Government hopes that negotiations can begin soon on developing a regional agreement with the Ngunnawal people.

Finally, Madam Deputy Speaker, there has been a strong focus on reconciliation over the past year, with many activities in the ACT contributing to the ground swell of reconciliation. This is the fifth theme of the report. The Bogong Reconciliation Advisory Committee has been active in the ACT in advancing reconciliation through addressing areas of concern that impact on reconciliation. Committee members include the chief executives of the Department of Health and Community Care and the Department of Education and Training and the Assistant Commissioner of Police. In the lead-up to the National Reconciliation Convention in Melbourne in May 1997, a regional reconciliation meeting with more than 400 participants was held in Canberra on 13 March 1997. The Government provided significant assistance to the success of the meeting, including provision of the EPIC venue at no cost. The chief executive of the Department of Education and Training chaired the regional meeting. Government staff and members of the police were involved in facilitating the discussions and the analysis and recording of information that was provided by participants.

During Reconciliation Week I hosted a reception on 27 May 1997 for the ACT indigenous community to commemorate the thirtieth anniversary of the 1967 referendum. Additionally, the ACT Government was represented at the historic Reconciliation Convention in Melbourne in May 1997. On 6 August 1997, I met with members of the Legislative Assembly and delegates of the Australian Reconciliation Convention as a means of informing the Assembly members of delegates' impressions of the convention. The meeting was chaired by Bishop George Browning of the Anglican Diocese of Canberra and Goulburn and Mr Ossie Stewart, chair of the ATSIC Queanbeyan Regional Council.

In concluding, I would like to say that this has been a very significant year for Aboriginal and Torres Strait Islander peoples both nationally and here in the ACT. The Government is proud of the progress made to improve the economic and social wellbeing of Aboriginal and Torres Strait Islander peoples here in the ACT and pleased that it has been able to do so in partnership with the indigenous community. I also thank members of the Assembly for their help in this area. In addition to the implementation report, I table the following paper:

Aboriginal Deaths in Custody - Implementation of the Recommendations of the Royal Commission into Aboriginal Deaths in Custody - ministerial statement, 2 December 1997.

I move:

That the Assembly takes note of the papers.

**MS REILLY (5.22):** I would like to congratulate the Chief Minister on this report and on her tabling speech. I am pleased that she decided, albeit reluctantly, to show respect to the Aboriginal people of the ACT by reading her speech, rather than incorporating it in *Hansard*. The tabling of an annual report on the implementation of the recommendations of the Royal Commission into Aboriginal Deaths in Custody is one of the important recommendations of the royal commission. It was decided that it was important to have an annual reporting process so that people could see what progress was being made on the various recommendations but also to remind governments and communities of their responsibilities in this matter. It is excellent to see that yet again the ACT Government has produced a report.

I recognise that this year there has been a shift to themes in reporting on activities in relation to the recommendations of the royal commission. I hope that this will not lead to less information about what progress is being made in certain areas. There are some concerns. It has been a big year in the ACT for a number of reasons, but you are left wondering whether what the Chief Minister said about improving the economic and social wellbeing of Aboriginal and Torres Strait Islander people in the ACT is actually happening.

The report lists a huge number of activities in various areas and agencies of government. You have to question the results of some of these activities. For example, on education, page 61 gives no comparative data. It shows what has happened in relation to children moving from one year to another, but it does not show whether there has been an increase or an improvement from previous years. According to the report, more children went from Year 7 to Year 8 than were actually in Year 7 - a rather difficult thing. Obviously, this is an indication that people are moving into the ACT. It would be useful to have more information on those figures.

As education is a key issue, it would be useful to have some comparative data on what happened in previous years and an indication of how many people are moving in and out of Canberra. Because of this lack of comparative data we cannot see whether there has been any change in activities in the ACT. There is little point in listing all these activities if we do not have any way of analysing whether they have been successful or not. Not a large number of Aboriginal and Torres Strait Islander people use higher education facilities in the ACT, but there is nothing in the report to indicate that a lot of people come from interstate to attend the excellent institutions we have in the ACT.

Other issues in the report relate to the provision of family services and children at risk, a matter we will discuss next week when the Standing Committee on Social Policy presents its report. This annual report mentions four Aboriginal identified positions in child placement and fostering. Despite the Government saying for many months now that these positions are going to be filled, they remain unfilled. There is little point in having identified positions if little effort is made to fill them. I am also very pleased to see that, following the review of the Children's Services Act, the Aboriginal child placement principles will be incorporated into that Act when it is revised next year.

*2 December 1997*

This is extremely important. We must be the only Territory or State not following these principles. It is quite disgraceful how few Aboriginal children placed in care last year were placed with Aboriginal families. What efforts were made to ensure that those children could be placed with Aboriginal families?

This year's report and last year's report referred to the important role the Gugan Gulwan Aboriginal youth centre played in the provision of youth services. I think it is quite outrageous that this centre should be listed as an important factor in the provision of youth services for Aboriginal youth when it has been left dangling in uncertainty all year wondering whether it can continue and whether its funding will be reinstated. It has been known for more than 12 months that ATSIC could no longer fund Gugan Gulwan because of cuts in funding by the Commonwealth Liberal Government.

Only in recent weeks it has been announced that the ACT Government will allocate funding to Gugan Gulwan, but only for this year. This does not offer certainty that this service will continue, even though the Chief Minister and the Minister for Education and Minister for Youth Services have known for a long time that this group needed funding. They are an important part of youth services within the ACT - so important that they have been recognised in the annual report on the implementation of the recommendations of the Royal Commission into Aboriginal Deaths in Custody. But these people were left without funding for all this time. In the meantime, \$118,000 in youth grants was allocated, of which \$10,000 was given for a small project for the Gugan Gulwan centre. We set up a youth nightclub and spent \$20,000 of ACT money and \$40,000 of Commonwealth money on that as a youth project, but we did not look at whether that money could have been more usefully spent to assist Aboriginal youth in the ACT.

The Chief Minister talked about the meeting on 6 August where we reported back on the reconciliation conference. She was informed at that meeting of the great need for the continuation of funding for Gugan Gulwan. It took until the end of November for this call for funding, for grants, to be listened to. It is recognised that, if young people can access education, remain within the education system and stay out of the juvenile justice system, they have more opportunity to continue in better health, with better opportunities for education and better opportunities for employment in the future. But this Chief Minister and the Minister for Education and Minister for Youth Services left this organisation unfunded for many months.

Another issue has been left dangling. We have no Aboriginal and Torres Strait Islander housing policy. We have no strategy to recognise the particular needs for accommodation of indigenous people in the ACT. It is not merely a matter of money not being allocated through the Commonwealth system. There is nothing to stop this Government from setting up an Aboriginal housing strategy. There is nothing to stop this Government from allocating money to deal with some of the issues that arise. It has failed to recognise the needs of traditional owners of this area because it has failed to realise that Canberra is a regional centre for a number of people in the south-east region who come to Canberra for a number of reasons. There has been a failure by this Government to recognise the housing and accommodation needs of these people. The Government may have set up a house for people visiting for health reasons, but quite a number of people visit the ACT for a number of reasons and there has been a total failure to recognise their housing and accommodation needs.



Another issue that arose from the Royal Commission into Aboriginal Deaths in Custody was the overrepresentation of Aboriginal people in the justice system - both the juvenile system and the adult system. We have continued in the ACT to have an overrepresentation of Aboriginal people within this system. This report talks about 10 per cent being Aboriginal. When you consider that Aboriginal people make up less than one per cent of the population in the ACT, there is a high number of Aboriginal people in custody in the ACT. In the juvenile system the percentage is rising. The percentage of Aboriginals in custody in 1995-96 was 6.7 per cent, in 1993-94 it was 6 per cent, and in 1994-95 it was 4 per cent. This increase in the number of adults in the justice system in the ACT is of grave concern.

Some of the activities that have gone on do not appear to be addressing this at all. Mrs Carnell talked about a number of programs, but these do not seem to be reaching the people for whom the justice system and incarceration seem to be almost a way of life. We need to look at what programs are available. We need to look beyond just how many people are picked up for intoxication and other issues. We need to look at the basic services of housing, health, education and employment, so that these people have further opportunities and are less likely to come to the attention of the police. We have to continue to look at police training and at cultural awareness in dealings between the police and the Aboriginal community. These things are important. They will lead to improving the economic and social wellbeing of the Aboriginal and Torres Strait Islander people in the ACT.

It is not a matter of putting out an annual report. It is a matter of taking actions that will make the changes. That is what is important. It is not just to do with the reporting system. It is to do with how you develop services and how you deliver services that are relevant to the needs of Aboriginal and Torres Strait Islander people.

Question resolved in the affirmative.

**PUBLIC ACCOUNTS - STANDING COMMITTEE**  
**Report on Lease and Lease-back of Magistrates Court**  
**and Dame Pattie Menzies Buildings**

**MR WHITECROSS** (5.35): I present Report No. 32 of the Standing Committee on Public Accounts, entitled "Report on the lease/leaseback of the Magistrates Court and the Dame Pattie Menzies Building", together with a copy of the extracts of the minutes of proceedings. I move:

That the report be noted.

This inquiry had its origins in the Select Committee on Estimates 1996-97, which was not satisfied that all issues relating to the lease and lease-back of the Magistrates Court building and the Dickson building, which is currently called the Dame Pattie Menzies Building, had been fully examined. The Estimates Committee formed the view at that time that the arrangements were effectively another form of borrowing, notwithstanding

*2 December 1997*

the claims of the Government. However, the committee was unable to examine the lease and lease-back arrangements, as they had not been finalised. Therefore, the details of the arrangements were not available to be examined. It therefore recommended that the Public Accounts Committee inquire in more detail once the transactions were finalised. Earlier this year, when the transactions were finalised, a reference was, therefore, made to the Public Accounts Committee to conduct that inquiry, on the motion of Ms Horodny. As a result, the committee conducted an investigation into this matter.

The budget papers claim that lease-back arrangements free up considerable capital, negate the need for any new borrowing in the current year and allow for debt to be retired. That is what Budget Paper No. 1 for the year 1996-97, that is, the Chief Minister's speech, said. In evidence to the Estimates Committee, which was, of course, after the Estimates Committee had already concluded that they were borrowings, the Chief Minister proffered the view that sale and lease-back permit a lower level of borrowing, which reduces interest costs. The committee was not able to agree with these conclusions in the budget papers and in the Chief Minister's letter to the committee. The committee concluded that the lease and lease-back arrangements are effectively another form of borrowing and that the evaluation of the appropriateness of these arrangements should focus on the relative costs and benefits of lease and lease-back, compared with normal borrowings.

The committee concluded that the arrangement which involved payment of a capital sum by Bankers Trust to the Territory in exchange for an agreement to pay rent to Bankers Trust for 15 years - an arrangement which was linked to bank bill swap rates and an arrangement which left all the costs of ownership of the buildings in the hands of the Territory, not in the hands of Bankers Trust - was, effectively, a financing arrangement and was, effectively, borrowing in every sense of the word. The committee found that the lease and lease-back arrangement is similar in financial terms to borrowings and that such arrangements are not compatible with the low debt policy. In other words, the committee found that the arrangements are, in all respects, equivalent to borrowing, having the same annuity structure in which a capital sum is exchanged for a series of payments. This conclusion is similar in all respects, really, to the conclusion that the Auditor-General came to in relation to the sale and lease-back of the vehicle fleet, when he concluded that this was a financing arrangement, that it was not compatible with the low debt policy and that it should be regarded as borrowings in the accounts - something which the Chief Minister has apparently reluctantly agreed to do in the response she tabled earlier today.

Starting from that position that the arrangements should be evaluated on their relative costs and benefits compared with normal borrowings, the committee then proceeded to evaluate the claims that were made. In this regard, it should be noted that evidence provided by the Office of Financial Management indicated that the underlying interest rate agreed to in the lease and lease-back arrangement was 23½ basis points higher than the 90-day bank bill swap rate at which they would normally have borrowed and that the 15-year bank bill swap rate, which is equivalent to the period of the borrowings in question, was only one basis point lower than the long-term bond rate at which they would have borrowed if they had borrowed long term. One basis point, of course, is equivalent to one-hundredth of a percentage point.

In the short term, the committee was able to conclude that under the lease and lease-back arrangements the ACT Government's expenses have actually increased compared to what they would have been if the Territory had borrowed in the normal way. The Office of Financial Management justified the decision to use a lease and lease-back arrangement instead of traditional borrowing by resort to two arguments, but mainly an argument about management of interest rate risk. In relation to that, the Office of Financial Management argued that the most important contributor to lowering debt costs over time is managing interest rate risk; this is more important than changing underlying debt; it is substituting high cost debts with low cost debts at the same maturity without changing exposure to interest rates. The lease and lease-back model is a form of financing that does not involve interest rate risk. In other words, it involves locking in a given interest rate for the next 15 years.

In that regard, the Office of Financial Management put the view that the short-term movements in the long-term interest rate since they entered into that arrangement demonstrated that the decision to go with the 15-year lease and lease-back arrangement was vindicated. However, the committee was reluctant to accept long-term benefits from these transactions based on month-by-month movements in long-term interest rates over the relatively short period that these transactions had been in place. As I said earlier, the committee did conclude, however, that the costs in the financial years 1996-97 and 1997-98 are higher than they would have been had we borrowed on the 90-day bank bill swap rate, as is traditionally done.

The Office of Financial Management also argued that a long-term benefit of lease and lease-back was matching liabilities to assets and that long-term liabilities should be matched to long-term assets, and short-term liabilities to short-term assets. Although they argued this benefit, the committee was not able to discern any wider policy in relation to the managing of interest rate risks or in relation to the matching of long-term debt to long-term assets, other than these lease and lease-back arrangements under examination. On that basis, the committee concluded that they were not presented with any evidence of a wider plan. That is reflected in the recommendations which I will get to shortly.

One of the consequences of the lease and lease-back arrangement that was entered into is that the Government had to take out external insurance on the Magistrates Court building and the Dame Pattie Menzies Building. Once again, this decision was justified by reference to the idea that it was a good thing for the Government to use external insurance as a way of managing insurance risks and that this was an example of using external insurance in order to manage external risks. However, the committee was not presented, once again, with any evidence of a wider plan in relation to external insurance, other than the arrangements under question.

In this regard, it is interesting to note in Auditor-General's Report No. 9, which referred to the realisation at a late stage in the negotiations for the sale and lease-back of the ACT fleet, that the Government's self-insurance arrangements would not apply to the leased vehicles. On that occasion, the Government took out external insurance. The Auditor-General concluded that the cost of external insurance should be seen as a significant factor in terms of the viability of the leasing arrangement. A similar conclusion could be drawn in relation to the lease and lease-back arrangements here.

2 December 1997

In other words, it is an expense which perhaps is not justified. The committee considered a decision to use external insurance had more to do with the requirements of Bankers Trust than with any wider policy considerations and should be regarded as a cost of the transaction.

In this regard, too, it should be noted that the Government in its budget papers makes reference to a policy of review of insurance risk and risk management arrangements. It is interesting to note that in relation to that a policy is yet to be developed, although some broad policy parameters have been identified. The broad policy parameters are to establish a self-insurance arrangement based on an internally managed fund, with risk-determined levies on agencies and purchase catastrophe insurance from the fund to protect against claims and losses above certain levels. They go on to talk about determining appropriate excesses, et cetera. It is interesting to note these policy principles which have been established, because what is not clear is that the policy principles established would have covered the use of external insurance in relation to the Dame Pattie Menzies Building or the Magistrates Court building. If it is intended that the catastrophe insurance clause apply to every government building, then it is interesting to note that there does not appear to be a policy of purchasing external insurance in relation to the multitude of other buildings which the Government owns, only in relation to these buildings.

The significance of the requirement to take out external insurance is this: The cost of that external insurance is a little over \$30,000, I understand, in the first year. Presumably, it will be renewed at around the same figure or at a slightly escalating figure in future years, according to the insurance market. The \$30,000 works out to some 90 basis points, that is, an amount which is 90 times the alleged saving of one basis point on the 15-year bank bill swap rate compared to the rate used in this transaction. That suggests the possibility at least that this is a more expensive transaction than traditional borrowing at the short-term interest rate or even at a long-term interest rate. Unfortunately for the ACT, only time will tell whether it is a more expensive arrangement. But there are reasons for concern contained in the arrangements here. It could be, therefore, that the Territory will be paying a higher price for the revenue raised, the \$49m raised by these transactions, purely to satisfy the Chief Minister's desire to be able to come into this place and say she had no borrowings and to satisfy the Chief Minister's desire to disguise her borrowings, as indeed she has this financial year where she is actually going to borrow money, lend it to ACTEW and then get ACTEW to give it back to her as a dividend and pretend that that is not borrowing.

In conclusion, I will make one reference to Mrs Littlewood's inevitable dissenting report. Mrs Littlewood suggests that the committee put reliance on short-term finance and variable interest rates. The committee drew no conclusions whatsoever on the best financing arrangements; the committee merely sought to compare these arrangements with the kinds of arrangements which have been traditionally used for government financing and, indeed, with long-term interest rates which are the alternative. Given that the cost in the short term is higher than borrowing on the 90-day bank bills swap rate and given that it is marginal at best on the 15-year bank bills swap rate, the committee recommended that the Government not enter into any further sale and lease-back or lease and lease-back arrangements until it reports to the Assembly on a comprehensive policy for management of interest and insurance risks - that is, that future decisions in relation to

these matters ought to be made in the context of a comprehensive policy, not as ad hoc, one-off decisions, as were seen in previous budgets - and that the Standing Committee on Public Accounts in the next Assembly should review this comprehensive policy on management of interest and insurance risks, with a view to establishing its costs and benefits.

Certainly, we were not suggesting, as Mrs Littlewood has suggested in her dissenting report, that we conduct a further review of the lease and lease-back arrangements in relation to the Magistrates Court building or the Dame Pattie Menzies Building. In relation to those matters, we have done what we can. We will have to wait till the end of the 15-year term of these arrangements to conclude definitively whether they have been a cost or a benefit to the ACT community.

**MRS LITTLEWOOD (5.50):** Unfortunately, I find that I am not able to agree with some of the findings or the recommendations of this report, as was mentioned before by Mr Whitecross, for a couple of reasons. I think the report is somewhat flawed, in that it failed to understand the key issues, I believe, and did not really analyse the costs and benefits of financial arrangements for these assets; it really just had a bit of a grumble. I think effective management of interest rate risk was a central issue of the lease-back financing arrangements. However, the alternative favoured by the majority of the committee, the reliance on short term, seems to have the day, I suspect. I do not think it shows any awareness of interest rate management at all. Although the benefit of the Government's approach was explained to the committee, such information seemed not to suit the purpose of the majority of members.

Similarly, I think the majority failed to understand and acknowledge the reasons for the major reforms in relation to insurance risk which the Government has initiated. These reforms were introduced in the 1997-98 budget; and insurance of the two buildings, considered in this report, is consistent with policy framework. The Government's commercially sound policy on managing insurance risk contrasts with the neglect, I am afraid to say, of the previous Government; but the majority of the committee did not really want to see that. Hence, the issues are not properly addressed in the report. Given that we had several months to weigh the costs and benefits of the lease-back arrangements for the Magistrates Court building and the Dame Pattie Menzies Building, the committee did not refute the evidence that was provided; it just chose not to accept it, I suppose.

The recommendation by the majority of the committee to undertake a further reference is unnecessary and unjustified. I think, quite frankly, it is a bit of a waste of taxpayers' money to spend more money and more time looking at something that has already been looked at. I think the material that was provided in relation to the current reference has identified the clear benefits of the financing arrangements entered into for the two buildings. The majority appears to agree with but not acknowledge that governments wish to retain ownership and control of these assets. It is for those reasons that I feel that I could not support it.

2 December 1997

**MR WHITECROSS** (5.52), in reply: Unfortunately, Mrs Littlewood, did not, in her remarks just then, cure her earlier error of misinterpreting the report. Can I just reiterate that the proposed inquiry in the next Assembly does not relate to the lease and lease-back of the Magistrates Court building or the Dame Pattie Menzies Building; instead, it relates to a review of a comprehensive policy on managing interest and insurance risks. I realise that Mrs Littlewood did not understand this because she did not attend the committee meeting at which the report was finalised.

Question resolved in the affirmative.

**ECONOMIC DEVELOPMENT AND TOURISM -  
STANDING COMMITTEE  
Report on Inquiry into Very High Speed Train**

**MR HIRD** (5.53): Madam Deputy Speaker, I present the report of the Standing Committee on Economic Development and Tourism, entitled "Inquiry into the Economic Impact of the Construction of a Very High Speed Train", together with a copy of the extracts of the minutes of proceedings. I move:

That the report be noted.

Madam Deputy Speaker, as chairman of the Standing Committee on Economic Development and Tourism, which conducted this inquiry, I have much pleasure in commending the report to the parliament. It is a pleasure to do so because this is the most significant development program undertaken, not only in the ACT and the Australian capital region, but in the whole of eastern Australia, since the Snowy Mountains hydro-electric scheme in the late 1940s or early 1950s.

The very high speed train project, running in tandem with the upgrading of Canberra Airport to international status, sets the stage for a regional development program that will provide untold benefits to future generations of Canberrans and the people within this great region. There should be no question about the viability of the very high speed train service running in conjunction with an international airport. When the announcement of the successful bidder for the very high speed train service is made next year, Madam Deputy Speaker, I am confident that not only will the Canberra to Sydney service become a reality, but we will be accepting the very real possibility of Canberra being the hub of a new high-tech transport system linking Sydney and Melbourne. That, I believe, will be just the beginning.

Importantly, this project will create up to 13,000 jobs during the construction stages and up to 3,000 permanent jobs when the train is up and running. Pressure is already being applied to the six contenders for the service to establish their headquarters and catering facilities in Canberra. That will mean that many permanent jobs will be open to residents of this area. The Carnell Government has been instrumental in keeping this project alive in recent years - and, might I say, not always with the support of the New South Wales and Commonwealth governments. But, as the Chief Minister has said so often, this project is important because of the regional economic benefits that will come with it.

To understand the great importance placed on the very high speed train and the upgrading of Canberra Airport by businesses within the region, we need not look any further than the current issue of *Canberra Building News*, the official journal of the MBA, one of the many groups from private enterprise within the region that gave evidence to our committee. I hold it in my hand, members. That certainly demonstrated to me and to my committee that there are huge benefits to be gained by this project. The MBA is to be commended on its very positive attitude. I must admit that all of those that gave evidence were positive, and all of them identified the area as a transport hub. They focused on the very high speed train either terminating its Sydney to Canberra run at the international airport and creating a transport hub, or having a branch line into the Canberra central business district and moving on down to Melbourne. This article covers all aspects of both projects - the upgrading to an international airport and the very fast train. I commend to members a reading of that report. I know that my colleague Mr Corbell has a copy.

Now that the stage has been set, it is important that we continue to lobby for the selection of the best technology to serve Canberra and the region into the twenty-first century. The one aspect of the development that disappoints me is the bloody-minded attitude of the Construction, Forestry, Mining and Energy Union and its leader, Mr George Wason. I am sure that all members of this parliament would have been disappointed to read Mr Wason's comments last weekend. He said that it would be suicidal for any developer or investor involved in the very high speed train project to go ahead without first reaching an agreement with the unions. If that is not a veiled threat, Mr Speaker, I have never heard one. But I suppose we have come to expect comments like that from Mr Wason. I only hope that Mr Berry and Mr Wason's other friends opposite have enough interest in the future of this Territory and the region to convince him of the damage that these types of statements can cause.

In concluding, Mr Speaker, I would like to acknowledge the time and effort put into this inquiry by my fellow members of the committee, in particular Mr Corbell - Mr Corbell has taken a huge interest in this, and I compliment him for that - and also Mr Osborne.

**Mr Berry:** You bagged him out when he wanted to do this.

**MR HIRD:** It is a shame that Mr Berry does not take the same interest as his colleague Mr Corbell does. Rather than trying to attack all the time, they should be looking for some consensus. It is a shame that Mr Berry has not quite come to grips with statesmanship yet; but I am sure that members over there are working on it, and we may well see a change of attitude - but not in the immediate future. We might see a change of leadership after 21 February.

**Mr Corbell:** He will be Chief Minister then.

**MR HIRD:** If he is Chief Minister, I will be worried. I start to shake and shudder at the thought of Mr Berry being a Treasurer, when he does not have any batteries in his calculator and the calculator does not work.

2 December 1997

As chairman, I also would like to thank the committee's secretary, Ms Beth Irvin, for her tireless efforts and the work that she put into the preparation of this report. I thank all those who made submissions and gave evidence before the inquiry. Mr Speaker, I believe that this inquiry is laying the groundwork for things to come - things that will be beneficial not only to Canberra in the jobs sense but certainly to the region. I commend the report to the Assembly.

**MR CORBELL** (6.01): I think that the very high speed train inquiry, which about half a year ago I moved that this Assembly undertake, has been a very useful exercise. I think it has been more useful than members of the Government, particularly, anticipated at first. I hope that, when they read the report and the recommendations from the committee, they will think again about just what sort of approach they need to be taking to the development of a very high speed train for Canberra.

Mr Speaker, what prompted me to move for this inquiry in the first place was a concern that the Government and other people in Canberra seemed to think that this train was miraculously going to deliver benefits to our city and our economy, for the wellbeing of our community, without any forethought, without any planning or without any strategic approach to ensuring that there were real benefits delivered to our community. What this committee set out to do, and what I believe it has done, was to recommend to the Government a whole series of steps which, if implemented, would ensure that, should the development of a very high speed train go ahead, it goes ahead in a way which is beneficial to our community and where the ACT Government has anticipated any potential impacts on our community and has planned for the future development of the project and what that means for our city, what that means for jobs in our city and what that means for the benefit of the community overall.

There is no doubt, Mr Speaker, that the very high speed train is the most significant infrastructure development project to occur in the Australian capital region for many decades. Its impact, should it go ahead, will be considerable, not only in the development and construction stage but also in the ongoing operational stage. This was certainly reinforced by the number of submissions that the committee received and the number of presentations that the committee heard in its public hearings. Mr Speaker, I was delighted with the response to this inquiry from the Canberra business community, the tourism sector, community organisations and government - both the ACT Government and the Queanbeyan City Council - and with the information that they presented.

I would just like to go through a couple of what I believe are the most important recommendations in the committee's report. Perhaps the most important one that we need to be highlighting is that the ACT Government can now be looking at the information that is available to it in the confidential call for tenders process; assessing which train will have the most benefit for Canberra; and assessing what the different types of technology will mean in terms of job displacement, travel time, changes in transport use, tourism numbers, visitor numbers to our city, visitor trends - whether they stay overnight or whether they come down for the day - all those sorts of things. The Government can be doing that now.



Indeed, Mr Speaker, the Government should not be making a decision about the train without considering all of the effects that the train will have on our community, on our economy and on our society overall. They should be using the information that is available to them now. In this place, we have had a lot of debate about the commercial-in-confidence process and whether or not it is appropriate. Mr Speaker, what the committee has said in its report is that we accept that that commercial-in-confidence information about the tenders and the various proposals is not available to the committee or indeed to this Assembly overall, however much we feel that perhaps it should be; but it is available to the Government. It is available to the Government's representatives on the tri-government working group that is assessing the proposals. Our representatives on that body should be ensuring that, when they look at the tenders and at the information that the tenders present, they make the judgment about which one is better for Canberra and which one is not so good for Canberra. They can be doing that now. I have not heard the Government say that they are doing that.

So, there are a number of recommendations in this report that highlight the need for the Government to do that. Specifically, Mr Speaker, they highlight the need for the Government to look at that commercial-in-confidence information when it looks at issues such as job displacement. Job displacement is a potential risk from the development of the very high speed train. There is the potential for employment in certain sectors of the economy to decrease, particularly in other associated transport fields which would be in competition with the very high speed train. We cannot assume that, with the development of a very high speed train, those jobs will automatically go from, say, the airline industry into the very high speed train industry. They will not do that miraculously. The Government needs to anticipate the potential shift in employment, the displacement in employment. They can be doing that now, based on the information that is available to them now on the travel time of the various proponents' models for trains and on other factors that are available to them in the commercial-in-confidence process. That is one recommendation, Mr Speaker.

Another very important recommendation is to do with the oversight of the potential social and economic impacts of the project. I was disappointed to learn from the evidence presented to the committee that the Government really has not done an enormous amount of work in this area. Again, there is the potential for them to do this, and there is the potential for them to be recommending and establishing now processes which ensure that the economic and social impacts on our city are monitored and predicted by our Government. To that end, there should be a social and economic unit established within the Chief Minister's Department to oversight that process. That is another very important recommendation of this committee's report.

Mr Speaker, a lot has been said about the ability of this project to bring jobs to Canberra. Some other big infrastructure projects around town, announced in the past year or so, we would have hoped would have brought jobs to Canberra. One of these infrastructure projects was the duplication of the Federal Highway around Lake George. Mr Speaker, we thought, "This is great. There will be opportunities for people in Canberra to go and work on this infrastructure project". What happened, in reality, was that the tender packages for that project - the opportunities for medium-sized Canberra firms to bid

2 December 1997

to get work on that Federal Highway duplication - were very limited because of the way the tenders were structured and the packages developed. That denied opportunities for medium-sized firms from Canberra - we do not have enormous firms, but we have competent medium-sized firms - to bid in that process.

So, what we have said in our recommendation is that the ACT Government should be ensuring that there is the opportunity for medium-sized Canberra firms - engineering firms and consulting firms - to be involved in getting work from the VHST project. A way to do that is to structure the tender packages to ensure that medium-sized firms are not pushed out by big companies. I think that is a very sensible recommendation. It is a recommendation that was driven by submissions from a range of business organisations in Canberra, including the Master Builders Association. I think it is entirely legitimate, because it is another example of saying that you have to plan to ensure that there are benefits for our economy. You cannot just assume that they will arrive because the project has been announced.

Mr Speaker, another very important aspect of the project and of the committee's report which I would like to draw attention to is the development of a transport hub. Mr Hird alluded to this earlier in his comments on the report. I think it is an important aspect to look at. The development of a transport hub is predicated on the development of a very high speed train link, the upgrading of Canberra Airport and the connection by road links to the Canberra Airport site. There are obvious economies of scale when you put all of your transport nodes together, rather than spreading them out across the city.

The committee said, in one of its recommendations, that the Government needs to be planning for the development of suitable road links to the transport hub. There are benefits for our city in ensuring that we are putting in place the economic infrastructure that allows efficient and effective transport of goods by road, connecting to a very high speed train service and, potentially, an international airport. So, when this recommendation that there be suitable road transport infrastructure was proposed by Mr Hird, I welcomed it. I welcomed it because I also believe that it is important. I also welcomed it, Mr Speaker, because, after the report had been approved, the Labor Party actually announced that we would be progressing the development of the Majura Parkway as an economic infrastructure development for the benefit of the development of the Territory. So, Mr Speaker, there we see some synergies developing between this report and the thoughts of my colleagues on the other side of this place. I think it is a very important recommendation and one we should welcome.

Mr Speaker, representations to the committee from the tourism sector also raised some concerns, which the committee was able to address in its recommendations. Those were in relation to the attractiveness of our city as a destination and the potential changes in visitor use arising from the development of a very high speed train. It was certainly indicated to us by representatives of the tourism industry that there was the potential for an increase in the number of daytrippers coming to Canberra by the high speed train, because they could potentially get to our city in an hour, an hour-and-a-half or two hours, rather than making the rather longer journey that they do now. They could do it more cheaply than they do it now, and also they could get back to Sydney in the same day.

We were told that there was a risk that we would have daytrippers coming down to the city. We all know that people who visit our city on a day basis rather than staying overnight spend less. So, there need to be strategies in place to ensure that those people using the train are encouraged to stay longer. It was put to us, by both government and representatives of the tourism industry, that there are two ways of doing this. You diversify your attractiveness as a destination - you have a wider range of attractions - and you improve your marketing. They go hand in hand. That is a recommendation in the committee's report. Mr Speaker, the Labor Party, I would like to think, has responded to that concern by announcing a \$1m increase, over one year alone, in tourism promotion. Again, in this report, we see the importance of the committee process in developing good policy for our city.

Mr Speaker, there is one last point about this inquiry that I would like to make. The process is not just about going over what has been before. The process is about building on what has been before and showing government where it can be going in the future, where it needs to be planning and developing things in the future. If I had one concern about this inquiry it was that the current Government has not been doing the range of work that the committee believes it should have been doing in anticipating and planning for the development of what is the most significant infrastructure development project in many decades.

So, I hope that the Government takes the recommendations of this report seriously. It is a unanimous report. It is a report which highlights sensible recommendations, which, if implemented, will ensure that our city is well placed to reap the benefits of this development without incurring unintended consequences. I think that is the key issue. In this place we need to be anticipating and planning for the future development of our city. I think a close reading of the report and the implementation of the recommendations will ensure that that can occur. There needs to be strategic planning, rather than purely a reliance on a project arriving and then nothing happening or a project arriving and our assuming that there will be some sort of cargo cult flow-on of benefits. I think that strategic planning will achieve a good outcome for Canberra. I commend the report to the Assembly.

**MR OSBORNE (6.15):** I will be very brief. I really enjoyed this inquiry, Mr Speaker. I must admit that, when it was first proposed - I had been on the committee from 1995, with the changeover in membership, and it was something that we had looked at before from a different perspective - I was not really looking forward to it. But, having sat through the public hearings, I was very pleased that Mr Corbell had proposed that we have this inquiry. I think, far too often, as Mr Corbell said, governments and people make rash statements about how good something is going to be. When you look at this from the outside, it does look very appealing and very attractive for Canberra. With the establishment of a link between Sydney and the ACT, who would not be enthusiastic about it? But I was pleased that we went through the process of this report. Some of the submissions from different interested parties were very worth while. I think the recommendations in the report are very thorough. I commend Mr Corbell for raising this issue.

2 December 1997

Mr Speaker, I would like to go out on a limb a little bit here and say that I believe that the best way that a high speed train link will work for Canberra is if it is exactly that - a high speed train. We had some submissions from different consortia who are in the process of dealing with the Federal Government, I believe, about whether or not they will be successful. Having listened to all of them bar one - the ones who did not appear were the people from Maglev - I have to say that my views, which I think were aired in a joint statement with Mr Kaine and Mr Moore about 12 months ago, that the committee's preferred train was the Maglev, have not changed. Whether it is the Maglev or the Speedrail, I think that the way this will be successful is if we do create a link between Sydney and Canberra which is very quick. Having listened to the other organisations who were proposing different forms of Tilt-train technology, I think that if that proposal were to be successful - as I said, I am going out on a limb - the service would not be utilised as much as a high speed train service would be.

However, having said that, I think that the Tilt-train people were perhaps a little bit more realistic in the amount of money that they say needs to be spent to keep it financially viable. I discussed this with Mr Budd outside the committee hearing. I still think that they are pretty optimistic, but he seemed to be quite confident. Nevertheless, I am sure that that will be revealed in the next 12 months. As I said, Mr Speaker, I do believe very firmly that this train, if it is a high speed train, will be a tremendous boost for the region. I thank the other members of the committee and our secretary, Beth Irvin, for once again doing a great job on the report. I, along with the other members, commend the report to the Assembly.

**MR CORBELL** (6.19): Mr Speaker, I seek leave to speak again, briefly.

Leave granted.

**MR CORBELL:** I thank members. In my comments earlier, I did neglect - and it was most forgetful of me - to also thank the committee secretary, Beth Irvin, for her assistance during this inquiry. I think, without her comprehensive and ever-efficient work, we would not be where we are today. I thank her very much for that. I am also grateful for the cooperation of my colleagues, Mr Osborne and Mr Hird, in producing a unanimous and, I think, very effective report.

Question resolved in the affirmative.

**PLANNING AND ENVIRONMENT - STANDING COMMITTEE**  
**Report on Revised Draft Variation to the Territory Plan -**  
**B11 and B12, North Canberra, and Urban Housing Code**

**MR MOORE** (6.20): Mr Speaker, I present Report No. 39 of the Standing Committee on Planning and Environment, entitled "Revised Draft Variation to the Territory Plan (No. 82): Proposed Area Specific Policy B11 and B12 North Canberra and Appendix III.3 Urban Housing Code", together with a copy of the extracts of the minutes of proceedings. This report was provided to the Speaker for circulation on Friday, 28 November 1997, pursuant to the resolution of appointment.

I move:

That the report be noted.

Mr Speaker, this report raises yet again the issue of development in the inner north of Canberra. The B11 and B12 proposal was the proposal to vary the Territory Plan in order to make some modifications to the way B1 and B2 operated in that area. The committee has taken the unusual step of rejecting this variation to the Territory Plan. But it is not an outright rejection. I believe that, had the committee had another six or eight weeks, we actually would have been able to come up with a series of recommendations for a slight modification to the proposal which would have given us a positive outcome.

What the rejection of the variation by the committee has done is give us a bit of breathing space. The committee has been very specific as to what the Government should do in that breathing space to revise this variation and then resubmit the variation to the new Executive after the election. Mr Speaker, in many ways the committee, I think - and other members, no doubt, will speak - was uncomfortable with the notion that we were rejecting it, because we felt that, under different circumstances, we would have been able to deal with this issue. As far as that goes, I put the blame fairly and squarely at the Government's feet. They could have done the variation much earlier than they did and, therefore, got it to the committee earlier than when we received it. Had we received it somewhat earlier, we would have been in a position to address the issues ourselves and make specific recommendations to the Government as to how the modifications could occur, rather than having to adopt the process that we have adopted.

Mr Speaker, the specific matters that we seek to have addressed before the variation is resubmitted include the need for appropriate, extensive community consultation, including with Housing Trust tenants, on the section master plans and the new urban housing code. Whilst the Planning Authority and the Executive obviously responded to criticisms of the original variation of B11 and B12 by establishing section master plans and adopting new urban housing codes, the community has not had a reasonable opportunity to understand just what that means for them. It is entirely appropriate that they do, because it affects not only their daily lives, but, in fact, the very places in which they live.

In relation to section master plans, Mr Speaker, there is a need for the development of section master plans to be the subject of consultation at the whole-suburb level. It is no good having a section master plan that is done just in isolation. The highest priority, of course, should be given to the individuals within that section; but it still must be done in the context of the broader suburb. This was highlighted for us by somebody who appeared before us, who was concerned that a section master plan for the area across the road from him and the already approved development, as I recall, across the road from him would have a major overshadowing effect coming from across the street and, as such, would have an important impact on him. That is not to mention the traffic in a very narrow street, which he was concerned about.

*2 December 1997*

We believe that there is a need for clear guidelines about the nature of section master plans and about the right of residents to be consulted. There is a need for section master plans to permit the retention of existing amenity for those residents who wish to remain in their existing homes in an area subject to developmental pressure. In other words, the section master plans ought not to be just development plans; they should be development and conservation plans, so that they respect those who wish to develop and they respect the rights of those who wish to conserve as well. I think that is a very important point.

I was very interested in a particular developer who appeared before the committee, who said that he believed that a section development ought not to proceed until everybody within the section was prepared to allow it to go ahead. In fact, I was so surprised that I actually asked him the question a second time to verify that that was what he thought. In the end, I do not think many people will agree that we need to take as hard a line as that. However, it is important to recognise the rights of those people. This was somebody who actually wished to develop large parts of a section of Braddon.

There is a need to clarify the manner in which section master plans, once they are established, are to be varied. In fact, the committee considers that the section master plans could be such useful documents and such useful devices that they may well become part of the Territory Plan. We would probably need a process akin to varying the Territory Plan in order to change a section master plan once it was established - perhaps not quite as stringent as that, but certainly along the same lines.

We also believe that it is appropriate to set section master plans on a firm legislative footing, most likely by introducing the appropriate legislative amendments at the same time as a new draft variation is submitted. In that way, we can see that they are appropriately established. The committee believes that it was also right that section master plans not be the responsibility of the developer, but rather the responsibility of PALM - an independent player - whose role it is to assist in the development of these section master plans. We see that as the appropriate role for a planner. We made comments about staging multidwelling development and precinct plans and some comments about the urban housing code. Mr Speaker, what we sought to do was find an appropriate balance between preserving an existing amenity and facilitating redevelopment where it is needed.

I have a personal comment as well, Mr Speaker. I think a significant pressure has been removed from this type of development. It is appropriate that we keep a balance within the suburbs where the pressures have been removed, for two reasons: Firstly, because of the general downturn in housing in Canberra anyway; and, secondly, because of the increased amount of high-density residential development in Civic itself. Because residential development is now occurring in Civic, I believe that that will meet the needs of many people who are looking for inner-city residential development of a high density. Therefore, Mr Speaker, I think it was appropriate for the committee to say that it is time to take a breather on this; it is time for us to go through the process, which the committee will have gone through itself, and allow PALM to do that, so that at the beginning of the next Assembly the successor of this committee is ready to deal with this issue in the most effective way it can.

Mr Speaker, finally, I would like to comment on the dissenting report. Mrs Littlewood did make a dissenting report. I suppose that it is enough for me to say that I disagree that the community has been overconsulted on this. The issue that we are dealing with - the section master plans in particular and the urban housing code - is a whole new concept. That is the issue that we want the consultation on. We do not want to go over what has been consulted on before; but we want to concentrate specifically on revising in terms of these issues. That is why I was keen to see it followed through in this approach.

**Sitting suspended from 6.30 to 7.30 pm**

**MS McRAE (7.30):** I think, Mr Speaker, this is the longest title for a committee report that I have ever heard.

**Mr Moore:** We are going to shorten our titles, are we?

**MS McRAE:** Yes, as Mr Moore points out, perhaps we need a short title. This report is very important and I sincerely hope that the Government takes very seriously the challenge that this committee has put out. One can readily understand why the dissenting comments were made.

**Mr Moore:** What government, Ms McRae? I do not see a government.

**MS McRAE:** This is true. We have the numbers, Mr Moore. It is two to one here. I can readily understand why the Government representative put in her dissenting report, because, from the Government's perspective, perhaps it is time that a decision was made. Why it is so important that the Government actually listens is that this is one clear example of where the Assembly does actually work together very well and does accurately reflect the views of the community, rather than taking a purely confrontationist stand as is necessary on some other matters.

The interesting thing is that the conclusions that the committee came to were all around issues that were raised by PALM officers in consultation with the community. They were not new issues that PALM suddenly decided of its own accord, or tried to set up in any way in confrontation with what the community was saying. PALM was commissioned, on behalf of the Government, to work forward with this variation to the Territory Plan, to ascertain the community views on the changes that were proposed, and then to come back to the Government with directions for how the variations should proceed.

The history of the variation is also very important because it arose out of the perceived failures of B1. What had already been tested was a notional zone within an area of the inner north of Canberra, to give some certainty and direction for development and redevelopment in those areas. What the Government found after several years was that the level of disquiet and concern for all concerned was such that a revision was needed. Therefore, the notion of B11 and B12 was born.

*2 December 1997*

PALM officers undertook - we could see this from the material that was presented to the committee - a very thorough and extensive consultation process. There were 138 submissions received. There were endless meetings with individuals and with members of community organisations and residents associations. It is clearly noted throughout all the documentation that PALM officers went out of their way to ensure that any information that was required by the community, by the developers and by all concerned was readily provided, readily responded to and readily explained. So, as I say, one can readily understand why a member of the Government may choose to say, "Look, for heaven's sake; this has been going on for months and months. Let us draw a line in the sand and call an end to it". It would have been quite tempting for the committee to do that and then to say, "It is your problem now, Government; deal with it".

However, when one listened carefully to what the residents were saying, it was not so much that what was being proposed by PALM to the Government was wrong; it was simply that they had not had the opportunity to see for themselves how the officers had responded to their submissions, where they had taken into account what they had said, and where they had rejected what they had said. What is interesting about that is that that is a persistent pattern that we hear about consultation processes all over the ACT. It is not so much that people complain that they are not spoken to or are not consulted with; it is that they do not know what happens after they have been consulted with and talked to. They cannot see the end product of their involvement; so they become suspicious, they become concerned and they very often become disillusioned.

That is why I began my response to this report by suggesting that this report actually offers a clear challenge to the Government. What we heard quite clearly from residents was their basic demands, and it all boils down to one word - certainty. Someone who has lived in their house for 40 years and wants to stay there for another 20 wants to know that the amenity of that house is not reduced. They want to know that they are not going to be overshadowed, that they are not going to have a huge wall right up to their back fence, that they are not going to have their privacy invaded, and that they are not going to find that they suddenly live in a street without any trees.

When this proposal was put to PALM officers, PALM said, "Yes, fine; we can deal with that. The urban amenity code is exactly for those sorts of issues. That is exactly why we have an urban amenity code". Various members of the community, either in individual submissions or through the residents association, then pointed out details in relation to the urban amenity code as circulated in August. PALM officers took those comments into account and tried to build in the certainty that an individual who may choose to stay in their own residence would need to be assured that although development was to happen they were not necessarily going to suddenly feel that they had no place in that street any longer.

The urban amenity code was also applied in relation to streetscape for major developments. Not only were the residents' individual requirements thought about; so were the requirements of people who wanted to develop major units, flats, or blocks of two-storey units, as is allowed in the area. The lessons from B1 were taken and the modifications to the urban amenity code were put through, to ensure that the walls of units that present to the street, for instance in Torrens Street, that some people object to, were not to be repeated.



When we sifted through the evidence, the 138 submissions and the detailed responses that the officers brought back, we could see that in each case they had at least listened and offered some answer. The problem we confronted, when the committee began to hear from the residents, from developers and from the PALM officers, was that the people concerned had not had sufficient time to work through the detail of what PALM was offering and how the different compromises had been made. They found areas where they thought that the compromises had gone too far, or had not acceded to their demands.

On top of that, PALM put forward a very practical and logical solution to the process of development and redevelopment within the affected area. It turned out to be, in fact, something that they had been asking developers to do already and it has happened in a couple of development projects. These are the section development plans. They are a very new concept. When we tested the idea with local residents, with the MBA, with the HIA, and with the various people who presented before the Planning and Environment Committee, there was a broad consensus that they were a very good idea.

However, a range of very intelligent questions were put, in terms of: Who would have a say? What rights would they have? How would developers' rights be determined? How would the development plan have any status? What good was it if it was developed, let us say, with 20 current residents of a particular section, and then a year later 10 of those residents had passed away or chosen to live somewhere else? What then with the section master plan? Did it still hold? Did anybody have a right of veto? Should it, in fact, be the sort of thing that Mr Moore was talking about - that no section master plan should proceed if somebody did not want development to happen?

These are still unanswered questions which may never have a full and absolute black-and-white resolution. When we heard the intelligent questions that were being put and the concerns that were being raised against the background of a broad consensus, it came back to the same answer for us as a committee. Here is a clear challenge for government to rise to. Here is a very clear set of genuine concerns that are driven by people who have rights, but who also recognise that time is not going to stop; that suddenly their blocks are not going to be of interest. Of course they are. There are also the concerns of people who have already invested in the area and invested considerable sums of money in anticipation of being able to develop, but not wanting to develop against a background of hostility, of court cases, of claims and counter-claims. They are no more interested in causing trouble in those areas than are residents inherently interested in causing conflict. There were two very well thought out positions with years of experience and concern driving them, and a lot of very practical examples on the ground of where things had gone wrong and where things had gone right.

Married with all of that is a set of other concerns which may forever be insoluble, and they are aesthetic concerns. Some people hate some blocks, some people love some blocks, some people want a particular streetscape, and other people want a different streetscape. Those sorts of things will always need a bit of room to move and a bit of concession on all sides. The very fundamental issues that were raised by the community representatives, by individuals who live in the area, by the developers, by the Master Builders Association and by the Housing Industry Association, as mapped out in our report, I think are things that could fruitfully be looked at in far greater and more careful detail.

What we are buying for the community and for all those concerns is a few more months. We have asked government to come back with this variation at the beginning of the next Assembly, once the Planning and Environment Committee is established. We expect that the hearings will be reopened and that there will be evidence before that committee that a far greater level of continuing consultation has taken place and that government has paid a bit more attention to the potential status of section development plans and the impact of those on the entire suburb.

The two suburbs we were looking at in particular, Turner and Braddon, are not very big. It is quite easy to visualise a plan for the suburb, and the idea of a plan for the entire suburb, conservation and development, came from PALM. They are proposing to do a similar thing for Ainslie. They are the ones who seeded the thought that this could be done. What we saw in this variation to the Territory Plan was a range of very positive, creative and intelligent solutions to some very difficult problems; but they are half-baked. We sincerely believe that if government takes seriously what the committee has put in front of it, if government spends the time wisely over the next few months, by the time this proposal comes back to the Assembly early next year we will have a model for the management of this very tricky issue.

No-one who lives in Turner or Braddon wants to inflict this sort of uncertainty and turmoil on the rest of Canberra. What this variation is offering is a model that can then be quite easily transferred to other areas where we can already see the redevelopment pressure establishing itself, such as Dickson, Lyneham, O'Connor, and perhaps a little bit of Reid - all that inner part of Canberra - and hopefully, in my opinion, similarly around the other town centres where the urban amenity is such that a diversity of housing needs need to be met.

This variation was trying to deal with two fundamental needs. One is to offer the variety of housing that it is clear the people of Canberra want. People want to live in units, people want to live in flats, people want to live in other than single-person dwellings. On the other hand, the variation is also dealing with the development pressure nearer town centres. The committee took each of those issues seriously. The committee took on board what the community and the affected developers had to say. The committee has offered a plan that will offer a solution, as I have said before, not only to these two suburbs under pressure but also to all suburbs in the future where the pressure to have varied accommodation for older people or for single people will start to build up. These needs can then be met by properly laid out section master plans and suburban plans. I commend the report to the Assembly.

**MS TUCKER (7.45):** I would like to speak to this report. Ms Horodny has leave from the Assembly, but I will make some comments on behalf of the Greens. We are happy to support the committee's recommendations regarding the draft plan variation that replaces the B1 zone with the new B11 and B12 zones. I would like to remind the Assembly that the Greens first raised concerns about the B1 zone in the Assembly through our motion to abolish the B1 zone which was debated in June 1996. This motion reflected the broad concern of residents in the area about the impacts of residential development that were starting to occur in Braddon and had already occurred in Kingston.

As we said at the time, the issue was not so much that redevelopment was occurring. The Greens acknowledge that a certain amount of urban consolidation is desirable, for a number of environmental, social and economic reasons. The aspects we were not happy with, however, were how the consolidation was being managed and what the end result would be. Our main concern was that the B1 zone applied one set of rules across the whole zone which would create a monotonous spread of three-storey blocks of flats with no variation to take into account the differing features of the affected suburbs or to reflect demands for different types of housing.

While our motion was not passed, the Government at least did initiate a review of the B1 zone which has resulted in the draft variation before us. To the Government's credit, the new B11 and B12 zones are a significant improvement on the old B1 zone. The reduction in the height controls to two storeys in the B12 zone away from Northbourne Avenue is welcomed. The attempt to limit the housing density provides some variation in the bulk of buildings, and the integration of developments across a particular section is also good. However, I do not think that the plan variation has quite met the grade in terms of meeting the expectations of the community. There are still a number of concerns about the variation that need to be worked through before the variation can be accepted.

In a broad sense I do not think that the variation will facilitate the development of ecologically sustainable and socially desirable housing into the twenty-first century. Just allowing an increase in the density of housing in this area is not enough. We need to take a more integrated approach to examining the quality of the housing and its impact on the local environment. For example, I am not yet happy with the provisions relating to solar access for new and existing dwellings. The process of developing section plans also does not appear to be fully worked out. The question of when three-storey development will be allowed north of Macarthur and Wakefield Avenues is still contentious.

PALM also needs to put more effort into its consultation processes. I have sensed a great deal of confusion amongst inner north residents regarding the implications of the proposed urban housing code. It is a complex document and for non-planners it is very difficult to conceptualise what scale of buildings will result from its application. Just presenting a document like this to the community and expecting reasoned comments is a recipe for generating even more conflict over proposed redevelopments. The planners, when talking to the community, need to translate formal documents that need to be in the Territory Plan into how buildings will look on the ground. For example, the use of models, showing the scale of potential buildings next to existing houses, would be very helpful in allowing a full assessment of the appropriateness of the housing code.

Given that the end of this Assembly is near, I do not think that the Planning and Environment Committee should be rushed into accepting a plan variation that still has a number of problems. I think the Assembly should try its best to get this plan variation right, so that we can overcome the years of uncertainty and dispute that have occurred regarding the B1 zone.

2 December 1997

**MR HUMPHRIES** (Attorney-General and Minister for the Environment, Land and Planning) (7.50): Mr Speaker, I will make a brief comment about this report. It has only just been tabled, and obviously there will not be an opportunity for the Government to formally respond to it, so I might as well put comments on the record now.

I am obviously disappointed that the guidelines were not adopted. I heard comments made by Mr Moore about the long time it took to develop the guidelines and put them before the community. That, in itself, was a reflection of a very extensive process of discussion about what those guidelines should be designed to achieve. Nonetheless, clearly they have not met with the approval of a number of residents of North Canberra, and for that reason I accept the challenge which in a sense has been thrown down by the Planning and Environment Committee to go away and find, if possible, another better way of resolving the issues that that variation was designed to address.

I adopt the comments made by Mrs Littlewood. I think the point she makes there, about the problem of people not being prepared to accept change because it affects them adversely no matter how it is engineered to occur, is a very important point to make. Without casting aspersions over all those who might be involved in this debate, it is important to acknowledge that for many people this is about protecting what they see as the amenity of their present homes and ensuring that those homes are not seen to diminish in value. Sometimes those people will argue against a process of change because they believe that that is personally a bad thing to happen from their own point of view and they therefore argue that change on a larger scale should not take place. That is a fair enough point of view. We all act to some extent out of self-interest, but we also need to be very clear that we must serve the public interest in the decisions we make about the operation of the Territory Plan.

We cannot escape the reality that areas close to the city centre, particularly in North Canberra, will be subject to tremendous pressure for redevelopment and for higher-density accommodation. If we do not facilitate that growth in an appropriate, orderly and well-managed fashion, we run the risk of doing great damage to the fabric of the city, in that what we do by that is force artificial and inappropriate things to happen in other parts of the city because we have artificially constrained what might occur in a particular part of the city.

However, I accept that we have to go away and do further work on this. I note the comments made in the report. They are quite extensive and to that extent they are helpful in determining what course we should take to resolve these outstanding issues. Although I have not discussed this with my colleagues in detail, as far as I am concerned that will be a challenge we will take up if we are in government after the next election.

**MR MOORE** (7.53), in reply: Mr Speaker, I think members of the committee would appreciate the positive response from the Minister. We certainly did not set out to wreck the work that had been done. We set out to build on the work that had been done. We ran out of time to do that and we are pleased that the Minister will take that in the spirit in which it was given and continue to build.

As Mr Humphries was speaking about change and about some people's resistance to change, I was thrown back to some 20 or so years ago when I read Alvin Toffler's *Future Shock*. People here may remember that the theme of Toffler's book was that people who engage in a great deal of change in their business life cannot stand any change at all when they go home; that they have to have things exactly as they were. There may be some elements of future shock in people's decisions to protect their amenity in a changing society. If that is the case it is something we probably should respect.

Question resolved in the affirmative.

**PLANNING AND ENVIRONMENT - STANDING COMMITTEE**  
**Report on Draft Variation to the Territory Plan - Monaro Highway**  
**Realignment (Williamsdale) and Minor Corrections**

**MR MOORE** (7.54): Mr Speaker, I present Report No. 40 of the Standing Committee on Planning and Environment, entitled "Draft Variation to the Territory Plan (No. 81): Monaro Highway Realignment (Williamsdale) and Minor Corrections", together with a copy of the extracts of the minutes of proceedings. This report was provided to the Speaker for circulation on Thursday, 27 November 1997, pursuant to the resolution of appointment. I move:

That the report be noted.

This report, like the two following it, is relatively non-controversial. I think the department has been very forthright in its explanations to the committee. We approved this variation.

Question resolved in the affirmative.

**PLANNING AND ENVIRONMENT - STANDING COMMITTEE**  
**Report on Draft Variation to the Territory Plan -**  
**Territory Plan Correction Series**

**MR MOORE** (7.56): Mr Speaker, I present Report No. 41 of the Standing Committee on Planning and Environment, entitled "Draft Variation to the Territory Plan (No. 88): Territory Plan Correction Series - Legislative Changes and Minor Corrections", together with a copy of the extracts of the minutes of proceedings. This report was provided to the Speaker for circulation on Thursday, 27 November 1997, pursuant to the resolution of appointment. I move:

That the report be noted.

This variation is a result of changes we made to the legislation. The committee believes it is appropriate that the Territory Plan be consistent with the legislation.

Question resolved in the affirmative.

**PLANNING AND ENVIRONMENT - STANDING COMMITTEE**  
**Report on Draft Variation to the Territory Plan - Dunlop Hills Reserve**

**MR MOORE** (7.56): Mr Speaker, this is getting a bit boring, is it not? I present Report No. 42 of the Standing Committee on Planning and Environment, entitled "Draft Variation to the Territory Plan (No. 92): Dunlop (West Belconnen) - Dunlop Hills Reserve", together with a copy of the extracts of the minutes of proceedings. This report was provided to the Speaker for circulation on Thursday, 27 November 1997, pursuant to the resolution of appointment. I move:

That the report be noted.

Mr Speaker, this was yet another minor variation that the committee believed was appropriate. I take this opportunity to comment that this Report No. 42 of the committee is the last of the variations, although the committee still has another report and a formal statement or two to deliver in the Assembly. The legislative requirement for the Planning and Environment Committee to look at draft variations to the Territory Plan is very important. There have been times when we have been able to handle variations very quickly. The one that comes to my mind is the development of the St Andrew's aged persons home in Hughes. There have been occasions when the committee has taken a great deal of time over these variations.

The main message for us is that the Territory Plan is the part of our processes that provides stability. In all my debates with developers over the years they have said that they want certainty. It is the Territory Plan that provides that certainty. If you operate within the Territory Plan, if you operate within your lease purpose or you seek to change your lease purpose consistent with the Territory Plan, you should have a reasonable chance of certainty. If a developer wishes to move outside the Territory Plan there should be no sense of certainty. That is a challenge for a developer who wishes to do that; but it is a decision, in the end, that should be taken by this Assembly. I think there are some members of the community, particularly a number of planning activists whom I have dealt with at length and whom I have a great deal of respect for, who misunderstand the difference between a change to a lease and a change to the Territory Plan. It seems to me that that is one of the issues that we need to deal with.

The other thing I must say, Mr Speaker, is that variations to the Territory Plan are still done, in a sense, in a vacuum. What do we think is good for the community? It would be very useful for the Assembly and the committee to have a device with which to measure a sensible change to the Territory Plan within the overall strategy. I think that is when we will see an improved system, and I look forward to working on that in the next Assembly - if I am lucky.

Question resolved in the affirmative.

## PAPERS

**MR HUMPHRIES** (Attorney-General and Minister for the Environment, Land and Planning): For the information of members, I present, pursuant to section 29 of the Land (Planning and Environment) Act 1991, approvals of variations Nos 78, 81, 83, 88 and 92 to the Territory Plan relating to the Heritage Places Register; Monaro Highway Realignment (Williamsdale) and Minor Corrections; Group Centres - Provisions for Personal Services and Minor Corrections; Correction Series - Legislative Changes and Minor Corrections; and Dunlop Hills Reserve, respectively. In accordance with the provisions of the Act, these variations are tabled with the background papers, a copy of the summaries and reports, and a copy of any direction or report required. Rather than make a statement, Mr Speaker, or seek leave to have it incorporated in *Hansard*, which I know I will not get, I also table speech notes relating to three of those variations.

### PRISONERS' INTERSTATE LEAVE BILL 1997

[COGNATE BILL:

REMAND CENTRES (AMENDMENT) BILL 1997]

Debate resumed from 13 November 1997, on motion by **Mr Humphries**:

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 Remand Centres (Amendment) Bill 1997? There being no objection, that course will be followed. I remind members that in debating order of the day No. 2 they may also address their remarks to order of the day No. 3.

**MR WOOD** (8.01): Mr Speaker, the Opposition will be supporting these two Bills. As the Minister has pointed out, they are part of a national scheme - although not all jurisdictions are yet in it - whereby prisoners or remandees can travel interstate for short periods, on compassionate grounds or, following an amendment by Mr Humphries, other grounds, while remaining in the custody of the jurisdiction where they are held. I note that the amendment that Mr Humphries will be moving arises out of a recent investigation. I note also that the Scrutiny of Bills Committee pointed to an apparent difference of treatment for Aborigines and Torres Strait Islanders, and said that it was not explained in the explanatory memorandum. I think it is fair to point out that this is a recognition of the part that particular cultural factors play for those groups, to whom the extended family is very important. Family attendance at their significant events is sometimes critical. I believe that on this occasion it is quite justified to make those exceptions. The Minister pointed out that these concessions arise from the recommendations of the Royal Commission into Aboriginal Deaths in Custody, and they are appropriate.

2 December 1997

**MR MOORE** (8.03): It seems to me, Mr Speaker, that, as an overall approach, the Prisoners' Interstate Leave Bill is a very sensible Bill and provides a quite enlightened approach. As such, it is appropriate that it receives support. The comment on the racial test in the Scrutiny of Bills Committee report was quite interesting. I looked at that and thought that, in law, we ought not to be making decisions based on race. It is an awful precedent and something that we have to be very careful of.

I weighed that against the notion in the Racial Discrimination Act of special measures to benefit a racial group. Clearly, the question in my mind was: Have Aboriginal prisoners suffered, or do they suffer, from disadvantage or discrimination which makes justifiable the provision of special benefits by way of compensation, or reparation, in the terms in which it is presented here? Additionally, I have to ask: Is there something special about families and extended families in the conditions presented here? In both cases I come up with the answer: Yes, there are special reasons. We heard the Chief Minister earlier today talking about some of the problems that are associated with Aboriginal deaths in custody. So, there are issues that we need to deal with. There are issues that we do have to look at, such as special advantage for people who are especially disadvantaged. For those reasons, I will be supporting what is otherwise, I think, a fairly unusual move.

We have amendments circulated by the Attorney-General, one of which deals with moving prisoners around, not just for the prisoner's sake; but, additionally, to assist a police officer of the ACT or another State or Territory with the investigation of an offence - that causes me more concern; so, I will be interested in listening to the justification of that from Mr Humphries - and then, widening it even more, for any other purpose described in the regulations. I presume that the regulations in this case will be disallowable, as would be normal. But, even so, I must say that I would be reluctant to deal with "other purposes". So, for both of these amendments, I will need to hear a very effective argument.

**MR HUMPHRIES** (Attorney-General) (8.06), in reply: Mr Speaker, I thank members for their support for the legislation. I want to emphasise that amendments like this are quite important in bringing our legislation generally up to date when it comes to dealing with remandees and prisoners that the ACT courts deal with from time to time. I think, when we look at legislation like this on something as apparently simple as providing for circumstances where prisoners should be released from the custody of a remand centre, we realise, in fact, how very ramshackle the state of the ACT's legislation on issues relating to the custody of prisoners has been up until very recently. In many respects, the ACT has never had a legal system geared around the needs of those incarcerated either in or by the ACT. Having to make fairly fundamental amendments like this to legislation underscores how much work we have to do to put in place a comprehensive system to deal with our own remandees and sentenced prisoners emerging from the criminal justice system of our Territory. So, a lot of work has yet to be done; but this is another step in that direction. Obviously, giving prisoners interstate leave is a very important step towards being able to deal with a range of complex issues that arise when prisoners are in that position.



I will give you an illustration of how difficult these situations can be. A couple of years ago, I was approached by the friend of a person sentenced from an ACT court to a term of imprisonment in a New South Wales gaol. This prisoner was nearing the end of his term of imprisonment and had been given access to special weekend release, which meant that he could leave the gaol on a weekend, go away and spend it with friends or family and come back to the gaol on Sunday night or Monday morning. The person's friend lived in Canberra and wanted to have the person come and stay with him in Canberra. Of course, at that stage there was not legislation like this; so, it was not possible for the prisoner to come into another jurisdiction. He would be crossing a boundary - a border. He would be breaching the terms of his special leave. I said to him, "Why do you not arrange to spend time in Queanbeyan?". He said, "The problem with that is that there is no way of getting to Queanbeyan that does not entail passing through the ACT". When you think about it, that is true. All the roads that lead to Queanbeyan pass through the ACT. So, this poor person had no way of getting access, either in Canberra or in Queanbeyan, to his friend. I think they had to make arrangements to meet at somewhere like Yass or Goulburn in order to facilitate that weekend release. Legislation like this will solve those sorts of problems. Mr Speaker, some issues have been raised by Mr Moore, and I will deal with those in the detail stage.

Question resolved in the affirmative.

Bill agreed to in principle.

### Detail Stage

Bill, by leave, taken as a whole

**MR HUMPHRIES** (Attorney-General) (8.09): Mr Speaker, I seek leave to move together the amendments circulated in my name.

Leave granted.

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

Page 3, line 27, clause 6, paragraph (2)(e), delete ".", substitute ";".

Page 3, line 27, clause 6, after paragraph (2)(e), add the following new paragraphs:

“(f) to assist a police officer of the ACT or another state or territory with the investigation of an offence;

“(g) for any other purpose described in the Regulations.”.

The amendments provide for a further level of flexibility in granting leave. As Mr Moore observed, there are occasions when it might be the wish of an interstate police force to question an individual in respect of an offence or alleged offence that might have occurred in another jurisdiction.

2 December 1997

Mr Speaker, without breaching the sub judice rule, let me say that there has been a recent case where a person incarcerated in the Belconnen Remand Centre was asked to assist police from New South Wales and from Victoria in a fairly high-profile inquiry that took place. I might say that in that particular matter that prisoner had to be released into the custody of officers from the other jurisdiction in fairly artificial circumstances - in circumstances where, in theory, the operation would not have been able to proceed had not certain circumstances been met. I do not want to go into details of those, because the matter is still before the courts. But it is clearly unsatisfactory to have a situation where that kind of leave cannot be granted because the power is not there to assist other police forces in the investigation of matters. We came across a situation where that arose in the last couple of weeks. That is the reason for new paragraph (f) in my circulated amendments. New paragraph (g) deals with other potential situations that may arise, perhaps at very short notice, where leave might need to be granted.

I would hope that members would see that those circumstances were appropriate and necessary to deal with the circumstances which arise in a criminal justice system where people are held in custody and where, for various reasons, their leave needs to be facilitated. This will generally occur in circumstances where the person concerned wishes to be taken out of the place of incarceration, whether it is to obtain compassionate leave for some purpose or to voluntarily assist officers in an inquiry of some kind. In fact, I imagine that they would always be in circumstances where the person was voluntarily agreeing to the circumstances of the leave. Mr Speaker, I think it is most important that flexibility be in the legislation, and I commend the amendments to the Assembly.

Amendments agreed to.

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

Bill, as amended, agreed to.

### **REMAND CENTRES (AMENDMENT) BILL 1997**

Debate resumed from 13 November 1997, on motion by **Mr Humphries**:

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.

**LEGAL AID (AMENDMENT) BILL 1997**

Debate resumed from 13 November 1997, on motion by **Mr Humphries**:

That this Bill be agreed to in principle.

**MR WOOD** (8.14): Mr Speaker, this Bill is another reminder of the harshness of the Federal Government. We remember the crisis that Mr Howard and company precipitated when they threatened the funding of legal aid services around Australia, not just in the ACT. That action showed a considerable disregard for Mr Howard's battlers. Once again, those people who needed help were threatened by the Federal Government - an action we see repeatedly. Members will recall that at that time we united in support of the system that operates here in the ACT, which is pretty similar to what operates around Australia. It is worth mentioning that that was a legacy of a former great Federal Attorney, Lionel Murphy.

We acknowledge that in the end there was an improved financial outcome for the ACT - a good outcome. It actually reflected what was happening at the time. We were subsidising the Federal Government for providing assistance for matters concerning Federal laws and not the ACT. In a sense, that was a measure of the work of the Legal Aid Commission, because they were very well able to support their case. I note that there is one clause in this Bill that removes the need for the Legal Aid Commission in the ACT to provide statistics. Those statistics, I am sure, were very helpful in the argument at the time. Statistics now are accommodated in the agreement that has also been signed between the ACT and the Federal Government.

If the improved financial position is the upside, there is a downside. As a result of the Commonwealth's approach, an agreement has been signed. That agreement has removed some of the flexibility and some of the autonomy of the ACT Legal Aid Commission. The Commonwealth has required very strict guidelines for the use of its money, and it set that out in the agreement. In doing so, there is less discretion for the commission - and this for a body that, I think we all agree, has been working well, within the limitations of its funding. We will see in time how well the agreement works in practice. I acknowledge that, if the Government was to get the funds that are due to it, it was necessary to sign this agreement. We also need this legislation, which the Opposition will be supporting.

**MR MOORE** (8.17): Mr Speaker, in fact, I think Ms Tucker was on her feet before I was.

**Ms Tucker**: Is this the Legal Aid (Amendment) Bill 1997?

**MR MOORE**: It is.

**Ms Tucker**: Could you speak, Michael? I have lost my speech notes.

**MR MOORE**: Perhaps I was on my feet first.

2 December 1997

**MR SPEAKER:** Perhaps they are in your handbag, Ms Tucker.

**MR MOORE:** I checked my handbag, Mr Speaker, but they do not appear to be there.

Mr Speaker, I think the legal aid funding arrangements are particularly important, considering the approach taken to legal aid by John Howard and his Government. I think it is just another thing that we have to blame John Howard for. It is an incredibly inappropriate way to deal with people as the gulf between the wealthy and the poor grows. This is not something that I would care to deal with if I could avoid it.

The other thing is that the Bill actually involves some unusual drafting which subjects certain aspects of the law on the administration of Commonwealth matters to the variable outcomes of agreements with the Commonwealth Government. I think that, in itself, is an awkward way to operate. Our law is almost, effectively, written by an administrative agreement. That, in itself, is awkward. Having said those things, I think, on balance, the legislation is appropriately supported. It is just a case of trying to find better ways of negotiating this sort of arrangement and of making sure that we are not using legislation as a way of implementing administrative arrangements. There are also some minor and technical amendments which I am comfortable with.

Mr Speaker, there is a great concern for me and a great concern in the community about the growing injustice in our society. Nowhere is it more obvious than where people seek assistance before the law. It seems to me that, of all the areas in which we should seek to find equality, we should be doing so before the law. That the Federal Government should set about undermining a system of legal aid at the same time as their taxation and other policies are ensuring that the wealthy get wealthier and the poor get poorer is a very troubling aspect of the situation we have before us. I think there is a great challenge for us all as legislators to look at the law, the cost of justice and how we can ensure equity before the law, because things are getting worse, not better.

**MS TUCKER (8.20):** We will be supporting this Bill, albeit reluctantly, because we really do not have a choice. Obviously, it would be an unworkable situation to have the agreement in conflict with the Act. The ACT has been more fortunate, or perhaps less unfortunate, than other jurisdictions in their agreement with the Commonwealth on the provision of legal assistance. One of the most frequent concerns raised in debate about the costs and benefits of free legal aid is that the law is not a business - it is an underlying right upon which society is built - and treating it as a business can only skew the way it is handled.

We are all aware of examples of people - poor or disadvantaged in some way; without access to adequate assistance - who are imprisoned despite the circumstances of their case. The most obvious barrier to justice in our society is money. Changes to funding arrangements for legal aid services are exacerbating the difficulties people have in accessing the justice system. Discrimination and inequality are increasing. Women and children, people with disabilities, and those who are disadvantaged by race or culture, tend to have fewer financial and social resources than business entities and privileged individuals. These are the people who lose when cuts are made to services such as legal aid.

Mr Speaker, there does exist an enormous need for the legal aid service. Unfortunately, the need is not decreasing. It has never been able to meet all of the potential demands made upon it, but it does an excellent job of providing for the most disadvantaged members of the community. During the 1996-97 financial year, 61.94 per cent of total approvals for grants of assistance from the ACT Legal Aid Commission were to social security recipients. Just over 73 per cent of total approvals were to Aboriginals. During the last financial year, nearly 8,000 people were assisted by the ACT commission. Clearly, this is a service worth fighting to preserve. The law must protect those in our community who are disadvantaged - those living in poverty, children, and groups who may be discriminated against or are otherwise vulnerable. There is no level playing field, unless disadvantaged groups are supported to have opportunity at least equal to that of those who are well off in our community.

**MR HUMPHRIES** (Attorney-General) (8.23), in reply: I thank members around the chamber for their support for this legislation. I note the comments about the reluctance of members to support some provisions of the legislation which are unusual. I have to say that I share their reluctance about these provisions. I would not put them before the chamber in respect of ACT operations or ACT matters of the Legal Aid Commission; but I recognise that we are only one of two players who fund the Legal Aid Commission. We all, I am sure, acknowledge that, whether it is right or wrong, the Commonwealth is entitled to hand over its money with some strings attached if it wishes. The unusual provisions referred to in this debate are the strings attached. Obviously, I would not be looking to constrain the commission in quite this way; but the legislation has been required of us, and I am grateful to members for facilitating the passage of the legislation.

It is worth remembering - and we could be mistaken for thinking otherwise in the context of this debate, where there has been lots of talk about injustice and lack of access to justice because of restrictions on funding - that, in fact, this legislation will consolidate the position whereby the ACT will receive a very significant increase in its funding of legal aid activities in the ACT, at least in respect of so-called ACT matters as opposed to Commonwealth matters - an increase over 1996-97 of \$600,000. You can buy a lot of justice for \$600,000, believe you me. I think it is worth reminding ourselves that this legislation will consolidate the position whereby we have a substantial increase in spending in the Legal Aid Commission, at least in respect of ACT matters. In respect of Commonwealth matters, of course, the amount spent has been more or less stabilised; but we believe that, overall, the position of the commission in the ACT is greatly enhanced by this legislation and by the agreement reached between the Commonwealth and the ACT.

Whoever is Attorney-General next year - Mr Wood, perhaps - will be bringing forward legislation which the Commonwealth requires us to consider and which addresses issues concerning the structure of the Legal Aid Commission itself. At that time, we will all have a much more difficult decision to face as to whether those sorts of changes are acceptable to the ACT. However, that is a matter which I will leave until that time. Perhaps, I will not be in the position of having to make the decision.

2 December 1997

**Mr Wood:** I will listen to what you say when you are over here.

**MR HUMPHRIES:** Okay. I am sure I will say the opposite of whatever you say, Mr Wood.

**Mr Wood:** No; we agree quite often, Mr Humphries.

**MR HUMPHRIES:** Yes; we will see what happens. But, whatever is the case, in the short term at least the position for legal aid in the ACT looks pretty good.

Question resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

### **PAYROLL TAX (AMENDMENT) BILL 1997**

Debate resumed from 4 November 1997, on motion by **Mrs Carnell:**

That this Bill be agreed to in principle.

**MR BERRY** (Leader of the Opposition) (8.27): There are some significant and important parts of this legislation, the most important of which, I think, is the retrospective protection of past revenue collections which have been made by administrative action. I have said in the past, and others have agreed with me, that, if there is to be retrospective effect for legislation, that is something that has to be at the forefront of one's mind when the decision is made. In the case of this Bill, Labor has decided that it is a valid thing to do. We believe it is a sensible thing to do in the light of circumstances.

This legislation arose following a period of time when the administration had been dealing with payroll tax in respect of superannuation contributions by employers. This administrative arrangement arose from a decision in the Administrative Appeals Tribunal in 1994 in the matter of the CPS Credit Union Co-operative ACT Ltd v. The Commissioner for ACT Revenue. That administrative arrangement had effectively dealt with the collection of payroll tax in respect of those superannuation contributions for a period of time. From the speech of the Chief Minister and Treasurer in relation to this matter, it became clear that it was time to do something in the legislative sense, firstly, to validate the collection of future revenue in respect of superannuation contributions and, secondly, to validate past revenue collections and to ensure that the ACT "is adequately able to provide for its ongoing social and economic programs". I guess the test for its ongoing social and economic programs is another matter; but, so far as this legislation is concerned, it is certainly the view of the Labor Opposition in the Assembly that it should be supported and we will be doing so.

Mr Speaker, the practice of salary sacrifice, which is essentially the art, if you can call it that, of sacrificing salary and saving payroll tax and other sorts of taxes and paying superannuation benefits in lieu thereof, has been talked about many times in the past. So far as payroll tax is concerned, if it were not for the administrative arrangements in the ACT it is possible that there would have been some salary sacrifice for employers - that is, employers who were not good corporate citizens - by doing deals which would cost the Territory revenue. This Bill sets out to close that door and in that sense it is a good idea. Mr Speaker, this is a sensible piece of legislation that has arisen with the passage of time and experience with the collection of this tax for superannuation contributions. It will now close the door on any question about the Government's right to collect the tax and the protection of previous taxes that it has collected.

**MR MOORE** (8.31): I see this as a budget Bill and therefore I will be supporting it. I think the aim of ensuring that superannuation is included in the concept of wages for the purpose of assessing the payroll tax payable is appropriate. The policy was announced in the budget in 1996. Although this legislation carries with it some sense of retrospectivity, it still fits in with the normal approach whereby a budget announcement is considered an appropriate tool by which to set a time when legislation will take effect. Even if some people feel that that is not appropriate, my understanding is that at the moment there are no taxpayers who would be in breach of this legislation anyway so it would not have a retrospective effect that changes something for any individual. Mr Speaker, it seems to me that this method of validation will at least ensure that the Territory's revenues are appropriately collected.

**MRS CARNELL** (Chief Minister and Treasurer) (8.32), in reply: I thank members for their support.

Question resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

### **PRIVATE MEMBERS BUSINESS - CONSIDERATION** **Suspension of Standing Orders**

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

That so much of the standing orders be suspended as would prevent order of the day No. 14, private members business, relating to the Financial Management (Amendment) Bill 1997, being called on immediately after the resolution of any question relating to the conclusion of consideration of order of the day No. 6, Executive business, relating to the Financial Management (Amendment) Bill (No. 2) 1997.

2 December 1997

## FINANCIAL MANAGEMENT (AMENDMENT) BILL (NO. 2) 1997

[COGNATE DEBATE:

FINANCIAL MANAGEMENT (AMENDMENT) BILL 1997]

Debate resumed from 26 June 1997, on motion by **Mrs Carnell**:

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 Financial Management (Amendment) Bill 1997? There being no objection, that course will be followed. I remind members that in debating order of the day No. 6 they may also address their remarks to order of the day No. 14, private members business.

**MR BERRY** (Leader of the Opposition) (8.34): In speaking to these Bills, I refer in particular to the Bill introduced by Mr Whitecross to strengthen the provisions of the Financial Management Act which address the issues of transparency and accountability. Despite the Chief Minister's boasts concerning her commitment to open and public disclosure of all the financial circumstances of the Territory, her behaviour has been, in our view, quite different. This Treasurer resists scrutiny by the Assembly at every turn. We most recently experienced her determination in this regard at last month's Estimates Committee hearings. I heard members today expressing concern about that particular facet of her performance.

If the Assembly is to be allowed to do its job of properly scrutinising the Government's financial performance, it is essential that we have requirements on the timing and usefulness of the Government's financial reporting to the Assembly cemented in legislation. We cannot do our job if financial statements are provided months late, fortuitously timed, of course, so that we are in the middle of other pressing Assembly business, or about to take a well-earned break, or involved in some other matter which might divert our attention from these financial statements at the point of their release. Neither can we do our business if we cannot trust the quality of the statements provided and if we have no progressive provision of information on outputs. The Chief Minister boasts of her outputs-based accounting, but the monthly statements are inputs focused. All of the reporting on progress throughout the year is about inputs.

As far as the budget papers are concerned, this Government and this Treasurer have continued to stymie the Assembly's capacity to undertake proper scrutiny of the single most important piece of business which comes before this Assembly each year. It is imperative that we are able to compare the Government's proposals for the provision of services to the ACT community and the details of its financial management with what we know. We must be able to make sensible comparisons with the previous budget and the previous year's performance. This Treasurer has been asked to provide such information again and again. Each year the excuses are different but the outcome is the same. We do not get the information we require - certainly not the information that is required to make this Government open and accountable, as was promised mischievously to the electorate at the last election. No such outcome has flowed from that promise.



There is no alternative but to put a legislative requirement on the Government. We do this - that is, the Labor Opposition does this - in the full knowledge that when we are in government we will have to meet this requirement. It is not something that we will shirk. We will be happy to do so. We will be boasting less about our theoretical commitment to transparency and accountability, and delivering more.

The Bill that has been put forward by my colleague Mr Whitecross has a number of components. There are enhanced definitions which align with those of the Australian Bureau of Statistics, definitions which will ensure that we are provided with full information about the ACT's public sector trading enterprises; a requirement that monthly financial statements are available within 30 days of the end of the month; a requirement for the Government to provide in a timely fashion quarterly performance reports which focus on outputs; a legislative requirement that information provided in the budget papers include comparative figures for the previous year, three-year forward estimates, and information related to public sector trading enterprises.

I will be moving a number of amendments to this Bill. Those amendments have been circulated in my name. The amendments to clause 4 have been drafted following further technical advice from the Australian Bureau of Statistics on definitional conventions in national accounts across Australia. In addition, following a discussion with Assembly colleagues and advice from the Office of Financial Management, I have agreed that it would be appropriate to require the tabling of various financial statements and reports within 30 days of the end of the particular period in question. This will mean that we will still receive information in a timely fashion, but it will allow an orderly work program in the Office of Financial Management and should ensure that the statements are accurate.

I am also proposing an amendment to section 5 of the principal Act to require the budget to be brought down by 30 June of the previous financial year. The Government should have recognised the need for the amendment consequential upon the legislation moving the ACT's election date to October, and it missed it. As I said at the time, that legislation was brought on hastily and without a proper working through of the consequences. I was berated by those opposite on the non-Labor benches in relation to my attitude at the time. I said that this needed to be considered carefully. This was one important area of that move on legislation which was overlooked in the haste to ram it through.

My proposed amendment ensures that in an election year there will be adequate time for the Assembly to examine, debate and pass the budget prior to an election. Currently, the Financial Management Act requires that the budget be brought down by 30 September of the budget year. Clearly, this has the potential to put the Assembly in an untenable position. Either there will be pressure to pass the budget without adequate time for scrutiny or the ACT will go to an election without a budget, which is also possible.

It strikes me that the Government has abandoned its duty to the community by not providing for this particular outcome in the amendments which it has put forward. In the latter case - that is, if the Government were to go to an election without a budget - there would be enormous pressure for the new government to proceed with the budget put together by its predecessor or to scramble together a new budget. No government should be put in such a position. No Assembly should be pressured to do less than

2 December 1997

a proper job of scrutinising the budget. That is why we have circulated that particular amendment. Mr Speaker, we will be supporting this Bill in principle. As we work through those amendments, and there are plenty of them, I will be making some further comments about the respective amendments which have been proposed.

**MS TUCKER (8.41):** The Greens will be supporting both these pieces of legislation. Many of the amendments in the Government's original Bill are technical in nature, such as changing definitions and allowing for the correction of an error. The legislation also includes a provision in relation to unclaimed trust moneys, allowing the Territory to repay money to a trustee if a proven claim for the money is received. Mr Berry has an amendment to require details of unclaimed moneys to be published in a daily newspaper and the *Gazette*, and we will support this as well. It came to our attention when we were drafting a piece of legislation that the new financial Bill does not deal with the issue of trust money at all.

The only really controversial proposal in the Government's legislation is their desire to increase the 3 per cent threshold on transfers between appropriations to 5 per cent. This would mean that amounts of 5 per cent or below would not have to be referred to the Assembly. The Government's argument is that this is within generally accepted accounting practices. Mr Speaker, that might be so, but the Assembly is not a business. Accountability and transparency for taxpayers' money is essential, and parliamentary scrutiny is fundamental to that. Furthermore, I do not think this proposal is consistent with the objectives of the Financial Management Act to reinforce the primacy of the Legislative Assembly's role in the parliamentary and financial accountability process, to promote the highest standards of financial accountability to the Legislative Assembly and to the community, and to enhance transparency in budget decision-making at all levels - the Legislative Assembly, the Executive and the Public Service.

The Government has wisely backed away from this proposal and instead is amending the primary Act to keep the 3 per cent threshold, but allowing the transfer of funds to be restricted to 3 per cent, or \$300,000, whichever is the greater. Mr Berry has circulated an amendment that changes the \$50,000 threshold to \$150,000, rather than \$300,000. I must say that on this issue I favour more accountability, not less; so I will be supporting his amendment to Mrs Carnell's amendment to her legislation.

The Government, in its amendments, is also proposing to change the principal Act so that the 3 per cent threshold has to be applied only to an appropriation from where funds are reduced. I will not be supporting this amendment, for reasons I outlined earlier. I believe that the objective of this legislation is accountability, and nothing very onerous is required of the Executive if they have to transfer an amount above the 3 per cent threshold. All they have to do is table in the Assembly a copy of the direction and a statement of the reasons. This approach upholds the objectives of the legislation.

The Government is also proposing to allow closing balances in departmental bank accounts to be carried forward at the end of each financial year. We have had discussions with departmental officials about this proposal and feel reasonably comfortable that this cannot be abused. The regular reporting mechanisms should ensure that a government cannot go out on a wild election spending spree which is not out in the open until

budget time. We are happy to support this because it will help stop some of the game playing that can take place where agencies go on a spending spree just to make sure they use up their budget in case it is cut. I note that Mr Berry has an amendment to delete this provision and I will not be supporting that.

The Government is also proposing in its amendments a process of payments being made in anticipation of supply. This I do not feel so comfortable with. We have heard the Government's arguments about this being consistent with accrual accounting. Nevertheless, once again, I stress that this is a political arena, not a business, and I think that for an agency to carry over money that has already been appropriated is different from an agency essentially anticipating a future appropriation. The Government explained this with an example of it being a mechanism to facilitate paying accounts before the end of the financial year where the agency might get a discount for doing so. I still believe that this sets a dangerous precedent where the bureaucracy is anticipating a budget that has not yet been voted on by the Assembly. The Energy Research and Development Corporation which was abolished by the Commonwealth Government had apparently already contracted to pay amounts of money before its funding was stopped, and now there are legal battles taking place because the Commonwealth is trying to get out of the contracts. I think this gives some indication of the sorts of problems we could be getting into by allowing payments in anticipation of appropriation.

A second new amendment of the Government's which has proved to be slightly more controversial is the proposal relating to government special purpose payments, or, for those who prefer acronyms, SPPs. At the moment there is no legal mechanism to spend money that is delivered to the Territory from the Commonwealth in the form of a special purpose payment during the year apart from a second appropriation or the Treasurer's Advance. I think all members share a similar concern that, in the event - which is seemingly unlikely, although not perhaps with the current Federal Government - that we receive money for a program we do not believe is in the best interests of ACT residents, we are stuck with it under this proposal. I do not believe that to be the case. The Treasurer still has to table any information in the Assembly by instrument, and the Assembly could act, through a motion, for example, to prevent that money from being spent by an ACT agency.

I will make a few remarks about the Bill that was initially introduced by Mr Whitecross, the Financial Management (Amendment) Bill. The Labor amendments were mainly agreed to at the round table discussion. They are to tighten up definitions of "General Government Sector" and "public trading enterprise", applying ABS definitions. As was agreed at the round table discussion, they are also extending the deadline for presentation of monthly and quarterly reports from 15 to 30 days. I think there was general agreement that it is not satisfactory to have no timeline on reporting, but there was a willingness from members to recognise that 15 days may be too tight a turnaround time. The overall thrust of the ALP's Bill is to bring more accountability into the budget process and financial reporting process, and the Greens are happy to support all the measures in that.

2 December 1997

We also had debate at the round table discussion in relation to the proposal that quarterly performance reports be tabled in the Assembly. The overall intention of this is very good. There should be accountability to the Assembly and the public on a regular basis about how the Government is going in terms of implementing policy and delivering services of the highest quality to the ACT community. Obviously, how that information is presented is critical. The last thing we want is for bureaucrats to spend endless numbers of hours preparing glossy brochures that reveal very little about what is really going on.

I have discussed the issue of performance indicators on a number of occasions and they have been the subject of nearly every Estimates Committee report. Obviously, we do need better quality of life benchmarks in the form of social and environmental indicators. I think there is general agreement to have a fairly flexible approach to the implementation of the requirement to prepare quarterly departmental performance reports, with the Assembly providing feedback on what is useful.

**MR OSBORNE (8.49):** I do not intend to speak for long on this Bill, but I want to make a few observations about it generally. Mr Speaker, section 83 of the Constitution says:

No money shall be drawn from the Treasury of the Commonwealth except under appropriation made by law.

The spirit of the law is clear - that money raised from the people can be spent only after the purposes for which it is to be spent have been properly examined and approved by the people's representatives in parliament. It is perhaps the most important provision of the Constitution, and it is there to ensure that we do not become a banana republic. Unfortunately, Mr Speaker, around Australia today governments have found too many slick ways to bypass this crystal clear direction. In the main, governments do not breach the letter of the law but do throttle its spirit.

I will give you one example. In the Commonwealth there is a practice known as standing appropriations. That is when public money is spent year in, year out, without reference to the Parliament. In the early years of Federation standing appropriations made up 10 per cent of the Commonwealth budget. By 1992-93 that figure had risen to a staggering 74 per cent. I wonder how many Australians are aware that each year when the Federal Treasurer brings down his budget he is discussing only the tip, a mere 26 per cent, of the iceberg of total government expenditure. It is a disgrace and is yet another example of how badly this country's democratic systems have been served under the so-called leadership of the two major parties.

In discussing standing appropriations, the eighth edition of *Odgers' Australian Senate Practice* says:

It is no answer that other countries have extensively used standing appropriations. This means only that other countries have made the same mistake. Generally speaking they have not made the same mistake to the same extent. In the United Kingdom standing appropriations account for only 24 per cent of government expenditure.

Mr Speaker, I consoled myself with the thought that there were almost no standing appropriations here in the ACT. At least here we were attempting to live by the letter and the spirit of the law. Then, when this amendment Bill came forward, I had a closer look at the original Act, the Financial Management Act 1996, and guess what I found? Section 6 of the Act does as it should and restates the clear intention of the Constitution when it says:

No payment of public money shall be made otherwise than in accordance with an appropriation.

But, Mr Speaker, the very next section is titled "Payments authorised on lapse of appropriation" and it goes on to say that, in the absence of an Appropriation Bill passed by the Assembly, the Treasurer can just carry on regardless. "For how long can the Treasurer carry on without an Appropriation Bill passed by the Assembly?", I hear you ask, Mr Speaker. Six months. Yes, Mr Speaker, in the ACT the Treasurer is, in some circumstances, allowed to spend half the Territory's budget - that is about \$600m - without reference to the parliament. That is, in effect, a standing appropriation of 50 per cent of the ACT's budget.

In the amendment before us today, Mr Speaker, the Government seeks the power to let departments draw down 3 per cent of their budgets in anticipation of the Appropriation Bill. My staff, Mr Speaker, have been briefed on this and I am fully aware of the accounting reasons behind these amendments. I will not oppose them, but I am uneasy about them and sound a warning to both major parties. If, by some fluke, I am returned to this Assembly next year, do not expect to drink from this well again. I will not allow these provisions to be increased again so that, over time, we give departments ever greater latitude. I do not really care what sound accountancy reasons are put up next time - history shows that there will be a next time - to increase a department's ability to anticipate appropriations.

That is because - and I would like the Liberals to listen hard to this, because they do not seem to understand it - you are not a business. Government is not a business, and you are not chief executives, no matter what you think. The standards required of you are infinitely greater and more onerous than those required of a business. You are dealing with public money and that is a sacred trust. In an effort to control what the Executive does, the people set up parliaments. Mr Speaker, parliaments are frustrating, I agree. They are slow. They are irritating. They often mean, dare we say it, that you cannot run your government as you please. Mr Speaker, I think we should all thank God for that.

**MRS CARNELL** (Chief Minister and Treasurer) (8.54), in reply: Mr Speaker, taking into account the time, I thank members for their support for this Bill in principle, and I will speak more when I move the amendments.

Question resolved in the affirmative.

Bill agreed to in principle.

### Detail Stage

Clauses 1 to 5, by leave, taken together, and agreed to.

Clause 6

**MRS CARNELL** (Chief Minister and Treasurer) (8.55): Mr Speaker, I move amendment No. 1 circulated in my name and I present the supplementary explanatory memorandum. The amendment reads:

Page 2, line 28, omit the clause, substitute the following clause:

#### **“Transfer of funds between appropriations**

- 6.** Section 14 of the Principal Act is amended -
  - (a)** by omitting subsection (2); and
  - (b)** by omitting from subsection (3) ‘any of the appropriations affected to be varied’ and substituting ‘an appropriation from which funds are transferred to be reduced’.”.

Mr Speaker, the Financial Management Act 1996 was enacted on 3 June last year. The Act was introduced as the cornerstone of our financial management reforms. These reforms have elevated the ACT to the leading jurisdiction in Australia by way of innovative and accountable governance. Mr Speaker, it was disappointing to hear Mr Berry suggest that that was not the case. Those of us who have been in this Assembly for a while would remember the very scanty information that we got under the previous Government. I think everyone would agree that this is a significant step forward. It is interesting, Mr Speaker, that we now have people from other States, and even people from New Zealand at times, coming to have a look at the way we are operating our financial management.

To date the FMA has dramatically increased the Government’s accountability and transparency in decision-making. The Act has also provided chief executives with significantly more authority and at the same time has correspondingly increased their accountability. The Government has been operating in accordance with the FMA for over a year now. The Assembly and the community have seen the benefits of this through the delivery of monthly consolidated financial reports, annual accrual financial statements, and annual accrual and outputs-based budgets. The FMA has proven to be a piece of legislation offering a flexible environment in which to manage the Territory’s finances.

However, like most pieces of new legislation, a number of issues have arisen during the year which require minor amendments. These issues were principally addressed in Financial Management (Amendment) Bill (No. 2). However, a few adjustments are now required to that Bill. I must say that I am pleased that the amendments to this Bill, and others as they relate to the FMA, have been dealt with in a very consultative and cooperative manner. This should lead, I hope, to a better understanding of the operation

of the FMA and its associated amendments, thereby further supporting the new initiatives announced by this Assembly with regard to financial management reforms. These amendments to the Bill do not fundamentally change the legislation. They are simply technical changes to improve the responsiveness of the legislation to policy changes and to allow the business of government to operate smoothly.

I will address each proposed amendment. Mr Speaker, the financial management reforms recognise that efficient and effective financial management necessitates not only appropriate accountability mechanisms but also a degree of flexibility. In recognition of this, the Bill, in clauses 6 and 7, amends sections 14 and 15 of the principal Act. These sections deal with the transfer of funds between and within appropriations respectively. In the case of transfers between appropriations, the current proposed amendments to the Bill seek to omit subsection 14(2) of the principal Act. The omission of this subsection enables the transfer of funds between different appropriations. This will allow the Government to implement the most efficient and effective financing methods and also appropriately reflect the nature of the appropriations for the delivery of the approved outputs.

Subsection 14(3) of the principal Act is also clarified by further defining the 3 per cent threshold limit to 3 per cent of the appropriation type that is to be reduced. The proposed amendment to subsection 14(3) to establish a 5 per cent threshold limit has been withdrawn after negotiation with various members of the Assembly.

In the case of transfers within appropriation, the current amendment restricts the transfer of funds to 3 per cent or \$300,000, Mr Speaker. I understand that Mr Berry wishes to amend that \$300,000 to \$150,000. For the information of members, it is currently \$50,000 and, taking into account that 3 per cent of particular appropriations can be significantly more than that, obviously we need to sort out those figures. The established accountability mechanisms for both types of transfer will remain unchanged. Where required by the FMA, the Government will table details of the transfers within three sitting days after the direction is given. In this way the balance between flexibility and accountability is established - that is, there is no way that the Government can do these things without the Assembly knowing about them.

At present section 17 allows the Treasurer by instrument to vary appropriated specific purpose Commonwealth payments to reflect the amount actually provided by the Commonwealth. This section recognises that it is not always possible to budget accurately for specific purpose Commonwealth grants, particularly when the ACT budget precedes the Commonwealth's. This section, however, does not require the Treasurer to provide a copy of the direction to the Legislative Assembly. What this amendment seeks to ensure is that the Legislative Assembly is fully informed when changes such as these are necessary. To this end, this amendment requires the Treasurer to lay a copy of the direction before the Legislative Assembly within three sitting days after the direction is given. Mr Speaker, I will leave it there. I ask that the Assembly support this amendment No. 1 circulated in my name.

2 December 1997

**MR BERRY** (Leader of the Opposition) (9.02): Mr Speaker, I did not have the benefit of being at the round table discussion, but I understand that there were significant efforts made to reach accommodations in respect of a whole range of these matters. In principle, I am not unhappy with the application of the 3 per cent rule in relation to appropriations, although I do recognise that with smaller appropriations 3 per cent can be a much smaller amount, which may make it difficult. At the same time, one has to ensure that there is full accountability and transparency in relation to these matters. What the Government has proposed instead of the 3 per cent rule, which they had attempted to increase to 5 per cent, is a move in respect of appropriations which could lead to more than 5 per cent being appropriated to a particular appropriation. That is being done by stealth rather than - - -

**Mrs Carnell:** No, it is not. It is 3 per cent or \$300,000.

**MR BERRY:** This is something that was put on the table today. This approach was never discussed at the round table. What you have put in place here is that you will be able to transfer funds at the level of 3 per cent - - -

**Mrs Carnell:** Or \$300,000.

**MR BERRY:** No, no; not so much in respect of the area to which the funds are going, but 3 per cent of the possibly much larger appropriation from which the money is transferred. For example, an area within the budget which has an appropriation of, say, \$10m would be entitled, under these rules, to an appropriation of \$300,000; but, if it came from an area in the budget which had an appropriation of four times that amount, it would be \$1.2m. That is outrageous.

**Mrs Carnell:** Why?

**MR BERRY:** Essentially, what you are trying to do is to make people in the various areas covered by the budget have the same level of accountability, not be subject to the transfer of money, which could be quite large depending on the appropriation from which it is drawn. That is very smooth and sleek, and it would mean that it would be very hard to track. My view is that this move should be resisted. It should be resisted and made to comply with the 3 per cent rule.

So far as clause 7 is concerned, and your second amendment, I will move an amendment in due course to reduce the \$300,000 to \$150,000. To say that the 3 per cent should apply from the exiting appropriation area is quite outrageous because the 3 per cent could mean that many millions of dollars would be transferred. In my view, that could lead to significant errors within various appropriations being covered up by the ability of the Government to transfer huge amounts of money from large appropriations to smaller ones and quite clearly breach the 3 per cent rule. It is a nice trick, but I do not buy it. The fact of the matter is that that clause will not be supported by Labor. We are dealing with clause 6 at this point, are we?

**MR SPEAKER:** Yes, that is right; amendment No. 1.



**MR BERRY:** I repeat, Mr Speaker, that we will not be supporting a variation to the Financial Management Act which allows a flood of money from a large appropriation to go to an area which has been damaged by mismanagement. The fact of the matter is that there ought to be decent standards set. The decent standard is 3 per cent and it ought to be adhered to.

**MRS CARNELL** (Chief Minister and Treasurer) (9.07): Mr Speaker, I understand that Mr Berry indicated that these amendments were put on the table today. I understand that they were delivered to Mr Berry's office on Friday and they were discussed with Mr Berry or his staff yesterday. They have been around for a few days, Mr Speaker.

**Mr Berry:** It does not matter. They are still wrong and I am not going to vote for it. It is crazy.

Question put:

That the amendment (**Mrs Carnell's**) be agreed to.

The Assembly voted -

*AYES, 9*

Mrs Carnell  
Mr Cornwell  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mrs Littlewood  
Mr Moore  
Mr Osborne  
Mr Stefaniak

*NOES, 7*

Mr Berry  
Mr Corbell  
Ms McRae  
Ms Reilly  
Ms Tucker  
Mr Whitecross  
Mr Wood

Question so resolved in the affirmative.

Clause, as amended, agreed to.

Clause 7

**MRS CARNELL** (Chief Minister and Treasurer) (9.11): Mr Speaker, I move amendment No. 2 circulated in my name. It reads as follows:

Page 2, line 32, omit all the words after "from", substitute "paragraph (2)(b) '\$50,000' and substituting '\$300,000'."

Mr Speaker, I have spoken about the move from \$50,000 up to \$300,000. I think it is fairly self-explanatory.

2 December 1997

**MR BERRY** (Leader of the Opposition) (9.12): Mr Speaker, I understand that at the round table discussions there was agreement that this could be increased but no figure was seized upon. I think \$300,000 is miles too much and it should be limited to about \$150,000. I accordingly move the amendment that has been circulated in my name. It reads:

Omit "\$300,000", substitute "\$150,000".

**MRS CARNELL** (Chief Minister and Treasurer) (9.12): Mr Speaker, although we believe \$300,000 is a more sensible figure, I understand that the general view of the Assembly is that \$150,000 is the way to go. We are happy to work with that.

Amendment (**Mr Berry's**) agreed to.

Amendment (**Mrs Carnell's**), as amended, agreed to.

Clause, as amended, agreed to.

Clause 8 agreed to.

Proposed new clauses 8A, 8B and 8C

**MRS CARNELL** (Chief Minister and Treasurer) (9.12): Mr Speaker, I understand that amendment No. 3 circulated in my name is out of order as it proposes amendments to the Bill that are beyond the scope of the Bill. I therefore ask for leave of the Assembly to move that amendment, which proposes the addition of new clauses 8A, 8B and 8C.

Leave granted.

**MRS CARNELL**: I move:

Page 3, line 19, insert the following new clauses:

**“Variation of appropriations for Commonwealth Grants**

**8A.** Section 17 of the Principal Act is amended by adding at the end the following subsection:

‘(3) Where the Treasurer gives a direction under subsection (2), he or she shall cause a copy of the direction to be laid before the Legislative Assembly within 3 sitting days after it is given.’.

**Insertion**

**8B.** After section 18 of the Principal Act the following section is inserted:

**Payments in anticipation of appropriation or supply**

‘18A. (1) Where, after 1 June in a financial year —

- (a) a department has an obligation to discharge a liability that is not provided for by an appropriation or for which the money available from an appropriation is insufficient to enable the liability to be discharged in full;
- (b) in the interests of prudent financial management, the liability should be discharged before the end of the financial year;
- (c) money will become available to discharge the liability during the next financial year from an appropriation made by an Appropriation Act that has already been passed or from money to be provided under section 7; and
- (d) the Treasurer has, by instrument, authorised the discharge of the liability before the end of the financial year;

the department may discharge the liability before the end of the financial year from the money referred to in paragraph (c).

‘(2) The Treasurer shall not authorise a payment under paragraph (1)(d) if the amount would exceed —

- (a) if the payment is to be made from an appropriation made by an Appropriation Act that has already been passed — 3% of the amount of that appropriation; or
- (b) if the payment is to be made from money to be provided under section 7 — 3% of the money to be provided under that section for the purpose for which the liability was incurred.

- (3) Where the Treasurer has given an authorisation under paragraph (1)(d) during a financial year, he or she shall cause a copy of the authorisation to be laid before the Legislative Assembly as soon as practicable after the end of the year.’.

### **Insertion**

**8C.** After section 19A of the Principal Act the following section is inserted:

#### **Authorisation of expenditure of certain Commonwealth grants**

- ‘19B. (1) Notwithstanding section 6, where —
- (a) funds have been provided to the Territory by the Commonwealth under an agreement that specifies how the funds may be applied; and
  - (b) no appropriation has been made in respect of the funds;

the Treasurer may, by instrument, authorise the expenditure of the funds in accordance with the agreement.

‘(2) Where the Treasurer gives an authorisation under subsection (1), he or she shall cause a copy of the authorisation to be laid before the Legislative Assembly within 3 sitting days after it is given.’.’.

Mr Speaker, clause 8A will enable prudent management from one year to the next. The clause will allow departments to spend above the level of funding appropriated within a financial year to meet the commitments incurred within that year. These commitments would otherwise have been met in the following year even though an earlier payment may have been more economical. The payment for commitments above the yearly appropriation will be met from the following year’s appropriation. This amendment, Mr Speaker, removes the artificial constraint of the 30 June reporting date and allows for consistency of operation on and around the end of the financial year. The expense incurred is limited to either 3 per cent of the following year’s approved appropriation where an Appropriation Bill has been passed or, if the following year’s Appropriation Bill has not been passed, 3 per cent of the money provided under section 7 of the principal Act. The 3 per cent of the following year’s appropriation is not a material amount. The percentage equates to less than eight working days of financial operations around the end of the financial year.

**MR BERRY** (Leader of the Opposition) (9.15): Mr Speaker, this strikes me as a curious piece of work. It would provide some flexibility for managers, but it sets a precedent which Labor is not prepared to agree to - that is, that departments can anticipate appropriation or supply past the end of the year. It was explained to me that one example where this might be necessary is where, in a normal business arrangement, there is a 30-day payment requirement which would occur after the end of the financial year and the vendor says to the department head, "I will give you a discount if you pay early". The department head could say, "Okay, I can cop that, and I can anticipate it out of my appropriation or supply after the end of the financial year". There was no indication of the times that this might occur or that it could be anticipated that it would occur. I must say that it was a most unconvincing argument to set a new standard where departments anticipate an appropriation or supply at some time in the future.

I know it is always the mood of our highly skilled and intelligent bureaucrats to oil the wheels so that they move more smoothly; but, as Mr Osborne rightly said a little while ago, this is not a business. This is a legislature which requires different standards from government. Government is not a business. The Chief Minister is not the chief executive officer. She is an elected person answerable to this Assembly. In my view, this sets a standard that I am not comfortable with. I have not been convinced that it ought to be agreed to, and will therefore oppose it.

Question put:

That proposed new clauses 8A, 8B and 8C be agreed to.

The Assembly voted -

*AYES, 7*

Mrs Carnell  
Mr Cornwell  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mrs Littlewood  
Mr Stefaniak

*NOES, 9*

Mr Berry  
Mr Corbell  
Ms McRae  
Mr Moore  
Mr Osborne  
Ms Reilly  
Ms Tucker  
Mr Whitecross  
Mr Wood

Question so resolved in the negative.

Proposed new clauses negatived.

2 December 1997

Clause 9

**MR BERRY** (Leader of the Opposition) (9.23): Mr Speaker, I move:

Page 3, line 28, proposed new subsection 34A(2), omit the subsection.

The Financial Management (Amendment) Bill (No. 2), on page 3, refers to end-of-year balances of departmental banking accounts. Proposed subsection 34A(1) reads:

Where at the end of a financial year amounts appropriated for a department for that financial year are held in a departmental banking account, the amounts may be applied after the end of that financial year for the purposes for which they are appropriated.

That rollover seems to be pretty straightforward and quite acceptable, because for some years there has been some concern about those issues. But proposed subsection (2) concerns me. It reads:

Where at the end of a financial year a departmental banking account has a debit balance, the Chief Executive of the department shall devise and implement a scheme to recoup the amount of the deficit.

The chief executive might then earn the title of chief schemer to ensure that these deficits are recouped. I like the way that that is put. That is a curious provision. I would like to hear the Chief Minister's argument in support of it, but at this point I would not support such a move. It is an issue of clarity and transparency and an issue which should not be dealt with in house. It ought to be more transparent than the proposed subsection suggests.

**MRS CARNELL** (Chief Minister and Treasurer) (9.25): I do not have any notes on this one. I did not think this one would be important if we had already passed the first one. I do not understand what Mr Berry is talking about.

**MR HUMPHRIES** (Attorney-General) (9.26): Mr Speaker, the Opposition stands condemned for its irresponsible attitude on these matters. Their complete disregard for the principles of fairness and equity which so clearly imbue all that they do in this place has once again shown itself in an ugly fashion with this contemptible amendment of Mr Berry's. We on this side of the chamber will uphold the true amenity and benefit of the Territory - - -

**MRS CARNELL** (Chief Minister and Treasurer) (9.27): Mr Humphries, you can sit down now. The reason that we are having a bit of trouble with this one, Mr Speaker, is that we cannot quite work out what Mr Berry is trying to do with this amendment. Mr Berry's view is that if somebody - - -

**Mr Berry:** I am trying to delete it.

**MRS CARNELL:** Why? It does seem a strange thing to delete. What it requires is that if at the end of the financial year a departmental banking account has a debit balance the chief executive of the department shall devise and implement a scheme to recoup that amount of money. Mr Speaker, why would you not want a chief executive to put in place a mechanism to overcome a deficit in the budget? It would seem to me to be a very unusual thing to do.

We all know that, in accrual accounting, closing balances of accounts, whether they are positive or negative, are carried forward at the end of the financial year, rather than zeroed. That goes without saying. If positive, the resulting balance is to be available for expenditure without further appropriation. We know that as well. But surely if the balance is negative a debt reduction strategy should be prepared. I cannot quite understand why Mr Berry should think that that should not happen; that a manager should not have the responsibility if they come in with a negative balance - - -

**Mr Berry:** I just wonder where the money is coming from and who gets told about it.

**MRS CARNELL:** This is not about people being told about it. It is about the chief executive of the department having a responsibility to devise and implement a scheme to recoup the amount of the deficit. In other words, it is a legislative requirement for a chief executive to be responsible to overcome a deficit at the end of the year. Surely that is what we are paying them for.

Amendment negated.

Clause agreed to.

Clause 10

**MRS CARNELL** (Chief Minister and Treasurer) (9.30): Mr Speaker, the Government will be opposing this clause. It relates to the investment of public money. Recent changes to the way that the ACT Government does its banking and investments and the new guidelines have obviated the need for the clause. It becomes null and void.

**MR BERRY** (Leader of the Opposition) (9.31): Clause 10 reads:

Section 38 of the Principal Act is amended by omitting from subsection (4) all the words after "account" (first occurring).

Subsection (4) reads:

The Treasurer may determine the amount of interest to be credited to departmental bank accounts and such amounts may be paid without further appropriation from the Territory bank account ...

That is where it would end if the Chief Minister's opposition to the clause were to have effect. If the clause were not negated, subsection (4) would further read:

2 December 1997

... subject to the total amount paid not exceeding the interest received in the Territory bank account.

Those words which Mrs Carnell seeks to strike out seem to make a bit of sense to me. I will read the subsection again:

The Treasurer may determine the amount of interest to be credited to departmental bank accounts and such amounts may be paid without further appropriation from the Territory bank account -

that makes sense -

subject to the total amount paid not exceeding the interest received in the Territory bank account.

The departmental bank account does not receive more than the Territory receives. It strikes me, on the face of it, that that is an eminently sensible provision. I, for the life of me, have not heard an argument which would justify it being amended in the way which the Chief Minister suggests.

It may be the intention of somebody in the Office of Financial Management to get larger interest for their money and give departments less, or they might want to give departments more interest than the Territory receives. It just puzzles me why you would want to change that. It is eminently sensible for the department not to be able to get more interest than the Territory receives in its bank account. I just cannot see why you would want to strike those words out. If you have any explanation for it, I would like to hear it.

**MRS CARNELL** (Chief Minister and Treasurer) (9.33): Section 34A prevents the passing of more interest to a departmental bank account than accrues to the Territory bank account. Because the Territory bank account has managed to keep a low balance, this account earns very little interest. At the same time, however, departmental bank accounts may have notionally high account balances. Not proceeding with clause 10 removes the restriction of section 34A. I am advised that, with the banking and investment guidelines that we put in place for departments, there is not a need for the clause anymore.

Clause negatived.

Clause 11

**MR BERRY** (Leader of the Opposition) (9.35): I move:

Page 4, line 19, proposed subsection 53A(3), add the following paragraph:

“(d) the Chief Executive shall cause the particulars set out in the statement in relation to each amount of unclaimed monies to be published in a daily newspaper published in the Territory and in the Gazette.”



Mr Speaker, this amendment goes to the issue of unclaimed moneys. The proposed arrangements are consistent with other such arrangements, with the exception that the arrangements do not require the public notification of the existence of such moneys. Therefore, if you happen to remember after a six-year memory lapse that you are entitled to some money being held by the ACT Government, will the mechanisms be in place for you to collect the money? The real problem that I have is: Are you going to be reminded? It does not seem as though there is a mechanism to remind people that they have some unclaimed moneys to which they might be entitled.

Regulations relating to other unclaimed moneys - for example, moneys held by real estate agents or in inactive bank accounts - require the publication of details, generally by way of notification in the daily newspaper. In this way there is at least the possibility that your memory will be jogged. But the ACT Government is going to quietly spirit away other people's money, it would seem on the surface. It may be just an oversight, and one would not want to make any false accusations about what the Government's intentions are; but it seems to me that it would be far clearer if it were advertised when there was unclaimed money that people were entitled to and if people were told by way of some sort of public advertising. I propose that this defect be remedied by a requirement for the publication of details. As the matter relates to the Government, I believe that it is appropriate for publication to be in a daily newspaper and in the *Gazette*. My amendment is worded accordingly.

**MRS CARNELL** (Chief Minister and Treasurer) (9.37): Mr Speaker, we do not have any particular problems with the amendment.

Amendment agreed to.

Clause, as amended, agreed to.

Clauses 12 and 13, by leave, taken together, and agreed to.

Proposed new clause 14

**MRS CARNELL** (Chief Minister and Treasurer) (9.37): I understand that amendment No. 5 circulated in my name is out of order as it proposes an amendment to the Bill that is beyond the scope of the Bill. I therefore ask for leave of the Assembly to move that amendment, which proposes a new clause 14.

Leave granted.

2 December 1997

**MRS CARNELL:** I move:

Page 5, line 10, insert the following new clause:

**“Transitional and saving - application of certain appropriated monies**

- 14. (1)** Where -
- (a) an amount was appropriated by an Act for services of the government for the financial year that ended on 30 June 1996 or 30 June 1997; and
  - (b) the amount is held in a departmental banking account;

the amount may be applied for the purpose for which it was appropriated.

- (2)** An amount that was, before the commencement of this section -
- (a) appropriated by an Act for services of the government for the financial year that ended on 30 June 1996 or 30 June 1997; and
  - (b) applied for the purpose for which it was appropriated after the end of that financial year;

shall be taken to have been properly applied.”.

Mr Speaker, this is a consequential amendment. Past practice has been to appropriate to the Canberra Institute of Technology as though it were a department. This amendment removes this anomaly from the Canberra Institute of Technology Act 1987. The institute may be funded by appropriation passed on to it through the department.

Proposed new clause agreed to.

Title agreed to.

**MR OSBORNE (9.38):** Pursuant to standing order 187, I move:

That the question “That Mrs Carnell’s amendment No. 3 (proposing to insert new clauses 8A, 8B and 8C) be agreed to” be reconsidered.

Mr Speaker, it would appear that I have inadvertently misled my colleague Mr Moore on this matter. I was being distracted, and when the matter came up I think I was discussing with Mr Moore another set of amendments, rather than the ones we were debating. I apologise to my colleague and I hope that other members will understand.

**MR HUMPHRIES** (Attorney-General) (9.39): Given the number of times Mr Moore has misled Mr Osborne, it is entirely fair that the shoe should be on the other foot for once. We should support the motion.

Question put:

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

The Assembly voted -

*AYES, 9*

Mrs Carnell  
Mr Cornwell  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mrs Littlewood  
Mr Moore  
Mr Osborne  
Mr Stefaniak

*NOES, 7*

Mr Berry  
Mr Corbell  
Ms McRae  
Ms Reilly  
Ms Tucker  
Mr Whitecross  
Mr Wood

Question so resolved in the affirmative.

Proposed new clauses 8A, 8B and 8C

Motion (by **Ms Tucker**) agreed to:

That the question be divided.

**MR SPEAKER:** The question is: That proposed new clause 8A be inserted.

Question resolved in the affirmative.

**MR SPEAKER:** The question now is: That proposed new clause 8B be inserted.

**MR BERRY** (Leader of the Opposition) (9.44): I have no idea what has gone on in the back play here. It would be handy - - -

**MR SPEAKER:** I do not think you are Robinson Crusoe.

**Mr Moore:** I raise a point of order, Mr Speaker. This is something which I share with Mr Berry.

**MR BERRY:** This matter was carried on the vote last time around and then, all of a sudden, I saw a scurry of activity and Mrs Carnell down in the ears of Mr Moore and Mr Osborne.

2 December 1997

**MR SPEAKER:** Which clause are you discussing, Mr Berry?

**MR BERRY:** A, B and C.

**MR SPEAKER:** You cannot. We do not have a cognate debate. We have just divided the question on the proposed new clauses.

**Mr Moore:** We are on 8B.

**MR BERRY:** We are on to 8B. I think that is a handy one. There was a scurry of activity and Mrs Carnell said, "This is the important one", pointing and gesticulating. Which is the important one - 8A, 8B or 8C? I would like to hear the arguments in respect of which one of these was so important that they really turned their minds to the issue and found that they had to recommit the vote. We have fixed up 8A. That has got the tick from the Assembly. I say again in relation to 8B that it is a curious approach where departmental heads will be able to anticipate future appropriations or supply past the end of the financial year. Nobody else in Australia does it, as far as I can make out.

**Mrs Carnell:** Did you ask?

**MR BERRY:** Yes, I did. The best reason that could be given is that some departmental officer might be offered a discount on a bill and would therefore be able to grab the discount and use it for other great and meaningful purposes.

**Mrs Carnell:** It is 3 per cent for eight working days of financial operations. It is a week.

**MR BERRY:** Mrs Carnell says, "What is the point?". That is the point I make. What is the point? It seems to me that there are no decent reasons why this clause should be carried. It is a standard which ought not to be set without a better explanation. There has not been one. An explanation that somebody might get a discount for a bill that is due after the end of the financial year if he pays it early, in my view, is not good enough to set this standard. If people think it is good enough, they have a funny view about how governments should operate.

Mr Osborne said that this is not a business. I agree with him. It is a government and it is an elected Assembly which make decisions in relation to this matter. This might be the way that business operates. For example, a local milk bar might anticipate the number of milkshakes it is going to sell after the end of the financial year, but that is not the way that governments do business. This is quite a bit more serious than that. I have spoken to officers and I have to say that they have been most unconvincing in their support for this particular amendment. I am not sure whether I am arguing about the important amendment or not, but I intend to treat both 8B and 8C as important. I am not sure whether all three are important to Mrs Carnell or just one of them. If it is only one, I have not yet worked out which one it is. Somebody will get up and tell us shortly, I hope.

**MRS CARNELL** (Chief Minister and Treasurer) (9.48): Mr Speaker, for everybody's elucidation, proposed new clause 8B is the amendment that allows departments to trade over the end of the financial year by up to 3 per cent of their appropriation. That is eight working days, or about a week. The end of the financial year, 30 June, is an artificial point, but you have to come up with a day and that happens to be the day. In certain circumstances it may be more prudent to pay a particular person or a particular contractor on the 29th, rather than wait till the end of the financial year. That may be an appropriate way to go. This allows some flexibility in timing cash flows.

**Mr Berry:** This cannot be for that purpose. It is silly.

**MRS CARNELL:** This is how everybody works, Mr Speaker.

**Mr Berry:** Nowhere else in Australia. Businesses do, but not governments.

**MRS CARNELL:** You would think from what Mr Berry was saying that this was a huge amount of dollars. What we are talking about is one week, or eight days' worth of appropriation over the end of a financial year, one way or another. Surely this just allows for some sensible management. This all has to be transparent. It all has to be on the table. It cannot be hidden anywhere. There is just no reason why you would oppose this, except to oppose it for the sake of opposing. It is transparent. It is a small amount of money. It allows for prudent financial management. I would have thought that everybody in this place would want our managers to do the best that they can via the timing of their cash flows across the end of a financial year. It happens over the end of every other month, between the 30th of one month and the 1st of the next month. It just happens that this is an artificial timeframe.

**MR SPEAKER:** Order! There is far too much audible conversation. You did not understand it last time. The least you can do is listen to it now.

**MR WHITECROSS** (9.51): Mr Speaker, we did understand it last time. We voted against it. This is one of a series of amendments which have to be viewed as a whole. This is the way the crossbenchers should be viewing them as well. There is a series of amendments, all of which say, "What does it matter if we take a little bit of money from here and move it over to here? We know that the parliament appropriated it for purpose A, but what does it matter if we move a little bit of it over to purpose B? What does it matter if we move a bit from the next financial year back to this financial year? What does it matter if we move a bit from capital to operating expenses? What does it matter if we move a bit of it from expenses on behalf of the Territory to departmental expenses? What does it matter if we do all these things?". What matters is that all the way through the Government's proposals there are a series of amendments, all of which are designed to give them just a little bit more here and a little bit more there, cribbing as they go, and all of which add up to allowing them to move very substantial amounts of money from one appropriation - an appropriation agreed to by this parliament - to another appropriation.

2 December 1997

Members in this place who have a memory longer than five minutes will remember this Chief Minister, this Treasurer, as the one who lectured long and hard in this place, both before the last election and afterwards, about how she was not going to get into the business of shuffling bits of money around from this appropriation to that appropriation. She said that if a manager ran out of money they were going to be accountable to this place. They were going to come back into this place and say, "Please, sirs, please, ma'ams, please, members of parliament, can we have some more?". That was the position Mrs Carnell took three years ago, that was the position she took four years ago, and that was the position she took two years ago when she introduced this legislation.

Now we have a Bill which is full of little amendments here and little amendments there, all because her bureaucrats from OFM have come to her and said, "Would it not be much more convenient if we could squeeze a bit of money here and a bit of money there? We would not have to embarrass you by going back to the Assembly as we had to do with the health budget when you blew the health budget out". That is what it is all about. It is about whether members in this place genuinely believe in accountability of government. Two years ago it was accountability of government. Now Mrs Carnell's rhetoric is, "Let the managers manage. Let us not ask them too many questions".

If we believe in accountability, if we believe in ensuring that money is expended for the purposes that it was appropriated for, if we care about ensuring that we know what is going on, then we should not keep authorising the Government with new provisions to allow them to shuffle a little bit of money from here to there, because they all add up to officials in OFM being able to shuffle an awful lot of money around without accountability to this place. That is why the Labor Party oppose this amendment.

We believe that there is enough flexibility already in the Financial Management Act for, say, the chief executive of Urban Services to go to OFM and say, "We have this bill which is due on 2 July. Would it not be good if we could pay it now, because we can get a discount?". OFM have the flexibility to find the money somewhere else in the system to cover that. That is the way it should work within the constraints of the Financial Management Act. We should not keep on adding extra little bits here and extra little bits there. If we do, we will find that money we have voted to appropriate for one purpose is being spent for another purpose because we have given the Government and the Office of Financial Management too much latitude in this matter. That is why we oppose this amendment.

**MRS CARNELL** (Chief Minister and Treasurer) (9.55): Mr Speaker, I think Mr Whitecross might have misunderstood. There is no way that this money can be used for another purpose. This is money that can be used only for the purpose that it was appropriated for. The Assembly has already approved the expenditure. Mr Whitecross suggested that the way to do it, when you want to get this discount, is to go and find a bit of money from somewhere else. His view was that maybe we will go away and get something out of money we have appropriated for something else and use it for that purpose. I do not think that is terribly transparent. What we are suggesting is a very transparent approach.

Remember that everything is being used for the purpose that it has been appropriated for or, alternatively, will be appropriated for. Any shuffling of money has to be accounted for to the Assembly, as the instruments have to be tabled in the Assembly within three sitting days. Everyone will know what has happened. We are talking about an absolute maximum of eight days' worth of money. The instruments have to be tabled in the Assembly. Everybody will know. It is very transparent. It means that managers do not shuffle money, because they have a transparent way to manage appropriately.

**MS McRAE (9.57):** Mr Speaker, I cannot let this go by. There is an absolute and desperate difference between the end of the financial year and the movements of money within a financial year. I cannot understand how this particular amendment is even allowable. We appropriate from one financial year to the next. That is it - end of story. There is nothing that this Government can draw on for these advanced expenditures, because the money has not been appropriated. That is the point. That is why there is such a problem with this amendment. This is at the end of the financial year. I do not care whether it is one day, eight days or 15 days. I do not care if instruments come in. As I understand an Appropriation Bill, it appropriates money for a financial year, from the beginning of the financial year to the end of the financial year - end of story. This is a whole new story that we are beginning here.

**Mr Kaine:** Not so. You do not even understand the Financial Management Act.

**MS McRAE:** You can explain, Mr Kaine, when you get your turn; but at the moment we are venturing into brave new territory here. Every department can have 3 per cent of budget unappropriated for eight days without any guidance on it. I think that we are treading on very dangerous new ground here. Mrs Carnell has not explained adequately. She let slip "will be appropriated for that particular purpose" when she was explaining. That is not good enough. If the Assembly has not appropriated that money, I simply cannot - - -

**Mrs Carnell:** It happens under section 7 of the principal Act.

**MS McRAE:** That is a completely different process from that which we are contemplating now. We have had checks and balances on movements of money by way of Treasurer's Advances and very carefully specified processes. We are moving into new territory, into flexibility which has not been adequately explained, which Mrs Carnell will not explain and which she has not given adequate reason for. This is not being done in a way which satisfies me - or anybody else, I would believe - that we will know what the money that we are appropriating from one financial year to the next is going to be used for. We are going to find out at the beginning of the new financial year that we are playing catch-up appropriation with money that has been used, because it will be spent in an area which has not been approved by the Assembly. I think Mrs Carnell owes a much better explanation to this Assembly before anybody votes on this particular amendment again.

2 December 1997

**MRS CARNELL** (Chief Minister and Treasurer) (10.00): What we are talking about is 3 per cent of the following year's approved appropriation where an Appropriation Bill has been passed. Under normal circumstances that would be the case, because we are passing our Appropriation Bill before the end of the financial year. If the following year's Appropriation Bill has not been passed, we are talking about 3 per cent of the money provided under section 7 of the principal Act. That is exactly what would happen if an Appropriation Bill was not passed by the end of the financial year, which has happened before. It is all there in the Act. This is not brave new world stuff. It is quite definite.

Question put:

That proposed new clause 8B be inserted.

The Assembly voted -

*AYES, 9*

Mrs Carnell  
Mr Cornwell  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mrs Littlewood  
Mr Moore  
Mr Osborne  
Mr Stefaniak

*NOES, 7*

Mr Berry  
Mr Corbell  
Ms McRae  
Ms Reilly  
Ms Tucker  
Mr Whitecross  
Mr Wood

Question so resolved in the affirmative.

**MR SPEAKER:** The question now is: That proposed new clause 8C be inserted.

**MRS CARNELL** (Chief Minister and Treasurer) (10.04): Mr Speaker, the basis of this amendment is a strange situation that occurs at the moment within our Financial Management Act, and that is that when an unforeseen specific purpose payment is paid by the Commonwealth to the ACT - - -

**Mr Berry:** When was the last time we got one?

**MR SPEAKER:** Order! The last time we debated this, nobody was listening and we have had to rescind our previous vote.

**Mr Whitecross:** I raise a point of order, Mr Speaker. We were listening. We knew what we were doing. We voted no.

**MR SPEAKER:** I would ask you all to be quiet while the Chief Minister explains proposed new clause 8C. Proceed, Mrs Carnell.

**MRS CARNELL:** Quite regularly, our budget may be passed before the Commonwealth's. It may mean - - -



**Mr Moore:** I raise a point of order, Mr Speaker. You said that the last time this was before us nobody was listening.

**MR SPEAKER:** Sit down, Mr Moore.

**Mr Moore:** Mr Whitecross then stood up and said, "We were listening". That leaves us as just nobody.

**MR SPEAKER:** Sit down, Mr Moore. Continue, Chief Minister.

**MRS CARNELL:** The amendment legislates for the expenditure of new, previously unforeseen specific purpose grants. Currently, what happens is that money from the SPP comes into the general government fund, but we have to draw it from the Treasurer's Advance because there is no specific appropriation for the purpose. An SPP cannot come in and go out to the purpose for which it was deemed without going through the Treasurer's Advance.

The problem with that - and Mr Berry would have to agree - is that, if by some wonderful chance at some stage the Commonwealth gave us an unforeseen \$5m SPP for a particular purpose, we could actually use up almost half of our Treasurer's Advance and not be able to top the Treasurer's Advance up because there is no capacity to do that. This is just a sensible amendment which allows unforeseen SPPs to be spent. The money comes in from the Commonwealth to be spent for the purpose for which it was given.

**MR BERRY** (Leader of the Opposition) (10.07): This is a classic example of a misunderstanding of a parliamentary democracy and the need for parliament to properly scrutinise the affairs of government and indeed to make sure that its public servants conform with the wishes of elected members who represent their constituents. This is a classic example of a misunderstanding of your role. Your lack of understanding of your role, Chief Minister, was also demonstrated in the earlier debate about anticipation of appropriation or supply.

In relation to Commonwealth grants, Mrs Carnell said that an unanticipated Commonwealth grant might be paid to the Territory, and in the scheme of things which Mrs Carnell thinks is the right way to go the Government or the Executive, by itself, could direct the funds to the area which was designated for the specific purpose payment.

**Mrs Carnell:** And there may be authorisation before the Legislative Assembly within three days of it being given.

**MR BERRY:** What are you going to do after it has been allocated?

**Mrs Carnell:** We can do that now by the TA.

2 December 1997

**MR BERRY:** Okay. It reads:

Where the Treasurer gives an authorisation under subsection (1), he or she shall cause a copy of the authorisation to be laid before the Legislative Assembly within 3 sitting days

...

You tell the Assembly what you have done. What happens then? Nothing. To use your expression, whoopee-do. The fact of the matter is that this Assembly ought to be making decisions about particular policies to which specific purpose funds may apply. I am informed by your officers that the Commonwealth could make a decision about a particular social policy or other policy throughout the framework of the ACT Government, they could give you the money, you could apply it and this Assembly would have nothing to do with the process. It could be a process which is totally abhorrent to the majority of the people in this Assembly.

I am saying to you that that is an inappropriate process and an abuse of the democratic parliamentary system, and it must be resisted. One day you will learn that this is the place that scrutinises policy for the ACT, not the Cabinet room. Whether you have a majority or not, this is the place that carries out the scrutiny. The point that I am - - -

**Mrs Carnell:** What do you think I do with the Treasurer's Advance?

**MR BERRY:** We can sack the Treasurer. The point to be made here is that this could lead to the application of a Commonwealth policy in the Territory by a friendly Territory government without reference to the Assembly. That is absolutely outrageous and untenable, and it cannot be acceptable to any member in this place if they have any sense of decency about democracy.

**MRS CARNELL (Chief Minister and Treasurer) (10.10):** I do not think I have ever heard so much rot in my life - although I probably have, come to think of it. What happens now is that the money comes in, the SPP comes in from the Commonwealth, and we take it out of the Treasurer's Advance.

**Mr Berry:** No.

**MRS CARNELL:** That is exactly what happens now. We take it out of the Treasurer's Advance. Certainly, the Treasurer's Advance is accountable. There is no doubt about that. But what happens - - -

**Mr Kaine:** About three months later you tell the Assembly what you did.

**MRS CARNELL:** That is right. I tell them eventually. We get around to that under the FMA. Mr Berry himself would have the same problem. Assume that tomorrow the Federal Government made \$5m available for disability services via an SPP, which is what we are trying to convince them to do. The only way we can manage that at this stage is to take the \$5m out of the Treasurer's Advance.

**Mr Whitecross:** You can come and ask for an appropriation.

**MRS CARNELL:** Alternatively, we could come to the Assembly for an appropriation. That is true. That is possible. But is that not silly? That is a stupid way to go. In this way an SPP can come in from the Commonwealth, can be spent for the purpose for which it was meant to be spent, will be tabled in this Assembly in three days and will not have to go through the Treasurer's Advance, which is not what the Treasurer's Advance was meant to be for.

I cannot understand what those opposite are complaining about. It is all transparent. It is all out there. SPPs from the Commonwealth are not secret. The Commonwealth is usually very loud when they give the States or the Territories money. I have yet to find the Commonwealth giving secret money to the States or to the Territories. I think everyone can be quite confident that they are going to know all about these sorts of transactions.

**MR WHITECROSS (10.12):** Mr Speaker, I am disappointed at your sternness in dealing with us when we were only encouraging the Chief Minister in her learning exercise. To use the Chief Minister's example, suppose she came by \$5m of Commonwealth money for some special purpose like disability services. Mrs Carnell would rush into parliament with a little Bill which would probably be about two pages long - probably one page front and back, but let us call it two pages for the sake of the argument - and say, "Good news! We have got \$5m from the Commonwealth for disability services. We need you to agree to this appropriation". How hard is that going to be? How many weeks are we going to tie that up for in the Assembly?

The proposition the Chief Minister is putting, that there is something complicated about this, is just a nonsense. When Mr Humphries went away to the Police Ministers meeting and came back with an agreement on guns, he rushed into parliament a Bill about guns that was much more complex than a single-line appropriation of \$5m for disability services. That Bill, which dealt with a very important social issue that was the subject of Commonwealth-State agreement, was passed by this Assembly in a very timely way. If a Commonwealth-State agreement results in our being given a substantial amount of money outside the normal budget process, then I am fully confident that this Assembly will be able to deal with it. This Assembly has plenty of capacity to deal with these sorts of things.

It is interesting to note that Mrs Carnell has yet to take up Mr Berry's invitation to give some examples of when we have got bountiful largess from the Commonwealth outside the budget process which has made such deep inroads into the Treasurer's Advance that she has been unable to manage her budget.

**Mr Berry:** For a specific purpose that has never been mentioned before.

**MR WHITECROSS:** Yes, that is right. It seems to me that, on the face of it, it is a much less serious problem than the Chief Minister is making out.

2 December 1997

I return to the theme of my previous speech. This is really just another way of freeing up money in the Treasurer's Advance to increase the amount of money that is available for OFM and the Treasurer to shuffle around at their will to cover up Mrs Carnell's health budget blow-out or whatever else. We have had a series of amendments to date, of which this is one, whose sole real purpose is to increase the flexibility of the accounts to allow money to be shuffled from one purpose to another. On this occasion, instead of using the Treasurer's Advance for these extra amounts of money we get from the Commonwealth, we will be able to siphon them straight through, which means that there will be more money in the Treasurer's Advance. That is what it is about. Mrs Carnell is still stinging from her second Appropriation Bill. She and her officials from OFM are still trying to find ways to avoid ever again having to crawl back to this Assembly and ask for a second appropriation because she blew her budget. That is what this is really about.

In conclusion, I return to the substantive argument the Chief Minister put, as opposed to her secret agenda. The substantive argument does not hold water. This Assembly can pass in a week, if necessary, an appropriation for a high-profile appropriation of money if it is so obviously meritorious. Even with a short estimates process, it would not be a long process. What we did with guns we can do with \$5m for disability services. I simply do not accept the merit of the Chief Minister's argument, and I caution members of the crossbenches to consider carefully giving the Chief Minister and Treasurer yet another way of circumventing the appropriation process and increasing the flexibility to spend money for purposes other than the purposes for which it was appropriated.

**MRS CARNELL** (Chief Minister and Treasurer) (10.17): That is exactly the point. We want to make sure that we do spend the money for the purpose for which it was appropriated. The Treasurer's Advance is appropriated for use from various parts of the budget for unforeseen circumstances, for legal bills and all those sorts of things. It is not appropriated for use for SPPs from the Commonwealth.

**Mr Whitecross**: It has been used for SPPs every year so far.

**MRS CARNELL**: The Treasurer's Advance does not have to be tabled till after the year end. Maybe those opposite would like to listen for a moment. This is about being more transparent. When we do it this way, within three days we have to table the SPP that has come in from the Commonwealth and what we are spending it on. The SPP has to be tabled in this Assembly. If it is taken out of the Treasurer's Advance, it does not have to be tabled till after the end of the year. It is that simple. Do you want something in three days or potentially in nine months? That is pretty stupid.

**MS McRAE** (10.18): Mrs Carnell was asked by this side to give specific examples of SPPs and how they have been used. She has avoided entirely talking about practicalities. We are dealing with hypotheticals. Mr Whitecross's argument stands. All we are doing is making it easier for the Executive to move money around. I think it is up to Mrs Carnell to give us specific examples of what she is talking about. When on earth has the Commonwealth come through with these magical dollops of money, that we have not known about, for some unspecified purpose that they have suddenly dreamt up? If we do not have those examples, we are dealing with a hypothetical situation and Mr Whitecross's argument is absolutely valid. It is simply an easier way for the Executive to move around money that has not been specifically appropriated by this Assembly.

**MR MOORE** (10.19): Mr Speaker, I have been listening to the argument more carefully this time round. It seems to me that the Labor Opposition are mostly concerned about money being squirreled away somewhere. I know that over the last couple of weeks they have found \$100m or so that was squirreled away. That experience might be part of the reason for their position on this issue. My conclusion is that this is a sensible amendment.

Question put:

That proposed new clause 8C be inserted.

The Assembly voted -

*AYES, 10*

Mrs Carnell  
Mr Cornwell  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mrs Littlewood  
Mr Moore  
Mr Osborne  
Mr Stefaniak  
Ms Tucker

*NOES, 6*

Mr Berry  
Mr Corbell  
Ms McRae  
Ms Reilly  
Mr Whitecross  
Mr Wood

Question so resolved in the affirmative.

Bill, as amended, agreed to.

### **FINANCIAL MANAGEMENT (AMENDMENT) BILL 1997**

Debate resumed from 18 June 1997, on motion by **Mr Whitecross**:

That this Bill be agreed to in principle.

Question resolved in the affirmative.

Bill agreed to in principle.

### Detail Stage

Clauses 1 to 3, by leave, taken together, and agreed to.

Clause 4

**MRS CARNELL** (Chief Minister and Treasurer) (10.24): I move:

Page 2, line 4, definition of “budget-funded departmental activities”, omit the definition.

I present a supplementary explanatory memorandum. Earlier this year the Government and Mr Whitecross tabled financial management amendment Bills. As I said earlier, after 12 months of operation of the FMA, it is reasonable to expect that there would be a need for some refinements in the light of experience.

Mr Speaker, the Government reforms have replaced the highly prescriptive regulatory approach of the Audit Act 1989 with a more devolved approach that clearly defines chief executives’ responsibilities and accountabilities. Under this approach, the Government is able to provide further guidance and prescriptiveness through regulations and, particularly, guidelines issued under subsection 78(2) of the FMA. The FMA’s flexibility enables it to be responsive and robust enough to accommodate policy changes in the Territory’s reformed and evolving financial management framework, thus avoiding the problems of legislative amendments which are less responsive to the need for change and not as timely as the issuing of instructions.

With all this background in mind, the Government has some concerns about the level of prescriptiveness contained in Mr Whitecross’s amendments. However, the Government is prepared to agree to a degree of prescriptiveness in the FMA, provided such requirements are workable and achievable. Accordingly, the Government has met with Assembly members to explain some of the problematic issues that the Bill has in its present form. As a result of these discussions, I have tabled the Government’s proposed amendments to the Whitecross Financial Management (Amendment) Bill 1997. As members will see, the Government’s amendments clarify the framework intended by the Bill and also provide workable reporting requirements that can be efficiently, accurately and cost-effectively met within a reasonable timeframe. Mr Speaker, I thank members of the Assembly for their work in the round table. As members would be aware, the Government has moved from its original position. I hope that we have a position that is now workable.

**MR BERRY** (Leader of the Opposition) (10.26): I would just like the Chief Minister to tell me why “budget-funded departmental activities” should not mean “those activities related to the delivery of agreed outputs of departments and for which there is an agreed purchase price funded in an Appropriation Act”. That enshrines, it seems to me, what the Chief Minister has said to us many times was her intention in relation to the newfound expertise for running government departments throughout the ACT. What we have set out to define there is what “budget-funded departmental activities” are, and I have not heard from the Chief Minister and Treasurer an argument as to why they should not be defined accordingly. I would like to hear one in order that I can get my teeth into it.

**MRS CARNELL** (Chief Minister and Treasurer) (10.27): “Budget-funded” is not an ABS definition. I think the round table conference agreed with that approach. The Government amendments reflect the intent, I think, of the round table discussions that were held on this issue. The reality is that “budget-funded” is just not an ABS definition.

**MR BERRY** (Leader of the Opposition) (10.28): That means that all the other proposals you have which are not ABS definitions you will ditch, one suspects. It seems to me to be a reasonable interpretation that ought to appear in the legislation. I do not see any difficulty with it. The argument that you have put is quite inadequate and would not cause me to back away from our intention to ensure that that particular interpretation is included in the legislation. It is, of course, one that was discussed, as you have said, in the round table conference; but reports that have come to me suggest that there was no agreement that it ought to be deleted.

Question put:

That the amendment (**Mrs Carnell’s**) be agreed to.

The Assembly voted -

*AYES, 10*

*NOES, 6*

Mrs Carnell  
Mr Cornwell  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mrs Littlewood  
Mr Moore  
Mr Osborne  
Mr Stefaniak  
Ms Tucker

Mr Berry  
Mr Corbell  
Ms McRae  
Ms Reilly  
Mr Whitecross  
Mr Wood

Question so resolved in the affirmative.

Amendment (by **Mr Berry**) proposed:

Page 2, line 7, definition of “General Government Sector”, omit the definition, substitute the following definition:

“ ‘General Government Sector’ means those organisations whose primary function is to provide services which are mainly not market orientated, are mainly for the consumption of the community generally, involve the transfer or redistribution of income, and are financed mainly through appropriation;”.

2 December 1997

**MRS CARNELL** (Chief Minister and Treasurer) (10.34): Mr Speaker, I have an amendment to Mr Berry's amendment. I move:

Omit all words after "means", substitute the following:

" -

- (a) those organisations whose primary function is to provide services which are mainly not market orientated, are mainly for the consumption of the community generally, involve the transfer or redistribution of income, and are financed mainly through appropriation; and
- (b) those organisations that are controlled by the Territory and provide investment or other financial services;"

The issue here is the definition of "General Government Sector". We believe that the approach that we have taken is somewhat more comprehensive than the approach of Mr Berry's, although we believe that Mr Berry's definition of "public trading enterprise" is probably better than ours. We believe that our definition of "General Government Sector" is more comprehensive. It adds an extra element to Mr Berry's definition. I believe that it adds just that little bit extra. Again, as I have said, the next amendment that Mr Berry is to bring forward - the public trading enterprise amendment - is, we believe, probably the better.

Amendment (**Mrs Carnell's**) to Mr Berry's amendment agreed to.

Amendment (**Mr Berry's**), as amended, agreed to.

Amendment (by **Mrs Carnell**) agreed to:

Page 2, line 9, definition of "public sector", omit the definition.

**MR BERRY** (Leader of the Opposition) (10.37): The next amendment relates to the definition of "public trading enterprise". The amendment circulated in my name is self-explanatory and results from discussions at the round table. I move:

Page 2, line 11, definition of "public trading enterprise", omit the definition, substitute the following definition:

" 'public trading enterprise' means an organisation whose primary function is to provide goods and services which are mainly market orientated, non-regulatory and non-financial in nature and who recover a significant part of their costs from individual consumers;"

Amendment agreed to.



**MRS CARNELL** (Chief Minister and Treasurer) (10.38): Mr Speaker, I am happy not to move my amendment No. 4 in accepting Mr Berry's definition of "public trading enterprise".

Amendment (by **Mr Berry**) proposed:

Page 2, line 24, proposed definition of "Public Trading Enterprise Sector", omit the definition, substitute the following definition:

" 'Public Trading Enterprise Sector' means organisations whose primary function is to provide goods and services which are mainly market orientated, non-regulatory and non-financial in nature and who recover a significant part of their costs from individual consumers;"

**MRS CARNELL** (Chief Minister and Treasurer) (10.38): Mr Speaker, my amendment No. 5 about the definition of "Public Trading Enterprise Sector" is, I believe, more comprehensive than the one that Mr Berry has put forward. It does have extra elements, Mr Speaker.

**Mr Whitecross**: What are the extra elements? Could you explain them?

**MRS CARNELL**: You have to read the two of them. We can vote on yours first, if you like, and then I can move mine, or I can move an amendment to yours. We add the words "and non-financial" to the words that Mr Berry has in his. I think it just adds a new element.

**Mr Berry**: We will go along with that.

**MRS CARNELL**: May I move my amendment, Mr Speaker?

**MR SPEAKER**: Yes, you may, if Mr Berry withdraws his amendment No. 3.

**Mr Berry**: I seek leave to withdraw my amendment.

Leave granted.

**Mr Berry**: I withdraw the amendment.

**MRS CARNELL**: I move:

Page 2, line 24, definition of "Public Trading Enterprise Sector", omit the definition, substitute the following definition:

" 'Public Trading Enterprise Sector' means those organisations whose primary function is to provide goods and services which are mainly market orientated and non-regulatory in nature and who may recover a significant part of their costs from individual consumers;"

2 December 1997

Amendment agreed to.

Clause, as amended, agreed to.

Proposed new clause 4A

**MR BERRY** (Leader of the Opposition) (10.40): Mr Speaker, the next amendment relates to the timing of the first Appropriation Bill for the financial year. This matter arose from the decision of the Assembly to conduct elections in October after the forthcoming election, to ensure that a Labor government will have a long term in office after it wins the next election. We thank members for their generosity in that regard. It will give us a little more time to implement our platform and make sure that we put a nice shine on it for the first October election. But the real problem that we did not deal with in the context of establishing that October election is the issue of the budget.

I am just reminded, Mr Speaker, that because amendment No. 4 which has been circulated in my name proposes some amendments to the Bill that are beyond the scope of the Bill, I should seek leave of the Assembly to move the amendment, and I therefore do so.

Leave granted.

**MR BERRY**: I move:

Page 2, line 28, insert the following new clause:

**“Timing of first Appropriation Bill for financial year**

**4A.** Section 5 of the Principal Act is amended by omitting ‘3 months after’ and substituting ‘the day before’ ”.

The amendment sets out to ensure that the budget is dealt with the day before the end of the financial year, rather than as late as September in the following financial year. I explained earlier that there are some difficulties which would not be acceptable to the community in relation to bringing the budget down later than that date, because we could end up in a situation where the budget was not brought down until 30 September in an election year. Clearly, that would have the potential to put the Assembly in an untenable position. We could be faced with the situation where the Assembly would not have time prior to an election to consider properly a budget which should have been the subject of intense deliberation.

Mr Speaker, this is a sensible amendment. It ensures that budgets will be brought down at an appropriate time before October elections in future. In its current form the budget is being dealt with by the end of September. With February elections, it is something that the Assembly has been able to cope with. But applying the same rules in relation to October elections would be unacceptable and, indeed, untenable, and the situation should be adjusted. Mr Speaker, this is what I was talking about when the arrangements for the

new election date were pushed through this Assembly, in the face of my opposition, some months ago. I think it would have been a good idea to take a couple of breaths and settle down until the matter had been properly considered. This is one issue that should have been dealt with.

**MRS CARNELL** (Chief Minister and Treasurer) (10.44): Mr Speaker, in terms of not thinking things through, maybe Mr Berry has not yet done so at this stage, either. If this amendment were to pass now and the Labor Party were to be elected on 21 February next year, taking into account how long it often takes for the final numbers to be in place, it might be the end of March or early April before the new Assembly sits. That is when the new Chief Minister would be elected. Mr Berry, if we passed this amendment, would have to bring down a budget, assuming he got into office in April, within eight weeks. He would have about eight weeks to bring down a budget. Mr Speaker, I do not think he could do it. I just do not believe that it is possible for that to happen.

I would have to say that I think Mr Berry, by putting forward an amendment that requires the budget to be brought down before 30 June 1998, is causing difficulties for himself if he is elected. I would have to say that even if we were re-elected it would be a very difficult thing to do, Mr Speaker, simply because we would be out of action for a period of time. Mr Speaker, I suggest that it is inappropriate to change this legislation at this stage. At some stage in the future, it may be an appropriate thing to do. I have to say that, for the life of me, I cannot understand why Mr Berry would put forward a piece of legislation that requires him, if he is elected - and the polls would tend to indicate that he will be - to bring down a budget within a couple of months of coming to power.

Maybe the approach should be for Mr Berry to suggest that we put it off till the following year. I think it is the sort of thing that the Assembly should look at in the future. Certainly, wherever possible, a government should bring down a budget before the end of the financial year. But the FMA, at this stage, does allow three additional months. I think that is a fairly appropriate thing to allow to happen, particularly next year, as we will have an election in February. I cannot understand why anybody would want to do this.

**MR WHITECROSS** (10.47): Mrs Carnell made a good point, but also made an extraordinary statement when she said that she could not imagine why we would want to do it. From what I have gathered in my three years in parliament, members on both sides of the house have supported the idea of budgets being brought down before the end of the financial year. I think the Labor Party and the Liberal Party have slightly different positions in relation to that. The Liberal Party seems to believe that it should bring down the budget some time in May and pass it by the end of June - allowing a maximum of five weeks for scrutiny of it, but preferably less - whereas the Labor Party thinks that the budget should be brought down by the end of the financial year and a reasonable time should be allowed for scrutiny before it is passed. But both sides of the house and, as far as I can tell, Mr Moore and other members of the Assembly have supported, in the past, the idea of budgets being brought down in the first half of the financial year.

**Mrs Carnell:** I agree. We do, too.

2 December 1997

**MR WHITECROSS:** Mrs Carnell interjects that she agrees with this, too. So, I do not think Mrs Carnell should get up in this place and say that she cannot understand why anyone would move an amendment of this kind. Clearly, it is an issue which has general support.

As Mr Berry rightly indicates, it is also an issue in relation to which there is a need for change, consequent upon the change that we have made to the timing of elections. Under the provisions of the Financial Management Act as it currently exists, a budget can be brought down as late as 30 September, with an election some three weeks away. It would be a completely inappropriate timeframe for that to happen. I think it is appropriate for this Assembly to try to set down timeframes that it believes are appropriate, rather than allowing a situation where a government can, on the eve of an election, bring down a budget full of grandiose promises with no opportunity for the Assembly to scrutinise those things before the election is held. So, I think that the spirit of Mr Berry's amendment certainly holds up.

Mr Speaker, this has actually been the subject of discussions between the parties behind the scenes dating back to the time that I was the shadow Treasurer and had responsibility for electoral matters. We had discussions with Mr Humphries, for instance, in relation to changing the timing of elections to ensure that the timing of budgets was rolled into discussions. Unfortunately, when the amendments to the electoral law were rushed into this house, the Government had not yet come to the position of agreeing to a proposal to change the provisions relating to the timing of the budget. It is unfortunate that that issue had not been resolved in the context of the change to the electoral timetable, to which primarily it relates. It seems to me, then, that in principle the argument has a lot of merit.

However, I must say that Mrs Carnell makes a good point - and a point that I think ought to be taken account of - when she indicates that a problem does exist in the transition to these new arrangements for the 1998 budget. The election on 21 February next year will be the last February election in the ACT. After that, elections will be held in October, according to the Electoral Act passed earlier this year. As a result, we will have a one-off problem next year with insisting on the budget being brought down before the end of the financial year, as the election is to be held on 21 February and then there has to be appropriate time for ballots to be counted, a Chief Minister to be elected, et cetera.

Mrs Carnell makes a good point and it is something that I think we ought to address. Perhaps Mr Berry is going to address it very shortly in relation to next year specifically. Once Mr Berry has come up with the appropriate mechanism, which he is drafting even as I speak - and I will speak for as long as it takes him to draft it - we should support his amendment because I am sure it will provide a proper framework for the future while also taking account of the very valid concerns that Mrs Carnell raised about the situation next year.

For the long term, that will create a situation where we have bipartisan agreement on the timing of budgets and, hopefully, appropriate space for the scrutiny of budgets to ensure that the Assembly has adequate time to consider and vote on appropriations before an election date rolls around. In doing that, we will be setting in place mechanisms which link the provisions of the Financial Management Act and the electoral legislation which are appropriate and which ensure that all the elements of our legislation work together.

Only in that way can we be confident that we have both an appropriate level of accountability and a piece of legislation which ensures that when governments go to elections they go to elections with their budgets having been properly scrutinised in advance.

It seems to me that this advances a debate which has been going on for a number of years about the timing of budgets. It also ensures that the change to our electoral cycle to which the parliament has agreed does not lead to unforeseen consequences in terms of accountability within the budget process. Mr Speaker, I believe that it is an entirely meritorious proposal that Mr Berry is proposing. It is a shame, really, that these matters were not dealt with in a more considered way when the electoral legislation was before us, because that would have allowed for these matters to be resolved more appropriately, without wasting the time of Assembly members now. It cannot be doubted that the situation would be completely unworkable if we did not amend the Financial Management Act to ensure that elections could not be held immediately after a budget was brought down.

I think it would be inappropriate for us, in the closing days of the Third Assembly, not to ensure that this very important matter was remedied, so that when we hand over custody of the laws of the ACT to the Fourth Assembly we will be in a position to know that the laws are in good order and there is no unfinished business. If we allow unfinished business to be passed on to the Fourth Assembly, we will get ourselves into a situation where things can slip through the cracks and we may not get the result that we desire. Mr Speaker, I cannot help thinking at this juncture that - - -

**Mrs Carnell:** That you had better get the slides out. You can sit down and I will stand up, because I want to speak again.

**MR WHITECROSS:** Okay. My task as a speaker would have been greatly aided by a few more interjections, Mr Speaker. I feel rather aggrieved by your insistence on stamping on interjections, because it would have taken up some very important time of the Assembly. The Treasurer has indicated a willingness to speak again, and I am only too happy to listen to her. If, after she has spoken, I have anything further to contribute, I will speak again.

**MRS CARNELL (Chief Minister and Treasurer) (10.56):** We have often said in this place that amendments of this magnitude on the run are not such a great idea. I understood that those opposite had been very critical of the ACT Government for bringing down our budget last year before the Commonwealth. In fact, even the Estimates Committee may have been less than complimentary along those lines. Are those opposite now suggesting that, legislatively, we bring down our budget before the Commonwealth every year? There is no legislative requirement for the Commonwealth to bring down their budget before 30 June.

It is a good idea to have a bit of consistency here. I believe that the current FMA does the appropriate thing. All sides of politics have indicated that, wherever possible, we should bring down the budget before the end of the financial year. Certainly, it is our view that we should pass it before the end of the financial year, wherever possible.

2 December 1997

But, with no flexibility and having this sort of legislative requirement, it could mean that those opposite end up bringing down their budget before the Commonwealth every year, whereas they were extraordinarily critical of that last year. We have now a fairly long amendment from Mr Berry with regard to having a year off and then bringing it on next year or something. Would it not be more sensible to put this amendment on hold? It could be reconsidered by a new Assembly when there was a bit more time to think about what it really means from a rational perspective.

**MR BERRY** (Leader of the Opposition) (10.58): Mr Speaker, I have circulated an amendment about the timing of the first Appropriation Bill for the financial year. It seeks to omit all the words after “year”, first occurring, in the principal Act and substitute the words “shall, commencing on 1 June 1999, be introduced into the Legislative Assembly not later than the day before the commencement of the financial year”. It is a pretty straightforward amendment which tidies up the whole matter.

Mrs Carnell complained about the possibility of a Labor government having to bring down budgets before the Commonwealth. We said that it was not appropriate in circumstances where we had February elections. The situation, quite plainly, has changed, because we now have October elections at your own insistence. Mr Speaker, the timing of budgets has changed completely. What this means is that, so far as the election year is concerned, the matter is appropriately dealt with. The amendment I have circulated accommodates the issue and I commend it to members.

**MR SPEAKER:** You are seeking to amend your own amendment, Mr Berry; is that right?

**MR BERRY:** Indeed, Mr Speaker. I should, first of all, seek leave to withdraw the amendment I moved originally and seek leave to move the amendment which I have circulated.

Leave granted.

**MR BERRY:** I move:

Page 2, line 28, insert the following new clause:

**“Timing of first Appropriation Bill for financial year**

By omitting all words after “year” (first occurring) and substituting “shall, commencing on 1 June 1999, be introduced into the Legislative Assembly not later than the day before the commencement of the financial year.”.

**MRS CARNELL** (Chief Minister and Treasurer) (11.00): I have to say that I think Mr Berry’s memory might be a bit short. Mr Berry actually argued with regard to our budget timing last year. He said that the reason that we should not bring down a budget before the Federal Government did so was that we would not be aware of their policy direction or, in some circumstances, the SPPs or potential outcomes of the

Premiers Conference, and so on. We did not agree with that. I just cannot understand why the Labor Party are now bringing forward an amendment that will be absolutely at odds with their position earlier and, I think, at odds with what the Estimates Committee said about ACT budgets.

I think that what we are seeing here is amendments on the run, and people not having thought through what they are talking about here. It actually achieves nothing in the short term. We are talking now about 1999. Surely it would be more appropriate, taking into account that amendments are being written on the floor about something that Mr Berry would like to happen in June or July 1999, to take a deep breath on this one and put it off until we have all had a little more time to think about it.

**MR WHITECROSS (11.01):** Mrs Carnell's memory is fading. Perhaps the late hour has got to her. I think her recollection of the criticisms of the timing of her budget this year is faulty, as she has made some errors there. The criticism of the timing of Mrs Carnell's budget this year fell into two parts, neither of which is affected by the amendment that Mr Berry is proposing.

The first of those criticisms was that the Chief Minister chose to bring down her budget one week before the Federal budget - not three months before or four months before, but one week before. She knew when the Federal budget was to come down and she chose to bring her budget down one week before. So, her budget was brought down outside the context of decisions being made about the Federal budget. Labor's argument at the time was that it was more appropriate to bring down the ACT budget after the Federal budget, to ensure that it could appropriately respond to whatever was in the Federal budget. We know how bad Federal Liberal budgets have been for Canberra recently. We thought that a responsible ACT government, as opposed to one that supported the Federal Liberal budget, as Mrs Carnell did, would have wanted to be in a position to respond to any adverse consequences brought about by the Federal Liberal Government.

The second part of the criticism was that the Chief Minister and some other members of this place insisted on passing the budget by 30 June. Labor's view, and I think the view that was expressed in the Estimates Committee report, was that there was no imperative to pass the budget by 30 June, that a later date would have been a reasonable date for passing the budget. Indeed, that is perfectly consistent with the position advanced by Ms Follett when she was the shadow Treasurer, by me when I was the shadow Treasurer and by Mr Berry, that the budget should be brought down by the end of the financial year, not that it should be passed by the end of the financial year.

Mrs Carnell's recollection of the previous debate about the timing of budgets is incorrect. Those criticisms related to her decision to bring her budget down one week before the Federal budget and her decision to insist on trying to get the budget passed by 30 June, rather than allowing a longer period for scrutiny, which would have been possible if the arbitrary date of 30 June had not been selected for passage. That was the nature of the criticisms that were advanced. Neither of those criticisms goes to the guts of Mr Berry's amendment, which is to ensure that the budget is brought down in the Assembly before the end of the financial year.

2 December 1997

I think that the merit of Mr Berry's amendment stands. It is a merit which has been argued in the past by the Liberals, by Labor and by Mr Moore at least among the crossbenchers, and I think that it is an argument which stands up. As Mr Berry has rightly argued, it becomes all the more imperative because of the decision of the parliament to change the timing of elections. Let me finish by asking a question. If members of this place believe that budgets should not have to be brought down by 30 June, how are they going to deal with the possibility of a government bringing down a budget within weeks of an election, as is possible when the wording of the Financial Management Act is married to the wording of the Electoral Act?

It is our responsibility to ensure that the Financial Management Act says what we mean it to say, and what we are proposing is that there be an amendment which ensures that the budget is brought down before the end of the financial year. We acknowledge the Chief Minister's point that it cannot commence next year because next year we will still have a February election, but next year is the last year in which that argument applies. After that there is no argument against a later date for an election. The last Federal budget was brought down in the first half of the year. The last several ACT budgets have been brought down in the first half of the year, with the exception of the last budget in an election year. I think that next year, which is also an election year, is the last year in which that argument should apply.

**MR BERRY** (Leader of the Opposition) (11.06): Mr Speaker, I have been advised that, for clarity, I should seek leave to insert, "**4A.** Section 5 of the Principal Act is amended" before the words "by omitting". Accordingly, I seek leave to include those words.

Leave granted.

Question put:

That the amendment (**Mr Berry's**), as amended, be agreed to.

The Assembly voted -

*AYES, 6*

Mr Berry  
Mr Corbell  
Ms McRae  
Ms Reilly  
Mr Whitecross  
Mr Wood

*NOES, 10*

Mrs Carnell  
Mr Cornwell  
Mr Hird  
Mr Humphries  
Mr Kaine  
Mrs Littlewood  
Mr Moore  
Mr Osborne  
Mr Stefaniak  
Ms Tucker

Question so resolved in the negative.



Clause 5

**MRS CARNELL** (Chief Minister and Treasurer) (11.10): Mr Speaker, I move:

Page 2, line 31, paragraph (b), omit the paragraph, substitute the following paragraphs:

“(b) by adding at the end of paragraph (b) “and”; and

(c) by adding at the end the following paragraph:

‘(c) the proposed budget for each Territory authority for the year.’”.

**Mr Berry:** Are you going to tell us what it is about?

**MRS CARNELL:** Mr Speaker, the Government amendment clarifies the intent of the Bill as to requiring budgets for Territory authorities while at the same time excluding an apparent requirement for Territory-owned corporations. The Government amendment also removes proposed paragraph (d), which requires an overlapping sectoral split for the budget. The budget papers already contain a sectoral split for the budget, consistent with the Government definitions contained in amendments 1, 2 and 3.

**MR BERRY** (Leader of the Opposition) (11.13): Mr Speaker, an amendment was moved by me relating to public trading enterprises. I think what is proposed by Mrs Carnell tends to water down what was proposed in relation to the matter. It strikes me as odd that she should want to change this. If I can be so bold as to judge the motives, it would seem to me that this would provide less information to the Assembly and provide a definition which prevents a greater level of information from coming to the Assembly. That is why this amendment will be opposed.

Amendment agreed to.

**MR BERRY** (Leader of the Opposition) (11.14): I move:

Page 3, line 6, paragraph 5(b), proposed subparagraph 10(d)(i), (ii) and (iii), omit the proposed subparagraphs, substitute the following subparagraphs:

“(i) the General Government Sector; and

(ii) the Public Trading Enterprise Sector.”.

Mr Speaker, the terms of this amendment were agreed to, I understand, in the round table conference. The amendment is moved accordingly. It relates to the inclusion of some subparagraphs in relation to the general government sector and the public trading enterprise sector.

Amendment agreed to.

2 December 1997

Clause, as amended, agreed to.

Clauses 6 and 7, by leave, taken together

**MRS CARNELL** (Chief Minister and Treasurer) (11.14): I move:

Page 3, line 8, omit the clauses, substitute the following clauses:

**“Territory budgets**

6. Section 11 of the Principal Act is amended by adding at the end the following subsection:

‘(2) The budget papers shall include material that facilitates a comparison, for each appropriation unit, between the budget for the Territory for the previous financial year and the proposed budget.’.

**Departmental budgets**

7. Section 12 of the Principal Act is amended by adding at the end the following subsection:

‘(4) The budget papers shall include material that facilitates a comparison, in respect of outputs, between the budget for the department for the previous financial year and the proposed budget.’.”.

Mr Speaker, I understand that this also was agreed to at the round table. This amendment is to more clearly define what is meant here. The amendment makes clear what the budget papers shall include - what sort of material - Mr Speaker. It says that the budget papers “shall include material”. This acknowledges that there are a number of methods available that can be used for comparability purposes and that the preparer can use his or her discretion as to what constitutes such material, which may include reconciliation statements, explanation statements, notes, and so on. I think it was agreed at the round table that it would not include backcasting. I think that those words were the ones that everybody at the round table was happy with.

**MR WHITECROSS** (11.15): Mr Speaker, I will speak to this amendment because Mrs Carnell has claimed that her authority for this is the discussion at the round table, in which I participated on behalf of the Labor Party. I am afraid that Mrs Carnell is incorrect. I would urge Mr Moore and other thinking people on the crossbenches to pay attention to this, because Mrs Carnell was wrong in what she was saying to you. The proposal put forward by the Opposition states:

A proposed budget shall be prepared in a form that facilitates a comparison, for each appropriation unit, between the budget for the Territory for the previous financial year and the proposed budget.

And what is proposed states:

The budget papers shall include material that facilitates a comparison, for each appropriation unit, between the budget for the Territory for the previous financial year and the proposed budget.

They are almost identical words; but there is a difference, and the difference is that the version that is proposed by the Labor Party states:

A proposed budget shall include budget estimates, for each appropriation unit, for each of the next 3 financial years.

That is actually what the amendment is for - to delete forward estimates. It does not, as Mrs Carnell says, have anything to do with backcasting or anything else. There were discussions there about what members in this place would consider appropriate compliance with subsection (2) as proposed by the Chief Minister; but what this amendment does is delete from the Financial Management Act Labor's proposal for three years of forward estimates. Members will recall that the discussion at the round table was that we would not want to prescribe three years of forward estimates because, at some time in the future, a new financial standard might come in which requires four years of forward estimates, and how could we provide four years of forward estimates if the Financial Management Act said three? I think members at the round table agreed that that was not a huge problem to overcome, providing more information than was required in the Financial Management Act.

Mr Speaker, I do not want to talk for too long, given the time; but let me just reiterate the point I made. This amendment is not about the form of comparability, because the words relating to the form of comparability are the same. It is about deleting the reference to forward estimates. I would urge members on the crossbenches not to vote for Mrs Carnell's amendment, which effectively deletes references to forward estimates, because I believe that it is appropriate in the Financial Management Act to set down our requirement for three years of forward estimates. You have to ask the question: Why does the Chief Minister not want a requirement in the Financial Management Act for three years of forward estimates?

**MRS CARNELL** (Chief Minister and Treasurer) (11.18): Mr Speaker, the reason, as I think we spoke about at the round table, was that there should be allowances for flexibility to reduce or increase it, as required, and that would have to be as part of accounting guidelines and policies. The Estimates Committee and the Assembly have input into this sort of thing. Again, I cannot quite see why you would want to be this descriptive in a situation like this. Let us be fair; the Assembly has a large amount of control in this area, as do estimates committees. Mr Speaker, I do not quite understand why you would not allow the flexibility to go to five years or whatever, if that is what you chose to do.

Amendment negated.

Clauses agreed to.

Clause 8

**MRS CARNELL** (Chief Minister and Treasurer) (11.20): I move:

Page 3, line 28, proposed paragraphs 12A(1)(a) to (d) (inclusive), omit “public trading enterprise” (wherever occurring), substitute “Territory authority”.

Mr Speaker, consistent with amendment No. 4, the Government amendment clarifies that the intent of the Bill is to require specified information from Territory authorities.

Amendment agreed to.

**MRS CARNELL** (Chief Minister and Treasurer) (11.21): Mr Speaker, I move:

Page 4, line 7, proposed subsection 12A(2), omit “A proposed budget shall be prepared in a form”, substitute “The budget papers shall include material”.

The revised wording allows for the fact that there are a number of methods available for enabling comparison between years. They are reconciliation statements, explanation statements, notes, et cetera.

**MR BERRY** (Leader of the Opposition) (11.21): If what the Chief Minister says is true, why are the words which are proposed in the original Bill not appropriate? They are:

A proposed budget shall be prepared in a form that facilitates a comparison between the budget for the public trading enterprise for the previous financial year and the proposed budget.

What is wrong with that?

**Mr Whitecross**: It is the same form of words as was used in clauses 6 and 7.

**MR BERRY**: And it has been used earlier on in the Bill. So, it just strikes me as a bit odd that we would seek to - - -

**Mrs Carnell**: I suppose it is a difference between “material” and “form”.

**Mr Whitecross**: We have already passed it for two other clauses. Why should we not be consistent?

**Mrs Carnell**: We did not want it.

**MR BERRY**: You may not have wanted it; but it has been passed for a couple of other clauses and it is consistent with earlier parts of the Bill. It says, essentially, “A proposed budget shall be prepared in a form that facilitates a comparison”. Those are the key words for me. I think, for those reasons, those particular words should be retained.

**MRS CARNELL** (Chief Minister and Treasurer) (11.23): I suppose that, if those opposite do accept the fact - and it is in *Hansard* - that there are a number of methods available that can be used for comparability purposes and that the preparer can use discretion in what constitutes such material, we would not have a problem with this. I think at the round table we did agree that backcasting would not be appropriate, as expending that amount of time and effort for virtually no outcome would not be a good way to spend taxpayers' dollars, Mr Speaker. So, if those opposite are willing to accept that that is what these words mean, then I would be quite calm about it.

Amendment negatived.

Amendment (by **Mrs Carnell**) proposed:

Page 4, line 8, proposed subsection 12A(2), omit "public trading enterprise", substitute "Territory authority".

**MR WHITECROSS** (11.25): Given that other members of the Assembly have gone down the path of narrowing these definitions in the past from "public trading enterprise" to "Territory authority", I do not hold out much hope that they are going to change their minds now - unless Mr Moore wants to get into a huddle and consider a recommittal on this particular matter.

I think it is worth putting on the record the Labor Party's point of view, that the Government's consolidated financial management report tabled today indicates that the following entities are public trading enterprises: ACT Forests, the ACT Milk Authority, ACTEW, ACTION, ACTTAB, CIT Solutions and the Housing Bureau. Of those, only two are Territory authorities within the definition of "Territory authority" in the Financial Management Act, which means that none of the information required in these provisions will be provided in relation to any of these other matters because they are outside the scope of these provisions. In addition, the definition of "Territory authority" allows the Treasurer, off her own bat, to gazette other Territory-owned corporations out of the scope of the definition of "Territory authority", which means that we could get information on none of these.

So, it seems to me that the Chief Minister has successfully pulled the wool over the eyes of members on the crossbenches in relation to this, and they have allowed her to establish a framework in which the kind of reporting being envisaged in the Financial Management Act does not have to be provided for entities such as those that I have been describing, including the Milk Authority, the Housing Bureau and ACTION, given that they are public trading enterprises, according to the Chief Minister's financial management report. So, Mr Speaker, as I said, it would require the recommittal of some clauses for the crossbenchers to change their minds; but they should at least know what they are voting for.

Amendment agreed to.

2 December 1997

Amendment (by **Mrs Carnell**, by leave) proposed:

Page 4, line 10, proposed subsection 12A(3), omit the subsection.

**MR BERRY** (Leader of the Opposition) (11.27): This is, again, to rule out the requirement to include budget estimates for each of the next three financial years.

**Mrs Carnell**: No, that is not what it is.

**MR BERRY**: That is what it does. It seeks to knock it out. It seeks to omit the proposed subsection. The proposed subsection reads:

A proposed budget shall include budget estimates for each of the next 3 financial years.

It should not be supported.

Amendment negatived.

Clause, as amended, agreed to.

Clause 9

**MRS CARNELL** (Chief Minister and Treasurer) (11.28): Mr Speaker, I move:

Page 4, line 15, proposed section 25A, omit the section, substitute the following section:

**“Quarterly departmental performance reports**

‘25A. (1) A Minister shall within 30 days after the end of each quarter of a financial year, prepare a quarterly performance report for each department for which he or she is responsible.

‘(2) A Minister shall, on the first sitting day after a report referred to in subsection (1) has been prepared, cause the report to be laid before the Legislative Assembly.

‘(3) Where the first sitting day referred to in subsection (2) does not fall within 30 days after the end of the relevant quarter, a Minister shall cause a copy of a report prepared under subsection (1) to be made available to members of the Legislative Assembly within those 30 days.

- ‘(4) A report referred to in subsection (1) shall include -
- (a) a progress report on delivery of outputs; and
  - (b) an explanation of any significant variations from performance targets.’.”

To this clause and others that follow, Mr Berry has similar amendments. They are just to change the 15 days to 30 days. We agreed with that in the round table. But my amendments go somewhat further than that in order to improve the situation. We did have some discussion along these lines with other members of the Assembly, and I assume that this more fulsome approach will be supported by the Assembly.

**MR BERRY** (Leader of the Opposition) (11.30): At this late hour, I cannot think of superlatives which would describe our enthusiasm for this amendment.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 10

**MRS CARNELL** (Chief Minister and Treasurer) (11.31): I seek leave to move together amendments Nos 13, 14 and 15 circulated in my name. I understand that they are the same as Mr Berry’s amendments.

**MR SPEAKER**: Yes, that is true; they are.

Leave granted.

**MRS CARNELL**: I move:

Page 5, line 10, paragraph (a), omit “15”, substitute “30”.

Page 5, line 13, paragraph (b), proposed subsection 26(2), omit “15”, substitute “30”.

Page 5, line 24, paragraph (b), proposed subsection 26(3), omit “15”, substitute “30”.

Amendments agreed to.

**MRS CARNELL** (Chief Minister and Treasurer) (11.32): I move:

Page 5, line 29, paragraph (b), proposed subsection 26(4), omit the subsection.

2 December 1997

**Mr Whitecross:** Mr Speaker, I think the Chief Minister owes us an explanation as to why she proposes to amend paragraph 10(b). It is all very well to get up and say that she accepts clause 10 with an adjustment to the timetable; but, if she does not agree to paragraph (b) of clause 10, which is significantly - - -

**Mr Moore:** No; it is paragraph (b) of proposed subsection 26(4).

**MRS CARNELL:** We agreed that the two other clauses be removed.

**MR SPEAKER:** That is correct.

**Mr Moore:** It is just subsection (4) at the bottom of the page.

**MR SPEAKER:** This is what happens when you do these things at 11.30 at night.

**Ms McRae:** The Chief Minister really should explain.

**Mr Whitecross:** That is exactly right. This is my point. The Chief Minister needs to explain what she is doing.

**MRS CARNELL:** Okay, I will, if you like.

**Mr Whitecross:** Why do you not do that?

**MRS CARNELL:** Mr Speaker, as I understand it, this clause defines reporting requirements and timetables for monthly financial statements. It was agreed that the section needed to reflect 30 days and that two other subsections be removed - that for the preparation of operating statements in relation to budget-funded departmental activities and Territory activities and that in relation to the need for comparisons, as they were already provided for, Mr Speaker. Subsection (4) is deleted in line with the clarification of sectoral definitions in clause 4. Subsection (2) already contains the requirements for the operating statements by that sector. The deletion of subsection (5) is to enable greater flexibility in budget reporting.

Amendment agreed to.

Amendments (by **Mrs Carnell**, by leave) agreed to:

Page 6, line 4, paragraph (b), proposed subsection 26(5), omit the subsection.

Page 6, line 15, paragraph (b), proposed subsection 26(7), omit "15", substitute "30".

Clause, as amended, agreed to.

Title agreed to.

Bill, as amended, agreed to.



**ADJOURNMENT**  
**Bushfires**

**MR HUMPHRIES** (Attorney-General and Minister for Police and Emergency Services) (11.34): I move:

That the Assembly do now adjourn.

I want to make a couple of quick remarks about the bushfire situation, which, as members will be aware, is bad and certainly is affecting some parts of New South Wales very badly at the moment. Members will be aware that there are a number of places in surrounding New South Wales which are facing critical bushfire situations at the moment. I want to advise the house about the position being taken in the ACT in respect of those matters at the moment.

ACT bushfire fighters have been placed on high alert, as fire conditions in this region have reached a critical level. What that means is that the level of our assistance to other parts of New South Wales may not be as extensive as we would like, in that the needs of our region are themselves quite high and we need to be careful to cover any emergencies that occur within the ACT region. I understand that today, for example, there have been five fires already within the ACT. Obviously, with the conditions as they are at the moment, with very dry weather and high winds, there is a danger of further fires and further problems if fires do break out.

Members will be aware, of course, that two volunteer firefighters in New South Wales have lost their lives today in a tragic incident near Lithgow and two others are in a critical condition in hospital. On behalf of the Assembly, I am sure that we can send our condolences to the families of those who have been killed. Certainly, at the moment, we are providing assistance to New South Wales, particularly the Shire of Yarrowlunla, by backfilling in that shire to allow firefighters in that region to move further north to cover problems in other parts of New South Wales.

We, obviously, stand ready to assist to the extent that we can. Tonight, the Chief Minister has written to the New South Wales Premier, advising him of our readiness to assist in that State's efforts in this regard. Our own conditions permitting, we, of course, stand ready to provide assistance in some areas of New South Wales where real problems are arising at the moment, particularly like areas around Coonabarabran.

Question resolved in the affirmative.

**Assembly adjourned at 11.37 pm**