



DEBATES

OF THE

LEGISLATIVE ASSEMBLY

FOR THE

AUSTRALIAN CAPITAL TERRITORY

HANSARD

1 September 1998

Tuesday, 1 September 1998

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

PETITIONS

The Clerk: The following petitions have been lodged for presentation:

By **Mr Berry**, from 1,299 residents, requesting that the Assembly declare any certified agreement a union negotiated agreement as per section 170LJ of the Work Place Relations Act 1996 (Commonwealth).

By **Ms Carnell** and **Mr Hird**, from 11 and 16 residents respectively, requesting that the Assembly reverse the decision to cut \$1.6m to the Institute of the Arts so that it can continue to provide a worthwhile resource within Canberra.

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

Enterprise Bargaining Arrangements

The petition read as follows:

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

The petition of certain residents of the Australian Capital Territory draws to the attention of the Assembly: We, the undersigned being staff of the ACT Government and its corporations, express our desire to be represented by the Community and Public Sector Union in any future Enterprise Bargaining process.

Your petitioners therefore request the Assembly to: Declare any Certified Agreement a union negotiated agreement as per s170LJ of the Work Place Relations Act 1996.

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Arts - Funding

The petition read as follows:

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

The petition of supporters of the Arts in the Australian Capital Territory, draws to the attention of the Assembly the cut of \$1.6 million to the Institute of the Arts, as part of the 1998 budget, which will impact on the delivery of services by the Canberra Schools of Music and Art to the community and will adversely affect the quality of life in Canberra.

Your petitioners therefore request the Assembly to reverse the decision, so that the Institute of Arts can continue to provide a worthwhile resource within Canberra.

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Petitions received.

DEATH OF DR C. BURTON

MS CARNELL (Chief Minister and Treasurer): Mr Speaker, I move:

That the Assembly expresses its deep regret at the death of Dr Clare Burton, who made a significant contribution to women in Canberra and tenders its profound sympathy to her children in their bereavement.

Mr Speaker, it was with much sadness that I learnt last week of the untimely and sudden death of Dr Clare Burton. Dr Burton was a passionate and learned advocate for employment equity and an inspiration for women across Australia and overseas. Dr Burton was born and grew up in Canberra. In 1963 she graduated from the University of Sydney with first-class honours and a university medal. She then undertook postgraduate study at Macquarie University and was awarded a doctorate in 1979. Her work on equal employment opportunity laid the groundwork for change in the workplace and her continuing work and determination would not allow us to become complacent about our achievements. This is particularly evident in her recent work on equity in Australian universities.

Dr Burton produced a number of major papers that continue to influence the development of women's policy at a national level and here in the ACT. Her 1988 paper "Redefining Merit" was the cornerstone for development of employment equity policies throughout Australia. This focus on merit and equity was a continuing theme throughout Dr Burton's career. She held senior positions in the New South Wales and Queensland governments, responsible for employment equity in the public sector. From 1993 she worked as a private researcher and consultant, undertaking university equity reviews and reviewing the Australian and New Zealand defence forces. More recently, Dr Burton undertook important work in August last year on behalf of the Office of the Status of Women on women in senior management and on the representation of women on Commonwealth and private sector boards.

Dr Burton was a passionate advocate for equity. She was a committed feminist who influenced policy-makers and profoundly influenced generations of women in this country. Tributes to Dr Burton have reiterated all of the above and have all said that she made a difference. Her work changed the culture of the work force across the nation and beyond. Dr Burton made a significant contribution to improving the position of women in the work force, both public and private. She was a tireless fighter for women's rights and she continued to fight that fight not only with the passion and determination that became her trademark but also she showed that she had very definite warmth and compassion. She was an inspiration to women everywhere and she will be deeply missed. I am sure that all members will join with me in expressing our deep sympathy to Clare Burton's family and friends, particularly her children, and in acknowledging the significant contribution she made to Canberra and the Australian community.

MR STANHOPE (Leader of the Opposition): Mr Speaker, on behalf of the Labor Party, I would like to join with the Chief Minister in expressing our deep regret at the untimely death of Dr Clare Burton. As the Chief Minister has said, Dr Burton was a true Canberran, having grown up in Canberra. Dr Burton was at the forefront of the

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feminist movement in Australia over the last 20 or 30 years. She was also a very significant player. She was part of the intellectual force that characterises feminism. In the debate on equality in Australia she was not just concerned with gender equity; she was very much concerned with race equity and equity within society and the community generally.

At some stages in my Public Service career I had an opportunity to work with Dr Burton. When the Federal Parliament undertook work on the equality of women in Australia and a major report was prepared and developed by the House of Representatives, I had first-hand knowledge of the significant role which Dr Burton played in the yet to be concluded move for genuine equality by women and other sectors of the Australian community. Dr Burton's death was unexpected - it was certainly untimely - and I join with the Chief Minister in expressing our deep sympathy and condolences to all those people that Dr Burton worked with over the years, the women of Australia and particularly Dr Burton's family.

MS TUCKER: I also extend sympathy to Dr Clare Burton's family and express regret at her death. Obviously Dr Clare Burton was an incredibly important person for women in Australia. I believe many of the battles that we thought we had won are just beginning all over again, particularly in the employment sector, with the increasing casualisation of the work force - of course, it is often women who experience that casualisation most - and the increase in part-time work.

While Dr Burton was always clear on the need for choice for women - it may well be the case that women choose to have part-time work - it is totally unjust and inequitable if that choice is not there and basically they get the scraps of employment in the form of casualised work or part-time work. We need to be very conscious of the issues that Dr Burton raised and we need to keep vigilant as a society to ensure that we do not regress even further.

Question resolved in the affirmative, members standing in their places.

ESTIMATES 1998-99 - SELECT COMMITTEE Report on the Appropriation Bill 1998-99 - Government Response

MS CARNELL (Chief Minister and Treasurer) (10.40): Mr Speaker, for the information of members, I present the Government's response to the report of the Select Committee on Estimates 1998-99 on the Appropriation Bill 1998-99 which was presented to the Assembly on 27 August 1998. I move:

That the Assembly takes note of the paper.

Mr Speaker, while I would like to thank the committee for its examination of the Government's budget estimates for 1998-99, I have to express the Government's disappointment with the report. It is financially irresponsible. Mr Speaker, I will not respond to the recommendations in this tabling statement. It is a long report and obviously it would take too long. They are outlined in the response.

However, I would like to take this opportunity to point out the implications of some of the committee's suggestions. The committee was opposed to the insurance levy. I am sure that some people will make that point in a little while. If we were to accept this, Mr Speaker, there would be a \$10m reduction in revenue, and a \$10m increase in operating loss in 1998-99; there would be a further \$10m operating loss in 1999-2000; there would be a further \$10m operating loss in the year 2000-01; and another \$10m operating loss in 2001-02. There would be, in total, a \$40m increase in the operating loss across the four years of this Government.

The committee was opposed to the entry fees for Floriade. If we were to accept this, there would be a \$1.2m reduction in revenue, and a \$1.2m increase in operating loss in 1998-99; a further \$1.2m loss in 1999-2000; a further \$1.2m operating loss in 2000-01; and another \$1.2m operating loss in 2001-02 - a \$4.8m increase in operating loss over the four years of this Government.

Mr Speaker, the committee has asked us to restore the Institute of the Arts funding. If we were to accept this, there would be a \$0.8m increase in expenditure, and a \$0.8m increase in operating loss in 1998-99; and a further \$1.2m operating loss in 1999-2000 - a possible total of \$5.2m over four years.

Mr Speaker, the committee has asked us to bring forward the Gungahlin library project, even before the feasibility study is complete. This comes from those opposite who speak ad infinitum about process. Here they want us to bring forward a project where the feasibility study is not complete. It seems process is to be followed only when it suits them, Mr Speaker. This will produce an additional capital cost of \$2.5m. Obviously there is the issue of recurrent costs as well, Mr Speaker. The list goes on. If the Government were to accept all of the committee's suggestions, the approximate impact on the operating result would be a further \$83m loss over the four-year period. I think I need to restate that - a further \$83m operating loss over a four-year period.

Mr Speaker, the Government had expected some positive contribution from the committee to improve the Territory's financial position. We had expected some positive suggestions to reduce the operating loss. It is disappointing that the committee has chosen not to endorse the revenue initiatives and the proposed expenditure reductions. It is disappointing that the committee has advocated further expenditure, without any offsetting savings. To sum up, it is disappointing, Mr Speaker, that the committee has chosen to support an easy - - -

Mr Berry: The Estimates Committee is not running the show; the Cabinet is.

MR SPEAKER: Order!

Mr Berry: We are happy to take it over, though.

MR SPEAKER: Order, Mr Berry! You will have a chance to respond in due course.

MS CARNELL: Thank you, Mr Speaker. To sum up, it is disappointing that the committee has chosen to support an easy but financially irresponsible path for the Territory. Where some of the committee members have attempted to provide suggestions, they reflect a real lack of understanding of the issues involved. For example, Mr Berry and Mr Corbell have failed to understand that the new fare structure for our buses is revenue neutral and will not affect the operating loss. Now, I do not know how often Mr Smyth has to say that, but those opposite obviously did not listen or did not understand. Those travelling longer distances will be paying more, but those travelling shorter distances will be paying less. This is only fair and equitable, but the Government does not generate any additional revenue from the new structure. I wonder whether they understand it this time, Mr Speaker.

Mr Berry and Mr Corbell have suggested that revenue measures were not required if the Government did not commit itself to expenditure on Bruce Stadium or the Feel the Power campaign.

They fail to understand that one is capital expenditure, which does not impact on the operating result, and the other is very minor. It includes things such as the export awards, the Telstra businesswomen of the year awards - things, I would have thought, that those opposite would have considered important. Most importantly, Mr Speaker, it simply does not do what those opposite or what Mr Berry and Mr Corbell said it would do.

Mr Berry and Mr Corbell claim that this Government has shown little public resistance to the unjustifiable \$10m Federal budget black hole payment. They continue to say that we just paid it back to the Commonwealth. We agree, Mr Speaker, that the payment is unjustifiable - as does the New South Wales Government and every other government in this country. We have written to the Federal Treasurer and to the Prime Minister. I have personally written and argued with the Prime Minister on this issue. In fact, I have done a lot more to resist this payment than those of the Opposition, particularly Mr Berry and Mr Corbell, have done. Mr Speaker, in the end, if the Commonwealth persists, as they have, we simply cannot withhold the payment. Those of the Opposition who understand Commonwealth-State relations - if there are any - would know that the Commonwealth would reduce our grants by the same amount. In fact, that is exactly what they have done. So again, Mr Speaker, their information was fundamentally wrong. Those opposite knew it was wrong because they have been told on many occasions. It was not even a misunderstanding, Mr Speaker; it was a misrepresentation.

Mr Speaker, Messrs Berry and Corbell have also included the \$2m for the Business Development Fund in our supposedly "wanton" spending. They fail to understand that this funding was provided in previous budgets and that this is now off-budget. Therefore, it is not in this budget at all. Messrs Berry and Corbell talk about flexibility in the ACT budget. I am sure they know that some 60 per cent of the budget is spent on health, education and community services alone. Their solution to the need to improve performance seems to be to spend more; whereas our approach is to seek continuously improved efficiency and better services to the community, to take the advice of organisations such as ACTCOSS and to make sure that our revenue efforts are at similar levels as those of New South Wales. In other words, we have pushed revenue and expenditure at the same time and that is a balanced approach.

To sum up, Mr Speaker, Messrs Berry and Corbell's comments lack credibility. This Government was elected on a platform of sound financial management. It was elected on a commitment to reduce the Territory's operating loss.

Mr Berry: No, you were not elected. You were appointed. You were not elected.

MS CARNELL: What were we elected on - on the fact that you were Opposition Leader? Mr Speaker, to deliver on that commitment, some hard decisions were required and we made those decisions. This is a tough but fair budget. This is a responsible budget. It is also a strong budget. It reflects strong economic growth and it represents a sound financial management plan. The 1998-99 budget presents a budgeted operating loss of \$139m in the general government sector. This is a \$75m improvement on the forward estimates for 1998-99, published last year. This is almost a 60 per cent reduction from the projected \$344m operating loss when we came to government. At the completion of the four-year plan in 2001-02, the budgeted operating loss is estimated to reduce to \$72m.

Mr Speaker, expenditure constraint and modest revenue growth from a broadening of the revenue base are the key elements that will reduce the operating loss. I would be fascinated to know from those opposite what other approach there is. They have never told us.

Mr Speaker, the budget provides for a significant investment to deal with the massive unfunded superannuation liabilities that have been the basis of many discussions in this place. The budget and forward estimates provide for \$200m towards meeting the cost of our accruing superannuation expense over the next four years. The budget also provides for \$80m for a major information technology modernisation program. This, Mr Speaker, will enable us to lead Australia in delivering quality services - something that I would have thought those opposite would have supported. But no. With the reform program currently in place, Mr Speaker, we expect to reap the benefits and to further strengthen the Territory's financial position over the next four years.

Mr Speaker, I wish to express concern that a number of the statements in the report reflect confusion - in fact, a lack of understanding of the accrual accounting and output budgeting framework. This is the third budget under the accrual framework. Over this time, the Government has made every effort to inform the members through presentations, briefings, offers of help - everything else we can possibly imagine - but, unfortunately, those opposite rarely take us up on those offers, probably because they are simply not interested.

Mr Speaker, I take this opportunity to offer further briefings and presentations for members on the framework. It is essential, and I believe it is a responsibility of everybody in this place, to understand the legislation that we passed - that is, the Financial Management Act. We should not have pieces of legislation that obviously a number of people simply do not understand. Contrary to the suggestions in the report,

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this budget ensures greater disclosure and transparency of the Territory's financial positions than before. Mr Speaker, our approach to budgeting is being adopted by every other State in Australia and the Commonwealth Government, so I found it very unusual for the report to be suggesting that we should be somehow reflecting the way the Commonwealth is budgeting - taking into account that they are moving to our style.

Mr Speaker, I commend to the Assembly the Government's response to the Estimates Committee report for the 1998-99 budget. I am sure it will be subject to much debate.

MR KAINE (10.54): Mr Speaker, I have to say that the response by the Chief Minister to the Estimates Committee's report is unacceptable. It seems to imply that nothing that the Estimates Committee has said or suggested to the Government is going to be in any way considered by them. As far as the Chief Minister was concerned, the Estimates Committee process has no value at all and all the recommendations that it has made, on the basis of what the Chief Minister just said, should simply be ignored. Mr Speaker, that, I believe, is an unacceptable response, particularly when the Estimates Committee's report deals with a budget that, despite the Chief Minister's assertions, has not been built on logical decision-making processes at all.

Some of the major matters reflected in this budget are matters of personal whim, or even pique, and I quote as an example the arbitrary cut from the arts funding. It is all very well for the Treasurer, the Chief Minister, to sit up in her office and say, "I have been having a fight with the university for some years over rates and, to get even, I am going to rip \$1.6m off their budget", because that is an easy decision to make without any regard whatsoever for what the impact of that cut will be on the budget. It is all very well then to argue after the event, "Why should we fund Federal institutions anyway?". That is the argument that we have been given. The fact is that many of the activities of the School of Art, the Institute of the Arts and the School of Music are not Federal activities at all. They are activities carried out on behalf of the community of the ACT. For the Chief Minister to say in a fit of pique, "Gotcha, to the extent of \$1.6m, Mr Vice-Chancellor of the ANU", simply is not good enough.

Another matter that the Chief Minister referred to is the iniquitous insurance levy. The Government decided, apparently, that it wanted a \$10m a year increase in revenue, so it cast around to look for an easy way of getting it. It is not going to be an easy way because that legislation, when it comes up for debate, is going to be proved to be inequitable, grossly unfair and, in fact, based on an attempt to deceive the people, who are going to have to pay the levy at the end of the day, as to what it is all about. It is a poorly thought through proposal, Mr Speaker, and the architects of it ought to be ashamed of themselves - that is all I can say. But, of course, the Chief Minister is going to argue that there was no other way of raising this money; it was bringing us into line with New South Wales.

Ms Carnell: It does.

MR KAINE: All I can say, Mr Speaker, is: Hogwash, absolute hogwash. There are other ways and better ways and fairer ways - not based on any deception whatsoever - that put the facts quite squarely to the people who are going to have to pay it. Incidentally, there ought to be some justification as to why this amount of money needs to be raised other than by the normal means that have been available to the Government until now.

I just do not accept, because the Chief Minister tells us or because Mr Moore supports her in telling us, that we need an extra \$10m for emergency services. Nor do I accept, Mr Speaker, that this unfair, inequitable levy through insurance policies is a fair or reasonable way of raising it, even if the extra \$10m revenue were justified. For the Chief Minister to come out with all guns blazing and say, "The Estimates Committee system did not work; it is a waste of time; we are not going to take any notice of any of the recommendations that it made", I think, says something about the insecurity of this Government that believe they cannot allow the slightest dint in their armour because it will reveal some sort of a weakness.

Mr Speaker, for the first time in 10 years I was not a member of the Estimates Committee this year, but I did sit in on some of the sessions. I thought that the processes of the Estimates Committee were reasonable - no different from what has happened in previous years, although the Chief Minister has attempted to show that they were unusual this year, they were different. One can only conclude that, because the Chief Minister asserts the process was different, it was therefore unacceptable in some fashion.

The Estimates Committee did what it was established to do. It shredded out the budget, it questioned Ministers and officials strenuously and vigorously on what was contained in the budget, and it exposed some weaknesses in the budget. As I suggest, it exposed some whim, some personal whim about the budget, and I believe it has done an excellent job. I believe that the Estimates Committee report should have been given far more consideration by the Government than it seems prepared to give to it. Just shrugging it off as of no consequence is not a good enough response, Mr Speaker.

Mr Moore: It is not shrugged off.

MR KAINE: Little Sir Echo over here who last year was ripping the Government to shreds on its budget has taken up a new tune this year, has he not, Mr Speaker? Talk about the two lovebirds in the cage chirping to each other! Mr Speaker, I have to put on record my dissatisfaction with the Government's response to the Estimates Committee report. All I can say is that the debate over the next couple of days on such things as the Insurance Levy Bill and the Appropriation Bill is going to be a fairly interesting experience. I do not think that the Chief Minister is going to be able to shrug these issues off, as she seems to be attempting to do.

MR MOORE (Minister for Health and Community Care) (11.01): I cannot miss the irony of Mr Kaine saying that I am doing the opposite when his performance was not exactly the same as the one that he delivered last year. As far as I am concerned, the Government has taken the report of the Select Committee on Estimates very seriously.

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Indeed, the majority of the responses are positive ones - things that we will do and things that we have taken on. I do not particularly like some of those in my portfolio area. However, the Estimates Committee has suggested that the Government do things and I believe we have responded positively where at all possible.

There is still the overriding issue that the Chief Minister spoke of - the operating loss that this Territory runs. We have been running a \$150m operating loss. I made my commitment prior to the election that I would do what I could to address that, as indeed I know Mr Kaine and other members of this Government did. This Government is determined to do what it can to address that operating loss. Unfortunately, that will mean some hard decisions have to be taken. Mr Kaine, I recall that when you were Chief Minister and I was on an Estimates Committee cross-examining you there were times you said to me, "Mr Moore, some hard decisions have to be made here. We are newly into self-government and there are some financial issues that are going to get harder and harder for this Territory".

Mr Kaine: This is 10 years on, mate.

MR MOORE: Although I argued with you strenuously at the time, I must say I respected your approach because it was open and the community knew where you were going with those issues. You correctly point out now that it is 10 years on. Unfortunately, Mr Kaine, over those 10 years we still have not been able to get our financial circumstances in as good a condition as they should be. We still have a significant operating loss. This budget goes to addressing that operating loss and should continue to address that operating loss. At the same time, we seek to ensure that we have a caring and clever approach to the way we are dealing with things. We could have dealt with the operating loss in one fell swoop, but the damage that would have done to education, health and a range of other issues clearly would have been entirely inappropriate and would not have allowed us to show genuine care in the areas that are most important.

Mr Speaker, I am determined to ensure that we can get the best possible health care for people in the ACT, that we can have the healthiest possible society and, in so doing, that we respond, where possible, to the Assembly. There will be some differences of opinion about what is the best way to deal with it. When I sat where Mr Rugendyke is sitting now, on the crossbenches, and I drew attention to the things that I opposed in the Government's budget when you were part of the Government, Mr Kaine, I also said, "However, the Government is entitled to its budget". The Government is entitled to its budget - I think, Mr Kaine, that is something we would agree on - and the budget is the role of the Executive.

Now, that does not stop you criticising the Government in the way that you have on things such as the Institute of the Arts and the insurance levy, but in the end those are decisions that a government is entitled to make because the way we deal with the separation of powers, the way we have operated in this Assembly, ensures that the Government makes those decisions and wears those decisions. You do not have to wear it and it is appropriate that you criticise. It is appropriate that Mr Rugendyke and Mr Osborne criticise those areas. But, in the end, it is also a case of a higher order principle recognising that the Government is entitled to its budget and can proceed with it.

It is a process that I have used myself in the previous seven or eight budgets in this Assembly. Mr Kaine, you will remember that I was very critical of a number of issues that you raised as budget matters in your budgets when you were Chief Minister. I am sure Mr Wood and Mr Berry would remember similar situations when they were Ministers in a Labor government. I believe that the Government has bent over backwards to respond positively to the Estimates Committee where it could. But, in the end, the Government has clear-cut responsibility for managing the money within the community. That is our role. That is why we, as a Cabinet, have taken hard decisions on this and it is why we will continue with those decisions. I think it is a responsive approach to the select committee, in as far as we possibly could, but there are still issues that we have to take responsibility for, which we are doing and will continue to do.

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

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

That the resumption of the debate be made an order of the day for consideration immediately after the resolution of any question relating to the conclusion of consideration of order of the day No. 3, Executive business, relating to the Appropriation Bill 1998-99.

JUSTICE AND COMMUNITY SAFETY - STANDING COMMITTEE Scrutiny Report No. 7

MR OSBORNE: Mr Speaker, I present Scrutiny Report No. 7 of 1998 of the Standing Committee on Justice and Community Safety performing the duties of a scrutiny of Bills and subordinate legislation committee. I ask for leave to make a brief statement on the report.

Leave granted.

MR OSBORNE: Mr Speaker, I wish to clarify one point. I do not want to pre-empt any future debates, but since the Health Regulation (Abortions) Bill was tabled a number of members of this place have said on TV and elsewhere that the Bill is flawed. The impression they have been giving is that it is flawed from a drafting perspective. Mr Speaker, as I said, I do not wish to pre-empt the debate, but the issue was raised and the question was asked of our legal adviser today whether, from his perspective, the Bill was flawed. His response, basically, was no; there are one or two minor areas that need to be clarified but, from his perspective, from the scrutiny of Bills committee's perspective, the Bill was not flawed.

Mr Speaker, as with most Bills, if you do not agree with them, they are certainly flawed. I would ask, from the perspective of the drafter, that when members speak about this Bill they get the message across that it is flawed because they do not agree with it, not because it has been badly drafted. When people are looking for excuses not to back the Bill, the fact that the Bill is flawed is not one of them. I commend the report to the Assembly, Mr Speaker.

STAMP DUTIES AND TAXES (AMENDMENT) BILL 1998

Debate resumed from 25 August 1998, on motion by **Ms Carnell**:

That this Bill be agreed to in principle.

MR QUINLAN (11.10): Mr Speaker, the principle behind this amendment is to protect the Territory against some poor definitions in existing legislation which have come to light as a result of a case - a Victorian case, I understand - that was lost. It appears to be a purely housekeeping measure to strengthen the Bill to ensure that the Territory does not miss out on revenue. Therefore, we support the Bill.

MS CARNELL (Chief Minister and Treasurer) (11.11), in reply: Mr Speaker, the Stamp Duties and Taxes (Amendment) Bill 1998 makes, I think, important amendments to existing legislation. These amendments, as we have all said, were necessary in removing uncertainty for taxpayers about the validity of stamp duty to be collected by the ACT for share buyback transactions. Mr Speaker, I think it is always appropriate for governments to take appropriate action when these sorts of situations potentially arise, rather than sit on our hands and hope for the best. I thank members of the Assembly for their support on this legislation and for ensuring that ACT revenue is supported.

Question resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

INSURANCE LEVY BILL 1998

Debate resumed from 25 June 1998, on motion by **Mr Humphries**:

That this Bill be agreed to in principle.

MR QUINLAN (11.12): The Opposition does not support this Bill. The Government has tried to sell its budget to the people of Canberra as “clever” and “caring”, but these are just words - the same propaganda as people are now beginning to see through and are rapidly tiring of. This budget has been shown up as neither clever nor caring. Perhaps no measure in the budget fails the criteria more obviously than does the Insurance Levy Bill. “Dumb” and “insensitive” are the words that spring to mind when one considers this particular revenue measure.

This Bill is designed to raise \$10m - \$11m if you include stamp duty. It has been rationalised as paying for emergency services, specifically fire services. It should be made clear that this is simply misleading labelling. Misinformation has become the hallmark of the Carnell Government. This money is not paying for an increase in emergency services. The measure is a tax - no more, no less - and it is an unfairly applied tax. That is our primary objection to it. It is the inequity of the tax. The money they expect to raise from this Bill goes to Consolidated Revenue, not into extra services. There is no evidence of even one extra firehose. This immediately begs the question, which has been asked by very many people who have contacted my office: "Have we not already paid our taxes or our rates?". It is a very valid question, one which the Government has to answer without the charade of the claim that the levy is to provide emergency services. So much for clever!

Where the Government is most culpable is in its complete and utter lack of consultation with either the industry or the people of Canberra. The lack of consultation or even contact with the peak insurance body - the Insurance Council of Australia - was never more evident than when, during estimates, the Chief Minister, the Under Treasurer and the chief executive of the Chief Minister's Department assured us that the ICA was misleading us about the fact that South Australia and Western Australia were abandoning insurance-based levies.

Mr Speaker, at the estimates hearings I was able to table a press release from the South Australian Government saying - surprise, surprise! - that they were abandoning the levy, that the insurance-based system leads to a situation where pensioners who insure their homes are subsidising uninsured businesses who enjoy the same use of emergency services when the need arises. They said they realise that this levy is an inequitable tax - an obsolete tax - that will be abolished. To compound their embarrassment I also have a letter from the Western Australian Emergency Services Minister - Mr Humphries's counterpart - in which he describes his own review of this form of taxation. It reads:

The purpose of the review was to seek to remove long standing anomalies and inequities with this funding approach that has generally been agreed as no longer appropriate to the operation of good public policy in today's climate.

I would say that is fairly unequivocal, clear enough for even this Government to mentally assimilate. It is also important to point out that this is not coming from lobby groups with special interests, but from a government - a Liberal government - seeing the light. To say this Government do not do their homework, do not consult, is an understatement. However, they did grudgingly accept Queensland had abandoned the insurance-based levy. They got rid of it years ago. I understand Victoria and New South Wales are looking for ways to also do away with the tax.

The lack of consultation is an unfortunate characteristic of this Government. The list of examples is growing. In fact, I have to report to the Assembly that I have been informed by several people who have rung that they phoned the Chief Minister's office to either ask questions about the levy or to simply register their disappointment and all were fobbed off, being told, "The decision has been made". That is all these people got: "The decision has been made and that is all you need to know". That sort of comment is totally inconsistent with the phoney image of openness and willingness to consult that has been peddled by the Government's publicity machine.

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Another significant understatement would be to say the ACT Government was going against the trend. There are many reports going back 20 years which all describe the inequities and unsustainability of this type of tax. But allow me to quote from the most recent interstate report, completed in May this year:

At least five reviews conducted over the last 20 years have concluded that the current system for funding the delivery of emergency services in South Australia is inequitable, inefficient, lacks transparency and impedes the capacity of Emergency Service to deliver services to the community to meet genuine needs.

The Steering Committee (the Government sponsored Steering Committee) is of the opinion that the facts are unarguable. The current funding arrangements clearly are inequitable and unsustainable. Being based largely on an insurance premium levy, people who fully insure are subsidising those who do not fully insure. Property holders who choose not to insure are also choosing not to make a fair contribution to the cost of protecting their lives, families, property and the community and environment in which they live.

Everyone in the community has a right to expect access to affordable services (universal access) for the protection of life, property and the environment, and everyone has a responsibility to make a reasonable contribution towards the cost of doing so.

But the ACT Government would not know anything about this because, quite evidently, they did not make the effort to find out. They were preoccupied with finding a name or a label to give an additional form of taxation.

This Government consistently rely heavily on consultants. They will no doubt be moved by the recently released Arthur Andersen report, commissioned by the Insurance Council of Australia, that examined the ACT Government's proposal and concluded:

It is our opinion that the policy underpinnings of the proposed ACT legislation are inappropriate, out of step with community requirements and expectations and contrary to the consistent acknowledgment throughout most Australian jurisdictions that insurance-based funding of emergency services produces outcomes which are inequitable, unfair and inefficient.

It is clear to any objective observer that this type of levy is unfair, inequitable and ill-considered. There is no avoiding the fundamental flaw that people who do insure are subsidising those who do not and those who underinsure. Everybody is a potential user of emergency services - not just those who insure. At this point I will read from a letter to the editor of the *Canberra Times*. It purported to be a leaked document, but it was obviously a parody on the Government's current approach and deserves to be aired. It reads:

In future, sectional taxes linked to user-pays rules will be imposed. These will be discriminatory but as that is a difficult word to spell, it should not be used.

As already announced, those carrying fire insurance will pay a tax additional to stamp duty already charged. This will pay for counselling firemen who inadvertently attend fires at uninsured premises.

There will also be a tax on the cost of tickets to any music, theatre, art or craft event to fund the electrified fence being erected so that cultural lobby groups cannot annoy members of the Assembly. Pensioners will also be levied for their excessive use of the ACTION bus service, the income providing needed tyre recaps.

Other sectional taxes will be advised after Assembly Members have been levied to pay for spin doctors to work up rhetoric justifying the imposts. It should be noted that no levies whatever will attach to government-approved sporting events, tourist attractions and bottom-line seminars.

That is indicative of a growing feeling out there in the community about the way the Government is badgering and passing on taxes. This letter is one of many written to the paper protesting about the insurance levy and several other issues relating to Floriade, the bus service, car registration, Feel the Power - to name a few - but it deserved a bit of an airing. The effect of the policy measure at hand is that there will be a number of people who simply do not insure. This is something that the Government has scoffed at at times, but I have had numerous calls from people who have said they will not be able to afford insurance policies: Mr Cameron from Giralang; Mr and Mrs McLean from Fadden; Bruce and Gail Watson from Wanniasa; Mr Marmon from Scullin; Mr Lambert from Garran; Ms Grothoff from Ngunnawal; Mrs Gordon from Banks; Mr Wilson from Kaleen; Mrs Vincent from Curtin who is on what used to be called an invalid pension; et cetera. Many of these people are on pensions of one sort or another and are struggling. A fair proportion of them will simply not insure.

Mr Humphries: That is what you think.

MR QUINLAN: That is what they have said. If you are going to add a levy, the price goes up.

Mr Humphries: By how much though?

MR QUINLAN: You put something on top, the price goes up.

Mr Humphries: Yes, by how much? You do not know.

MR QUINLAN: You did not know either and you - - -

Mr Humphries: They do not know either. It will go up by less than it did in New South Wales.

MR QUINLAN: So much for your consultation with the industry to find out what the hell you were doing in the first place. On top of that, the Property Owners Association of the ACT agrees that a significant number of people will not renew their policies. Simply, they will not take out insurance. The result of that, in the long run, could be quite tragic. Governments should not be responsible for a measure that forces people to forgo insurance and to leave their own assets at risk, particularly in light of the growing crime rate in Australia. They have to leave their assets at risk because they are at the margin. I understand that this Bill may also impact upon car insurance premiums, on top of the increase in registration fees. People are beginning to express their deep resentment. Mr Speaker, the effect of this Bill on domestic policyholders is serious. I think the Government, particularly the crossbenchers, should take note of that and it should take note of the groundswell against this particular levy.

Let there be no mistake, Mr Speaker: Business will also suffer. I have a passing familiarity with business in Canberra. I know a number of businesses are worried and concerned about this Bill. To give members an idea of the impact on business of this particular measure, the Tuggeranong Hyperdome shopping centre assesses that its premium is likely to increase by \$60,000 per year. That is its calculation.

Mr Humphries: That is not its calculations. It is the Insurance Council's calculations. It is a scare calculation.

MR QUINLAN: Let me say it again: \$60,000 per year. Obviously the mall owners at the Hyperdome are going to try to cover that additional \$60,000. The chain stores within those malls have the clout, so guess who is going to cop it in the neck? It is going to be the small business people in the malls who pay premium rent in those malls. The trickle-down effect is highly likely to be even greater than the proportion estimated by the Insurance Council.

Mr Speaker, I would ask members to seriously consider not supporting this Bill because, in the end, the consumer will be paying for it. It is a form of taxation that is inequitable. It is a form of taxation that will have a negative effect upon business. There are not too many pieces of government legislation that evoke a reaction like this one did, so I suggest to the crossbenches that they take note of the public reaction that has flowed from this particular Bill and they vote it down.

MR KAINE (11.27): I think my earlier remarks in connection with the Estimates Committee report foreshadowed that I was going to oppose this Bill. This Bill, by whatever name, is taxation by stealth; it is taxation by deception; and it is taxation by a government that really has not thought through the consequences of the legislation. It is sloppy legislation because the Government has applied absolutely no intellectual rigour to the question at all. Not only is the Bill taxation by stealth, Mr Speaker, but also when it was presented to this place nearly three months ago, it was presented in a stealthy way. The Minister's tabling speech described this as a levy on insurance companies. No citizen who read the Minister's speech in June when this Bill was tabled would have assumed that this was going to translate into additional costs to them. It was described as a levy on insurance companies.

What is the justification for this levy, Mr Speaker? The justification, according to the Minister's speech, is that it will reduce the call on the wider Consolidated Revenue to maintain emergency services and to finance improvements. In other words, when you have paid all your taxes and it has all gone into Consolidated Revenue, do not think for a minute that that entitles you to have a fire truck arrive at your door when you have a fire or to have an ambulance arrive at your door when you are ill because, according to the Minister, it does not entitle you to that at all. Accordingly, it is unreasonable to expect that those services will be provided out of Consolidated Revenue. That is where all the taxes go in the first place.

The Government has made a decision that these emergency services will not be provided after people have paid all the taxes, which they are duty-bound to pay. They will now be asked, through this backdoor method, to pay an additional tax. But the Government says, "We will not call it that. We will leave the impression that it is the insurance companies themselves that are going to be paying this tax, not the premium payers". Mr Speaker, it is taxation by stealth; it is taxation by deception. The response from the Opposition is quite accurate.

The business community and property owners have objected to this measure, but the biggest objection has come from older, retired people. That is where the majority of the opposition has come from. By imposing a tax in this form those people can expect no relief whatsoever. There is no way that the insurance companies, when they are passing this levy on to their premium payers, are going to say to the senior citizens, "Well, you do not have to pay as much as everybody else. You are entitled to a concession". It is a function of government to make that sort of concession, but they have successfully foisted the responsibility onto the insurance company - if this legislation goes through.

The number of phone calls and letters that I have had from senior citizens distressed by this measure is astonishing. I wonder whether the Minister has received similar letters and telephone calls and whether, as the Chief Minister did with the response to the Estimates Committee report, he has simply shrugged these things off as being irrelevant - that these people do not count in the scheme of things; it does not matter if the retired pensioner cannot afford the extra costs of insurance. Quite frankly, they cannot afford not to take out the insurance because, if they lose their possessions through a fire or something of that kind, they simply do not have the resources to replace them. They are caught between the proverbial rock and the hard place. These people are being forced by the Government to pay a significant increase in their insurance premiums and, frankly, they cannot afford to make those payments. Does this have any impact on the Minister? Not at all, because the Minister did not think it through.

There is another element of unfairness here which the Minister might care to comment on. It has been put to me that people who live in residential properties that are run by a body corporate are going to be treated as commercial enterprises and are going to suffer the commercial rate of increase rather than the residential rate. A very large number of people in this city live in townhouses that are part of bodies corporate. Are they - the Minister might give an assurance if it is not the case - going to sustain a significant increase even though they are only living in residential units that happen to be part of a body corporate? What is the justification for that?

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It has been put to me by a concerned person that this is, in fact, the interpretation by the Government. If that is the case I think the Government needs to have a rethink because a very large number of people who merely live in their own residential unit are going to be paying commercial rates.

Mr Speaker, this legislation has been universally rejected by business, as I have said, by property owners and by individuals. It is basically inequitable because the non-insurers do not pay at all and the underinsurers pay less than their share. How the Government can conclude that this is a fair way of increasing their revenue is absolutely beyond me. Mr Speaker, I think it is incumbent on the Government, if they are going to impose a new tax, first of all, to state publicly that they are doing so, so everybody knows that it is a tax, and, secondly, to impose it in a way whereby the burden is carried by all of those people who should carry such a burden - that there is no doubt in anybody's mind as to why they are paying the tax and what they are going to get for it. This is not such a case.

A much fairer way - and it is obvious to anybody who thinks about it for five minutes - if the Government is determined to raise \$10m by an extra tax, would be to do it simply by putting a levy on people's rates bills. That way there are no shirkers. Everybody pays rates either directly as property owners or through their rent if they happen to be renting. Everybody picks up their fair share of the burden. There are no shirkers. There are no people paying more than they should because some people are paying none at all or less than they should. It is an outright tax, which is what this measure is, and the burden is expressed fairly.

The Government has to justify to our ratepayers - 100,000 or so of them - that they should have to pay, after having paid all the rates and taxes which we are called upon to do every year. If they can convince those people that, having paid all those taxes, they should make an additional payment to guarantee that there is a fire truck or an ambulance at their door when they need it - I think it is going to be pretty hard to convince them of that - they can then justify their position, in my view. To simply say, "It is unreasonable for you taxpayers out there to expect the fire truck or an ambulance simply because you pay all your taxes, because it goes into Consolidated Revenue and is therefore somehow no longer available for the payment of those emergency services" is a convoluted, unconvincing argument. Mr Speaker, I will not support this tax because, basically, it is an unfair tax. It is a stealthy tax, it is a deceptive tax, and I will not support it.

MS TUCKER (11.36): I support the sentiments of the Opposition and Mr Kaine on this insurance levy. This levy is inequitable and significantly flawed. It will force Canberrans who are responsible and insure their homes to foot the bill for providing emergency services. This type of tax has been seen to be inequitable across most States of Australia. Queensland has abandoned the tax, and South Australia is in the process, as is Western Australia. The Northern Territory does not have one, and New South Wales and Victoria have both conducted inquiries concluding the inequity and inefficiency of such a tax.

It is really concerning when we see from this Government the argument put, when it suits them, that because New South Wales does something therefore we should. It says we should get in line with New South Wales, as if that is somehow an argument of substance on important issues to the community. Occasionally it might well be of some importance, but it is very concerning to see how often it is used to support policy initiatives of this Government which really need a much stronger argument than that. It is rather insulting, in fact, that that argument is offered.

I believe, considering the information, that the Government has basically taken the easy way out without examining other funding arrangements. There has been considerable community concern, as other members have said, particularly from the elderly. I recall that in the Estimates Committee the Council on the Ageing expressed concerns on behalf of their membership about the impost of additional insurance costs and what that would mean for them. It would mean, for many of them, that they could no longer afford to insure.

The Insurance Council reports that average residential premiums of \$500 would increase by \$100, and a business premium of the same value would increase by \$200. Furthermore, it is reported that up to 31 per cent of Australians have no household insurance, and up to 43 per cent of those insured are significantly underinsured. In business, 20 per cent have no insurance, and 50 per cent are significantly underinsured.

If the Government wants to raise taxes it should be up front about it. The Government should have looked at a tax that was applied to all home owners. Considering these statistics, it would have been considerably less for individual households if that had been the case, as everyone would have been contributing.

Naturally, one thinks of an increase in rates. Even though this would be fair and the individual burden would be less, there is obviously no way this Government would look at such a proposal because they are continually telling us that they would not support an increase in rates. That is why, I guess, there is such outrage in the community about this. It is in fact, as Mr Kaine said, an increase on the community. It is a tax. It is a sneaky way of raising revenue, clothed in the rhetoric of a levy on business, as if it is not going to have any consequences for members of the community.

It is very interesting, Mr Speaker, to see how, when it suits the Government, they will hypothecate funding measures to a particular outcome. It is interesting to see how that is done by governments and how they try to make a tax more saleable. I read a book on gaming or gambling in the United States where they have done that a lot. They have tied revenue from gambling to things like education. In a way they are co-opting groups of the community because they feel that they need that revenue for education, but they are not actually supportive of the source of the revenue. It is a tactic that is being used by governments around the world more and more.

This Bill is not quite as extreme as that, but the Government is implying that if we oppose this we are not going to have these basic services, these emergency services; that we need this levy to achieve them, as other members have pointed out. Most members of the community thought that was a pretty fundamental service that would come to them from Consolidated Revenue through the normal revenue-raising measures of government.

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This levy is also very offensive because it does hurt those who are least able to pay, particularly the elderly, as I said, but other families too. The insurance bill is a very big bill for a lot of families in our society. More and more people are experiencing poverty. There is increasing unemployment and an increasing gap between the rich and the poor. This is another measure which, I believe, is making it more difficult for an increasingly large group of people in our community to survive. The bills are just getting too big and too many.

There is also, of course, the point of consultation and the process here. How this policy was decided upon is of grave concern to the Greens. We echo other members who have spoken today when we say that we would expect, if there was going to be this kind of policy, to be consulted, and that the community would expect to be consulted. In fact, if the Government had done that they probably would not be looking as silly as they are looking today because they would have realised that this was a really bad policy and it would not go down well. The really unfortunate thing, of course, is that it is probably going to get up because Mr Osborne and Mr Rugendyke are so quietly and consistently supportive of this Government. It means, therefore, that this Government can basically do as it will.

Mr Moore: It is the budget. Does the Government have a budget or not?

MS TUCKER: Mr Moore interjects, "It is the budget". He knows as well as anybody - he used that power himself when he was in the position of Mr Osborne and Mr Rugendyke - that they have incredible power that they could be using to influence the Government when they go the wrong way. It is pretty clear that most people in the ACT think this is the wrong way.

Mr Moore: Not in the budget.

MS TUCKER: Mr Moore interjects, "Not in the budget". I am sorry, Mr Moore; most people in the community think that you held this Government to ransom on the budget over education. It was a bottom line that you put. There is an opportunity for members of the crossbench, if there is real openness, to challenge the Government at any point and say, "Sorry, this is not acceptable". This could have been said. But perhaps Mr Rugendyke and Mr Osborne were not consulted on this matter before the budget either. Then, as Mr Moore says, "This was something that came out of the budget that they had no knowledge of"; in which case, what a lot it says for how consultative this minority Government is with the crossbench that it depends on to stay in power.

We will not be supporting this inequitable and inappropriate tax.

MR MOORE (Minister for Health and Community Care) (11.44): I must say I am surprised that the first time that Mr Kaine has the opportunity to speak on a budget Bill, although earlier in the day the Stamp Duties and Taxes (Amendment) Bill went through without his - - -

Mr Kaine: I take a point of order, Mr Speaker. This is not a budget Bill. It is an Insurance Levy Bill. If the Government wanted it to be a budget Bill they could have called it a tax Bill, but they chose not to. It does not affect the budget. The Chief Minister and the Treasurer can raise the \$10m in some other fashion which would be acceptable to this place. It is not a budget Bill. Do not let us be confused by that. On the very first opportunity that Mr Kaine has to speak on a budget Bill - this is a budget Bill, Mr Speaker - he turns around and says, "No, I am going to oppose this budget Bill". This is the same person who said he would support budgets.

Ms Tucker: Why was it not debated before the budget?

MR MOORE: Ms Tucker is in exactly the same situation. They do not seem to understand the significance of the separation of powers, the way the Executive operates here, and the responsibility of the Executive to put the budget together.

Ms Tucker gave an example and said, "Well, Mr Moore used to hold the Government to ransom". There is a major difference, Ms Tucker. I made it very clear to a government before it ever started putting its budget together that I would take the government out on a single specific issue because I thought it was of such significance. I said it at the election and I said it prior to any budget ever being put together. I continue to say it; that if a government cuts the education budget then, as far as I am concerned, I will not have confidence in that government.

That is very different from saying, "The Government has now introduced a budget Bill. We will oppose its budget and we will oppose this budget Bill". If this budget Bill was lost that could not be considered anything other than a vote of no confidence in the Government. So you would expect the Labor Party to put that up. I accept that. That is their role. They are the alternative government. They are seeking to be the government. If they could find a way to roll the Government on such a matter, that would be entirely appropriate. But a crossbench has a very special sort of responsibility, as I said, and this is not a new argument for me. I have argued it on many occasions before. I am just disappointed that Ms Tucker and Mr Kaine do not see.

I understand that Mr Kaine's argument here is slightly different. He is saying that this is not a budget Bill, and I can hear that. I disagree with him. I believe it is a budget Bill. I see it as a budget Bill because it is a critical part of the Government raising \$10m in order to deliver a balanced budget. It is a budget that takes on the responsibility, in a caring way - not just for now but for the future - of reducing the operating loss - - -

Mr Quinlan: It is inequitable.

MR MOORE: Mr Quinlan, I can hear you interjecting, but remember that what you and your party proposed prior to the election and during the election was a system that would simply not address the operating loss. Members of your party even said, "What the heck, we will just increase the operating loss". In other words, they would pass this on to future generations for our children. Now that you have a different group of people elected, I am sure you will be able to think through that and realise what a silly approach it was. What I said during the election personally was that we ought to be attacking

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the operating loss. What my colleagues in Cabinet said, and what I believe Mr Kaine said as well, during that election campaign was that we ought to be tackling the operating loss. It is something that we could not ignore. Your side of politics over there said that you were happy to ignore it. You had a different approach.

The responsibility is very clear here. The responsibility on the crossbenches is very clear. There is a responsibility to support a budget Bill. It is always easy for the crossbenchers to say, "Well, we do not like this. We do not like this one. Therefore we are going to vote against it". Take some genuine responsibility about it and realise that when a government puts its budget together there is an integrated set of circumstances; it is a way of dealing with money. When we look at the Estimates Committee's report, it is always easy to spend money. There are always ideas about how to spend money. The difficult part is raising the money and keeping the budget in a reasonable set of circumstances so that, in the future, when our children and their children are dealing with issues of state and making such decisions, they are not encumbered by huge debt. If things are left as they are, in the way you would have done, that will be the result.

MS CARNELL (Chief Minister and Treasurer) (11.50): Mr Speaker, let us talk about equity. I think it is a very important issue here. I am fascinated by the argument that Ms Tucker and those opposite put on what would be an equitable way to levy this \$10m. We have not heard exactly what they think would be equitable. What I have heard today from the people over on that side who have spoken is that it is inequitable because it only hits people who insure. Therefore, we should hit everybody. It is inequitable because people who - - -

Ms Tucker: If you are going to do it you need to hit everybody.

MS CARNELL: Sorry?

Ms Tucker: If you are going to impose it. That is the argument that has been put. Your choice.

MS CARNELL: Okay. No, no. The ACT budget needs the \$10m. I assume that everybody, including Mr Kaine, would accept that we do need to address the operating loss. The argument that those opposite have run is that is inequitable, not that we do not need the money. Not even Ms Tucker said in her speech that we do not need the money. She said it was inequitable. Mr Quinlan said it was inequitable. Mr Kaine said it was inequitable. So what did they say? Did they say that we should have a poll tax? Bring forward the legislation. Roll it in. That would be equitable, would it not? We could hit every household in Canberra with the same amount of money.

Mr Kaine: I take a point of order, Mr Speaker. The Chief Minister obviously was not listening. I did make a proposal, and that was that there be a levy on the rates bill. That is not a poll tax.

MR SPEAKER: Very well. There is no point of order.

MS CARNELL: Mr Speaker, I was getting to that, and it is not a point of order. There were two things said. One was that it was inequitable and everybody should pay the same. I think that was Mr Quinlan's approach, and I suspect it was Ms Tucker's approach. If everybody paid the same, Mr Speaker, it would mean that people in Forrest pay the same as people in Banks. It would mean that the Tuggeranong Town Centre pay the same, maybe, as the Fyshwick Markets. Mr Speaker, that is ridiculous stuff. It certainly is not equitable. But if those opposite want to bring - - -

Ms Tucker: Not necessarily so.

MS CARNELL: Excuse me, Mr Speaker - - -

Mr Kaine: And that is a pathetic interpretation of what we said.

MR SPEAKER: Order!

MS CARNELL: Mr Speaker, shall we get to a percentage on rates? I am happy to address that one as well. That would be the only other way to go if those who have spoken have any basis of credibility as well. What is our rates bill based upon? The majority of our rates bill is the unimproved capital value. It is the unimproved capital value; not the house that is on the block, but the block itself. Are they now suggesting, Mr Speaker, that somebody with a \$2m house should pay exactly the same as somebody with a \$100,000 house if they happen to be in the same rating area, which in Canberra happens all the time? Are they saying that people in ex-government houses in Red Hill should pay exactly the same amount as the people in the couple of million dollars touch around the corner, Mr Speaker? Is that what they are saying? Well, they have to be saying one of the two.

Mr Kaine: No, that is not what we are saying.

MS CARNELL: They have to be saying one of the two. They either have to be saying that we have a poll tax, where everybody pays the same - - -

Mr Kaine: Absolutely not. Nothing is ever all black or all white, Minister, and you know it.

MR SPEAKER: Order!

Mr Kaine: That is how you think, obviously.

MR SPEAKER: Chief Minister, you have the floor.

MS CARNELL: Sorry, Mr Speaker, it does not show. Mr Speaker, there are only two approaches that those opposite and Mr Kaine and Ms Tucker have spoken about. Yes, a percentage on rates is possible. If Mr Kaine or Ms Tucker - - -

Mr Kaine: Mr Speaker, the Chief Minister is misrepresenting and distorting what I said. I did not say a percentage on rates. I said a levy on rates.

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MR SPEAKER: Order! Mr Kaine, you will have the opportunity either to seek leave to speak again or to make a personal explanation under standing order 46.

MS CARNELL: Mr Speaker, if Mr Kaine is saying a levy on rates, we are getting back to the poll tax. We are getting back to a levy, an amount of money on everyone.

Mr Kaine: No, we are not. Rubbish!

MS CARNELL: There is not another way to go. You can only have it as a percentage or as a flat amount. There is not another way to go. Just because those opposite have not thought it through is not my problem, Mr Speaker, it is theirs. Mr Speaker, we can have a levy. That is not a problem. If those opposite want to bring it forward we will look at it seriously, although I have to say I would be very interested to know what those - - -

Ms Tucker: It is a pity you did not do it before.

MS CARNELL: I think it is a dreadful idea.

Ms Tucker: It is a pity you did not ask for other input before.

MS CARNELL: Mr Speaker, I think it is a dreadful idea, but if Mr Kaine wants a levy on rates, as he said, a flat amount no matter whether you live in Banks or Forrest, let him bring that forward. That is what a levy is. Alternatively, we can have a percentage on rates. That again ends up with the inequity problem, Mr Speaker. We do have a flat charge, but our rates, predominantly, are still based on unimproved capital value. Again that means that no matter how big your house is or whether you have lots of antique clocks in it that you are insuring, you will end up paying the same. It will not matter what you are insuring; what will matter will be the unimproved value of the bit of ground you are on. Mr Speaker, I cannot believe that those who get up in this place time and time again and try to speak about equity and equality think that that is equitable. Mr Speaker, the approach that - - -

Mr Quinlan: Read the stuff from South Australia and Western Australia.

MS CARNELL: Read the stuff from New South Wales. Mr Speaker, Ms Tucker made the point - I assume she will now withdraw it - that New South Wales also had an inquiry that said this was an inequitable way to go. That is absolutely at odds, Mr Speaker. New South Wales had an inquiry by the Auditor-General in 1994, I think, which suggested that this was the most equitable way to go and it was an approach that should be continued. So that is absolutely wrong, Mr Speaker.

In terms of an equitable way to go - sorry about this - I think personally that people in the \$2m house and with the French clock collection should potentially pay more than the person in the \$100,000 house and with no French clocks. Sorry about that, Mr Speaker, but that is equity. Equity is not what those opposite have spoken about at all. It is not what Mr Kaine wants to do with a poll tax. It is not what Kerrie Tucker is speaking about at all.

Ms Tucker could say that she does not think we should raise the money at all, but I have to say that that is not the approach that people like ACTCOSS say. They believe we do have to improve our revenue effort. They believe that we do need to collect more money and not base our total budget effort on reduction in expenditure. As ACTCOSS say, if you take a straight approach of reducing your expenditure, that reflects into jobs and services, or has the potential to do so. Their approach is that we have to address both sides of our budget. That is exactly what we have done, Mr Speaker.

Let us get back to equity. What do those opposite want? A flat rate for every Canberra household, a poll tax? No, they do not want that. Do they want a percentage on the rates bill, Mr Speaker, therefore basing this levy predominantly on unimproved capital value, not on what is in the house, how big the house is, what is insured or anything else? Well, Mr Speaker, I do not think that is equitable. It is not - - -

Mr Quinlan: It would get a lot closer than you have got.

MS CARNELL: It is not equitable at all. I think those opposite should be quiet until they can come up with something that is more equitable. With the approach that we have taken, people in the \$2m houses will pay more than the people in the \$100,000 houses. People in Forrest will pay more than people in Banks.

I think it is about time, Mr Speaker, that those opposite, and Mr Kaine and Ms Tucker, did not just oppose for the sake of opposing. If they believe this is so inequitable, it is time they came up with something that is more equitable than this. At this stage I think I have shown that both the approaches that have been put forward so far are less equitable. They will ensure that people on lower incomes and with less expensive houses, with fewer contents, with contents worth a lesser amount of money, will pay proportionately less than people in expensive houses and with large amounts of insurable goods. If they think that is equity, I think they had better go and look at themselves in the mirror.

MR HARGREAVES (11.59): Mr Speaker, I was listening very intently, and you will notice, Chief Minister, that I did not interject on you once.

Ms Carnell: Well, I could not tell because everyone else was.

MR HARGREAVES: Well, I apologise for that. In future, Mr Speaker, I shall interject not at all the louder.

MR SPEAKER: Mr Hargreaves did not interject.

MR HARGREAVES: The Chief Minister said in her diatribe that this system, that system or something else is not good enough. What I heard was the Chief Minister asking the crossbenchers and the Opposition to come up with yet other ways of finding the \$10m. That really is not the issue. She spent a lot of time in that 15 minutes debating this issue against that issue. That is not the point. The point is this particular piece of legislation. It is a tax on the responsible citizen. Not enough has been said about people who are irresponsible. They reckon that 30 per cent of people do not insure their homes;

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they do not pay any insurance at all. Quite a number of people rent their homes, but they do not rent them from a commercial enterprise so they are not going to pay it either. We will not have everybody in this town contributing to this particular insurance levy, and that makes it inequitable.

Mr Humphries: So what is the alternative?

MR HARGREAVES: Mr Speaker, it is not my job to develop the Government's policy. Government members opposite are paid a 16 times greater salary than I am and they purport to have a much greater capacity for intellectual thought and wit than I do. They can come up with them. It is my job to sit here and draw the flaws to their attention, which is what I am trying to do.

This Insurance Levy Bill is unfair on families, particularly larger ones, and pensioners. The example given just a minute ago was of people who live in homes worth a million dollars. I might suggest that, instead of having a clock collection, some people could have a pharmacy collection. They would have a barrel of money from which they could pay. As for the people in Banks, for example - the same example quoted - I suggest to you that they cannot pay the extra amount of this levy. They are scratching. The people in Gungahlin are scratching. The people who live in Red Hill and the people who have pharmacies are not scratching. The Government says this is equitable because people who own their homes can do it. I do not believe it. The people who live in flats and who are renting from the private market have this sort of thing passed on to them. They cannot afford it. To suggest that they can is not only wrong; it is a blatant insult to them.

Mr Speaker, this tax will not only do what I have mentioned; it will also discourage a lot of ACT residents from insuring their homes. That will have two effects. The first effect will be that their target of \$10m will not be achieved. The second thing is that it will encourage people to take a risk - the people in this community who can ill afford to take the risk. Every now and again a house burns down in this town and we see people in abject misery. Their lives have been devastated because their houses and all their belongings are gone. Why should we encourage those people to take that risk because they cannot afford it? Mr Speaker, I reject absolutely the premise that we should be encouraging that to happen.

In addition, it is not a choice thing. New home buyers can ill afford to do anything. They have enough trouble paying for their registration increases, their zonal fares under the new system and all of this sort of stuff without having this thing imposed on them. If you have a mortgage you are obliged at law to insure your home, so you have no choice at all. Bang. You are going to have to pay it. End of story. No argument. You cannot even take the risk. You just have to do it. So if you are a mortgage holder you are gone. You just have to do it.

I suggest that the example of people who are sitting in million-dollar houses and with clock collections and pharmacy collections is just absolute nonsense. Most of the people in this town have significant mortgages. They take up a significant piece of their income and they can ill afford to have this tax imposed upon them.

They say this Government makes a hell of a lot of mileage out of saying how it is helping small business. I do not see how this Bill is going to help them much. The Government is just whacking another charge on top of enough charges that these people have to bear already. So I am afraid I reject it for that reason as well.

When we talk about how much these poor people have to pay, we are talking about \$100 a year. That is a heck of a lot of money to people whose family income is less than \$40,000 a year. Most people in this country have a family income of around \$40,000 or less than \$40,000 a year.

Another thing that absolutely staggered me was the sneakiness of this. In fact, we are talking about an insurance levy which will go to emergency services. The big deal is that we are going to get good emergency services because we are going to get this extra \$10m.

In the Estimates Committee I asked the Minister whether it will go to the emergency services. Will it be dedicated to the emergency service so that you can guarantee that the fire truck will be around to put out the fire in your house? The answer was, "Well, not exactly, because in fact the money is going into Consolidated Revenue". I have to paraphrase this because I cannot remember the exact words. The answer was that these moneys will maintain the funding for emergency services. In fact, if you have a look at their budget, last year it was \$31m. This year it is going to be \$32m. So it has gone up by \$1m. I congratulate the Government on their largesse. But where is the other nine million bucks? It is still sitting there in Consolidated Revenue.

People who know anything about government financing would know that every other government program is funded out of Consolidated Revenue. There is nothing special about this levy. There is no nexus between this levy and the emergency services. It is just a furphy and a smokescreen, and people out there, unfortunately, are falling for it, and I would like to tell them that they ought not to.

The big question is this: If the Government does not get the money does that mean that they are going to cut emergency services? Does that mean that they have not got a guarantee of funding? Well, I do not think so. Mr Speaker, it is a bit like the road rescue tax. We were all led to believe when the publicity came out that it was going to fund the fifth or sixth ambulance.

Mr Humphries: It did.

MR HARGREAVES: It did, and I congratulate you on that one, Minister. So why is it necessary to have so much money collected from the road rescue tax when it clearly outstrips the amount for the ambulance? The answer I was given to that question, which I must say tickled me somewhat, is that it contributes to the emergency services in the hospital - accident and emergency. That is the biggest load of rot that I have heard in a long time. It goes into Consolidated Revenue and it could be applied to chopping down trees or any other sort of thing you like to say. It could, in fact, be going to pay for part of the Minister's salary. That is just as logical an argument.

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Mr Humphries: Or part of yours.

MR HARGREAVES: Indeed, Minister. To say that it is being applied to emergency services is, in fact, a falsehood. Indeed, we have seen a whole heap of falsehoods coming out in this legislation. Mr Speaker, the Opposition and the crossbenchers - I hope all of the crossbenchers - will reject this piece of legislation. It is a sneaky, uncaring and not clever way of putting \$9m into retiring debt. Why cannot the Government be honest about it? Do not talk about it in terms of emergency services; just tell the people out there, "We are going to tax you some more so that we can retire the debt". If you are going to screw them, at least be honest about it.

MR KAINE: Mr Speaker, I seek leave to speak again on this subject.

Leave granted.

MR KAINE: Thank you, members. Mr Speaker, I really must say something about the way that the Chief Minister and Treasurer attempted to twist and distort not only what I said but what other members on this side of the house said on this question. I said in my earlier speech that this was taxation by stealth. It now appears, based on what the Chief Minister has said, that what she is trying to impose is a wealth tax, a property tax, but she proposes to do that by making a levy on insurance premiums.

I would submit that, as an alternative, the imposition of a wealth tax would be a fairer way. If she really means that somebody who owns a \$2m house with all the clocks in it should pay more than somebody with a \$100,000 house with no clocks in it, then what she is talking about is a property tax. If that is what she intends to do, would it not be more honest to propose a property tax and not try to hide it as a levy on insurance policies, because then 100 per cent of the population would pay, not only 70 per cent? In fact, under the insurance levy proposal, we are told that 30 per cent of people will pay no tax at all, and there is another fair percentage who underinsure and who therefore are paying less than they should, based on the value of their property. So, instead of trying to distort the concept of a levy on the rates bill as an alternative, why does the Government not be honest and say, "What we intend to do is impose a tax based on how much you possess."? That is a property tax.

It is a tax, incidentally, that is imposed by many of the states of the United States, and it is quite an easy tax to impose. You merely ask people once to fill out a form on which they have to identify all their property and put values on it, and then they are levied a property tax. That is what the Chief Minister and Treasurer and the Minister Assisting the Treasurer seem determined to do. Well, why do they not come out and say that is what they intend to do?

I will tell you why, Mr Speaker. It is because they do not dare introduce a new tax. They would rather take a discredited tax, a tax that has been discredited in other parts of the country, dress it up a bit and impose it here, with all its inequities, knowing full well that not everybody is going to pay. They would rather do that than be up front and say,

“We want to impose a new tax based on how much you own”. Personally, I am for the up-front and honest approach. If the Chief Minister and Treasurer and the Minister Assisting the Treasurer were prepared to put forward such a proposal in order to collect \$10m, it would get far more favourable consideration from me because it is an up-front proposal rather than the backhanded, stealthy way in which they are attempting to do it now.

MS TUCKER: Mr Speaker, under standing order 47, I also wish to make a personal explanation.

MR SPEAKER: Well, that was not a personal explanation, but you can do that if you wish.

MS TUCKER: I believe I was misrepresented by the Chief Minister as well. I have my speech here and it is pretty clear what I said.

Mr Humphries: Mr Speaker, I am sorry, but it is the usual course in this place to make those statements after the debate is concluded rather than during it.

MS TUCKER: Mr Speaker, I understood that standing order 47 was appropriate at any stage.

Mr Humphries: Oh, standing order 47. Okay. That is not for a personal explanation. That is something different, but okay.

MS TUCKER: I am speaking under standing order 47.

Mr Humphries: Okay, that is fine.

MR SPEAKER: Proceed.

MS TUCKER: Basically, what I said was that one could think of rates as a more equitable and fairer way to do this. I did not say that it was exactly the right way to do it. What I said was that if the Government wanted a tax it should have looked at a tax that was applied to all home owners. That, considering the statistics, would have been considerably less for individual households as everyone would be contributing. What I was saying was that the actual essence of this was unfair and that there should be discussion and investigation. If the Government is insisting on raising this revenue through this particular method it should find a more equitable way of doing it.

I did not suggest that I had the answers at this point in time. It is the principle of equity that I was raising. I am happy to be involved in any debate about how we can raise revenue in the ACT. I think Greens, of all people and parties in this place, have consistently raised the need for that. It has been Mrs Carnell who has said many times in debate in this place, “The Greens and Michael Moore are the ones who will talk about raising taxes, but we will never do that”. That came up many times in the last Assembly. It is really quite a nonsense for her to suggest that we would say that it is not necessary to have that debate. It is the debate and the discussion that we need, and that was the point of my speech.

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This was lumped on everybody by surprise. It was not well thought through. It is inequitable. Maybe if they had to do it via the rates it could have been fairer. I was not saying that if you increase the rates it would be totally equitable. It might have been fairer than this particular proposal, which is clearly very unfair.

MR HUMPHRIES (Attorney-General, Minister for Justice and Community Safety and Minister Assisting the Treasurer) (12.14), in reply: Mr Speaker, it is incredible to see how much of the propaganda of the insurance companies has been swallowed by some people on this debate. It is quite extraordinary and quite distressing, particularly when it comes from people who usually have more sense than to just accept what big business, whose interests are being threatened by this process, might come up with. Mr Speaker, I am really quite appalled by that. I hope that when big business comes and knocks on their doors in future on other issues, where there is not a chance to knock the Government, members of this place exercise a little bit more judgment about what is going on. I have not seen any evidence of it today.

Mr Speaker, I want to go through a whole range of things that have been said in this debate which are simply sheer and utter nonsense. We heard from Mr Quinlan that the levy was not paying for an increase in emergency services, an issue taken up by Mr Hargreaves. Mr Speaker, this levy does help us pay for emergency services because we are not presently paying for emergency services. We are not presently paying for education services in this Territory. We are not presently paying for health services. In fact, none of the services of this community are yet being fully paid for in the sense that people's taxes and other sources of government revenue cover the outlays that this community has to make for those services to be possible. We are operating, in case Mr Quinlan and Mr Hargreaves had not noticed, at a \$150m operating loss.

This levy, Mr Speaker, addresses that operating loss by providing a means of covering the cost of services we do not presently pay for by means of a levy like that applied to most other Australian insurance policyholders. Most people in this country who have insurance pay this levy. I know it is the propaganda of the Insurance Council to pretend there is a great move away from this.

Mr Quinlan: And there is.

MR HUMPHRIES: And in some places there is, but the fact remains that most people in this country who hold a policy of insurance pay this levy. It is characterised, for Mr Kaine's benefit, as a levy in all other States, not as a tax. We are simply picking up what they do in other States and applying it in the ACT. Mr Speaker, if we called it a tax I have no doubt that we would be accused of duplicity in the sense of changing the title of the thing between one jurisdiction and another.

Mr Speaker, we heard from Mr Quinlan that we have no consultation with the industry. Well, with great respect, when has there ever been a chance for a government to consult about a new form of taxation before it was imposed, except, of course, in the present debate about a GST? You people were going to impose a tax on beds in hotels. Not only did you not propose to consult with people about it; you actually denied that you were going to do it. Where was the consultation there? For heaven's sake, do not insult our intelligence with rot like that.

We heard from Mr Quinlan on an issue taken up by Ms Tucker. Mr Quinlan said that New South Wales and Victoria were looking for ways out of the levy. He has the views of Western Australia and South Australia in writing. You would think that he would be able to get the views in writing of his Labor colleagues in New South Wales. No, he did not. Mr Speaker, he knows that that is rubbish. To come back to what Ms Tucker had to say, she went one step further. She said that the New South Wales Government had a report which suggested that the levy was inequitable and it should move away from it. That is not so, Mr Speaker; quite the contrary. The New South Wales Government had a report in the last few years which recommended that they retain the levy and said that it was equitable.

Ms Tucker: Which year? Which year was that report?

MR HUMPHRIES: It was 1994. I know that because the person who conducted the report now works for the ACT Government. So, your information, Ms Tucker, which no doubt comes straight from the Insurance Council, is nonsense, like much else that you have been told by the Insurance Council in this debate. The fact is that most Australian policyholders have this levy imposed on their insurance policies, and we believe that that is an equitable way of dealing with this issue as well.

Clearly, people will not reinsure, Mr Quinlan tells us. That is not the experience in places like New South Wales and Victoria when the levy was first imposed. Levels of insurance did not change significantly at that time, so, why would it be any different in the ACT, particularly given - - -

Mr Quinlan: If your staff would answer the phone, mate, you would know. If you would take your phone calls in your office, you would know.

MR HUMPHRIES: Well, I will come back to the point. Mr Quinlan says you have got the phone calls in your office. The reason we have all had phone calls in our offices and letters to us in our offices, Mr Speaker, is that the Insurance Council is running a disgraceful scare campaign on this levy. They are alleging that there will be a higher level of imposition on policyholders than is the case in New South Wales. Now, why should that be, because the level of the levy - that is, the \$10m which the Government has set in this policy - is actually lower on a per capita basis than it is in New South Wales? If the New South Wales levy was applied exactly as it is in the ACT, assuming similar levels of insurance coverage, we would get more than \$10m recovered under that program. The argument has been put, without any proof of it, that somehow there is a lower level of insurance in the ACT than in New South Wales.

I ask members to sit back for a minute. Put this propaganda from the Insurance Council to one side and have a think about it for a minute. Why would there be lower levels of insurance in the ACT than in New South Wales? We have a community with a higher per capita income, a higher disposable income, relatively well educated people, relatively affluent people. Why would they insure at a lower rate than in New South Wales? Of course, they would not. This is propaganda from the Insurance Council and, unfortunately, a lot of you people have swallowed it hook, line and sinker. They are running a campaign against a tax because they do not want to have to administer the tax.

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They want it to be put on ratepayers. It is of no concern to them when it is on ratepayers. Probably it is a matter that they do not care one hoot about because they do not have to worry about it if it is on ratepayers. Mr Speaker, we do have to worry about that, and we think we have a more equitable way of dealing with this issue.

Mr Quinlan quoted the Property Owners Association, and that really fascinated me. The Property Owners Association spokesman is Mr Peter Jansen.

Mr Hargreaves: A former Liberal candidate.

MR HUMPHRIES: A former Liberal candidate, indeed. I emphasise the former, very much, in that description. Mr Jansen has a number of organisations at his disposal, one of which is the Ratepayers Association of the ACT. Do you suppose that Mr Jansen is arguing in this place that instead of it being placed on insurance holders it be placed on ratepayers? Is the president of the Ratepayers Association of the ACT arguing that it should be an imposition on ratepayers? I do not think so, Mr Speaker. That was a very amusing contribution to the debate.

Mr Kaine said earlier today that we should be honouring the Estimates Committee report and not rejecting it. I do not think that Mr Kaine has read the Estimates Committee report because it assumes that the levy should be imposed. I take the report as an endorsement of the levy because it recommends, not that we reject the levy, as it has suggested we reject other elements of the Government's budget; it says we should accept the levy on the basis that we monitor it over the next couple of years. So, Mr Speaker, I invite Mr Kaine to do what he lectured us earlier today to do - to accept the recommendations of the Estimates Committee in this area.

Mr Kaine argued that it is not a levy, it is a tax. I have already addressed that issue. Mr Speaker, we have never made any pretence about our following what New South Wales is doing in this matter. We have picked up the New South Wales scheme as much as possible and applied it in the ACT. Everybody knows that in New South Wales the levy is in turn passed on to policyholders. Everybody knows that in New South Wales it is a tax, in effect, on insurance policies. Mr Kaine made the interesting point that pensioners do not have the capacity to pay. Pensioners who believe that are again relying on propaganda issued by the insurance companies, and there has been plenty of that. That is true, Mr Speaker.

It is a great pity that members in this place have chosen to work with the insurance companies in this misinformation campaign, a great pity indeed. There is no reason, as I have explained, why the insurance levy need be any higher than in New South Wales. Indeed, I suspect that if we levied the levy at New South Wales rates we would get a higher amount of money than the \$10m the Government has predicated.

Now, what evidence do I have to say that? Mr Speaker, my evidence is the subterfuge that the insurance companies have been involved with. I have written to the insurance companies asking them to justify the claim that they have made that there is actuarial proof that the levy will impact more heavily in the ACT than in New South Wales. I have asked them for that information. They have said that we have this Arthur Andersen study and this proves that it is going to impact more heavily than in New South Wales.

Mr Speaker, I invite members who have received this to have a look at the Arthur Andersen study and see what it says. It is relied upon as authority for this proposition. This is what it says, if I can find it:

... the Bill will give effect to a retrospective tax, with insurers having limited capacity to recover the full amount of contribution required from them by applying levies at the rate which has been actuarially calculated for the Insurance Council.

Nowhere in this report do we actually see the actuarial calculations which supposedly show a higher level of impact on ratepayers than in New South Wales. In fact, this report by Arthur Andersen expressly says that they are relying on information from the Insurance Council that the impact will be heavier than in New South Wales.

Mr Speaker, I have written to the Insurance Council asking whether I can see this information, this actuarial study. I also met, incidentally, with an officer of the Insurance Council who promised me he would give this actuarial study to us the week before last. More than 10 days have gone by and there is no sign of this actuarial study. I have now received a copy of a one-page document which I will now table. This is the tonne of information which the Insurance Council claims to have given to the ACT Government about the actuarial study. It contains about five sentences with no justification, no support, of the claim that there is any actuarial impact higher than the level in New South Wales. It simply asserts, "I have calculated the FSL levy to be", and then various percentages are given. There is no justification, no explanation, no basis on which it is put to people that it will be at a level higher than New South Wales. Mr Speaker, I table that document and I invite those members who have been swallowing the guff from the Insurance Council to have a good, hard look at it and see what kind of organisation is running this campaign.

Mr Speaker, we have already had the debate about the impost being on rates. This Government went to the last election saying it would not increase rates above the level of the CPI. If we put a levy, or a tax, or a poll tax or whatever onto rates we are in breach of that promise.

Mr Smyth: Was Mr Kaine part of that?

MR HUMPHRIES: Indeed, Mr Kaine went to the election with that same promise, and now proposes that we should do that instead. One can consider the equity of that if one likes. Mr Speaker, Andrew Jackson, a former US President, said this:

The wisdom of man never yet contrived a system of taxation that would operate with perfect equality.

In my view, Mr Speaker, what we have is a perfect illustration of that in this debate. I think it is offensive that members in this place have relied so heavily on the misinformation from the Insurance Council. It is to their great discredit that they have done so. These are the people who behaved in recent days in a disgraceful fashion with respect to their own policyholders in Wollongong who have been denied the right to be able to recover for devastating losses occasioned by the floods in that part of Australia.

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These organisations, these supposedly benevolent organisations, which have been happy to leech the premiums of people for decades and now not make payments in respect of very considerable damage occasioned to people's homes by this flooding, have the nerve to come to this place and run this line here. Mr Speaker, if they had spent a fraction of what they have spent on TV advertising on providing coverage for those people in Wollongong who are now being left short by their disgraceful behaviour, we might have had both the people in Wollongong getting the benefit of some payments and people in the ACT not being hit by this disinformation.

Mr Speaker, this levy is a levy which most insurance policyholders in Australia pay. We have accepted the principle of making our levels of taxation consistent with New South Wales. New South Wales have assessed it recently and found it to be equitable. That, Mr Speaker, is a good enough reason to support this legislation today.

Question put:

That this Bill be agreed to in principle.

The Assembly voted -

AYES, 9

Ms Carnell
Mr Cornwell
Mr Hird
Mr Humphries
Mr Moore
Mr Osborne
Mr Rugendyke
Mr Smyth
Mr Stefaniak

NOES, 8

Mr Berry
Mr Corbell
Mr Hargreaves
Mr Kaine
Mr Quinlan
Mr Stanhope
Ms Tucker
Mr Wood

Question so resolved in the affirmative.

Detail Stage

Bill, by leave, taken as a whole

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

Sitting suspended from 12.33 to 2.00 pm

QUESTIONS WITHOUT NOTICE

Corrective Services

MR STANHOPE: Mr Speaker, my question is to the Minister for Justice and Community Safety. When sentencing two former Belconnen Remand Centre custodial officers on charges of perjury, Mr Justice Higgins referred in his judgment made in August to a “kind of brotherhood mentality that has enabled corruption to flourish”. Can the Minister say whether the case Justice Higgins referred to was an isolated example of corruption, or is there reason to believe this brotherhood culture is more widespread in the Corrective Services Division, including at the Periodic Detention Centre?

MR HUMPHRIES: Mr Speaker, this is actually a very good question. I am not sure whether it is within standing orders, but I do not take that point, because I think it is a very pertinent question. I take the comments made by Justice Higgins in that matter very seriously. I think he has identified a very serious problem which goes beyond the conduct merely of those individuals who were the subject of the proceedings in which he made those remarks. We clearly have a problem with a whole series of issues, including the culture of institutions like the Remand Centre. I have to indicate to the house that I am not confident that we have been able to remove any problems that occur at the BRC from crossing over to the Periodic Detention Centre at Symonston.

There have been other incidents not, I am pleased to say, as serious as that concerning the particular incident that Justice Higgins was involved with, but certainly incidents that are serious in the way in which the operation of individuals at the PDC is concerned. I remain concerned about that and determined that we should set in train processes that will avoid that problem.

Mr Speaker, in the long term I believe that the issue is addressed by the establishment of our own institution. How that occurs goes to the question of whether we will be able to prevent this particular problem from crossing over into any new institution. We also, of course, need to put in place short-term solutions to address real issues to do with particular problems that are raised in particular matters.

I am aware that there is a suppression order in place in respect of the proceedings about which Mr Stanhope has raised his question and therefore I do not want to answer particularly relevant to this particular case. But to the extent that there is evidence of a problem with a culture, a brotherhood mentality as Mr Stanhope quoted Mr Justice Higgins as saying, I accept that there is a problem and I accept that it goes further than the particular case that has been raised here. I believe that this is an issue that the Government will need to address.

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MR STANHOPE: I ask a supplementary question. Thank you for that answer, Minister. Mr Speaker, I wonder whether the Minister could tell the Assembly whether the departmental officer appointed to undertake an investigation into certain allegations relating to certain events at the Periodic Detention Centre was sacked last week. Will he reassure members that the sacking last week of the departmental officer inquiring into certain matters related to the Periodic Detention Centre was not related to his investigation of those allegations?

MR HUMPHRIES: Mr Speaker, I am not aware of any sacking of any individual either in relation to this particular issue or otherwise, but I will take Mr Stanhope's question on notice.

Goods and Services Tax

MR HIRD: Mr Speaker, my question is to the Chief Minister. It follows on from a question asked by Mr Quinlan of the Opposition last week about the GST. Can the Chief Minister inform the parliament as to what the estimated impact of the Federal Government's tax reform package would be on the ACT economy?

Mr Berry: There will be an impact on poor people. What about on poor people?

MR HIRD: There is a lot of noise from Mr Berry over there. I am trying to ask a question, Mr Speaker.

Mr Berry: Tell us what the impact will be on poor people.

MR SPEAKER: Mr Berry will be the poorer for it if he continues to interject.

MS CARNELL: Mr Speaker, there is no doubt that one of the major issues for voters during this Federal election will be the issue of taxation. I have to say that it is not a new issue for State and Territory governments. Taxation has been an issue for many years already. The ACT, like every other jurisdiction, has been wrestling with the dual problems of Federal funding, a narrowing revenue base, and of course services such as health and education taking more and more revenue and requiring more and more expenditure. To add to that, we have ended up with some very interesting recent court decisions which have further undermined the States' and Territories' capacity to raise revenue, so when the Federal Government announces a new taxation policy this Government is naturally interested to see what impact this would have on our Commonwealth funding and on our economy.

Mr Speaker, to answer Mr Hird's question, I need to outline broadly what the Federal Government has proposed. In simple terms, the plan is for a goods and services tax to be introduced, offset by the abolition of wholesale sales tax. As well, up to nine State-based taxes will be abolished and there would be across-the-board reductions in personal income tax. According to advice that I have received from the Office of Financial Management, the cuts in income tax alone are estimated to put more than \$200m back into the pockets of Canberra taxpayers - not an insignificant amount of money, I am sure you would agree.

On top of this, the abolition of FID, debits tax and various stamp duties levied by the ACT would inject a further \$70m into the economy. OFM have estimated that more than \$300m worth of wholesale sales taxes are passed on to ACT consumers every year. All up, about \$600m worth of tax reductions would be injected into the ACT economy.

Offsetting this is a new GST which OFM estimates would raise about \$450m here in the ACT. The net effect of the tax package therefore would be to provide a stimulus of about \$150m for the ACT economy, which is a large amount of money. I am advised that this does not include the effect of increases in social security payments and family package benefits, which of course are very difficult for us to estimate as we do not have access to Federal Government databases. It is also worth pointing out that the Federal Government has also guaranteed that funding to States and Territories in aggregate will be maintained for the first three years under the new arrangements. It is estimated that by then the GST revenue flowing to the States and Territories would be growing strongly enough to provide more funding than would have been given under the current system.

Mr Speaker, I think it is important to deal with a couple of red herrings here. First, there is Mr Quinlan's claim that the ACT has been treated unfairly by the Commonwealth in its funding formula and that there is no reason to believe that the new funding formula for distributing the GST would be any better. Mr Quinlan said, "Yes, that is what I said". Mr Quinlan does not seem to realise - - -

Mr Quinlan: That is the John Stone view.

MS CARNELL: John Stone wanted to abolish the ACT. I really put a lot of credibility in him! I would not quote him. I find it fascinating that those opposite would quote somebody who wanted to abolish the ACT - not the Government but the whole ACT.

Mr Stanhope: A member of your party, Chief Minister.

MS CARNELL: You quoted him, not me. Mr Quinlan does not seem to realise that there is a Commonwealth Grants Commission that oversees the so-called funding formula for the States and Territories. The Grants Commission will continue to do that job, regardless of whether we have a Liberal or a Labor Federal government. I am pleased that Mr Quinlan has acknowledged how unfairly the ACT has been treated by the Commonwealth. As he should know, our funding has been cut in real terms by almost 50 per cent.

Mr Hird: How much?

MS CARNELL: Fifty per cent since self-government. Can Mr Quinlan remember who was in government federally for seven of the nine years? For seven of the nine years when funding was cut to the ACT by 50 per cent in real terms, it was the Labor Party. What has the wonderful Labor Party offered the States and Territories in its tax package, the one that Mr Quinlan came out and supported?

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Mr Quinlan: And proudly so.

MS CARNELL: Mr Quinlan just said, “Proudly so”. I think it is important to quote word for word the really great scenario that the Labor Party tax package paints for the ACT. It says:

Labor will consult with the States and Territories about possible improvements in present funding arrangements, including access to a guaranteed share of a Commonwealth revenue source should that be sought.

We have a “consult” and a “possible” and a “should” in one sentence. What a huge guarantee that represents! They will consult about possible improvements. In other words, the Federal Labor Party will do nothing about the dreadful state of Commonwealth-State financial relationships, because it is simply too hard. Yes, it is hard. Let me conclude by quoting the words of the Australian Council of Social Service. They are very big fans - - -

Mr Stanhope: On the GST?

MS CARNELL: Yes, on the GST, on your tax package. Mr Speaker, what ACOSS’s director said about Labor’s tax package was:

Labor’s approach falls far short of the fundamental restructuring of the tax system needed to stop leakages of revenue from weak tax bases. There are three wheels that are missing -

there are usually four wheels -

and those three wheels are income tax reform, comprehensive consumption tax reform and -

wait for this -

Federal-State financial relations.

They are not my words, but the words of ACOSS. I think it is essential that everybody in this house support a situation that will reform Federal-State financial relations, particularly for the ACT, which has been treated so badly over the nine years since self-government - treated so badly, I have to say, in two years by the Coalition and in seven whole years by the Labor Party.

Roadworks

MR KAINE: Through you, Mr Speaker, I address a question to the Minister for Urban Services. Minister, on 26 May this year I asked you about a significant black spot road safety project, which is to put a roundabout at the intersection of the Monaro Highway, Tharwa Drive and Johnson Drive in Tuggeranong. At the time you did not have the answer, but to do you credit you did come back the next day to tell me that that was due, to quote your words, "to be operational by February next year". Minister, I come through that intersection every morning and, as of this morning, there was no sign of any activity whatsoever. Minister, do you still stand by your advice only in May that this would be operational by February next year, or was this just another commitment that you entered into with no intention of meeting it?

MR SMYTH: The design is currently being completed, and construction work is scheduled to start in early 1999.

MR KAINE: I ask a supplementary question. Minister, you told me only in May that it was due to be operational in February. Can you now tell me when you intend to start and when it will become operational? This is only 1 September.

MR SMYTH: The design is being completed and construction work will commence in early 1999 and will be finished as expeditiously as possible.

Report on ACTTAB

MR QUINLAN: This probably hardly qualifies as a question without notice. I refer to reports that substantial portions of the scoping review into ACTTAB - - -

Mr Hird: Who is it to, Ted?

Ms Carnell: We need to know who is going to answer it.

MR QUINLAN: The Chief Minister. You are the one with the brief written out, are you not? I refer to reports that substantial portions of the scoping review into ACTTAB are either similar or identical to a report prepared for the Northern Territory TAB. In fact, there are 38 out of 73 pages where this plagiarism occurs. Can the Chief Minister rationalise to this Assembly the Government engaging consultants to prepare a report on ACTTAB that looks like it was based on the outcomes of the Northern Territory study?

MS CARNELL: I am very pleased to be able to answer that question because of the enormously unfair statements that those opposite have made about a reputable company and, I assume, will make again a little bit later today in the MPI debate. The Government is aware that there are similarities between the reports PKF Consulting Australia Pty Ltd prepared for the Northern Territory and the ACT governments on the Northern Territory TAB and ACTTAB. In fact, those similarities were discussed in the round table, so it is not any big new surprise.

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Prior to selecting PKF to conduct the scoping study of ACTTAB, my department was aware that PKF had undertaken the review of the Northern Territory TAB. As part of the tender process that resulted in the selection of PKF, my department contacted referees as part of the due diligence process. These referees included a senior officer of the Northern Territory Treasury who had overseen the conduct of the Northern Territory TAB scoping study. Both the ACT and the Northern Territory governments commissioned scoping studies of their TABs for the same reasons. Is that a big surprise? Is it a big surprise that we both went down the path of scoping studies including concerns about the impact on the future viabilities of the TABs arising from the dramatic changes that were occurring or in prospect in the environment in which the TABs operate? What were those changes? The changes included the privatisation of the TAB in New South Wales by the Labor Government. There we have a Labor government privatising their TAB. Certainly, the Victorian Liberal Government did it too. Is it surprising that the smaller TABs in Australia, not just those in the Northern Territory and the ACT - Queensland has already announced that they were going out and South Australia has done the same - decided that they really needed to determine what the options were, taking into account that this nasty Labor Government in New South Wales was flogging its TAB? Mr Speaker, the prospective privatisation of TABs in other States and growing competition from other forms of gambling meant, logically, that a reasonable and responsible government would get a consultant to look at what our options were. ACTTAB and the Northern Territory TAB have much in common.

Mr Quinlan: They got the same report.

MR SPEAKER: Order! The question has been asked. You are getting a response. Please listen.

MS CARNELL: And a very full response.

MR SPEAKER: Indeed, most comprehensive. In fact, I am beginning to think it might even be too long for them, Chief Minister.

MS CARNELL: That certainly is true because they keep interrupting.

Mr Kaine: Mr Speaker, I take a point of order. If you are beginning to think that the answer is too long, is it not time to pull the Minister up and ask her to make her answer comply with the standing orders of this place?

MR SPEAKER: It is not a point of order.

MS CARNELL: Mr Speaker, both the Northern Territory TAB and ACTTAB are relatively - - -

Mr Hargreaves: What I would like to know is: Which is longer, the speech or her nose? Keep going, Pinocchio.

MR SPEAKER: Order! I will sit the Chief Minister down if this continues.

MS CARNELL: They are not even interested, Mr Speaker. They are relatively small players who are dependent upon pooling arrangements with a much bigger player to ensure that they can offer punters a competitive gambling product. The Northern Territory TAB is linked to the Tabcorp pool through ACTTAB. You have two very small TABs, both linked to the same major TAB, Tabcorp. The Northern Territory TAB, via us, is linked into Tabcorp. Both TABs face exactly the same issues arising from threats from other gambling products and the emergence of Internet gambling.

The Northern Territory and the ACT governments had similar concerns and this led to similar terms of reference. Have those opposite got that? They had similar terms of reference because the problems were the same, caused by that nasty Labor Government in New South Wales flogging their TAB. Given the very similar positions of the two TABs, it is not surprising that on a number of issues the consultants reached identical conclusions.

Mr Stanhope: With identical words.

Mr Berry: Why are we paying for photocopies?

MS CARNELL: Mr Speaker, I have a sore throat and it is really hard to yell.

MR SPEAKER: Order! We are not going to have the Chief Minister shouting over interjections.

MS CARNELL: Mr Speaker, what is clear is that where the issues and circumstances are different the reports are different. I say that again. It is clear that where the issues and the circumstances are different the reports are different. These differences - including the different structures and legislative environments in which the two TABs operate, the different contractual arrangements that they have with third parties, and their individual financial positions and relationships with their respective governments and racing industries - are amongst the most important issues that the scoping studies were required to look at, and these are the areas where there are differences in the reports. Mr Speaker, public comments by the union and, by the way, those opposite imply that ACT taxpayers were ripped off, that somehow - - -

Mr Berry: I think that is fair.

Mr Stanhope: That is fair comment.

MS CARNELL: Mr Berry says, "Fair comment". The opposite is true. The ACT has benefited from the early work done by PKF. The earlier work had increased the consultant's obvious expertise in the area and resulted in the cost of the study to the ACT, being - wait for this - about half the amount that the Northern Territory paid for the review of its TAB. Not only are those opposite wrong, but the reports are different in areas where our TABs are different and the same where the problems are identical. We did not pay for the same work twice. PKF did not get paid by us and paid by the Northern Territory. Quite the contrary. The ACT ended up paying very close to half of what - - -

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Mr Berry: You should have photocopied what you wanted yourself.

MR SPEAKER: If you want to have a private conversation, would you go outside, please.

MS CARNELL: The Northern Territory paid, as I said, almost double what we paid for the report. What is most interesting about this question, Mr Speaker, is that it does not, as I understand it, attack the veracity of the report or the merits of its conclusions. All it is saying is that it might have been the same as the Northern Territory's report. Those opposite have not shown that there is anything wrong with the report, apart from the fact they do not like the outcomes. That is what you would expect from those opposite.

Mr Speaker, the Northern Territory and the ACT TABs are very similar. They are facing very similar problems. I think it would have been surprising if the reports had been absolutely at odds with each other, taking into account that the terms of reference were similar and that the problems facing the two TABs are very similar. Importantly, we paid nearly half of what the Northern Territory paid, so we have saved the taxpayer money, and the reports are different where the legislative environment is different or where the relationship between various players and the TAB is different.

MR QUINLAN: I ask a supplementary question. Will the Chief Minister now confirm that the Government has chosen the co-authors of the report on the Northern Territory TAB, ABN AMRO, as consultants for the review of ACTEW? Do you not consider that the people of Canberra deserve at least the appearance of objectivity?

MS CARNELL: Mr Speaker, of course I announced that ABN AMRO were the successful tenderers for the ACTEW scoping study. They went through an appropriate process with many other entities. Are those opposite suggesting that we should not have picked the consultant that provided the best value for the ACT dollar? Maybe we should have chosen the most expensive tenderer. Is that what those opposite are suggesting? That is just ridiculous. Those opposite have taken a delight in suggesting that the consultants that the ACT Government have used are somehow not up to the job, and so on. They have, I think, maligned consultant companies in the ACT before today under privilege. They are doing it again. I hope that everybody who is listening to this has the same attitude to it as I do. It just shows gutlessness from those opposite.

Change of Use Charge

MR RUGENDYKE: My question is to the Minister for Urban Services, Mr Smyth. I advise that I did give Mr Smyth some warning of this question. Minister, I understand that the change of use fees under the Territory Plan are charged by taking into account a method which calculates gross floor area, or GFA. It is apparent that PALM are now utilising a method called the net lettable floor area. How can the net lettable floor area be implemented when there is no reference to this method of assessment in the Territory Plan?

MR SMYTH: I thank the member for his question and for notice of the question. This is an interesting question. I have to say that the gentleman who has raised this issue is in some conflict with PALM and some matters are before the Supreme Court, so I will just go to the heart of the matter, which is that some leases have been issued before the Territory Plan and some have been issued since the Territory Plan. The claims which have been made appear to be based on a view that the definition under section 8 of the Land Act, which is contained within the Territory Plan, would override any inconsistent definitions in leases. This is incorrect. Section 8 of the Land Act requires that the Territory, including all Territory bodies and the AAT, must comply with the Territory Plan when deciding whether or not to consent to grant or vary crown leases or any other development approval. Neither the Territory Plan nor the parent Land Act operate to affect existing rights clearly expressed in an existing lease.

Report on ACTTAB

MR CORBELL: Mr Speaker, my question is to the Chief Minister. Can the Chief Minister confirm that a member of the three-person team which prepared the ACTTAB scoping review for the Government, Mr Ian Morison of Morisons Solicitors, is the same Ian Morison who was announced on Sunday as the Liberal Party candidate for the seat of Canberra in the coming Federal election?

MS CARNELL: Yes, it is, Mr Speaker. Is it not good that the Liberal Party in Canberra has such capable and great candidates? Is it not wonderful that we have candidates who have shown their commitment? They have shown their - - -

Mr Corbell: I do not know how you can keep a straight face.

MR SPEAKER: Order! Mr Corbell deserves an answer to his question.

Mr Humphries: Mr Speaker, I have to raise a point of order. When the Chief Minister has spoken today, she has had to speak over a wall of noise from the other side of the chamber. I would ask you as Speaker to exercise a little control over the behaviour of those opposite.

MR SPEAKER: I will be happy to ask the Chief Minister to terminate her reply. That is probably the most effective way.

MS CARNELL: Mr Speaker, I would rather somebody got named. Yes, Mr Ian Morison is the same person. I think it is very important to make the point that Ian Morison was not working for the ACT Government when he was part of the consortium that was involved in the ACTTAB report. Mr Morison was contracted by PKF themselves, with no knowledge of the Government. Do you know why, Mr Speaker? It is because he is very capable and because he runs a very, very successful business in this sort of area in the ACT. And guess what? He has the skills, Mr Speaker.

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MR CORBELL: My supplementary question is again to the Chief Minister. Chief Minister, is it not the case that the scoping review of ACTTAB is no more than a rubber stamp which justifies the decision to privatise ACTTAB, not only because it relies on the recommendations to privatise the Northern Territory TAB but also because one of the individuals responsible for the report is an endorsed Liberal candidate?

MS CARNELL: Mr Speaker, that is just a sleazy question. I think it is very important for us to run through just a little bit of history here. Those opposite have said they would never support privatisation of anything under any circumstances.

Mr Stanhope: We did not.

MS CARNELL: Sorry, you have not said that? What have you said?

Mr Kaine: I take a point of order, Mr Speaker. Who is asking the questions around here, and who is supposed to be answering them?

MR SPEAKER: We could always leave the Opposition to discuss it among themselves.

MS CARNELL: Those opposite have said that they would never support privatisation of anything, no matter what. They have said that they would rather see ACT assets go broke than sell them.

Mr Stanhope: I raise a point of order, Mr Speaker. That is quite clearly wrong.

MS CARNELL: No, you have said you would not support it under any circumstances.

Mr Stanhope: That is quite clearly wrong. The Chief Minister is not telling the truth.

MR SPEAKER: You will have an opportunity under standing order 47 to correct it at the end of question time.

MS CARNELL: Those opposite have said that they would not support privatisation under any circumstances. All we are seeing from those opposite now is them trying to justify their own position. When it came to the Milk Authority report, those opposite got cross because we had done it internally, we had not had an external consultant and they did not like the outcome. Now they are suggesting they do not like an external consultant - any of them so far - simply because they do not like the outcome.

I am advised that the original legal consultant for the PKF team was Corrs Chambers Westgarth but the ACTTAB board believed that there may have been a perceived conflict of interest so a local firm was then added. Mr Morison was not an endorsed Liberal candidate at that stage. In fact, I do not think there was even any view that he was even slightly interested at that stage. Those opposite suggest without any evidence whatsoever that the consultants involved are not professional and do not do their work to the highest possible standard. That is what Mr Corbell just said. He said that this group were just producing whatever we wanted; that they were not professional consultants. That is something that he really should be willing to say outside this place if he has any evidence at all of that. The fact is that he does not have any evidence, Mr Speaker.

At the beginning of this debate those opposite said, "Shock, horror, the Government changed the rules. The Government made PKF change the recommendations. Initially, the recommendations were that it should not be sold, and the Government said, 'Go away and change the recommendations because we do not like them' ". Mr Corbell put out a media release to say that. Now he has determined that that is not the case at all, that that was wrong, because we have a statutory declaration from Mr Barbuto to say that that was not the case and that the only substantial changes in the draft of the report before the final report was the provision of greater detail about the financial impact of the recommendations. I will table that.

Mr Corbell was wrong at the beginning; he is wrong now. I come back to the comment I made in answering the last question. It is gutless to attack companies in this place if you are not willing to put any evidence on the table or say it outside the chamber.

SACS Award

MS TUCKER: My question is to the Chief Minister also. Chief Minister, in a letter sent to members regarding current negotiations to develop a revised SACS award with the Chamber of Commerce, you compared the ACT SACS award with the New South Wales SACS award, asked that we note the significant difference between them and hoped that it would be thought provoking. My immediate thoughts were what a scandalously low wage these people get for what is often very stressful and responsible work. Also, after inquiry I was informed that the New South Wales SACS award is being renegotiated at present. You also quoted the overtime rates in the ACT SACS award. My question is: How many workers do you believe actually take advantage of the overtime rate that now exists in the ACT SACS award? My information is very few. Secondly, do you think it fair to quote the New South Wales SACS award when it is presently being renegotiated? Thirdly, why is it appropriate to underpay valuable community sector workers just because New South Wales has been doing so?

MS CARNELL: Mr Speaker, I think it is really essential that, whenever we look at pay rates, the sort of service delivery we have and the cost of service delivery, we look at what is happening in New South Wales. It is absolutely essential to do so. The reason it is essential to do so is that, quite seriously, we do not have any more money than New South Wales has. There are not extra dollars floating around for pay rates, conditions and so on above those in New South Wales.

Ms Tucker: I take a point of order, Mr Speaker. Could I have the answer to the first part of the question as well?

MS CARNELL: No, you cannot. You will have whatever I want to give you.

MR SPEAKER: That is within standing orders. Please continue.

MS CARNELL: Thank you, Mr Speaker. What I understood Ms Tucker to ask was - - -

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Ms Tucker: I asked: Is it fair that you quoted the New South Wales SACS award?

MS CARNELL: You asked a number of questions. You asked about the comparison between New South Wales and the ACT, and why we would go down that path. I am telling you why we would go down that path and the reason I think it is essential to do that. The reason I think it is essential is that if we do have terms and conditions that are significantly higher than those in New South Wales that equates directly to fewer services. If that is what the Assembly wants, if that is what Ms Tucker wants, fine but that is what it equates to.

The fact is that the amount of money the ACT gets is based upon Commonwealth Grants Commission allocations. The amount of money that we get per head of population is very close to that for New South Wales. We have only two ways to get money in the ACT. One of them is from the Grants Commission, and per head of population our grants are about the same as those for New South Wales - slightly higher but basically the same. Our revenue is at the same level as for New South Wales. If the amount of money we get per head of population is about the same as New South Wales gets, and if we end up with significantly higher costs in a particular area, then it has to have an effect. If we pay lots more than New South Wales, and we can determine we should, inevitably that will produce lower levels of service. It must, because the dollars are the same. I am sorry that that is the case, but it is. There is no money tree at the bottom of the garden. There are no huge amounts of new dollars if we end up with a SACS award that is significantly more generous than that in New South Wales, just over the border. Remember, the financial situation in New South Wales significantly affects the Grants Commission and that significantly affects us. It is that simple.

MS TUCKER: I ask a supplementary question. It seems that you have no choice at all as Treasurer and that is not how some of us would see it. Are you aware that at present some community organisations are no longer able to employ relief staff or pay for training because of the cost of paying the SACS award? If you are not satisfied with that, what will you do about it?

MS CARNELL: The ACT Government has said and said and said that it will take all reasonable steps to ensure that organisations are not unduly disadvantaged. The Government has taken and is taking those steps. The Department of Health and Community Care will provide funding for an advisory service for community organisations to assist them in the translation process under the SACS award. While the Government will have to remain within its existing budget despite the implications of the SACS award, it is negotiating purchaser contracts with non-government organisations to establish a fair service price, harnessing available efficiencies without resorting to arbitrary cuts in services. Allowances have been made within existing budgets to provide support for those service providers who will be transferring to the SACS award.

This is not a matter of cuts to programs or defunding of services. Rather, it involves clear and open negotiation between the Government and service providers to establish the most reasonable way forward in each case. I believe really strongly in this situation that everyone in this place has to take responsibility for everything they do. Mr Speaker, this morning Ms Tucker argued against the Insurance Levy Bill and said that we did not need the \$10m.

Ms Tucker: I did not say that.

MS CARNELL: You said this morning that we did not need the \$10m. You voted against the Bill. If you voted against the Bill, then you are basically saying you do not want the \$10m. It is all very well for those opposite and those on the crossbenches to oppose every revenue-raising measure we put on the table and to oppose every cost reduction we put on the table, but it is a bit rich when they then say that somehow we have to find extra money for this.

Mr Berry: I take a point of order on the ground of relevance.

MR SPEAKER: I think it is relevant.

Ms Tucker: I take a point of order under standing order 47. I have just been misrepresented again. I did clarify this.

MR SPEAKER: Not yet. You can speak at the end of question time if you wish.

Possession of Document

MR WOOD: My question is to Mr Humphries. Mr Humphries, on ABC radio last Friday I heard Amanda Vanstone say that when she was shadow Attorney-General she returned to the rightful owner any government documents that were leaked to her. As the ACT's Attorney-General, why did you not take the same principled approach when you illegally received the Ayers report?

MR HUMPHRIES: First of all, Senator Vanstone did not say that she had returned all documents she received. She said there was one particular occasion when she received a bundle of documents from the Attorney-General's Department which she returned. Members need to be aware that I worked with Senator Vanstone at that time and I know exactly what occurred. I can assure you that Senator Vanstone is no different to any other politician.

Mr Wood: It was more than once. She made it quite clear, did she not? It was more than one occasion, was it not, that she was talking about?

MR SPEAKER: Order! You have asked a question, Mr Wood. Mr Humphries is now answering it.

Mr Wood: No, he is twisting it.

MR HUMPHRIES: No, Mr Speaker, I am not twisting it. I heard what Senator Vanstone said. I was sitting there listening attentively to what she was saying. She did not say she returned documents on all occasions. I am not going to talk out of school, but I will say that on that particular occasion that is indeed what she did.

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She did not say that she returned the documents without having a good look at them first, so the question is hypothetical in that respect. She did not say that. At least that is not my recollection.

I again reject the assertion that the documents were illegally obtained. I repeat to the house what occurred. The person who handed the document to me was legally entitled to its possession. It was handed to me voluntarily. There was no coercion or duress involved. It was handed to me voluntarily and - - -

Mr Kaine: That is what determines whether it was receiving stolen goods or not - whether it was done voluntarily or not?

MR SPEAKER: Order! Settle down.

Mr Berry: I am glad you are not representing me.

MR HUMPHRIES: Mr Speaker, I am not prepared to shout over those opposite, to be perfectly frank.

MR SPEAKER: I am just deciding whom I should warn. It is a rather difficult choice.

MR HUMPHRIES: Mr Speaker, as I have already explained to the house on several occasions, the document was not stolen by the person who gave it to me and it was not stolen by me. It was handed to me quite voluntarily by a person who had a legal right to possess it. Whether the person who handed it to me committed some offence against some Commonwealth legislation, I do not know. That is a matter for that person. I certainly find it hard to imagine that that constitutes theft. If members want to make that allegation, I would suggest they get a legal opinion on that subject. My advice at this stage is that no offence has been committed.

Mr Speaker, the second issue is the sheer hypocrisy of the raising of this question by the Opposition. We had the call from Mr Berry last week for me to table this document. If it is an illegal document, if it is a document that has been stolen, surely it should be returned to its owner. Why does Mr Berry want me to table a stolen document? Mr Wood wants me to return it to the people from whom it was supposedly stolen. I do not know who that would be. Presumably, if I return it to the person who gave it to me, I would be returning the stolen documents, would I not?

Mr Berry: No, you would return it to the department whence it came.

MR HUMPHRIES: But nobody took it from that department. Mr Berry says it should be returned to the department whence it came. You said you wanted it tabled, Mr Berry.

Mr Berry: Did you conspire with this person to get these documents? Whom did you conspire with?

MR HUMPHRIES: You wanted it tabled.

Mr Berry: Whom did you conspire with?

MR HUMPHRIES: You wanted it tabled. How can you table a stolen document?

MR SPEAKER: I warn you, Mr Berry.

MR HUMPHRIES: The other extraordinary thing about this allegation is the hypocrisy of those who make claims about using confidential documents that have been obtained from somebody else, somebody else's documents. I have here a copy of a press release from Mr Quinlan headed "Stefaniak Confused Over Numbers", quoting supposed issues to do with the costing of sporting facilities in the ACT. Attached to it is a copy of a confidential document which has been taken, presumably, from someone's confidential possession and which, presumably, on the test imposed by Mr Berry and Mr Wood, is stolen. If I have to hand up stolen documents, why is Mr Quinlan not handing back stolen documents? I leave members with this thought: No matter what airs and graces members opposite might give themselves in these matters, does anyone seriously imagine that if the Ayers report had fallen off the back of a truck in front of Mr Berry or Mr Wood or Mr Quinlan or Mr Kaine they would not have picked it up and used it in precisely the same way as I have, probably more so?

Mr Kaine: I rise on a point of order, Mr Speaker. I insist that I would have returned it, as the Commonwealth shadow Attorney-General did.

MR SPEAKER: I am not in the least bit interested in what you would have done, Mr Kaine.

MR HUMPHRIES: Yes, and Mr Kaine will be flying home to Tuggeranong tonight on a big pink pig. We all know that there is a huge amount of hypocrisy in this particular issue. I have at least been honest enough to keep the document confidential, in accordance with the terms on which it was given to me.

MR WOOD: My supplementary question is to the first law officer. Which decision do you most regret - accepting the document or letting it slip that you had it?

MR SPEAKER: You do not really have to answer that.

MR HUMPHRIES: I do not regret being honest to this house on any occasion. I might say that that has been to my disadvantage. When I was honest enough to tell the truth to the Estimates Committee, I had criticism on that occasion. When in answer to a question in this house I was honest enough also to tell the truth about having had possession of the document, I gave rise to a press release, a quite dishonest press release, by Mr Berry - not that that is a particularly unique description of anything Mr Berry puts out - alleging that I had lied to the Estimates Committee. Mr Speaker, those sorts of things - - -

Mr Berry: Mr Speaker, I think there was an imputation that I was dishonest.

MR SPEAKER: No, there was not, actually. There was certainly an imputation that Mr Humphries was dishonest.

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MR HUMPHRIES: That is right. You said I misled the house.

Mr Berry: That is not an imputation. He is in government.

MR SPEAKER: Order! Let Mr Humphries finish.

MR HUMPHRIES: Talk about the pot calling the kettle black! Goodness me! Mr Black Kettle over there! Heaven's above! That is from the soot-covered kettle over there. I regret that those opposite have not had the integrity to treat the honesty with which my answers were conveyed with some respect, but that of course is a regret I have to carry in this place, because I will not walk away from my duty to tell the truth to this house.

Safety House Program

MR OSBORNE: My question is to the Minister for police, Mr Humphries. Minister, I trust that you recall a meeting which you held last year with members of the Safety House program and the AFP regarding their financial situation and the possibility of further government funding because they had lost their major national sponsor at the time. At that meeting you encouraged Safety House to pursue corporate sponsorship and once they had attracted some sponsors to get back in touch regarding some supplementary funding. I appreciate that those who attended that meeting are in some disagreement about the level of funding. It was promised but certainly you implied that if they did find some outside funding the Government would be very sympathetic towards bolstering it up. In February this year the Canberra Raiders agreed to sponsor the Safety House program for \$10,000 a year for the next three years. That is a total of \$30,000. Minister, can you inform the Assembly whether the Safety House committee have formally approached you for funding this year in response to your instructions? If so, what discussions have taken place, and have you agreed upon a level of funding, as you had previously implied?

MR HUMPHRIES: Mr Speaker, I thank Mr Osborne for this question. I met last year - it might have been even the year before - with representatives of Safety House in the ACT and I supported the work that they were doing. I applauded the efforts they had made to increase their coverage of the territory that they had been able to achieve. I again indicated my willingness to work with them through the Australian Federal Police. At that stage there was at least one officer of the AFP who was tasked to support Safety House from within the AFP structure. I also made it clear to Safety House that I was anxious to continue to see their work supported and would do so on the basis that they made a reasonable effort to secure funding of their own from private sources. I also, I believe, followed up our meeting by sending them copies of documentation to make application to Healthpact for funding from that organisation.

The last time I had communication with them was before they had the generous offer of support from the Canberra Raiders. At that stage I am not sure whether they had any support at all but it was certainly at a low level if they had any support. I indicated that I would not entertain a further request by them for support from the Government unless

they had made applications to quasi-government bodies like Healthpact. At the point that I last spoke to them they had not made that application. That was quite some time after I had sent them the documentation on that subject.

My position remains the same. I am happy to consider giving them support in as sympathetic a way as I can, bearing in mind that I do not actually administer a grants program. That is not within my portfolio, but I will consider seeing what assistance I can provide, provided that they have shown evidence that they are prepared to make an effort themselves to secure all available sources of funding. I think Healthpact is one very obvious source of potential support that they need to explore before they come back to ask for support from the government mainstream.

Code of Conduct for Ministers

MR BERRY: My question is to the Chief Minister. Chief Minister, last week you tabled your new code of conduct for Ministers. In your tabling statement you said, rather piously, as I recall:

The Government has looked carefully at this issue and has focused on the need to reflect in the code the primacy of a Minister's public duty. This is an important job and it is a privilege to serve the community in this way. Ministers make critical decisions in respect of everyone in the ACT. The conduct standards must reflect the high expectations of the community. The revised code meets these requirements.

One of the changes made in the code is to refer to some of the basic values that describe the obligations of elected office. These are respect for the law -

I underscore that respect for the law -

and the system of government; respect for persons; integrity -

I underscore that too, integrity -

diligence; and economy and efficiency.

Chief Minister, you went on to say:

I do not think anyone could argue with these values.

On page 2 of the code is this statement:

Ministers shall uphold the laws of the Australian Capital Territory and Australia, and shall not be a party to their breach, evasion, or subversion.

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Lest somebody should forget what I just said, I repeat “shall not be party to their breach, evasion, or subversion”. Chief Minister, I recommend that you take a look at the Crimes Act in relation to the procurement of documents from other government departments. I recommend that you take a look at the Crimes Act in relation to conspiracy. I recommend that you look at the Federal Crimes Act in relation to aiding and abetting - - -

Mr Humphries: Is there a question, Mr Speaker, or is it a speech?

MR BERRY: The chief law officer has admitted he received documents which breach, evade or subvert the law, the same words as in your code of conduct. Chief Minister, you will also recall, as my colleague has pointed out, that the Commonwealth Minister for Justice has in the past admitted to returning documents that she had received.

Mr Humphries: Some documents.

MR BERRY: At least, Mr Humphries, she has admitted to returning some. That is nothing you could ever be guilty of. Chief Minister, as the chief advocate of your code of conduct, what have you done to ensure that this Minister is called to account for his breach of your new code of conduct?

MS CARNELL: Mr Humphries has not breached the code, nor has he broken the law.

MR BERRY: My supplementary question is directed to the Chief Minister. Chief Minister, is it not about time we treated your code of conduct with the contempt it deserves and tore it up and threw it in the bin? Why have a code of conduct if you are not going to bother to enforce it?

MS CARNELL: One could say, Mr Speaker: Why do those opposite not have a code of conduct at all?

ACTION - Canberra Hospital Service

MR HARGREAVES: Thank you, Mr Speaker, and thank you, those opposite, for the entertainment this afternoon. I address my question to the Minister for Health and Community Care. Can the Minister confirm that on 6 October this year the contract - - -

Mr Corbell: Of last year, I think, John.

MR HARGREAVES: No.

Ms Carnell: We have not had a 6 October.

Mr Stefaniak: We have not had one of those yet.

MR HARGREAVES: I will say it again for those people who are deaf in one ear and cannot hear out of the other, Mr Speaker. Can the Minister confirm that on 6 October this year the contract with ACTION for the specific service of transport to Canberra Hospital for rehabilitation clients will be cancelled? Can he confirm that from this date significantly handicapped patients requiring the services of the rehabilitation service, other than those with specified exemptions, will be required to use public transport?

MR MOORE: Mr Speaker, I will have to take that question on notice.

MR HARGREAVES: I have a supplementary question. Thank you very much for that. Can the Minister also advise whether the new system will save his department about \$310,000 a year? Can he confirm that the provision of \$70,000 for taxi travel has been included in the hospital budget for those who cannot travel by public transport?

MR MOORE: I will take that on notice too, Mr Speaker.

Ms Carnell: Mr Speaker, I ask that all further questions be placed on the notice paper.

PAPERS

MS CARNELL (Chief Minister and Treasurer): Mr Speaker, for the information of members, I present the following papers:

Canberra Tourism and Events Corporation Act 1997, pursuant to subsection 28(3) - Canberra Tourism and Events Corporation - Quarterly report for the period 1 January 1998 to 31 March 1998.

Financial Management Act, pursuant to section 26 - Consolidated Financial Management Report for the month and financial year to date ending 31 July 1998.

A.C.T. GREENHOUSE STRATEGY - DRAFT Paper

MR SMYTH (Minister for Urban Services) (3.31): Mr Speaker, for the information of members, I present a draft of the ACT greenhouse strategy and move:

That the Assembly takes note of the paper.

Mr Speaker, in tabling the draft ACT greenhouse strategy, I wish to issue it for public comment. The Government has made a strong commitment to addressing the critical issue of global warming. The first Carnell Government demonstrated this by being the first Territory or State government in Australia to set greenhouse gas emission targets.

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Our targets commit us to stabilise ACT emissions at 1990 levels by the year 2008 and then reduce that level of emissions by 20 per cent by the year 2018. Congratulations to the previous Minister, Mr Humphries, who announced these targets at the World Local Government Leaders Summit last November, are in order. The targets drew strong support from the Assembly at the time, and we seek that same level of continuing support for the draft strategy. Achieving these targets means developing measures that will have major impacts on reducing energy and fuel consumption by the ACT government, commercial and residential sectors.

This draft strategy describes the greenhouse problem and why we need to take action, details the sources and size of greenhouse gas emissions in the ACT and proposes a variety of energy efficiency measures that can be implemented to help meet the target. It also incorporates those nationally agreed measures relevant to the ACT from the national greenhouse strategy, which the Government endorsed in July this year. The greenhouse gas reduction target having been set, the challenge is to meet it. The answer to this challenge lies in a fully cooperative effort across government, industry and the community.

We now seek community input on the draft so that the most beneficial and effective measures can be identified and implemented. It is critical that the entire community work together to develop the initiatives it is willing to commit to, while maintaining the enviable quality of life and environmental reputation which the ACT has built. Community discussion will be critical to this strategy, so last Thursday I agreed to hold a joint public forum with the Conservation Council upon releasing this draft report, to explain the complexities of the greenhouse issue and discuss the measures proposed in the draft strategy.

The final strategy will be released next year after consideration of community input and full evaluation of the costs and benefits of the proposed measures. While a lengthy process, the energy efficiency measures that will be introduced will represent community consensus obtained by involving all the players. Some of the measures have already been implemented by the Government or are about to be implemented. We are about to introduce a new route and fee structure for ACTION buses to encourage people to transfer from car use to public transport.

A new independent Energy Advisory Service, funded jointly by the Government and the Master Builders Association, will be launched on Friday week. This exciting new community service will provide ACT residents with free, independent advice about home energy efficiency measures, including insulation, house design, retrofitting and efficient appliances. Other measures implemented by the Government include the requirement that all new residential buildings and major extensions must now have roof insulation. A requirement that the energy ratings of dwellings being sold must be disclosed to potential buyers will be introduced at the end of this year. Similarly, full disclosure will be required to prospective tenants.

The program of capturing methane from the Belconnen and Mugga Lane landfills to generate electricity is scheduled to start next year and will have a major impact on reducing our greenhouse gas emissions. ACTEW is examining alternative renewable energy production sources and the eco-workplace program for ACT government

workplaces is currently being reviewed to assess its effectiveness. The ACT house energy rating scheme was implemented in 1996. We are now reviewing the scheme to evaluate its success in increasing the energy efficiency of new houses.

The draft greenhouse strategy includes a range of other proposed and potential measures. Many represent community views and are included to seek wider public comment. These measures will require discussion and full evaluation to determine their effectiveness in reducing greenhouse gas emissions and their level of acceptance to the ACT community. It is important that the commercial and industry sectors be involved in consultation to enable the introduction of acceptable, realistic and effective measures in the final strategy due to be released early next year.

I look forward to hearing what measures the community believes will be the most achievable and effective in reducing greenhouse gas emissions. It is important that this consultation process produce actions that will stamp the ACT as the leading jurisdiction in addressing greenhouse gas reduction targets.

MR CORBELL (3.35): It is pleasing to see the Government come forward with this draft ACT greenhouse strategy. This is a welcome step for the Territory Government. Greenhouse gas emissions and the environmental problems which everyone in our community faces are important issues, and I am pleased to see the Minister announcing this strategy today. It would be remiss of me, though, if I did not address some of the concerns that the Labor Party has on a range of issues associated with this strategy. I have to remind members in this place of the comments made by Mr Humphries when he was Minister for the Environment last year. He stood up in this house and said that there was no scientific evidence to prove that the greenhouse effect existed. He made a great effort to dispute the findings of the Intergovernmental Panel on Climate Change, saying that that evidence was not sufficient to prove that the greenhouse problem existed.

I am pleased to see that Mr Humphries has changed his mind and I am pleased to see that Minister Smyth does not believe in that absolute rubbish which Mr Humphries was putting forward last year. The reality is that the United Nations Intergovernmental Panel on Climate Change has produced overwhelming scientific evidence that the greenhouse effect is real and will have wide-ranging and significant consequences for every single one of us, regardless of where we live and regardless of how we live. For that reason, the Government is to be commended for bringing the strategy forward today.

I would like to comment on a number of measures the draft report has identified as measures the Government is already working on. The first is encouraging people to use ACTION buses instead of their cars. I do not know what other members in this place think, but from the Labor Party's point of view the recent decision by the Government to introduce a zonal fare structure is probably the worst course in trying to get people out of their vehicles and into public transport. The zonal transport system is not effective.

Mr Smyth: You supported it last year.

MR CORBELL: I hear the Minister interject. He says that last year we supported the zonal system proposed in the Graham report. I presume that is what the Minister is referring to. Am I right, Mr Minister?

Mr Smyth: Correct.

MR CORBELL: I am. Minister, you should check the *Hansard*, because you will see that in the Labor Party's response to the Graham report we did indeed welcome it, but we made one very important qualification. That was that we did not believe that a zonal fare structure was the most appropriate way to go to encourage people onto public transport. Indeed, we argued, and we continue to argue, that the most effective way of encouraging people to get out of their cars and to use public transport, in this city to use the bus system, is a flat fare structure based on time, a system under which you pay for two hours, four hours, six hours and so on and you can travel as often as you like, and as far as you like for that set amount. That includes free transfers, obviously. That sort of system will encourage people to get out of their cars and into buses.

I will give just one example. The residents of Palmerston, the suburb I live in, have a significant distance to travel to work, because not all of them can work in their own town centre. They have to leave their town centre to go to work. We have had the very long and elongated debate about the John Dedman Parkway. We have had the very long and elongated debate about transport strategy in the inner north. Just at the time when we need to get Gungahlin residents out of their cars and onto buses, what do we do? This Government hikes the fare structure for Palmerston residents by 100 per cent, from \$2 to \$4. That is not an incentive to get people out of their cars and onto buses. In a new town centre, it is quite clear that we need to encourage a culture of bus use from the beginning.

The route service that services Palmerston is one of ACTION's most effective routes, I am told by the executive director of ACTION, Mr Thurston. The service that runs from Palmerston via Belconnen to the city is one of the most well-patronised route services in this city. Why is that? The route is efficient, it is quick and it is reliable. Those are all things that ACTION needs to be commended for. The mere fact that the fare for Palmerston residents will go up by 100 per cent from \$2 to \$4 is not exactly going to encourage people in that very important new town centre of Gungahlin to get out of their cars. I will be urging the Government to reconsider that sort of problem.

I also note from the draft strategy that the Energy Advisory Service is another measure the Government says it is working on. I understand that the Energy Advisory Service, an independent service, was a commitment by the Liberal Party in the last election. It was certainly a commitment from the Labor Party in the last election. I understand, however, that the Government is proposing this service on a 12-month trial basis only. I have some concerns about that. Would it not be better to make the commitment that this will be an ongoing service that will be available for residents in the long term? It is all very well to have an independent Energy Advisory Service, but if it is only going to be for a 12-month trial what happens after that? Where is the consistency in the provision of the service? Energy advisory services are not new groundbreaking things. They have been around for a long time in a lot of other jurisdictions.

Ms Carnell: Do they work?

MR CORBELL: The Chief Minister asks whether they work. They do work. They work very strongly because they educate consumers and make sure that they buy the services and products that they know will reduce energy consumption and reduce greenhouse gas emissions. There is a concern that at the end of 12 months the Government will say, "We cannot afford to fund that service anymore" and it will no longer exist. That is the concern that we have on this side of the house.

There are a number of other measures here which the Government is to be commended for. They include generating electricity from methane gas at our landfills and ACTEW's efforts in exploring energy production services, although I am sure that Ms Tucker will stand up and make some comments about ACTEW's hedging contract with Yallourn Power, which of course burns brown coal, one of the most polluting of substances in energy production.

Overall, this draft strategy is to be welcomed. It is an important step forward, but the Government needs to be a little bit more conscious of what exactly it is promoting here. Most of the measures which the Government has claimed as achievements in energy efficiency have been in place for some time. They include insulation in homes and the energy rating scheme. Fundamentally, the major reform to reduce greenhouse gas emissions in this city will come through greater reductions in household energy use and in transport use.

I am yet to see a strong overall strategy from the Government that really makes major inroads into those two areas. Until we do that, we are really still tinkering at the surface. I hope that the Government will get some strong and positive feedback on this consultation document and that they will strengthen their greenhouse strategy to make sure that the strategy the ACT then has in place will effectively and strongly address what is a problem which we all must be very conscious of.

MS TUCKER (3.43): I welcome any initiative from government which addresses the greenhouse problem, although in the short time I have had to look at the draft strategy I cannot say there are any great surprises in it. I would support what Mr Corbell said. A lot of these initiatives we are well and truly familiar with. A number of the very important achievements of government resulted from motions by the Greens. They include the setting of targets and the necessity for waste plans to be tabled with development proposals for demolition. We argued strongly for methane as well. That is as one would expect it to be. It is fine that the Government did support those initiatives, but I have to say from first glance at this strategy that, once again, it is putting off any real action.

I have to support what Mr Corbell said about public transport and the fact that that is probably one of the major contributors to our greenhouse emissions. We will be having a debate on that subject tomorrow, so I will not go into it in detail. The zone system and the way the Government is handling our transport system at the moment are cause for great alarm. I do not believe that with the current proposals we are going to increase patronage. That has to be the ultimate aim. We have to make public transport more attractive than cars.

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On the question of energy efficiency, the Energy Advisory Service is welcome. It is a beginning. There is to be an evaluation period of 12 months. I hope that the Government is not imagining that it is going to finish in 12 months. After 12 months they might be able to assess how it could work better. I do not think anyone would question the need for such a service. This is obvious. What could come out of a 12-month trial or evaluation is how it could be improved. In fact, from my understanding of it, it probably should be given a greater focus and greater funding initially. Hopefully, what will become apparent after 12 months is that we need to do things even better and fund the service more.

We care a lot about making our buildings more energy efficient, because this obviously is a major factor also in greenhouse emissions in our climate. Space heating, house heating, commercial building heating and cooling are very important and significant. As members are aware, we have done an energy audit in the Assembly building and have managed, through a few fairly minor initiatives, to reduce our energy use in this building significantly. I think the payback time, from memory, was about three years, so the capital costs for us to improve the energy efficiency of this building will be fully paid for in a very short period of time, and we can know that we are doing something in this building to reduce our impact on greenhouse emissions.

The Greens have always argued for innovative financing schemes that assist other building dwellers, residential and commercial, to access these kinds of energy efficiency methods and allow them to pay back low-interest loans through savings on energy bills. This is a possibility that has been canvassed widely around Australia and overseas. I do not see reference to that in the strategy. That is where I guess you start to feel a little despairing. Anything really innovative is not taken up to the degree that one would like it to be.

The question of ACTEW and whether it should be public or private is very critical to this discussion. Mr Corbell referred to the many debates we have had in this place about the wisdom or otherwise of hedging contracts with the suppliers of electricity from very polluting sources of energy, but now the argument has moved on to privatisation. I think it is very relevant because I think we could make ACTEW very viable in the deregulated market if we grab the opportunity to turn it into a world best practice energy service. We could do it. We have the ability to make ACTEW very competitive in the deregulated market Australia-wide. That would give us something to be proud of, something to sell. The expertise that would be developed in ACTEW would be a source of revenue, but once again it looks as though very narrow vision, limited vision and limited arguments will see this opportunity wasted. ACTEW will probably be sold if things go according to what appears to be the tendencies of government and other members in this place.

Most of the ACT greenhouse strategy is background. I had to get to page 13 of the 20-page document before I got to any real initiatives. It is not exactly a bulky document full of initiatives, but no doubt we will have opportunities to have more debates on this. One of them will occur tomorrow. That will be the debate on ACTION and public transport.

Question resolved in the affirmative.

PERSONAL EXPLANATION
Statement by Speaker

MR SPEAKER: Members, last Wednesday Mr Corbell sought to make a personal explanation relating to comments made in the Assembly earlier that day by the Chief Minister in answer to a question without notice. The subject of the question was investments made by the Business Development Fund. I did not permit Mr Corbell to proceed at that stage. I have now examined the relevant proof *Hansard* record of the proceedings, as indeed I promised. I have also examined the joint additional comments of Mr Berry and Mr Corbell appended to the report of the Select Committee on Estimates of 1998-99. Having considered these documents, I will allow Mr Corbell, if he so wishes, now to proceed with his personal explanation. No doubt you will have the opportunity during the debate, Mr Corbell.

ACTTAB OPERATIONS
Discussion of Matter of Public Importance

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

The failure of the ACT Government to provide for an independent and impartial analysis of the current and future operations of the ACTTAB.

MR CORBELL (3.52): Thank you, Mr Speaker, and thank you for your confirmation of my point of order that I took last week, much to the Government's chagrin, I am sure. Mr Speaker, the subject of the MPI we are debating this afternoon is an important issue. It is a matter which every person in Canberra should be concerned about. They should be concerned about it because we are talking about the future prospects of the assets that are owned by the people of Canberra - assets worth, in some instances, over a billion dollars; but, in relation to ACTTAB, assets valued at at least \$20m.

You would expect that when we are making any assessment about the future operation of ACTTAB, and, indeed, prospects for privatisation or otherwise, we would examine closely exactly what the circumstances were surrounding these organisations. You expect that a government that commissioned an inquiry, a review or a report into the future prospects of this sort of organisation would be prepared to accept a rigorous and close scrutiny of the situation that the organisation currently confronts, and would be prepared to accept a scrutiny which focused on whether or not it was appropriate to maintain these assets in public ownership.

Mr Speaker, that is not what we have seen from this Government in relation to ACTTAB. What we have seen from this Government in relation to ACTTAB is the commissioning of a report which gave the Government the answer it wanted. There is no doubt that this Government went into this debate some months ago, in fact, well before the election,

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although they did not want to tell the people of Canberra at that time that that was their intention. They made a decision some time ago. Indeed, I understand that right back at the infamous love-in on the Federal Highway at the Eagle Hawk resort, the decision was made that these assets should be sold, but we have waited until now for that agenda to become clear. The people of Canberra, just like voters right across Australia, are sick of governments that make commitments before elections and then do not honour them afterwards and go around and sell the assets out from under the people of this city. I think people in this city deserve to be very concerned about what we have seen emerge in relation to the ACTTAB report in the last few days.

It is quite clear that the Government did not go out and say, "Prepare a fair, independent analysis of the operations of the TAB". In fact, this Government did quite the reverse. They commissioned a firm that they knew would provide the answer they wanted. They knew that the consultants they commissioned had prepared a report on the Northern Territory TAB which said very clearly that that organisation should be sold. For that reason, Mr Temporary Deputy Speaker, the Government thought that they would be an appropriate firm to deal with the issue of whether or not to argue for the privatisation of ACTTAB. That is what has occurred with this Government.

We heard the Chief Minister earlier in question time today attempt to justify her decision about ACTTAB by blaming it on the New South Wales Government. What an amazing course of action from this Chief Minister. It makes absolutely no sense. Indeed, it does great discredit to the Chief Minister's argument for her to continually stand up in this place and say, "We are doing it because that is what the New South Wales Labor Government did". What sort of logical argument is that, Mr Temporary Deputy Speaker? It is not an argument at all. For the Chief Minister to stand up here and use that argument is completely unacceptable. Either she has the strength of her convictions or she does not. For her to go around and say she has to do it because some other government has done it is nonsense. I do not think it appropriate that this Assembly should continue to hear what can only be termed a pathetic excuse from the Chief Minister on this point.

This report, as has been revealed in the media over the last few days, is very much a copy, in significant portions, of the recommendations and the analysis made in the report prepared by the same firm on the Northern Territory TAB. It is not as though there are minor bits here and there; it is not as though there is an occasional reference. There are 38 pages out of 76 pages which have been taken, substantially or otherwise, from the report prepared by the consultants on the Northern Territory TAB and placed directly and literally into the PKF report on ACTTAB. That is a very concerning development. When the Government commissioned this report we had an expectation, and the people of Canberra had an expectation, that they were looking for a report that would provide them with a fair and independent analysis. But that was not what the Government was looking for at all, Mr Temporary Deputy Speaker. They were looking for a report which justified a decision they had already made, and that was to sell.

The Chief Minister stood up in this place earlier today and suggested that the Labor Party and other members in this place, and other people outside this place, were making allegations about the competence or the professionalism of the firm associated with this report. I want to put on the record now that that is not what the Labor Party is doing.

I have no doubt that the consultants undertook their report in a competent and thorough manner, but they knew what they were writing for. They knew what the Government was looking for.

Ms Carnell: Did they pay any attention to the terms of reference?

MR CORBELL: They worked exactly to the same terms of reference, effectively, as were provided in the Northern Territory, and those terms of reference were to sell. Those terms of reference resulted in a recommendation to sell, and that is exactly what the Government did here. The Government put forward the same recommendations because they knew they would get the same answer. That is not an independent and rigorous analysis. That is not an assessment of all of the factors surrounding the future of ACTTAB.

The Government here did what the Government of the Northern Territory did. They knew what result they were going to get in the Northern Territory, and they knew they wanted the same result here; so they put down the same terms of reference and, surprise, surprise, Mr Temporary Deputy Speaker, they got the same result. That is the criticism by the Labor Party here in the ACT.

The Government is setting out on a predetermined course to sell a community-owned asset which is profitable, which is viable, which returns significant revenue to the Territory each year, and which employs a significant number of people, directly and indirectly, in the Territory each year. That is the criticism, Mr Temporary Deputy Speaker; not any suggestion that may come from the government side of this place that this is an attack on the competence, the thoroughness or the ability of the consultants to undertake the report. It is simply the case that the Government used the same terms of reference to get the same answer they wanted, which was to sell ACTTAB.

Mr Temporary Deputy Speaker, there are a range of issues in this report that I believe should be addressed, and there are a number of them that I think are of most concern. The first one is that this report says nothing about jobs, absolutely nothing. There is no mention in this report of the impact on jobs. There is no assessment whatsoever of what will happen to the jobs of people who are employed at ACTTAB if the corporation is sold. I believe that to be completely unacceptable.

Ms Carnell: But there is. Mr Temporary Deputy Speaker, is it all right to - - -

MR CORBELL: It is completely unacceptable.

MR TEMPORARY DEPUTY SPEAKER (Mr Hird): Is this a point of order, Chief Minister?

Ms Carnell: Mr Temporary Deputy Speaker, is it all right to actually lie in speeches? Because there it is. It is there in black and white.

MR TEMPORARY DEPUTY SPEAKER: No, there is no point of order, Chief Minister.

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MR CORBELL: On a point of order: The Chief Minister has made an allegation and an imputation, and I ask - - -

Ms Carnell: I asked a question, whether it was all right to lie.

MR CORBELL: She made an imputation that I was lying and I ask you to ask her to withdraw it.

Ms Carnell: Mr Temporary Deputy Speaker, I will withdraw, but is it all right to misrepresent the report, because that is what is happening here?

MR CORBELL: I take a point of order, Mr Temporary Deputy Speaker.

MR TEMPORARY DEPUTY SPEAKER: Order! Mr Corbell, resume your seat.

Ms Carnell: That is not out of order because I have not - - -

MR TEMPORARY DEPUTY SPEAKER: Order! Chief Minister, you have withdrawn the statement "a lie".

Ms Carnell: Yes, I have.

MR TEMPORARY DEPUTY SPEAKER: That has been done. I call Mr Corbell.

MR CORBELL: I am sure the Chief Minister will get an opportunity to respond when she stands up. She might have the courtesy to wait until that occurs. Mr Temporary Deputy Speaker, I maintain that there is no clear mention of the assessment of the impact on jobs in the models proposed in this report, either the retention of public ownership or in the privatisation model. For that reason we believe it is not an effective or an independent, impartial analysis of the situation which ACTTAB faces. This report deals with the futures and the lives of 120 people who work directly for ACTTAB, along with hundreds and hundreds more people who earn their livelihoods indirectly as a result of their association with ACTTAB, and it is simply unacceptable.

Mr Temporary Deputy Speaker, earlier in this place, some months ago now, I was very pleased to present a petition. That petition was from over 1,000 residents in this Territory and it requested this Assembly not to support the privatisation of ACTTAB. If the Government wants to come into this place and argue that they have no choice but to sell ACTTAB, which seems to be the road they are continuing to head down, they should at least have the decency to present a report which is going to deal with the issue of the jobs of the people who are employed with ACTTAB. They have not done that. They walked out and used the same terms of reference that recommended privatisation in the Northern Territory to get the privatisation recommendation that they want here in the ACT. That is not an independent and impartial analysis. That is not through any fault of the consultants. It is simply because those were the rules the Government set and that was the result the Government wanted.

There are some other issues with this report that also need to be addressed. The first is the issue of public benefit. I have seen no assessment in this report of the public benefit of retaining ACTTAB in public hands. In fact, there is absolutely no mention of public benefit. Where is the public benefit test? We have heard competition policy quoted again and again on the issue of privatisation. We have heard the Chief Minister, other Ministers of this Government, and other officials of this Government argue time and again that the new rigours imposed upon the Territory by competition policy require us to look very carefully at whether or not assets like ACTTAB should be retained in public hands. Well, if that is the case, Mr Temporary Deputy Speaker, where is the mention of the public benefit? Where is that mentioned? Where is the assessment of the public benefit? There is none. For the Chief Minister to come into this place and argue that we have no choice, because the New South Wales Government is selling theirs and the Northern Territory Government is selling theirs, and not mention the public benefit is absolutely unacceptable.

On those grounds too, this is not an independent and impartial analysis. Again, it is not the fault of the consultants. It was the fact that the Government set the ground rules. The Government got the result they wanted, and damn the consequences, and damn any other evidence that should be assessed.

The union which represents the workers at ACTTAB has conducted an exemplary campaign. The union has argued strongly that the interests of their workers are paramount. They have argued coherently and they have argued in an exceptional way the benefits that are derived from maintaining ACTTAB in public ownership. If this Government is going to walk into this place and start making the argument for selling ACTTAB they had better do it on some grounds that are more solid than this. This is a flimsy attempt to justify privatisation.

We discovered today, Mr Temporary Deputy Speaker, that one of the three-person panel involved in assessing this report is now an endorsed Liberal candidate for the next Federal election here in the ACT. For the ordinary person on the street, things must not only be independent, they must be seen to be independent. That cannot be said - - -

Ms Carnell: Does that mean that the input of the union is not independent either? You would have to rule it out then, would you not, because of the Labor Party connection?

MR CORBELL: The Chief Minister interjects. I will respond to her interjection. She says, "Does that mean we should ignore what the union says?". The Chief Minister does not understand the difference between those people who were invited to make submissions and those people who were making the judgments contained in the report. There is a very big difference. Yes, I would argue that it would be inappropriate for the union to be involved in making the judgments when putting together a report. They should be making the arguments, on behalf of their members, in submissions, and that is what they are doing. But that is not what Mr Morison was doing. Mr Morison was assisting in the preparation and the writing of the report. That is a very different course. As I argued earlier, you must not only be independent, you must be seen to be independent.

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

MR CORBELL: I seek a brief extension of time, Mr Temporary Deputy Speaker.

MR TEMPORARY DEPUTY SPEAKER: Order! Is leave granted for a short extension?

Ms Carnell: You cannot have an extension in an MPI.

Mr Humphries: No. We have a convention about that. We do not have extensions in MPIs. That is a longstanding rule in this place.

Leave not granted.

Mr Corbell: Obviously the Government are uncomfortable on this issue. I commend the MPI to the Assembly.

MR TEMPORARY DEPUTY SPEAKER: We will not debate it.

MS CARNELL (Chief Minister and Treasurer) (4.08): Mr Temporary Deputy Speaker, I think the two key words contained in Mr Corbell's MPI, which I do not think he spoke an awful lot about, were the words "independent" and "impartial". Mr Corbell has claimed that the scoping study undertaken on behalf of the Government was neither independent nor impartial. That is what this MPI debate comes down to.

Let us look at the facts, bearing in mind that this is the same MLA who accused the Government of tampering with the report because we were somehow not satisfied with the findings. So much for the track record here of Mr Corbell. Mr Corbell claims that we appointed a stooge, or something, to provide the answers that the Government wanted all along. That is what he said. Mr Corbell has said, quite categorically, that PKF totally ignored the terms of reference, the basis of their contract with the Government, and produced what the Government asked them to do. To start with, that would be a totally inappropriate - - -

Mr Corbell: On a point of order, Mr Temporary Deputy Speaker: I seek leave to make an explanation under standing order 47.

MR TEMPORARY DEPUTY SPEAKER: Order! Mr Corbell, that is not a point of order. You know, as well as the Chair, that you can take the appropriate action at the end of the debate.

MS CARNELL: Thank you very much, Mr Temporary Deputy Speaker. You just cannot have it both ways. You cannot have it both ways, even if Mr Corbell thinks he can. I recall that not that long ago Mr Berry made similar unfair and incorrect allegations about the Fay Richwhite consultancy on ACTEW, and today in question time those opposite were questioning ABN AMRO. At the end of this parliament I think we will have ruled out every consultant in this country.

Mr Temporary Deputy Speaker, it is an obvious Labor Party tactic that, if you do not like what a report says and you cannot argue the case on its merits, you try to muddy the water; you try to suggest that the consultant has somehow ignored the terms of reference. Perhaps Mr Corbell could save everybody's time and bring forward his allegations about ABN AMRO right now. Why wait until the scoping study gets on the table? We are seeing them start already. Mr Temporary Deputy Speaker, the taxpayers of Canberra would be much better served if the Opposition were prepared to debate the real issues fairly and properly. The suggestion that the ACTTAB review was not conducted on an impartial and independent basis is, quite frankly, ridiculous.

For the information of members of the Assembly, I will briefly outline the process that was followed in conducting the review. Firstly, the Government decided to appoint a consultant with appropriate experience and expertise. Selected tenders were sought from three organisations, based upon their recognised expertise and prior experience. The organisations selected were Andersen Consulting, Horwath (NSW) Pty Ltd and PKF Consulting Pty Ltd. After evaluating the responses received, references for PKF were sought from referees, including the Northern Territory. The Northern Territory Treasury advised that PKF had undertaken a number of projects for the Northern Territory Government. The most recent was the scoping study for the Northern Territory TAB. It was considered by the Northern Territory that PKF had provided sound advice and had demonstrated a very good knowledge of the relevant issues. The referees also stated that PKF had efficiently and effectively conducted the public consultation elements and used their extensive industry contacts to very good effect. It is noteworthy that officers of my department had not seen a copy of PKF's Northern Territory report at that time.

David Barbuto, who was the principal consultant for the ACTTAB review, has had more than 10 years' experience with the gaming industry and was the head of the Northern Territory consultancy. He was a member of the team that conducted an analysis of the New South Wales registered clubs. Who is in government in New South Wales? Labor, Mr Temporary Deputy Speaker. He also conducted an investigation into the structure, viability and funding options for the Tasmanian racing industry. He was involved in the corporatisation in New South Wales before the New South Wales TAB was sold. He also provided advice to Victoria on casino taxation rates, and provided advice on gaming licensing for the New South Wales Casino Control Authority. It was obvious that PKF had the appropriate credentials and expertise, and the ACT was getting a fair price. I should also point out that PKF engaged an independent financial expert and an independent attorney to assist in preparing the report on ACTTAB. These professionals performed no services in relation to the Northern Territory report.

Members will be aware that after the release of the report the Government set up a round table conference with interested parties. I made it clear at the meeting that the Government had not made any decision about the future outcome of ACTTAB, and I have said it again and again, even though Mr Corbell, the whole way through his speech, misrepresented my position and the position of the Government. The Government would only consider selling ACTTAB after taking into account the needs of the key stakeholders, and that includes, of course, the staff.

At the round table the Australian Services Union claimed that the ACTTAB report was the same as the Northern Territory TAB report, so the person on the far side of this Assembly is not exactly Robinson Crusoe. PKF does confirm that portions of the report are identical to or similar to the Northern Territory report, as they did when asked initially. Obviously, the analysis of changes taking place in the gaming industry and the comparison with other TABs are likely to be very similar, regardless of the home base of the particular TAB involved. In other words, Mr Temporary Deputy Speaker, there are whole areas of this report that are based upon what is happening in New South Wales, what is happening in Tasmania, and what is happening in other parts of Australia. Obviously, those areas of the report will be the same. The consultants make no apologies for this.

ACTTAB and the Northern Territory TAB have much in common. They are relatively small players who are dependent on pooling arrangements with a much bigger player to ensure that they can offer punters a competitive gambling product. The Northern Territory TAB is linked to the Tabcorp pool through ACTTAB. Both TABs also face the same issues arising from threats from other gambling products and the emergence of Internet gambling. The Northern Territory and ACT governments have similar concerns and this led to similar terms of reference.

Mr Temporary Deputy Speaker, I cannot see a term of reference, even though I looked and I have read them all, that says, "The ACT Government would like you to recommend selling". In fact, quite the opposite. Yet Mr Corbell said all the way through that the consultants had done exactly what the ACT Government had asked them to do. There is nothing in the terms of reference to suggest that at all.

Given the very similar positions of the two TABs, it is not surprising that on a number of issues the consultants reached identical conclusions. I agree with the consultants that it would be a waste of time to unnecessarily manage the syntax for the sake of appearance. They could have, but why would you do that? The consultants have not charged the ACT for work already done for the Northern Territory and have delivered the report at about half the price paid by the Northern Territory simply because a lot of the work had already been done. The ACT has actually benefited from the work conducted by the Northern Territory. As the consultants acknowledge, it would have been unethical for them to charge twice for the research already conducted into other TABs, racing and gambling and competitive gaming.

What is clear is that where the issues or circumstances are different the reports are different. The differences include the different structures and legislative environments in which the two TABs operate, and the different contractual arrangements they have with third parties, including such things as relationships with the racing industry and so on. The consultants also rejected entirely allegations that public submissions were not considered. PKF have stated that all submissions were taken into account and information relevant to the terms of reference was assessed in arriving at the findings, rather than simply providing statements of opinion. In fact, I can table today a summary of the consultants' views on these submissions.

In addition to the written submissions, detailed discussions were held with many key stakeholders and relevant third parties, including the Australian Services Union. The consultants recognise that the findings and recommendations do not satisfy the Australian Services Union's stated requirement that the Government must retain ownership of ACTTAB. The same view is held by those opposite. If you start off with a view that there is no other place to go, how then could you have an open and appropriate report if there was no other possible outcome? The consultants consider that this position would be contrary to the evidence collected and analysed during the study.

Finally, Mr Temporary Deputy Speaker, I would like to add that the Government will only support selling ACTTAB if the taxpayers get a better return from the sale than they would if the Government retains the business. Obviously, jobs are important. I have to say that comments that jobs were not involved in this report are simply wrong. In fact, the consultants have said that the only real opportunity for job growth will be if there is significant new investment in a TAB.

How will we get new investment? Well, Mr Temporary Deputy Speaker, it is not going to come from government, I have to say. We had discussions at round tables and so on and it was indicated that if the TAB is to grow it may have to get involved in gambling products that are significantly more risky for government. Do those opposite suggest that we should risk taxpayers' money in risky new gambling products? Obviously it is so, Mr Temporary Deputy Speaker.

Clearly, any decision to privatise must be made by the Assembly and must take into account any associated reforms necessary to maintain the viability of ACTTAB and the racing industry in the ACT. Any such Assembly debate would only occur if, after assessing all of the available evidence, the Government believed that the sale of ACTTAB was in the best interests of the ACT community.

Nowhere today, at any time, has Mr Corbell demonstrated his claim of lack of independence or impartiality. In fact, he gave no evidence whatsoever. He tabled no documents and no parts of the terms of reference which showed categorically that the Government wanted a particular outcome. All that he and his colleagues in the Labor Party have demonstrated is a blind willingness to turn this debate about ACTTAB's future into an ideological argument. It is not the Government that has behaved ideologically in trying to come up with an outcome which ensures that ACTTAB has a viable future; it is the Labor Party that is behaving ideologically with its unwillingness to realise that its total resistance to change could mean that ACTTAB and its staff could face a very bleak future indeed.

Mr Temporary Deputy Speaker, we made it very clear in the terms of reference that we put to the successful consultant - remember, this did go out to selected tender - that we wanted the consultant to look at what the options for ACTTAB were in the future, taking into account the current situation in Australia. We wanted to know the financial impact of each option. We wanted an indication of the range of funding required for things like the racing industry, the methods of payment, and the issues that arise from

telecommunications or from the telecommunication environment. All sorts of things are in the terms of reference. They do cover 2½ pages, but nowhere in these terms of reference does it say that the only outcome allowed is a sale. Mr Corbell's comment was that the consultants did the job they were asked to do. What they did, Mr Temporary Deputy Speaker, was follow the terms of reference because that was the basis of the contract with the Government.

MR TEMPORARY DEPUTY SPEAKER: Order! The member's time has expired. I draw members' attention to the presence in the gallery of the Clerk of the New South Wales Legislative Council, Mr John Evans. I bid him a warm welcome on behalf of members.

MR KAINÉ (4.23): Forgetting the ideology which the Chief Minister referred to, I wonder which side of the house, if either, is acting on the basis of ideology. My problem with this report is that I found it totally unconvincing. On page 2, in its key recommendations, it says that the Government should not retain ownership of the TAB. Then it goes on and says, amongst other things, that an early sale is likely to maximise the value of the organisation, which sort of strengthens the proposition that it should be sold. Then, finally, it says that a sale process achieving the type of return to which they refer in an earlier dot point would provide the ACT Government with a substantial up-front payment. If that was not designed to say to the Government, "You should flog this off very quickly", then I do not know what else it could have been intending to say.

Unfortunately, when I got beyond page 2 and started reading the rest of the report, I discovered that I was not convinced that any one of those recommendations held good. For example, it has been bruited about that we have to sell this entity in a hurry because it is not making any money and the longer we keep it the less value it is going to have. Well, the first proposition that it is not making any money does not hold up. If you were to construct a set of accounts that remove from it the compulsory payments that the Government imposes on ACTTAB, to the racing industry, for example, including picking up the costs of litigation that the Government itself instigated, then you would discover that it had a pretty good bottom line. So the Chief Minister's argument that the organisation does not make any money does not hold up. It does make money, but by government decision the profits of the organisation are disbursed in certain ways before the net profit passes into the hands of the Government, and thereby the taxpayer.

The truth of what I am saying can be based on a couple of extracts from the report. On page 4 the consultants note that "the ACT remains a robust gambling market". It is not in decline. There is nothing wrong with the market in Canberra. It is not failing. It is a robust gambling market. The 1997 per capita gambling expenditure, we are told, was \$758 in the ACT versus an Australia-wide total of \$736. So the rate of gambling per capita here is higher than it is across the nation. That is despite an annual decline of 3.4 per cent and 6.6 per cent over the last two years versus a corresponding total Australia growth of 8.8 per cent and 2.8 per cent. The report says:

In fact, the ACT racing market defies national trends with two-year growth of 10.1 per cent and 0.6 per cent -v- total Australia rates of -0.8 per cent and -1.9 per cent.

But then it goes on to make this very telling comment:

ACTTAB's small size and concentrated distribution network has enabled it to be a more flexible and reactive organisation than the larger interstate TABs.

This is seen as a plus. So we have a robust market that is running against the general trend in Australia, and yet people tell us that this is a failing organisation that we ought to flog off quickly.

The report does recommend that some changes should be made to the way the thing is structured. It says, for example, that "changing the gambling taxation structure faced by ACTTAB to that comparable with private sector models" would be beneficial. It says that equitable commercial arrangements with all of its product suppliers, that is, ACT racing and so on, would be beneficial. But we do not have to flog it off to put those changes into effect. We can keep it and still put them into effect. So, as you go through the report there is more and more that suggests that this proposal that it should be sold, and sold quickly, simply does not hold up.

The other interesting thing in the report that suggests that the recommendation is wrong and that maybe the organisation has considerable value is on page 8, where we are told:

Potential buyers do exist for ACTTAB. The seven submissions alone contained an expression of interest to purchase. Also informal confidential expressions of interest have been received from several parties.

Why are all these people expressing interest in buying the organisation if it is a bummer, if it is not making any money and it is not going anywhere? Does the Chief Minister suggest that we cannot turn it into a profit-making organisation while the private sector can? I do not buy that. It depends on the restructuring that is recommended in here that will turn it into a profitable organisation. That places the onus on the Government.

When the Government collects the full operating profit of ACTTAB instead of having to disburse it to others so that there is virtually little left to disburse, the onus is then on the Government to maintain the level of funding for the racing industry that is currently provided by ACTTAB. It becomes a budget item and the onus is on the Government to find the money rather than simply say to ACTTAB, "You will find the money no matter what, and then we will criticise you at the end of the year because you have not made an operating profit after you have distributed all this money that we have ordered you to disburse".

In fact, the Chief Minister, not so very long ago, arbitrarily and unilaterally increased the amount of money that ACTTAB had to pay the racing industry. My recollection is that it was arbitrarily and unilaterally increased by half a million dollars. If the thing is not making any profit, how come the Chief Minister decided that they could fork out an extra half a million dollars overnight and give it to the racing industry? I am not arguing that the racing industry does not make good use of it, but that is a decision of the

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Government, and the decisions of government ought to be reflected in the Government's budget. If that were done the books of account would show this to be a very well run and a very profitable organisation. With the structural changes that are represented in here it would be even better, and it would be even better in the hands of the public. That would guarantee the jobs of the people who are working there.

I noticed that on page 53 of the report the consultants said:

Guarantees as to employment and other quasi social contracts imposed on new owners of ACTTAB will diminish sale value to the extent that they impinge on profitability in the short to medium term.

In other words, if you say to any potential buyer, "You have to guarantee that the people currently working for the TAB retain their jobs", you push the sale price down to the point where nobody would want to buy it. But we can continue to run it under present arrangements by doing the restructuring that is recommended in here; by restructuring its capital structure, by restructuring its management structure, and by saying to it, "You pay all of your profits to the Government and the Government will make the decision about the distribution from Consolidated Revenue to all those beneficiaries who receive the money now". I see no reason why we should not take that course of action.

I was singularly unimpressed with this report, in connection with which, I notice, there is some discussion about how much we paid for it. It was suggested to me only a couple of days ago how the value of this report was worked out. Somebody said, "Well, there are 38 pages which we have stolen from the Northern Territory report, so we will just charge for the photocopying of them, and for the other 35 pages we will charge two grand a piece. That is where the \$70,000 came from". I thought that was a pretty fair assessment of how the report was valued. To come back to my point, Mr Temporary Deputy Speaker, I do not support the sale. I do not think that report justifies it one jot.

MR QUINLAN (4.32): Shortly after I came into this place as a fresh-faced 55½-year-old, the Chief Minister made claims in this place that ACTTAB was not making a profit.

Ms Carnell: It is certainly not this year, is it?

Mr Berry: That is because you ripped it off.

MR QUINLAN: We did question that at the time.

Ms Carnell: No, it is because they had to pay \$700,000 for VITAB.

Mr Berry: You ripped it off.

MR QUINLAN: We did question that at the time. We were given a briefing.

Mr Berry: And, again, it was your decision.

Mr Humphries: You stay out of this, Wayne. You have form on this.

MR TEMPORARY DEPUTY SPEAKER: Order, Mr Berry! Mr Quinlan has the call.

MR QUINLAN: Mr Corbell and I were given a briefing by the Chief Minister at which a piece of paper was produced with some numbers on it which obviously did not stack up. The continuity of the numbers brought them into question immediately. The profitability of the TAB obviously had been somewhat diminished by items that, under any reasonable accounting standards, would have been below the line and not taken into account in assessing the operating viability of the place.

I asked some questions about claims that were made by the Chief Minister in this place. There was some outrage that I was breaching confidentiality and that I was referring to a piece of paper. I was not referring to the piece of paper at all. I was referring to the specific claims that the Chief Minister had made. It turns out that that piece of paper was already in the hands of the media. In the end, to have the piece of paper tabled, I had to table it myself because, when asked, the Chief Minister tabled another bit of paper. I thought at the time, "There has to be an agenda here". There was a certain element of propaganda in the whole process.

Since that time not much has happened to reassure me that that process is not continuing. This particular report that we have here contains largely regurgitated material and it is flawed. It includes some models in here and, all other things being equal, somehow values ACTTAB at \$35m at the bottom of the range and possibly up to in excess of \$40m. According to all the other assumptions, that would give the purchaser of ACTTAB about 4.5 per cent return on capital. That is not a really good deal.

Ms Carnell: If they did not grow the business.

MR QUINLAN: The model does not include growing the business.

Ms Carnell: But the model is not the basis upon which someone would buy it.

MR QUINLAN: Well, the valuation then that derived from that model does not include that variable. The report then starts to refer to risk analysis and all of a sudden gears down to \$14m fairly promptly. I wonder whether there is something we do not know. As Mr Kaine mentioned earlier, because everything comes up with a pretty low value, to continue to keep the argument afloat that ACTTAB should be sold the report starts to question the amount of money that flows to the racing industry from the TAB. An amount of money that was increased with great fanfare in January, immediately prior to the 1998 election - in fact it was a half of one per cent increase, from 4 per cent to 4.5 per cent - was claimed by the Chief Minister to be capable of creating 70 additional jobs. That claim was accredited to the Chief Minister immediately before the election. So if half a per cent is 70 jobs, we are talking of a lot of jobs for a viable industry here. If this sale depends upon reducing the flow of funds to the racing industry, on those maths there must be a lot of jobs under threat.

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There are some things that the report does not include that I would have expected it to include. The report identifies that the TAB may be at risk because it might not get access to larger pools. In fact, when you distil it, that is the only risk it identifies. Does the report at any point really canvass ACTTAB entering into long-term arrangements and securing the availability of a pool? No.

Does the report identify the possibility that the Victorian and New South Wales TABs, particularly, might be prepared to do a long-term deal because they do not want a foreign competitor, like NZ TAB or anybody else, coming into the ACT, an island in New South Wales, and setting up the beginnings of very solid competition? There is leverage which may or may not be useable, but it is not even identified or canvassed in this report. It gives very scant regard to those options. The report is flawed because, as you read it, you can see, right from page one, that they want to end up with a recommendation to sell ACTTAB.

This report claims, to some extent, that people are beating down our door to buy ACTTAB. There is a list of potential purchasers in here, including the Burswood Casino. One of the members of the ACT media rang Burswood Casino at about the time this report came out and they said, "What are you talking about?". They did not know because they had not even considered the option. Then again, I suppose there is a distinct possibility that that paragraph was left over from the Northern Territory job and they just missed it in the cut-and-paste process. So we are not really sure whether all of those people listed in the report were in the Northern Territory report and were interested, and were just missed in the cut-and-paste job, or whether they were invented; but someone has been ascribed as being interested in ACTTAB, and they did not have a clue.

As Mr Corbell has pointed out, this report contains no reference to the public benefit. It does not contain any reference to secondary impacts. It does not contain any reference to job loss; it only talks about possible job expansion. It does not talk about the secondary effects in the ACT economy if we lose those jobs, as do a number of the reports that are coming forward. There is no secondary measure as to what we lose. Every now and then we get a positive measure. I think the Government claims 0.8. So if we took a half of one per cent off that Racing Development Fund, 70 jobs, we would have to multiply that by 1.8 and something in the order of 126, I think.

The people of Canberra whose assets are up for sale deserve objectivity, and they deserve the unchallengeable appearance of objectivity in the reports they receive. They have not got it in this process.

MR HUMPHRIES (Attorney-General, Minister for Justice and Community Safety and Minister Assisting the Treasurer) (4.42): I want to make a few quick points here. Mr Corbell made the allegation that the Liberal Party has commissioned this report, and, indeed, a number of other reports, to fulfil an ideological concern that it has to privatise particular public assets.

Ms Carnell: What have we privatised so far, Gary?

MR HUMPHRIES: That is a very good question. What have we privatised so far, this supposedly privatisation-bent Government? Mr Stanhope cannot name anything, I dare say.

Mr Stanhope: Well, you would privatise this except that Mr Moore is against you.

MR HUMPHRIES: In other words, nothing.

Mr Stanhope: Except that your Cabinet is divided. Except that you do not have the numbers. You lost the numbers.

MR HUMPHRIES: Can you give me anything, Mr Corbell?

Mr Corbell: You have not had the numbers before and you know it.

MR HUMPHRIES: I cannot hear you, Mr Corbell. Speak up, Mr Corbell. I cannot hear you. His voice is normally so loud.

Ms Tucker: I take a point of order, Mr Temporary Deputy Speaker.

Mr Corbell: You have not had the numbers before and you know it. I am quite happy to engage the Attorney-General in a debate if he wants to have a debate.

MR TEMPORARY DEPUTY SPEAKER: Order! The Attorney-General will resume his seat.

Ms Tucker: I want to point out that under standing order 42 members should address you, Mr Temporary Deputy Speaker.

MR TEMPORARY DEPUTY SPEAKER: Thank you. I uphold the point of order.

MR HUMPHRIES: Mr Temporary Deputy Speaker, let me make the point that the argument that has been put here today is that we are hell-bent on privatisation, that we need to have a report to justify what we are trying to do, that therefore we have rigged this report, in particular, to produce the desired outcome, and we have somehow lined up our mates within PKF Consulting. I have never met anybody in PKF Consulting.

Ms Carnell: No, neither have I.

MR HUMPHRIES: Neither has the Chief Minister. But, somehow, we have mates there who will do us the right report because we want them to. The reasons have not been specified, the means have not been specified, but somehow we are getting to this strange position where we can produce this desired result, based on the axiomatic proposition that our support for privatisation means we have to have reports that produce that outcome.

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Mr Temporary Deputy Speaker, if you make that assumption there is an even more obvious problem that the Labor Party has to face up to in its policy position in respect to this debate as well. They have a stated position, not merely the stated position of the members of this place but the stated party position, in opposition to the privatisation of ACTTAB. I quote from the *Canberra Times* of 28 June after the Labor Party conference of that weekend where this was reported:

The Labor Party's internal differences on privatisation emerged yesterday when the ACT branch conference was asked to support a resolution opposing the sale of government-owned assets.

Ms Carnell: All government-owned assets.

MR HUMPHRIES: All government-owned assets. This report went on to say:

Assembly Member Wayne Berry was alone among his parliamentary colleagues in opposing privatisation outright. His five Assembly colleagues ... supported the party's policy platform, which leaves the door open to privatisation in certain circumstances ...

The resolution passed by the conference said a Labor government would not privatise assets such as the ACTEW Corporation, Totalcare and ACTION buses.

Elsewhere in the debate we had Mr Quinlan speaking out for some flexibility, appealing for flexibility, but that was denied him by the Labor Party conference.

Mr Temporary Deputy Speaker, the position of the Labor Party is absolutely clear on that. Mr Corbell, I think, earlier this year, claimed that there is a window of opportunity there for the Labor Party to be able to privatise in certain limited circumstances. That window has been closed by the Labor Party's conference.

Mr Corbell: I would not treat you as an expert on Labor Party processes. I have never seen you at a Labor Party conference.

MR HUMPHRIES: You come in and table the document. Here is my \$20, Mr Corbell. You have my \$20 to get the policy. I will pay for the party platform. You tell me what the party platform says today about privatisation of ACTTAB. I will tell you what it says. I have not seen it, but I will tell you what it says. It says, "You will not privatise in any circumstance, in any way". Where does that leave the Labor Party when they see a report like this from a PKF consultant? Where does it leave them? It is their job, Mr Temporary Deputy Speaker, to denigrate the authors of this report and the process that produced it. They have to besmirch the report in order to have any chance of being able to rise in this place and argue for the position their party has put them into.

Mr Corbell: Nonsense.

MR HUMPHRIES: So far the evidence is pretty clear. You have put conspiracy theories on this table already several times today, Mr Corbell. Let us look at a conspiracy theory of mine. We have already seen the scoping study on ACTEW by Fay Richwhite. There was a litany of allegations, none of them substantiated, incidentally, against Fay Richwhite in this place, under the protection of privilege, which you were not prepared to repeat outside this place. You used the cowardly opportunities available to you here. We have now seen PKF Consulting given the same treatment: "Oh, they had associations with Mr Morison. They have been given some brief to do certain things". The Labor Party cannot produce any proof of this, but it is all true, apparently. We have ABN AMRO coming out very soon with further work on ACTEW. What are you going to say about that? What are you going to say about that, Mr Corbell?

Mr Corbell: We will wait and see what it says.

MR HUMPHRIES: I think I know, Mr Temporary Deputy Speaker. The fact is that these people cannot sustain their position on privatisation unless they attack the messengers. The reports done in these cases are fairly clear. They sound timely warnings for the ACT Government and they need to be heeded in this debate.

Let me say one thing very clearly to this house. A premise in that dichotomy between the imperatives falling on the Labor Party and the Liberal Party in this debate is wrong. The Liberal Party does not have an absolute priority to privatise ACTTAB. In fact, I will put on the record very clearly in this place my views about this matter. This is very much a case of exploring the views of the stakeholders in this debate.

The Chief Minister and I had a round table with those stakeholders a couple of weeks ago. We listened to their views and we made it clear to them that the resolution of this debate was in their hands. If all of the stakeholders in this debate say that they do not want privatisation, I have no doubt that this Government will not even consider the question of privatisation. If all of the stakeholders around that table call for privatisation we will almost certainly privatise ACTTAB. If some combination of those people support and some oppose, if there are some stakeholders calling for it to happen and some not, we will have to cross the bridge then. We will have to decide whether this is worth doing or not. But we do not take the position that ACTTAB must be privatised come what may. I hope Mr Corbell will be prepared to eat his words if it transpires that we do not, in fact, privatise ACTTAB. We want to look at the evidence of what is happening in this Territory and around Australia in respect of gaming and betting. The market is changing dramatically and quickly, and we have accepted the imperative to see what is going on within that framework.

Mr Temporary Deputy Speaker, in the earlier debate Mr Corbell suggested that PKF had ignored the views of other people who had made submissions to the inquiry; that they had ridden roughshod over those views and they had published what they wanted to publish all along. I want to table a letter from PKF Consulting in which they systematically go through the various submissions that were made to them. They identify the views that were raised in the review and they summarise the way in which they have picked up the issues that the submitter made to their inquiry. They have incorporated that into their submission to the Government.

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There was another fairly tawdry little untruth about what is in this report. Any little bit of dirt, no matter how unsubstantiated it is, is fair enough to throw at the people behind this report. I say to Mr Corbell and his ilk that if they really believe these things they should go outside the chamber and make these claims. Go and make them outside where you can be held to account for what you say about them. Mr Speaker, I note that they are essentially cowards and will not do that. That is why I think this debate has to take place in another forum out in the community where the facts are the issue, not unsubstantiated allegation.

MR SPEAKER: Ms Tucker, you have one minute.

MS TUCKER (4.51): Okay. Very quickly, I just want to respond to some of the arguments that have been put up. The question is not who did these reports, or where they were done. It is how well they were done. There are concerns about how well this report has met the terms of reference that were described, particularly in respect of the wider needs of the community, for the gambling industry to be carefully monitored, the social impacts that may arise, the merits of any community service obligations, and the best means of funding and delivering these services.

I do not believe that there is sufficient evidence in this report to have reached the conclusions that were reached within it, and for that reason I also am prepared to stand up and express concern. I am also quite happy to say that outside this place. I think that there are flaws in how the terms of reference have been met, and it is difficult to make an opinion on this issue, the sale of ACTTAB, with such a lack of information in these particular areas which are very important.

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

PERSONAL EXPLANATION

MR CORBELL: Mr Speaker, I seek leave to make an explanation under standing order 47.

MR SPEAKER: Proceed.

MR CORBELL: Thank you, Mr Speaker. During the debate the Chief Minister suggested that I said that the consultants had ignored the terms of reference for the ACTTAB scoping study report. That is untrue. I did not say that. Also, during the debate Mr Humphries said that I had said that the consultants had ridden roughshod over other submissions. That is also untrue. I did not say that.

INSURANCE LEVY BILL 1998
Detail Stage

Debate resumed.

MR HUMPHRIES (Attorney-General, Minister for Justice and Community Safety and Minister Assisting the Treasurer) (4.52): Mr Speaker, I move:

Page 2, lines 35-39, clause 5, subclause (2), omit the subclause.

Very briefly, the scrutiny of Bills committee or the Justice and Community Safety Committee, as it is now called, recommended that we reconsider subclause 5(2) of the Bill. The Bill essentially provides for what is described in the report as a veto power - that might be going too far. It was described as a power to hold up or block certain changes to the formula for administering or for imposing the levy if the insurance companies concerned did not express agreement with that course of action. I am, in the present circumstances, very willing to see removed from the Bill any particular options or prerogatives granted to the insurance companies. I am, therefore, taking up the suggestion of the committee and moving for the omission of the clause.

MR QUINLAN (4.53): Mr Speaker, we do not oppose the amendment to the Bill. It gave considerable clout to the insurance industry after the initial levy was applied, which was probably better than nothing given the lack of consultation before the Bill was struck. It has been recommended that it be removed from the Bill by the scrutiny of Bills committee so we must, I think, bow to that opinion. We have no objection to the amendment.

Amendment agreed to.

Proposed new clause 7A

MR KAINE (4.54): Mr Speaker, I have prepared an amendment which I have not had an opportunity to circulate. If I can read it now and then ask the Clerk to circulate it, I would appreciate it. I wish to move an amendment to add a new section 7A to the Bill. My amendment flows from a question that I asked the Minister earlier which he did not answer. It had to do with the fact that my information is that residential units administered by a body corporate immediately become susceptible to a levy at the business rate when, in fact, they are not business entities. I would like to legislate against that. I move:

That the following new clause be inserted in the Bill: Page 4, line 10:

“7A. In assessing the levies in accordance with clauses 6 and 7, the total amount assessable (AP in the formula) shall account for premiums to be paid by bodies corporate under the Unit Titles Act at the rate applicable to residential property, not that applicable to commercial property, in respect of all units that are owner-occupied.”.

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Mr Speaker, I have moved that amendment because it has been put to me by a body corporate manager that the present intention of the Government is to apply commercial rates to residential units that happen to be administered under a body corporate under the Unit Titles Act. That would be grossly discriminatory because there must be hundreds of families that live in units of that kind. They are not commercial operations, they are merely private residential units, and I see no reason why they should be assessed at the higher rate.

I can understand that the Government might have some concern about body corporate residential units that are owned as part of a business operation, they are rent earning and therefore considered to be revenue earning in the hands of the owner, but I see no reason whatsoever why a private owner-resident having such a unit should be required to pay at a commercial rate. I think that would be most discriminatory, most unfair. This Bill, if we are going to vote it in today, should make sure that people are not discriminated against in that fashion.

MR HUMPHRIES (Attorney-General, Minister for Justice and Community Safety and Minister Assisting the Treasurer) (4.57): Mr Speaker, this is an amendment that has been drafted by Mr Kaine rather than by Parliamentary Counsel. I have to indicate my very firm opposition to the amendment for two reasons. First of all, the Act is constructed in such a way as to not prescribe at all how the levy falls on individuals, either individual insurance policyholders or individual classes of insurance policyholders, because, Mr Speaker, this is a direct reflection of the scheme that operates in New South Wales and, as far as I am aware, in other places where it operates.

It is not the intention of the Government to have a scheme - I hope Mr Quinlan is listening to this - in the legislation which tells insurance companies how they will impose the levy on individual policyholders. We are happy to consider that, Mr Speaker, but it has always been the contention of the insurance industry that they should be free to make those assessments for themselves based on where, within their class of policyholders, the burden ought to fall.

Mr Speaker, I have to say that this amendment does gross damage to the structure of the Bill. There is nowhere else in the Bill where we prescribe what impact the levy will have on particular classes of policyholder. It could be asked why there should be a provision dealing with unit title holders when there is no provision dealing with business, for example, or other residential policyholders, or those insuring home contents, or those insuring cars, or any other class of insurance that might come along. Mr Speaker, this imposes a gross anomaly in the way the legislation is constructed by driving a shaft down into the underbelly of the proposal and making a particular provision which is not consistent with the rest of the structure of the Act.

The second reason I would argue that members should reject the amendment is that it is not necessary. It is true that the Insurance Council has run a quite serious campaign against this legislation, but I am sure that after today, when the dust settles, it will come back and talk to the Government about ways in which it can logically impose this levy.

I have no doubt at all that what it will end up doing is applying the levy in almost exactly the same way as it is applied in New South Wales. That makes sense because, to the best of my knowledge, every insurance company which operates in the ACT also writes policies in New South Wales. Therefore, to have a requirement in the ACT about the way in which they should write their policies and impose the levy for one particular class of policyholders, which does not conform with the way in which they write their policies in other parts of New South Wales - and they would have the same computers spewing out the policy renewals, the premium renewals, no doubt, for the whole of the ACT and New South Wales - - -

Debate interrupted.

ADJOURNMENT

MR SPEAKER: Order! It being 5 o'clock, 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.

INSURANCE LEVY BILL 1998 **Detail Stage**

Debate resumed.

MR HUMPHRIES (Attorney-General, Minister for Justice and Community Safety and Minister Assisting the Treasurer): Mr Speaker, the problem is that we would end up with a different arrangement operating in the ACT than operates in New South Wales. Members have come into this place today and argued extensively from the position of the Insurance Council. I have no doubt whatever that if they went back and asked the Insurance Council about this amendment they would get a very clear indication from them that they should not accept the amendment - not because it necessarily helps the Government not to have it but because it interrupts their capacity to deal flexibly with the way in which they exact the money from their policyholders to pay the levy.

What the levy does is impose a burden of \$10m across all the insurance companies that operate in the ACT in proportion to the amount of business that they write. How they, in turn, apply that levy to individual policyholders is a matter for them. If we find, as Mr Kaine suggested in the issue he raised earlier today and his amendment now, that some companies are going to hit unit plans more heavily than they would in New South Wales, let me say, first of all, that is exceedingly unlikely because it means constructing a different model in the ACT from what they have in New South Wales, which must be more cumbersome for them administratively; and, secondly, the next insurance company that comes along is bound to break with that practice and stick with

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the arrangements in New South Wales because it will be easier for them administratively and they will win the business of that company which is now imposing a higher burden on unit policyholders - on people in unit plans who happen to have an insurance policy. They will almost certainly do that.

Mr Speaker, it is not hard to realise why the state of affairs which has been suggested by Mr Kaine will not take place and, if it did, it would be quickly undercut by other insurance companies imposing a different regime, putting together a different policy that would, no doubt, attract that first company's policyholders away from it. I can only urge members to not accept a recommendation which has been drafted, with respect, by one member - it has not gone through Parliamentary Counsel - which has come up today based on a misapprehension about the legislation, and which could do considerable damage to the structure of the Bill as it now stands.

MR KAINE (5.02): Mr Speaker, I am not persuaded by the Minister's argument, firstly, that we should not amend a Bill simply because it upsets the nicety of his structure that he sees for it or, secondly, that we should not amend it because it might put us out of kilter with the State of New South Wales. If putting us out of kilter with the State of New South Wales eliminates discrimination from a Bill, I would do it every time. I am not convinced by Mr Humphries's arguments as to why we should not make any amendments to this Bill. That would apply to any amendment that we chose to make to it. However, I am prepared, Mr Speaker, in order to allow the Government to achieve its aim of getting the Bill through today, even though I do not agree with it - I presume they will get it through - to consult further and put my amendment forward as a private members Bill at some time in the future if I think it is warranted. I am prepared to withdraw my amendment.

Amendment, by leave, withdrawn.

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

Bill, as amended, agreed to.

APPROPRIATION BILL 1998-99

[COGNATE PAPER:

ESTIMATES 1998-99 - SELECT COMMITTEE - REPORT ON THE APPROPRIATION
BILL 1998-99 - GOVERNMENT RESPONSE]

Detail Stage

Debate resumed from 25 June 1998.

MR SPEAKER: Is it the wish of the Assembly to debate this order of the day concurrently with the Government's response to the report of the Select Committee on Estimates 1998-99 on the Appropriation Bill 1998-99? There being no objection, that course will be followed. I remind members that in debating order of the day No. 3, Executive business, they may also address their remarks to order of the day, Assembly business, relating to the Government's response to the report of the Select Committee on Estimates 1998-99 on the Appropriation Bill 1998-99.

Standing order 180 sets down the order in which this Bill will be considered; that is, in the detail stage any Schedule expressing the services for which the appropriation is to be made must be considered before the clauses and, unless the Assembly otherwise orders, the Schedules will be considered by proposed expenditure in the order shown. With the concurrence of the Assembly, I am proposing that the Assembly consider Schedule 1 by part and appropriation unit and departmental totals. Is this the wish of the Assembly? That being so, Schedule 1 will be considered by part, appropriation unit and departmental totals, then the clauses prior to Schedule 2 and the title.

Schedule 1 - Appropriations

Part 1 - Legislative Assembly Secretariat

Proposed expenditure - Legislative Assembly Secretariat, \$6,290,000 (comprising net cost of outputs, \$3,510,000; and payments on behalf of Territory, \$2,780,000)

MR QUINLAN (5.06): Mr Speaker, since I have been a member of this place I have found that the services provided are exceptional. The manner in which they are delivered is excellent. I refer the Assembly to some of the recommendations in the Pettit report. Recommendation 10 deals with an extension of the Parliamentary Library; recommendation 11, a consideration of a research facility; and recommendation 15, a modest increase in secretarial support to committees. Of course, we will be supporting the passing of this line in the Appropriation Bill, but we would like to point up those recommendations and the Pettit report overall for future reference.

MS CARNELL (Chief Minister and Treasurer) (5.08): Mr Speaker, the Pettit report is still before a select committee. Mr Quinlan, I assume, would know that the Legislative Assembly Secretariat budget is formed on the basis of consultation by the Administration and Procedure Committee. If the proposals are brought to the Government in the formation of the next budget, obviously we would look at them seriously - if, of course, the select committee recommends going down that path.

Proposed expenditure agreed to.

Part 2 - Auditor-General

Proposed expenditure - Auditor-General, \$886,000 (comprising net cost of outputs, \$886,000)

MR QUINLAN (5.09): As chairman of the committee incorporating the PAC, I must say that I am getting through the backlog of audit reports from over a year-and-a-half ago that we have inherited. However, I have found that they are very comprehensive and informative. The Auditor-General deserves every dollar he gets. I am sure the Government would be only too happy to provide him with more - were it only available.

Proposed expenditure agreed to.

Part 3 - Chief Minister's Department

Proposed expenditure - Chief Minister's Department, \$90,713,000 (comprising net cost of outputs, \$60,189,000; capital injection, \$12,237,000; and payments on behalf of Territory, \$18,287,000)

MR QUINLAN (5.10): Mr Speaker, I refer to some of the recommendations of the Select Committee on Estimates. Even though I think our budgets stack up fairly well on a national standard, there is room within the Chief Minister's budget, given that we are relatively small, to re-emphasise that the changes that have been made from year to year mean it is rather difficult to make comparisons and to use the budget in this debate. I have a couple of people in my office who have worked long and hard in working their way through the budget. They deluged the Office of Financial Management with questions and elicited considerably more information. Maybe as we move along there will be less necessity to do this as we learn a little more and as there is an aim within the budgets to produce clear information - to inform. Accounting standards are all about a clear and fair view of what is occurring, and I think we need to keep focusing on that objective.

We know that within accounting standards there is a requirement for notes to attach to financial statements and for them to be informative. But we are still battling, in some areas, to be convinced that the clear objective is to fully inform. I guess when you are on the inside sometimes you know too much to put yourself in the position of a person trying to understand and to read what is included in the figures. But I do hope that we will make a greater effort to pursue these issues in the budget. Although we have a table showing where money has been shifted from place to place, we need to go to individual programs and to be told what we spent last year and what we are going to spend this year. As an opposition, we want to know where the cuts are and, yes, we will still stand up and use them in debate. Nevertheless, if we are to adhere to accounting standards and we are to continue to develop in this regard within the ACT, we have to keep our eye on that particular ball.

I have a couple of areas of comment that I would like to make on the overall funding. When I search through budgets I am, to a large extent, at a loss to know, overall, precisely what we are spending towards 2000. We are spending money at Bruce; we are spending money on Project 2000; we are spending money under the umbrella of elite sports; we are spending money on assisting elite teams; but we do not know how much funding is involved. You tread a fine wire, of course, if you criticise what is happening at Bruce. We have had the party line pretty well down. For instance, if you do not like what is happening at Bruce, you do not like the Raiders and the Brumbies; therefore, you are disloyal, you eat babies, and so on. As I said once before in this place - I think last week - the appeal to patriotism is the last refuge of a scoundrel.

I am certainly in favour of our participation in the Olympics. I would just like to know exactly what it will cost. I would like to think that the people of the ACT will know what it is costing now and what they are committed for so that we can all participate happily with it, comfortable in the knowledge that we are not paying too much in terms of the other options that might have been available had that expenditure been applied in other areas. What about other sports? Olympic soccer is coming here, but - - -

Ms Carnell: It was the only choice. There were no other sports outside Sydney.

MR QUINLAN: There is a sport like hockey where you could have pre-Olympic tournaments and Canberrans could actually see - - -

Ms Carnell: Which we are having. It is happening.

MR QUINLAN: You have all of them? All that they want?

Ms Carnell: It is organised. Yes, I think so.

MR QUINLAN: We have not been told that.

Ms Carnell: I am sorry. We had better put out a press release.

MR QUINLAN: Yes. Keep the propaganda out of it, will you? It is important to get beyond the shield of saying, "Well, it is 2000 and it is all good". It is; nevertheless, we still want a rational approach to it. I, for one, would like to see a composite statement of what we are spending in that regard as opposed to community services, education and health - those other priorities that must necessarily suffer if we do have the capacity to find that money. That is one area that I would have liked to have been clearer in the Chief Minister's budget. There is quite obvious concern within this appropriation in relation to the Institute of the Arts, and I will not belabour that again. Others might want to, but I will not at this stage.

To a large extent, the centrepiece of the budget was the \$100m sale of streetlighting to ACTEW. I have found the information provided on how that has been handled to be well and truly an insult to the intelligence. The particular transaction was heralded in the budget last year. It was going to happen this year. We have a sale and we have asked questions about it in this place. We were informed that the ACTEW board and ACTEW executives were delighted with the deal. It is just beyond belief that they would be delighted with such a deal. Elsewhere in the operations area of the budget you will find the figure showing how much ACTEW will receive for operating the streetlighting system. The number is, in fact, less than the number they received in the last financial year. So they have the potential to fork out \$100m - the capital costs of forking out that \$100m - for the privilege of having the amount they receive in return reduced. It is an insult to one's intelligence to believe that anybody would be delighted with a deal such as that. In the end, at the estimates it was said, "Well, we are going to do it on 30 June next year. They will not be operating it until then, so it is quite okay". Now, this was heralded a year ago. I am not convinced that the end line that we received at estimates had not more or less evolved than been a function of a direct plan. On our side there was a little concern over a couple of other items of expenditure and capital expenditure. As those have been discussed previously in this place, I will close on that point.

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MS TUCKER (5.20): I have a couple of comments, although I think a lot of what I shall say has also been said before. I wish to comment on the way the Chief Minister's Department operates, which seems to be an example of what is meant by the term "whole-of-government approach". Basically, that department controls most of what goes on, which means there are real inconsistencies occurring between what is supposedly going on in some departments and what is actually being taken over by the Chief Minister's Department.

Always I have to express concerns about the rather blind adherence to competition policy that I still believe is a feature of this Government, despite its protestations, which promotes the sale of ACTEW and ACTTAB and the deregulation of the ACT milk industry. It was interesting, to hear on the radio yesterday morning, I think it was, that the Liberal candidate - I cannot recall his name, but it came up in debate this morning in this place - - -

Ms Carnell: Ian Morison.

MS TUCKER: Ian Morison. He is, apparently, an expert on these things and he was asked by the interviewer whether he was concerned about competition policy. He said, "No, it is really good for all of Australia". The interviewer said, "Mm, it is a bit on the nose in the ACT. There have been a few issues like, you know, the pool and milk". He said, "Oh, we do not have to worry. We do not have that many cows in the ACT", or something to that effect. So you wonder about the expertise that is around in the Liberal Party on this matter.

When I heard it, I did think, "Come on, One Nation", because that is exactly the kind of comment that enrages people in the community who may not want to embrace alternatives to competition policy but just feel so frustrated when they hear those kinds of blanket statements. That is why they react against Liberal and Labor and will vote for parties such as One Nation - it is an easy way out. I would have thought anyone speaking publicly on these issues now from the Liberal Party would have realised they needed to show a bit more of a sophisticated understanding of the implications at present of competition policy on people in Australia, and in the ACT as well, of course, because it is coming up over and over again.

We are also concerned at the promotion of developer-driven planning by the Chief Minister's Department, such as Kinlyside and section 56 in Civic, despite the Government still having failed to produce any real strategic plan for the ACT or even the city area. The \$6m boost to tourism marketing over the next three years, basically, is still feeding a cargo cult at the Olympics. It is not an alternative to sustainable economic policy. If the handling of entry fees for Floriade were an indication of how the money would be spent, this money would be better spent on promoting sustainable green industry in the ACT.

An amount of \$500,000 is to go into the discredited Feel the Power campaign. That is an absolute waste, a scandalous waste, of money. The Government should just admit that that was a huge mistake and cut its losses. The Government says it is committed to the development of a strong and diverse arts industry in Canberra. It would have to be very strong to survive the cuts the Government has made to the Institute of the Arts.

MR BERRY (5.23): One of the most striking aspects of the Government's budget and the approach it took to scrutiny is the obfuscation and the determined way the Government sought to avoid opening up the budget to comparison with, say, last year's budget. The Chief Minister, of course, rises to her feet and says, "Nobody understands accrual accounting in this place - only me". She is the only one that can possibly understand that! Of course, that is the reason, if anybody dares to raise a question about the cloak of secrecy which is placed over the budget. They are always hit with a tirade of invective about their lack of understanding of accrual accounting and anything else that comes to mind. Let me put one thing on the record, as it might remind people who have a bit of an understanding of accrual accounting: Only Labor came up with election promises set out in accrual terms. The Government could only do it in cash terms. Let us not forget that.

Let us have a look at the "Budget at a glance" document. We went to great pains during the Estimates Committee process to get the Government to tell us how they were spending more in various areas. The Under Treasurer was less than helpful. I, for one, am very critical of the performance in the Estimates Committee because he was less than helpful, though I suppose he was largely responding to the actions of his political masters. But the Government should have been able to explain to us exactly how we could compare this year's budget with last year's. Indeed, looking at the Under Treasurer's response, I think aided and abetted by the Treasurer, it was very clear that they were going to stubbornly refuse to be cooperative in the context of scrutiny of a budget. That became very clear. Nevertheless, things were discovered.

One of the most shameful aspects of funding cuts in the budget, the Government's approach to its grants program, was in relation to arts funding. This was a secret cut that did not appear anywhere in the budget papers. The Government has an obligation to ensure that, when there are significant cuts to the arts or other areas which affect our cultural future, it should be open and honest about it instead of being secretive and trying to keep the cuts out of the public domain.

As my colleague said earlier in today's debate, because the Chief Minister was having a squabble with the ANU about rates, the Institute of the Arts was given a bit of biff to straighten it out. That is not the way we should be doing business in this place. The Chief Minister smiles. It might be tough and hairy chested to go around smacking people around the chops like that, but it has no relevance in the context of developing a satisfactory cultural outcome for the Territory. The fact is that the arts funding debacle was a disgrace. It will be long remembered by many people because of the impact that it will have on the development of our culture.

Mrs Carnell saved most of her vehemence for the recommendations in the dissenting report from my colleague Mr Corbell and me.

Ms Carnell: Because they were stupid.

MR BERRY: She interjects, "Because they were stupid". I will come to one right now that did not strike me as being particularly stupid, and that was the one about conflict of interest. I know the Government is not particularly interested in these issues, but what it does not seem to realise is how short a step it is between failing to address the issues of

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conflict of interest and falling into accusations of corruption and those sorts of things. You must be impeccable. If your ministerial code of conduct was, as you said it was, something which would guarantee effective performance, your performance in relation to the matter raised by Mr Corbell and me was appalling. I note that you said in your response to the dissenting report, "This matter is not appropriately addressed in the report of the Select Committee on Estimates". Then where is it appropriate, Chief Minister? Nowhere, it seems, do you want it to be raised.

Let me say this from the outset. The Pharmacy Guild of Australia has been mentioned. The ACT Branch President of the Pharmacy Guild wrote to me in relation to this matter. I have written back to him and made it clear to him that nobody is having a shot at the Pharmacy Guild. What we are saying is that the Government is unable to manage these things. The Government made a lease grant to the Pharmacy Guild on preferential terms. I expect the same would apply with any other national organisation - there is nothing wrong with that - but then we found out that it was made by Mrs Carnell, and she is a member of the guild. I suspect that she made the decision one way or the other. At the end of the day, we saw two significant grants, totalling \$14,230, in two donations.

Now, it is not a matter of whether something untoward was occurring, but what it looked like. The ordinary person in the street would be entitled to raise an eyebrow about this. Let me list the circumstances again: A preferential land grant is made to the Pharmacy Guild; the Chief Minister is a member of the Pharmacy Guild; the Pharmacy Guild makes a significant donation to the ACT Government. This is not a reflection on the Pharmacy Guild, but it is certainly a reflection on the way that the Government manages these things. I think the ordinary person in the street would be entitled to form the view that something was not right. In fact, they would be entitled to form the view that there was a conflict of interest.

What Simon Corbell and I said to the Chief Minister was: "We reckon you ought to have a management system that avoids these circumstances. Perhaps you should have a look at your code of practice and ensure that, when these conflicts are likely to emerge, there is a statement which ensures clarity about the way these things are determined to make sure that, say, the relevant Minister is not associated with the decision". But this was a decision of yours, as far as I can make out. I think it is worthy of more attention.

Another matter which was raised in the report concerned the FAI Insurance Group. They made a major donation to the Liberal Party. I am sorry: I withdraw that. They made a major donation directly to Kate Carnell. And that is the significance of these issues. These are not donations to the Liberal Party; they are donations directly to the Chief Minister, the decision-maker, in relation to a whole range of issues across the Territory, one of which, I suspect, was in relation to the rental of office space. There was a decision on a substantial tax and charges waiver in respect of the Waldorf Apartments - FAI own those - and then there was a donation to the Chief Minister. So, let us put the chain of events in place: The Chief Minister, or the Government, rents space off FAI Insurance; the Government gives substantial tax and charges waivers to FAI; it is a joint sponsor in the FAI Rally; and there is a donation that comes back to government. It smells of fish, in my book, on the surface of it. The ordinary person in the street would be entitled to come to that view. What the Government has to do is to make sure that that suspicion cannot arise, and it has not done it.

Ms Carnell: Nobody agreed with you in the Estimates Committee.

MR BERRY: Mrs Carnell says nobody was ever interested. I know that the Government is not interested, but I am interested in the standing of government in this place and I can tell you those sorts of things would not happen under a Labor government.

Ms Carnell: I am saying the Estimates Committee did not agree with you - nobody, except Mr Corbell.

MR BERRY: Mrs Carnell says nobody agreed with me, except Mr Corbell. If it is so meaningless, why did you even bother responding in your response to the Estimates Committee report?

MR SPEAKER: The member's time has expired. Do you want your other 10 minutes?

MR BERRY: I will speak later, Mr Speaker.

MR KAINE (5.34): I will be fairly brief, but there are a couple of matters that I think warrant some comment in connection with this particular line item in the budget. It is a great pity that a couple of the crossbenchers - they have been mentioned before - whom the Government relies upon to get their decisions implemented seek to absent themselves from this debate. When it comes to the punchline and they have to lodge their vote, they go weak at the knees and decline to send the message to the Government that what the Government does sometimes is not fairly acceptable. I would like to see them show a bit more of that stuff that the Chief Minister talks about from time to time - it is not a word in my vocabulary, but it is one that I am sure they will understand because they hear it often - and that is, they should have the guts to stand up and put their money where their mouth is once in a while. This part of the budget is where this weak-kneed attitude reflects itself most.

I think that the arts community in Canberra could look at the budget with a jaundiced eye when, on page 17 of the budget papers under the heading "Chief Minister's Department", they see the highlights for 1998-99. The highlights, mind you, include implementing the arts development strategy and developing Civic as a major cultural precinct. At the same time, they take \$1.6m off the arts and cultural budget of the Territory.

Now, where is the consistency? I know what the Chief Minister is going to say because we now have this mantra. The mantra is: "The operating deficit", "The budget deficit", "the bottom line budget deficit". Every time you mention money you get: "Nobody cares about the budget deficit" - the only person that cares about that is the Chief Minister.

It is very interesting that within the Chief Minister's own budget she will take \$1.6m out of the arts budget while at the same time she says they are going to implement an arts development strategy and develop Civic as a major cultural precinct. But the bottom line, "There is an operating deficit", seemingly, is in no way affected by spending half a million dollars on the Feel the Power of Canberra campaign that Ms Tucker mentioned; nor completing the redevelopment of the Bruce Stadium, with the budget blowing out like nobody's business. Obviously that does not affect the bottom line operating deficit.

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The Chief Minister can accommodate that because these are projects that the Chief Minister thinks are desirable. Why does she think they are desirable? The only reason I can conclude that she thinks they are desirables is that they make excellent photo opportunities. I heard a response earlier this afternoon when somebody chided her about something. I was upstairs and I heard her say, "I have just put out a media release". That is the Government's response to everything - put out a media release. Do not do anything, but put out a media release. I suspect, Mr Speaker, that the Government speaks with forked tongue when, on the one hand, it talks about the operating deficit and the need to watch every dollar that we spend and, at the same time, it makes decisions that seem to be contrary to that.

One of the other things that I notice in the Chief Minister's own 1998-99 highlights - you would think that these would be important to the Government, would you not, the Chief Minister's highlights? - is maintaining value in the ACT's broad range of Territory-owned corporations and other government business enterprises. We have just seen the Milk Authority completely demolished; they are about to flog off ACTTAB, unless they see some common sense; and they have been undermining ACTEW for at least two years, to my knowledge. And they have the effrontery to include maintaining value in these assets in these papers. They talk them down constantly to the point where you wonder whether they have any value to the Government at all.

I find some major inconsistencies in this part of the budget, Mr Speaker, and I sadly regret the fact that the people within whose power it is to convey a message to the Government that this sort of logic in the development of the budget is not acceptable go weak at the knees when the opportunity presents itself. I think it is very sad indeed.

MR STANHOPE (Leader of the Opposition) (5.38): As we debate this matter line by line it is relevant to reflect back to the Chief Minister's budget speech in which this was heralded as the "clever and caring budget". As one looks at the detail, and as one who has experienced the estimates process, we discover the extent to which it is not particularly clever and it is certainly not caring. I note that we are also debating the Government's response to the estimates report, Mr Speaker. I have attempted, during the pressure of the day, to read the response and I have had some difficulty. It is very difficult for us to debate the Government's response to the estimates report because we got it only today, which I think is a pity. A whole range of issues dealt with in the Estimates Committee would have benefited from our dwelling on them to some extent in terms of the Government's response. Therefore, we may not do the response the justice that it perhaps deserves.

In the context of the budget, in the context of this item and the investigation of the item that was provided to us through the estimates process, a whole range of issues highlight a major deficiency in this Government in its commitment to process. If nothing else, the estimates process certainly highlighted that in a whole range of areas. It was an incredibly valuable process and I think it is a pity that the Government has sought so strenuously to undermine and to seek to ridicule the estimates process.

The estimates process, I think, was quite viable. It is a real pity that the Government's response to the report, rather than being proactive and positive and seeking to indicate the extent to which it could accept and take up the recommendations made by the committee, has sought to deride them, to belittle them and to completely undermine them.

I will go through some of the things that were revealed during the estimates process that show the extent to which this Government is completely impervious to the need for good process, the need for good process as a precursor to good government and the need for good process as a precursor to the delivery of a good, genuinely clever and caring budget. The issues go to Floriade - the Government's intransigence and the fact that it had no process in relation to Floriade - and the Government's dismissal of the processes put in place by this Assembly to deal effectively with national competition policy issues. The fact is that two years ago this Assembly directed the Government to establish the competition forum, but it never saw fit to utilise the enormous expertise that was available to it through the forum. As a result, this Government delivered a most spurious dismissal of its election commitment to build a pool in Belconnen. Because of this Government's dismissive attitude to the competition forum, the national competition issues delivered to this Assembly and to the people of Canberra, a report on the deregulation of the milk industry was simply ridiculed, trashed. The advice was simply not acceptable and did not advance the debate. Because of this Government's lack of commitment to process, its lack of commitment to good government, we were left with a non-useable report on the deregulation of the milk industry and an election promise that was trashed to fill some other hole.

The situation in relation to the Institute of the Arts is just another example of a complete lack of process of good government. Others include the Feel the Power campaign, the painted plane, the hiring of an office, an unserviced office in Sydney - things that really defy my imagination in terms of open, transparent processes - and, of course, the Hall/Kinlyside development. The Hall/Kinlyside development was dealt with at some length in the estimates process, a process that revealed nothing, a process that left us - - -

Ms Carnell: I agree with that. It revealed absolutely nothing - the whole of the estimates process.

MR STANHOPE: No, it revealed a lot. What the estimates process revealed, in relation to the Hall/Kinlyside development, was the extent to which this Government did not answer, and still has not answered, the challenges which this side of the house has made to it about the veracity of some of its responses in question time. There are still a whole range of unanswered questions in relation to some of the evidence given to the Estimates Committee by officials of the Chief Minister's Department. There are still unanswered questions in relation to some of the evidence given to the Estimates Committee by officials of the Department of Urban Services.

Ms Carnell: What unanswered questions? Send them to me.

MR STANHOPE: I will, Chief Minister. I propose to do that. In evidence which you and your officers from asset management provided, you undertook to give to us a copy of the three leases which were hand-delivered to Mr Lilley. We are still waiting for those three sets of documents.

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Ms Carnell: Mr Speaker, Mr Stanhope is reflecting on not just one vote of this Assembly but, I think, now two.

MR STANHOPE: I am sorry, I did not get the point of the point of order, Mr Speaker. Can you clarify it for me?

Mr Corbell: It is not a point of order, Mr Speaker. Under what standing order is the Chief Minister calling a point of order?

Ms Carnell: He is reflecting on a vote of the Assembly. We voted on the issue of Kinlyside, Mr Speaker, in this Assembly on two occasions, I think.

MR STANHOPE: On the point of order, Mr Speaker: I am referring directly to evidence given to the Estimates Committee and we are currently debating the estimates report.

MR SPEAKER: I will allow a broad debate on this matter. Go on.

MR STANHOPE: I have concluded on the point, Mr Speaker, but I will probably take it up on another occasion in another way.

Ms Carnell: And it will be reflecting on a vote again.

MR SPEAKER: Order! We are debating an appropriation. I hope we will get some general discussion.

MR STANHOPE: I regret that I have not had more time to delve into the response, but there are indications that perhaps the Government has got the message and that it is not just paying lip-service to some of the issues raised quite legitimately by the Estimates Committee. For instance, in its response to recommendation 16, the Government has agreed that it does need better arrangements in relation to deals such as that concerning the painting of aeroplanes. There is an issue at this late stage, even now that the aeroplane can fly, as to whether or not there are still seven air shows around Australia that it can get to. I do not think there are. I think it has done its dash, so there is \$15,000, at least, that is hanging.

Regarding the Government's response to recommendation 17 about the need for a protocol in relation to the purchasing and funding of public events, the Government says that it agrees with the need for a protocol so that we can avoid the absurdity of tennis matches purchased at fundraising dinners. It will not end up costing the ACT ratepayer \$30,000, \$60,000, or whatever it was.

There are a whole range of responses by the Government which require much more detailed comment. For instance, I notice the Government's response to the committee's report expressed concern about job losses within the ACT Public Service. The committee commented in its report on the unsatisfactory fact that the Government cannot tell us what the job movements in each of the agencies will be this year - I think that is the new terminology.
(Extension of time granted)

The Estimates Committee made the point that a good employer, a caring employer, would not leave its employees in a situation of not knowing how many of them are for the chop. It was a very reasonable point for the committee to make that, in a service such as the ACT Public Service, workers have a right to know what the Government's intentions are in relation to redundancies - we now call them movements. The Government has basically dismissed that with some mumbo jumbo about how the development of budgets is an administrative process well established in the public sector, et cetera - reducing job losses to the need to have some formal structure to the development of budgets.

I think there is food for thought there, and for a subsequent debate, Mr Speaker, in relation to the Government's dismissive attitude to the rights of its workers in an age of extreme insecurity for people, particularly in this town, having regard to the recession which was forced on us by the Government's Federal mentors. In this town there is an incredibly high level of insecurity around jobs.

Everywhere I go people tell me that the No. 1 issue that causes them fright, distress, that puts enormous pressure on their families, is not knowing whether or not they are going to have a job this time next year. I think the Government's complete disinclination to come to terms with that issue - and it is not a laughing matter; it is a very serious matter - in this report is a very worrying aspect of the Government's response to the very sensible suggestions which the Estimates Committee made.

MR HUMPHRIES (Attorney-General, Minister for Justice and Community Safety and Minister Assisting the Treasurer) (5.50): Just for the record, Mr Speaker, the Chief Minister and I were laughing about the irony of Mr Stanhope making remarks about job security. It seemed rather funny to us under the circumstances. I rise to make a brief observation about the comments of Mr Berry a little earlier in this debate. Mr Berry raised some comments that he and Mr Corbell had made in their dissenting report concerning the Chief Minister and links with the Pharmacy Guild and FAI Insurance - the usual bit of muck that gets thrown by Mr Berry regularly in this place.

Mr Speaker, I particularly want the Leader of Opposition to take note of those comments because he rose in this place - I am talking about Mr Stanhope, the Leader of the Opposition - when he first became leader and stoutly defended poor Mr Berry who had been subject to such slurs during the recent election campaign; Mr Berry was just doing his job and had all sorts of terrible personality-based comments made about him in the recent campaign, horrible things like a sticker saying, "Do not Berry Canberra". There were suggestions that Mr Berry was not competent to manage the finances of the Territory, given his "Working Capital" fiasco - things like that.

Now, he defended Mr Berry in the face of those sorts of comments, yet he sat back calmly while Mr Berry, so-called lilywhite Mr Berry, hurled another piece of muck. It is the usual thing for Mr Berry. Every year in this place we get the usual sort of muck. We get unsubstantiated claims about corruption - that is what it amounts to. Mr Stanhope, how can you sit there and attack suggestions that Mr Berry was a bad financial manager as a terrible slur on an innocent man, yet say that what he has just said about the Chief Minister was okay? Does that not strike you as a double standard, Mr Stanhope? It does me, Mr Speaker.

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MR WOOD (5.53): Mr Speaker, as I rise to speak on the Appropriation Bill, I am acutely aware of the fact that you might pull me into order.

MR SPEAKER: If you stray from the Chief Minister's Department, I will.

MR WOOD: Mr Speaker, I am going to talk about something that is not in the Appropriation Bill, and that is the \$1.6m that was taken from the Institute of the Arts. It is just not there. I recall those naive days of mine when I was a Minister sitting on the other side of the house. Come budget time, we would put out our media statements, proudly proclaiming the good things we were doing - and there were many of them - but do you know what else we did, not just me but my colleagues too, Wayne Berry and others? We would put out media statements saying where there were cuts to the budget. I have a big pile of media statements here that the Government put out recently. There is not one negative in them. There is not one statement anywhere in them that says where the money is going to be reduced. We know that in a budget that is inevitable. That happens. We did it, but we also told people that we were doing it. We did not run spurious lines. We did not run a \$10m insurance levy as a separate issue, as though it was not slugging the ACT taxpayer.

The \$1.6m went. We have had the debate on that. I am not going to retrace all those steps. The debate was lost, unfortunately. We await the announcement from the Chief Minister, if there is to be one, about what the institute may have returned to it by way of new agreements that might be made. I would urge the Chief Minister to do that as rapidly as she possibly can, because there are budgetary implications at the institute. They need to know where they are going as they make the fairly dramatic adjustments that might be necessary.

It is the Opposition's intention to vote no to this line, and to do so quite fiercely. I believe it is possible for the Assembly to join with us and vote no and vote this line down and require the Chief Minister to go back and reconsider. We have not proposed an increase in the line, but it is perfectly possible for the Chief Minister to go away and reappropriate the money within this budget to find \$1.6m for the Institute of the Arts. It is quite possible for that to happen. That would not see a collapse of the Government. It would not see a catastrophic change, although I would not mind that, to the Government. This Assembly, by a majority voting no, could send a strong message to the Chief Minister. Unfortunately, the facts are clear. That will not happen. We will not carry that vote. Having read the debate and the legal advice from two earlier occasions when the attacks were made on the budget in an effort to change the budget, I know that it is entirely possible to do that without the Government having to fall. The Government need only go away and consider how it allocates its money within that area.

I want to restate briefly the importance of the Institute of the Arts as an institution which has an important community function beyond the tertiary education role. I suspect there was some dispute about this, and it seems to be the area that the institute is now having to quantify. It does have a significant effective role, one that I think is very clear to see.

I would strongly urge the Chief Minister, as it is now in her hands entirely, to consider that community role and to fund it appropriately. She is also the Minister for the arts and I believe has a responsibility to see that the arts are nurtured in Canberra, notwithstanding the difficult economic times we have, and to see that the work that the institute does both in the visual arts and in music is paid for. There is no doubt that the community has expressed a strong view on it. The community is passionate about the arts and it has made that very clear. It understands the role of the institute. It knows from its own experience how important, how vital, that role with them and broadly in this community is.

If the Minister does not - and I do not expect she will - announce what contracts she might come up with in respect of the institute, she might at least indicate a timeframe when - - -

Ms Carnell: It is up to them. Negotiations are going on. I cannot tell when they are going to finish.

MR WOOD: As soon as those negotiations are complete, could you rapidly make an announcement?

Ms Carnell: They are not going to get any more money this year, but we are talking about future years.

MR WOOD: It has had a big impact and they do need to know about future years. I think it is worth saying again that the institute was never asked until after the budget, until the budget bombshell, to provide information in a certain way. They had had earlier contact with Mr Humphries, and they believed that they were reporting in exactly the way that was required. It was only after the budget that new processes were demanded of them. I would not want it to be understood anywhere that somehow or other they were negligent in their duty. They were not. They do a fine job. They deserve support for the work they do in the community area, and I hope that they get that support in full measure.

MR HIRD (6.00): Mr Speaker, I take up where Mr Wood has just left off. I concur with Mr Wood. The Institute of the Arts does do a fine job.

Mr Berry: They are still leeches, Harold.

MR HIRD: They do a fine job. Not as bad as you, Mr Berry. If you wish to refer to yourself as a leech, that is up to you. There is no question about a community organisation such as the Institute of the Arts being a worthy organisation to receive money. If we did not account for the expenditure of taxpayers' moneys, this lot over here would be the first to criticise us. Under the Institute of the Arts, the \$1.6m is about accountability. I heard Mr Wood stress earlier that the institute did not know that there was an obligation on them to come to the table and say where the \$1.6m was being spent. They did. They have been asked for a number of years, so put that aside. The Institute of the Arts is a very valuable institute for the ACT, but we should not just back the truck in and give them hundreds of thousands of dollars, \$1.6m, of taxpayers' money without showing some justification for where that money is going.

When the Carnell Government came to office, it had a \$344m deficit to address and, to the credit of the Chief Minister and Treasurer, she has done so in a very difficult situation. I am not going to speak at length, because it is important that we move on and get rid of this Bill. I would like to quote the *Canberra Times* of Saturday - - -

Mr Quinlan: Is this a confession?

MR HIRD: Listen, young Ted, listen. As reported in the *Canberra Times* of Saturday, 20 June, this year, Access Economics director Chris Richardson says that he would hesitate to suggest absolutely no spending cuts but says that now is not the time to take an overall vicious axe to the Government's spending.

Ms Carnell: Which is what we did.

MR HIRD: That is exactly what we did, Treasurer. I notice that those opposite have gone quiet, and so they should. Treasurer and Chief Minister Kate Carnell has made a fair fist of dealing with the ACT's long-term physical difficulty without doing the slash and burn predicted by some and urged by others. They are the ones who cannot add up. One and one to Mr Berry is 11. In the *Canberra Times* on 24 June, page 2, Crispin Hull said:

Overall, though, ACT public-sector accounting is probably the most transparent and accessible of the eight state and territory governments.

I will repeat that because I do not think those opposite were listening:

Overall, though, ACT public-sector accounting is probably the most transparent and accessible of the eight state and territory governments.

I rest my case. It speaks for itself. The Chief Minister and Treasurer is attempting to reduce a deficit which was left as a weight upon her shoulders by the previous Labor Government. The people of the ACT know this and in the recent election they gave the Labor Party the message.

MR CORBELL (6.04): In addressing this appropriation unit, I want to highlight some points that my colleague and leader, Mr Stanhope, made. At the core of the Labor Party's opposition to this budget is the fact that Canberra is a city of enormous insecurity. Canberra is also a city of a quiet but growing anger. In my journeys throughout the electorate of Molonglo over the past couple of months, it has been clear to me that there has been a distinct change of mood. It is quite interesting that it occurred around the time of this Government's budget. We have known for some time that job security and unemployment are key issues for our city. Those issues remain. Those people in Canberra who have jobs fear that they will not be able to retain them. They fear redundancy, they fear unemployment and they fear the consequences that that will have for their families.

Perhaps more interesting is the growing sense of anger in this community, whether it is anger over the cuts to the Institute of the Arts and the tens of thousands of people that decision has affected, whether it is anger over the impact of the insurance levy, which when put into place will discriminate against many lower-income earners who choose, quite rightly, to insure their properties, or whether it is over the fact that those people who have a smaller vehicle find themselves, through some quirk of registration classifications, actually paying more. Wherever you go throughout our community there is an anger. It is a quiet but growing anger. We have seen it demonstrated most obviously in the protests outside this place over the Institute of the Arts, but there are many other issues such as the registration fees and the insurance levy. Buses are another issue. We will address all of those when we come to the appropriate appropriation units. The feedback we are receiving is that this budget is not caring. This budget is certainly not clever, because it chooses to measure things purely in figures. It does not make an assessment of the social value of the decisions that it implements. It does not make an assessment of the impact that the lack of judgment on those values in this budget will have.

Through the Estimates Committee process, we found that the budget was not transparent and it was not comparable with earlier budgets. Time and time again cuts were hidden in clever accounting treatments, and threats to programs or services were hidden in meaningless performance measures and absurdly broad output classes. I think I speak for most members in this place when I say that this budget, far from being transparent and understandable, is one of the most difficult documents that most members in this place would ever have had to assess.

I make a point which my colleague Mr Wood made earlier. Where was the indication of the reduction in funding to the Institute of the Arts? We did not see it. We could not even find it. The Chief Minister says it was there. If it was there it was not shown in a very transparent way. It was not shown in a very accountable way. It was hidden. What did it take to discover the impact of that cut? It took the people who were affected by it to come out and say what had happened. Thank goodness they did. Thank goodness they did not succumb to the blackmail and bullying which often come from the Chief Minister's office.

There are a range of other issues in this budget which raise concern. What is the rationale for the financial performance measurement analysis measures in the context of a government department? How meaningful are these measures? How appropriate are these measures? What do they tell us about transparency? What do they tell us about the performance of government organisations and government departments, including in this case the Chief Minister's Department? In other words, what is their use and how do they reflect good or bad financial performance by a department? These are questions that we were not able to get answers for.

Ms Carnell: You did not ask.

MR CORBELL: We did ask these questions about financial performance measurements.

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Ms Carnell: You did not ask one question about a performance indicator.

MR CORBELL: Sorry, Chief Minister, I disagree. These are issues that were raised throughout the Estimates Committee process, but the answers we received were simply not comprehensible. They did not address these sorts of issues. There are a range of other issues that need to be addressed by this Government in other budgets. What do these sorts of measures mean for publicly-owned bodies? Can they be compared across agencies? Is there a normal or an optimal figure? If so, who defines it? On all of these sorts of issues, we were unable to get answers.

Comparability and transparency were also key issues in this budget. Yet we found that administrative arrangements changed with little explanation or justification. Examples were InTACT going into CanDeliver and the land release function of PALM going into the Office of Asset Management. Accounting treatments also changed, with little or only cryptic explanation. For instance, comparative pricing was apparently selectively applied. There was no indication of the process for determining the price. Output classes were also rearranged. They were usually simplified, which has the effect of severely limiting the information that could be obtained without careful and sustained questioning in the Estimates Committee. Comparability is the issue I am raising there.

I want to turn now to a very important issue in this budget, and that is the issue of the Institute of the Arts. As my colleague Mr Wood said earlier, this budget rests in the hands of two people. This budget rests in the hands of Mr Rugendyke and Mr Osborne. Mr Rugendyke has been strong in his attendance at functions opposing the cut to the Institute of the Arts, but tonight Mr Rugendyke has a choice to make. As my colleague Mr Wood said earlier, he can choose to vote against this appropriation unit, and so can his colleague Mr Osborne. Alternatively, he can choose to call the Chief Minister's bluff. As my colleague Mr Wood has pointed out, there is no precedent that requires the Government to resign if you vote against this appropriation unit.

Mr Rugendyke: Except the need for a credible alternative.

MR CORBELL: That applies only if you vote against the budget overall. Mr Rugendyke interjects, "Except the need for a credible alternative". Mr Rugendyke does not understand the argument I am putting to him. I am not suggesting that the Government will fall. What I am suggesting to Mr Rugendyke is that he should stand up to this Government. After all his grandstanding on issues about the Institute of the Arts, including him conducting the Canberra Youth Orchestra with great aplomb, he should say to the Chief Minister, "That is not an acceptable cut and I will not support it. I will oppose this appropriation unit".

He is not prepared to do that. As Mr Kaine said earlier, that is gutless. That is gutless, Mr Rugendyke, and you know it is gutless. You have the ability, you have the power, and you and your colleague can vote against this appropriation unit if you choose. You have not chosen to do that, and that is enormously disappointing. In fact, we are yet to see Mr Osborne down here for any part of this budget deliberation.

Ms Carnell: Because you have not brought up one new issue. We have debated these things 40,000 times.

MR CORBELL: This is the time to debate these issues, Chief Minister, and that is why we are doing it. Mr Speaker, the budget is not a clever budget. It is not a caring budget. It is a budget which increases insecurity and breaks down further the fabric of our society in terms of its artistic values, its values of social justice and its ability even to get effective and decent public transport. The Labor Party will not be supporting this appropriation unit.

MR QUINLAN (6.14): This is an item that I ran out of time on last time. First of all, let me say that in the Estimates Committee there was some discussion about information in relation to the business incentive scheme. I trust that moves will be made to ensure that this Assembly is provided with the maximum amount of information to maximise accountability on that particular scheme.

The other item that I wish to mention under this line is the application of the rates formula. Rates were increased by an average of 2.5 per cent this year, for an overall gross take of about 3.3 per cent. To some extent the formula was rejigged in a somewhat regressive manner so that the base charge went up by 9 per cent, to get an average increase of 2.5 per cent. This is not a trend that we would like to see continue indefinitely, inasmuch as we have had screamed at us across the house, "You invented the system". We did invent the system in order to provide for a progressive tax rather than a regressive tax. We would like to be sure that when the Government is applying the rates formula next year rejigging does not continue in such a way as to turn a progressive formula into a flat tax. We had the Government screaming about poll taxes today.

MR STANHOPE (Leader of the Opposition) (6.16): I wish to make a very small contribution. It concerns something I intended to mention when I spoke before. For the sake of the record, I wish to comment on the specific recommendation the Estimates Committee made on the SACS award. The committee recommended that the Government ensure there is no impact on services or staff as a result of the implementation of the SACS award. I notice that the Government has resolved not to accept that recommendation. The Government says that it will not accept the recommendation that there be no impact on services or staff. It talks about this not being a case of cuts to programs or to funding of services.

This raises a number of rather interesting points, particularly in the context of the ACTCOSS conference which is on over the next couple of days. It is particularly ironic that a major conference hosted by ACTCOSS and aimed at further refining the role of the community sector in the delivery of essential services is being held tomorrow and on Thursday. One of the most significant issues affecting that sector is the impact of the SACS awards. I would like to take the opportunity now to reinforce the essential submission by ACTCOSS and other members within the community sector about the extremely important part which the community sector now plays as the third arm,

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so to speak, of essential service delivery within our community. The community sector is very much a part of the social and political economy of the ACT. Under the purchaser-provider model, an increasing range of essential services are being provided to members of the community by the community sector. That is something we continue to underappreciate and under-recognise. I mention again the irony of this budget being discussed at this time.

The Government dismissed the Estimates Committee recommendation in relation to the need to ensure that the community sector is not further damaged. I guess in that context it is relevant that I raise the particularly harsh treatment meted out to the Civic and the Woden youth centres. They only got one-year contracts at a time when they had every expectation, along with a whole range of other similarly minded organisations, that they would receive a standard three-year contract. One really must ask seriously why it is that this Government at the last minute chose to punish those organisations for perhaps nothing more than vocalising very serious concerns that they had about this Government's attitude to the SACS award and to the delivery of the essential services which those organisations provide. It goes back to the point I made before about the processes employed by this Government, about - - -

Mr Berry: Settling scores.

MR STANHOPE: I struggle for words to describe it. I struggle to understand why it is that this Government chose to punish the Woden youth service and the Civic youth service in the way that - - -

Ms Carnell: You have already debated it.

MR STANHOPE: You may have given us an explanation, Chief Minister, but it certainly did not strike a chord with me. I have not yet accepted anything you have had to say about what I regard as a particularly vindictive move by you to restrict the Woden youth service and the Civic youth service to one-year contracts. There is absolutely no patent or explainable reason for doing that, and I have not accepted any of your explanations. I raise this matter in the context of this debate and the context of the Estimates Committee's reference to the SACS award and the Government's response - - -

Ms Carnell: It is not in this appropriation line.

MR STANHOPE: But all the SACS awards most certainly are.

MR SPEAKER: I would remind members that they are supposed to be discussing the Chief Minister's Department. There are other line items where you will have the opportunity to speak.

MR STANHOPE: I am discussing the Estimates Committee report. I will be discussing the Government's response to that report, too. I will conclude my remarks on that point. I have made the point I wish to make. These are very worrying aspects of this Government's attitude to the community sector.

MR BERRY (6.21): I heard Mr Humphries earlier on trying to characterise what I had said in relation to conflict of interest as dirt. This is not dirt. This is accountability. If the public believe the Chief Minister's largesse is related to election donations, there needs to be a process in place. I need say no more about that because I think my point has been well made. I am persistent on these issues, I know, but I think it is worth being persistent about them if the Government wishes to maintain its standing.

Ms Carnell: Just straight sleaze, Wayne.

MR BERRY: Mrs Carnell interjects, "Straight sleaze". I will lay it on you again, Mrs Carnell. Do you think it is okay to be the decision-maker and the recipient of political donations? Most people in the community would not.

Ms Carnell: Nobody has made a comment except you.

MR BERRY: Mrs Carnell says that nobody has made a comment except me. Not everybody is aware of the circumstances. It is up to you to make sure that these sorts of management problems are resolved. There are some quite interesting issues in the Government's response to the Estimates Committee report discussing the Woodies exhibition tennis match and clinic. The committee recommended that the Government establish protocols for purchasing and funding arrangements for public events. The Government, in their response, agreed, saying that protocols for funding public events have been established in CTEC. CTEC was not the problem. It was about how the decision was apparently made. There was a social gathering where the Woodies were purchased for \$2,300. No doubt it was like the social gatherings that all of us have attended in the past where there are auctions. It is not really the right sort of atmosphere for decision-making when it comes to the expenditure of public funds. No doubt CTEC were leant on by the Government to come up with \$23,000 later on. Six thousand dollars was found in Forests and \$6,000 in Environment to fund this stunt. What we are saying is that this is a shemozzle and this is not the way to deal with public funding. If we are able to discover it here, where else is it happening?

It is quite a glib little government response. The Government agrees and says that CTEC have protocols in place. CTEC was not the problem. The protocols in CTEC were not the problem. The problem is the protocols for senior officers who get involved in this sort of thing at what could be best described as well-oiled social functions.

Other points to be made go to issues like Floriade. That will be discussed tomorrow, I know. The way the Government dealt with that was quite appalling. It was badly managed from the outset. Our famous festival runs the risk of being damaged by poor management.

Ms Carnell: By the Labor Party.

MR BERRY: Mrs Carnell interjects, "By the Labor Party". All of a sudden the devil is the one who exposes the frailties of the Government. The ones who are guilty are the ones who are guilty of the poor management. That is what scrutiny and accountability are about, Chief Minister, or have you not learnt yet? The fact of the matter is that Floriade runs the risk of being damaged because of mismanagement. All over the country it is still

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advertised as a free festival. I have said in the past that when people arrive here in a 40-seater bus the first thing they are going to have to find is \$400 to get into the place. That will come as a bit of a surprise, I will bet. I wonder whether they will want to come back next time. They are the issues. Floriade was another debacle. I make a general point again. If they are the sorts of things that we can find out, what other things of a similar nature are occurring? Somebody mentioned the flightless bird, the Feel the Power bird. I will come to that again in a minute.

I want to talk briefly about redundancies. They will be debated later on, but it is important to deal with them in the context of this report. The Government said:

The Carnell Government has always made it clear the Liberals will allow redundancies only if the workload goes. They have never supported job loss alone. The current enterprise agreements -

it is important that I underscore this -

requires union agreement to anything other than voluntary redundancies and we propose to put that same clause in the new agreements.

The government response referred to a media release dated 26 August which I have in my hand. This is disingenuous. I will read to you some of the things that the Chief Minister says in her press release:

If agencies are happy to negotiate the continuation of the current provision in some agreements, which requires the agreement of unions before utilising the involuntary redundancy provisions of the RRR Award, then that is fine.

Remember the two words "if agencies", and remember what the Chief Minister said in her promise:

The current enterprise agreements requires union agreement to anything other than voluntary redundancies and we propose to put that same clause in the new arrangements.

In fact, it is very clear that they intend to breach it because of the requirement that agencies have to be happy. The press release continues:

If the negotiated outcomes settle on revised access to the RRR Award, which might include the involuntary provision, then that is fine as well, because it will only be achieved by agreement.

That is another breach, because clearly the Chief Minister is not going to implement the election promise which was proposed before the election. That is treachery, in my book. The press release goes on to say:

Similarly, if the parties agree to different processes or time frames for steps under the RRR Award, then that is fine too.

Again, that is a breach of the very clear commitment that the current enterprise agreement requires union acquiescence. The Government were going to put that exact same clause in the new agreements. What the Chief Minister does not mention in the scheme of things is their attempts to break the service down to as many different agreements as possible to make it difficult for the unions to manage. Therefore, in those circumstances, employees are in a weaker position when it comes to the bargaining process. If you have a few employees over here who might be concerned about their position in the scheme of things, they are much easier to exploit than are those who are collectively bargaining with the assistance of a union.

There is no doubt that, given the very clear breach of the election promise, a lot of public servants are concerned about their jobs and would be concerned about the impressive nature of the Government. They have seen some of their activities and broken promises in the past, but let us not forget that this is a government that said, "The pain is over. It will not happen anymore. It is finished". We discover that 270 jobs are going to disappear from the Public Service, from a couple of agencies - Health and Education - and the Chief Minister has refused point blank to make it clear what the job situation is in other departments. She claimed that because it was an outputs budget she did not have a clue and that it was up to the agencies. Nice flick pass, Chief Minister. Any officer in your department worth his or her salt would be able to work out the likely impact on jobs, given the funding arrangements in place in the various departments. It was disingenuous of you to try to secret that sort of information.

The most embarrassing thing for the Government was the fact that, notwithstanding the claims they could not tell us, at the end of the day all of a sudden a couple of departments popped up with this sort of information. This was the sort of information that they were not supposed to be able to provide because it was outputs-based budgeting and it was really up to the agencies. Yet some agencies could provide the information despite the protestations from the Chief Minister to the contrary. Well, I ask you!

MS CARNELL (Chief Minister and Treasurer) (6.32): On the basis that almost every issue that has been raised has been debated before, I will not go over ground that we have gone over ad infinitum previously. A few issues need to be raised. One is the issue of transparency in the budget. I do not know how often we have to point to the page number and the parts of the budget that allow comparability between this budget and last year's budget. In this budget we put in the extra column that everybody wanted last year. Remember the debate about the extra column. That extra column is in there, so give a tick to that one.

We also assisted comparability via Appendix C of Budget Paper No. 3, which provides a summary of all the function transfers. A point has been made in the past about what happens when you transfer functions. All of that is in the budget. As a further aid, Appendix A to Budget Paper No. 4 provides estimated financial outcomes for discontinued agencies, another point that has been made in the past. The preface to Budget Paper No. 4 provides a map relating 1998-99 outputs to their 1997-98 origins. The list goes on.

Every year we certainly take on board any comments that the Estimates Committee make with regard to transparency. I think it was really gratifying to read the comment by Crispin Hull that overall he thought that the ACT public sector accounting was probably the most transparent and accessible of the eight State and Territory governments. I think that is a big tick. We have told Mr Berry a thousand times that the "Budget at a glance" document last year was on an appropriation basis. It was decided that full expenditure disclosure would be more accurate, and that is the basis of the document this year, simply because we were trying to improve the system.

Mr Corbell made some comments about outputs and how they were far too broad now. The reason we went to fewer outputs is that that is what the Auditor-General said we should do. He said we had too many outputs and too many performance indicators to make them really mean anything. Mr Corbell also suggested that questions were asked about outputs and performance indicators when the Chief Minister's Department came before the Estimates Committee. Remember that Chief Ministers is OFM, OAM and the areas of government that relate to budgets and to things like business, tourism and the arts. Mr Speaker, not one question was asked of the Chief Minister's Department about performance indicators, outputs or comparability across departments. None of those questions were even - - -

Mr Corbell: That is not true.

MS CARNELL: Sorry, it is true. Not one question was asked of the Chief Minister's Department. I cannot make a comment about other parts of estimates, simply because I was not there, but I do know what happened in the Chief Minister's Department. Those sorts of questions simply were not asked.

One comment that Mr Kaine made I found absolutely remarkable. Mr Kaine said that he believed that the Government had been undermining ACTEW for the last two years. That is a very serious comment, because ACTEW is our major asset. The reason I find it most amazing is that Mr Kaine was a shareholder. For Mr Kaine to accept the role of shareholder and to turn up at shareholders meetings and get all the papers, and at the same time to believe that we were somehow undermining the organisation, and for him not to have done anything about it if that was the case, I must admit, leaves me horrified. The good part of it is that it was not true. There has been no undermining of ACTEW at all. In fact, ACTEW's profitability in the year just finished is the highest that I have ever seen. It may even be an all-time record. So much for undermining the organisation.

I was also interested in Mr Berry's comments with regard to the budget generally. This is the man who decided he could fund his election promises from the cash line on the balance sheet. He was suggesting that he really did understand accrual accounting because he produced their election promises in accrual form. Remember how he did that. He used the cash line of the balance sheet to fund his election promises. Maybe he did not know, but that cash line was reliant in outyears on the sale of the streetlights. That is where a very large percentage of the cash that he attempted to use came from. If I was Mr Berry, I would probably shut up about those sorts of things.

One last issue needs to be raised. Mr Corbell made some comments about employment and the general mood of the ACT community. Employment in the ACT, as we know, is at the highest level ever. We have more jobs and more people in jobs now, not in percentage terms but in actual numbers, than we have ever had before. The number of unemployed has fallen over the last year at a faster rate than nationally. So much for an economy that is falling over! In terms of confidence in the economy, weekly job vacancies in the ACT have increased markedly over the last year and the rate of growth is much higher than the national growth rate. The ACT participation rate in the work force has remained stable across the year and remains much higher than the national participation rate. That is not exactly indicative of people not having any confidence. Our average weekly earnings remain higher than the national figures and have increased faster than national AWEs over the last year. Mr Speaker, the list goes on.

Interesting figures that came out today and yesterday show that over the last 12 months retail sales, a very good indicator of confidence in a community - people simply do not spend in the retail sector if they are not confident - have increased by 5.5 per cent. That compares with 4.5 per cent nationally. It is certainly a better outcome than is the case in most States.

Australian Bureau of Statistics figures released today show that in trend terms the number of residential building approvals in the ACT jumped by 19.5 per cent to 227 in July. That is the sixth consecutive monthly increase. In the quarter ending in July there was a staggering 74 per cent increase, compared to the same three months in 1997.

No matter how you look at those figures - retail, home approvals, average weekly earnings, numbers of jobs, job advertisements, even confidence levels as judged by the Chamber of Commerce and companies looking at putting on new staff - all of them are significantly better than they were 12 months ago and much better than they were two years ago. This does not indicate to me, and it would not indicate to any rational normal human being, a city that is lacking confidence or a city that is on its last legs. I have to say that he did not say "last legs". He referred to a community that is lacking confidence. He referred to a community that is concerned about jobs, and I think they are, but we have delivered. We have delivered more jobs. We have delivered growth. We have delivered confidence. I know it is hard for those opposite to accept that. The fact is that it is the truth.

MR CORBELL (6.42): Mr Speaker, I was not going to speak again but after the Chief Minister's rather patronising comments and misrepresentation of what I said I will. The point I was making, which the Chief Minister quite blatantly misrepresented, was that in the Canberra community there is a very strong sense of insecurity over employment. I stand by that comment. The Chief Minister can quote all the figures she likes from the Chamber of Commerce, the ABS or whomever but from anecdotal evidence that I have from people I meet in the street, organisations I go and speak to and people who come and see me about their concerns, it is very clear what their problems are.

Ms Carnell: So let us throw the ABS out.

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MR CORBELL: The specific statistical measures the Chief Minister is quoting are not the facts that I am taking issue with. What I am saying is that there is a growing sense of insecurity about jobs. That is the issue that I raised, and I stand by it. I note that the Chief Minister did not make any comment about the growing mood of anger in the community over this budget. Perhaps it is because she cannot quote a statistic on that one that she has not been able to say anything about it.

The key issue that I am outlining here is that budgets have social impacts, and those impacts are being grossly underestimated by the other side of the chamber. The Chief Minister can quote any figure she likes. The concern remains that there is a sense of insecurity about employment prospects and there is a sense of insecurity and indeed growing anger about the impact this budget will have on our community and our sense of community in this city. If the Chief Minister cannot accept that, if her only argument is to throw figures and statistics back, then I think she is really missing the point.

Question put:

That the proposed expenditure be agreed to.

The Assembly voted -

AYES, 9

Ms Carnell
Mr Cornwell
Mr Hird
Mr Humphries
Mr Moore
Mr Osborne
Mr Rugendyke
Mr Smyth
Mr Stefaniak

NOES, 8

Mr Berry
Mr Corbell
Mr Hargreaves
Mr Kaine
Mr Quinlan
Mr Stanhope
Ms Tucker
Mr Wood

Question so resolved in the affirmative.

Sitting suspended from 6.48 to 8.45 pm

Part 4 - ACT Executive

Proposed expenditure - ACT Executive, \$2,572,000 (comprising payments on behalf of the Territory)

MR QUINLAN (8.45): I was going to make the comment, Mr Speaker, that - - -

Ms Carnell: But you have lost your papers.

MR QUINLAN: Yes. I have just found them. It is okay. I do not have people bringing me notes. In another world, in another place, this figure might have been different. It would appear to me to be a somewhat understated figure. If one trawls through the budget paper one will find the support for Ministers under the heading "Policy advice et cetera and support". It tots up to about \$24m, an average of about \$4.7m per Minister. If I like, I can nominate them. It is about \$5.6m for Ms Carnell, \$6.1m for Mr Moore, \$2.3m for Mr Smyth, but he has not got any policy, it is all over there anyway, \$4.1m for Mr Humphries, not bad for a Minister for not a lot, and \$3m for Mr Stefaniak. In the next budget we should be able to aggregate those figures under each Minister and under the headings so that we have a fair idea of what it is costing.

It has been a source of bemusement since I came to this place to watch just how much support there is for the process and to watch the bevy of people who sit outside. I have previously suggested the implementation of a salary cap. It might be a good idea. I just wish to register the fact that I believe this figure is substantially understated.

MS CARNELL (Chief Minister and Treasurer) (8.47): The fact is that the way that we operate our Executive budget is very similar to the way it is done in other States and federally. Policy advice and so on at departmental level is not under the control of the Minister. It would be fine if Mr Quinlan is suggesting that all of a sudden \$24m, or whatever, ends up in the Executive budget. What that basically means is that the five Ministers - - -

Mr Moore: I will actually get more staff than Mr Stanhope after all.

MS CARNELL: Excuse me, you will have as many staff as you want, Mr Moore. What Mr Quinlan is saying is wrong. The Executive budget is the budget under the control of the Ministers. It is under the control of the Executive. This is all the money we have at our disposal for our staff, or for our entertainment, or for the operation of the Executive itself. It does not include, but Mr Quinlan is saying it should, such things as DLOs and policy advice. You could move it in here, and Mr Quinlan is suggesting that we should. But if we did, Mr Quinlan, the interesting part is that the five Ministers as they exist right now certainly would have control over a significantly greater budget. I would have assumed that this Assembly would not have been impressed with that approach, but, obviously, tonight I stand corrected. Happy to have \$24m, Mr Quinlan.

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MR BERRY (8.49): Look, what a - - -

MR SPEAKER: Here we go. It is amazing, is it not? Anything dealt with late at night seems to encourage more and more comment.

MR BERRY: Mr Speaker, you are free to come down here on the floor and debate these issues as well.

MR SPEAKER: I am just trying to progress the matters, Mr Berry, as you well know.

MR BERRY: What an outrageous approach! The point that my colleague made was that the support that Ministers get does not end just outside their doors. You would think we came down in the last shower. They get a lot of management and policy support from within their departments. I think the point that my colleague was making was that the overall cost of policy and ministerial support and so on is probably larger than is expressed in the papers. I think it is a good point. For the Chief Minister to climb to her feet and make those silly inane statements about suggestions just belittles the process. The point was well made that Ministers use more than what they have in their office, significantly more.

MR MOORE (Minister for Health and Community Care) (8.51): The point is not well made at all. It is silly. Mr Quinlan knows it is silly. Taking my own portfolio as an example, what are we supposed to do? No longer develop a policy on mental health or no longer develop a policy on drugs and alcohol? No longer develop a policy on disabilities? Is this the suggestion you are making? With that goes, of course, no consultation process, and no role for purchasing and providing. No, sorry; providing is separate. None of the purchasing roles? It was a silly suggestion. Mr Quinlan knows that was the case.

The more interesting issue here is that the payment for the ACT Executive on behalf of the Territory is \$2.5m, but for the Legislative Assembly Secretariat it is \$2.78m. The comparative support that we are talking about is at this level. Obviously the Government has a responsibility to develop policy and to purchase services from the range of providers, and that is what this money does.

Unfortunately, Mr Quinlan has taken a very simplistic approach. One could believe that it was done deliberately, except that I give Mr Quinlan more credit for that. Mr Quinlan knows exactly how this money is used. He knows that if this budget was knocked off and he became a Minister tomorrow or the Treasurer, he would use this same range of policy support. If he was a Minister he might use less of this money for policy and more for provision, and I think that is a reasonable method of going about it. I think, to be fair, he would have to point out where he would do that, but I think it is a valid suggestion. That would be one that I would be quite interested in. Tell us in which areas you believe we can reduce our levels of staffing in terms of the policy area and still get the positive outcomes that you would expect from the ability to purchase appropriately and so on. That is valid, but let us do it properly.

Proposed expenditure agreed to.

Part 5 - Government Asset Management

Proposed expenditure - Government Asset Management, \$16,801,000 (comprising net costs of outputs, \$1,625,000; and capital injection, \$15,176,000)

MR CORBELL (8.55): Mr Speaker, this is the first budget in which we have had to consider an appropriation for the Office of Asset Management, it only being established in the latest round of administrative arrangements announced by the Government earlier this year. The Labor Party and the Labor Opposition have concerns about the establishment of the Office of Asset Management. We believe that the establishment of this office has centralised some very important elements, particularly in relation to land allocation, in the hands of the Chief Minister, and we are concerned that this function has been removed from the Planning and Land Management Group of the Department of Urban Services. Quite obviously, land allocation is a sensitive issue, and it is one that must be addressed appropriately. It is an issue which must be addressed with caution because when we are dealing with assets worth many millions of dollars to the Territory, when we are dealing with land, for instance, we want to make sure that decisions are being made on an appropriate basis.

Mr Speaker, it would perhaps be too cynical to suggest that the Office of Asset Management was established in the wake of the failed Hall/Kinlyside land deal. As has been revealed in estimates and in other areas, the proposal to grant land to Mr Derek Whitcombe was made entirely without any knowledge of the Planning and Land Management Group. Perhaps this says a lot about the Government's thinking behind its establishment of the Office of Asset Management. Mr Speaker, this is one of the most significant appropriation units in the Chief Minister's Department. The Office of Asset Management deals not only with land allocation but also with the management of a range of government assets. These assets total many millions of dollars.

I think there is a serious problem with shifting control over allocation of land to the Chief Minister's Department. First of all, we have seen the problems associated with a breakdown in communication between the Chief Minister's Department and the Planning and Land Management Group on issues to do with the development of a rural-residential estate at Hall. We have seen decisions made whereby Cabinet proceeded to enter into a preliminary arrangement with a particular developer to establish a rural-residential estate at Hall, but, even as late as April this year, a full four months after the Cabinet decision, Planning and Land Management still were officially unaware that a decision had been taken. What we are seeing here is a formalisation of that distinction between the Chief Minister's Department and the Planning and Land Management Group. I, for one, feel that it is an unnecessary allocation of responsibilities to put in the hands of the Chief Minister what could be perceived as a political gift. This issue is, I believe, a very important one.

I note, Mr Speaker, that in the Office of Asset Management there have been proposals to develop a land account. This is in response to recommendations in the Stein report. This is a positive development in itself in that at last the Government is recognising the importance of a land account to accurately assess the value of the assets held by the Territory when making decisions, for instance, about the development of land.

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However, I am yet to see any real detail on what this land account will be about and how it will work. Stein recommended a statutory body to run a land account. This is not exactly what Stein proposed, but it is at least a step in the right direction, and we will be watching closely to see exactly what is proposed in the next few months.

The other issue I must raise is the operation of the Office of Asset Management in terms of planning. It would seem to me that some very important strategic planning functions are effectively being taken away from our planners, from the Planning and Land Management Group, and being placed in the hands of the Chief Minister's Department. The Chief Minister's Department does not have planning expertise.

Ms Carnell: It has all these people from Planning. Where do you think we got the people from?

MR CORBELL: The Chief Minister's Department does not have the strength of overall coordination in planning to do the sort of work that I believe goes hand in hand when it comes to land management and, more importantly, land allocation, which is the role of OAM. We are seeing, for instance, OAM coordinating the release of section 56 in Civic, which is the car park site between the Griffin Centre and the Canberra markets building. Basically, that land is being released for a major redevelopment. That was a decision entirely coordinated by the Office of Asset Management. The question I would ask is this: Where is the overall strategic vision of the development of our city, and what is the role of PALM in this process? I feel very strongly, and the Labor Opposition feels very strongly, that what we are seeing is PALM being reduced to a regulatory role which basically monitors and makes sure that developments accord with the guidelines and the requirements of the Territory Plan, whereas the decisions about where development takes place and what sort of development it can and cannot be are really being driven by the Office of Asset Management.

Mr Speaker, I believe that that is an inappropriate development. That development really weakens the overall planing of the city. It places a far stronger emphasis on financial outcomes rather than on good planning outcomes and good design outcomes for our city. So that development, Mr Speaker, is one to be regretted. I understand, as the Chief Minister interjected earlier, that there are staff who have been transferred from the Planning and Land Management Group to the Office of Asset Management. I am also aware of widespread concern in the Planning and Land Management Group at the transfer of these responsibilities out of their area, for the very reason that I stated earlier - that almost certainly it will lead to a weakening of our overall planning process in terms of a coordinated approach to land allocation and strategic metropolitan planning in Canberra.

Mr Speaker, the Office of Asset Management is responsible for the management of a large range of government buildings, particularly older buildings which are being reused, and I want to highlight a particular example, the old Hackett primary school. The primary school there is no longer used as a school; it is being used by a number of community organisations. I received a complaint from a constituent who lives opposite Hackett primary who basically said that the building was falling down, was not being maintained properly, and asked what the Government was going to do about it.

I wrote, I thought, to the responsible Minister, Mr Stefaniak, who informed me that it had been transferred to the Office of Asset Management and it was a responsibility of the Chief Minister's Department. I then received a response from the Chief Minister's Department that basically said they really could not tell me what the state of the building was and what they were going to do about it, and they were really in the first stages of developing an asset management plan for it. That, I found, was a fairly unsatisfactory response. This is this Government's fourth budget and it was unable to tell me the status of a building that was being reused by community organisations. It is very concerning that it has taken this Government four years to deal with the status of that asset. In the meantime the asset is falling down, at least at a superficial level. Those sorts of issues, I think, Mr Speaker, are of concern.

I hope that these issues will be addressed now, but the Office of Asset Management cannot be underestimated in terms of its influence in directing planning outcomes in this city, and I think it cannot be underestimated in its influence and its responsibility over the enormous range of government assets that the Territory holds. So, Mr Speaker, members should carefully note this allocation. I reiterate that this appropriation unit is one which has enormous powers but is still fairly closed in regard to what most people know about it.

MR STANHOPE (Leader of the Opposition) (9.04): I rise to endorse the comments by my colleague Mr Corbell. There are some aspects of the transfer of some functions to the Office of Asset Management that I think raise some serious questions about the interrelationship between the management of our land resources and our planning function. I note that there is currently a review being undertaken of PALM. It is a review that I do not think has been very public. I am not even sure that the terms of reference of the review have been revealed.

It is obvious that the experience of the Hall/Kinlyside development raises a whole range of questions. It was obvious from that experience that something really had to be done about the relationship between land development and land planning. There was quite obviously a serious breakdown in communications between the land development arm of government and the planning aspect of government.

I note, for instance, in relation to Hall/Kinlyside, that PALM was not formally notified of the preliminary agreement until 28 April. I understand that PALM was not informally notified of the preliminary agreement until a meeting between officials of PALM and the Chief Minister's Department on 3 April. I think it really is a matter of very serious concern that there was such a breakdown in the relationship between those within the Government charged with the task of developing Hall/Kinlyside and those in whom we in the Territory place our trust to ensure that all land development is undertaken in accordance with some planning principles that we hold dear and think are incredibly important to the way we manage the assets of the Territory.

Interestingly, just as an aside, I note that the current Minister for Urban Services was not notified about the preliminary agreement until 29 April. I think it is quite intriguing that in the briefing paper that went to the Minister on 29 April he was asked by the head of his department whether or not he would advise the Legislative Assembly of the Government's attitude to the development of rural-residential. The current Minister for

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Urban Services noted on the file that he did not think at this stage that it was appropriate that the Legislative Assembly be advised of the proposed development. I think that sort of attitude highlights some of the concerns we have in relation to the aggregation of responsibility for land and land development in the hands of the Office of Asset Management. There is a real danger in that.

There is a real danger that our planning is being short-circuited or circumvented and that we are getting second-best results. It is not just in respect of Hall/Kinlyside; it is in respect of some of the attitudes to some of the major developments in Civic, such as section 56; some of the concerns about Manuka; the problems with the Yarralumla Brickworks; and the decisions in relation to the Phillip Testing Station. These are all major Territory assets. These sites are of enormous value to the Territory, not only in terms of the inherent value of the land. For instance, in relation to the Yarralumla Brickworks, there is the enormous heritage significance of that site.

It is of real concern that responsibility for the management of these assets is being separated from the planning function. It is being put into the hands of the can-do merchants.

Ms Carnell: Yes.

MR STANHOPE: There is a set of overriding responsibilities and principles that should apply to the use of our land. We must be very careful not to separate from the planners those responsible for the details of land planning. Let us be very careful that we not separate from the professional planners a responsibility for some ownership of the way in which we continue to develop this city. There are really important issues at stake here in terms of the city of Canberra, the place that we call home. These are very important issues in terms of the vision that we have for this place.

So I repeat the concerns expressed by Mr Corbell. There are very serious issues at stake here. I am not sure that the Government, in terms of the already completed transfer of functions to the Office of Asset Management and the castration to some extent of PALM, has acted in the best interests of land management in the ACT.

MR CORBELL (9.10): I am surprised, Mr Speaker, that the Minister for Urban Services is not getting up to defend the ability of PALM and to state how satisfactory the transfer has been from PALM to the Office of Asset Management. Perhaps he does not feel that, Mr Speaker. Perhaps he is unwilling to defend that decision.

Mr Speaker, I rose to respond to the Chief Minister's interjection in response to Mr Stanhope - - -

Ms Carnell: Mr Speaker, it is out of order to respond to an interjection.

MR SPEAKER: It certainly is, but you do have a second 10 minutes, Mr Corbell, so I suggest you change your - - -

MR CORBELL: Absolutely, and I am taking my second 10 minutes. If the Chief Minister is uncomfortable with my comments, well, I am terribly sorry, but that is life. She said it here and I am responding to it. Mr Stanhope said that land allocation was now in the hands of the can-do merchants and the Chief Minister's response was: "Yes". That is what the Chief Minister said.

Ms Carnell: Mr Speaker, I thought you ruled that you could not respond to an interjection.

MR CORBELL: Mr Speaker, I know the Chief Minister may be uncomfortable about this.

Ms Carnell: Mr Speaker, I assumed you ruled that you could not respond to an interjection.

MR SPEAKER: No. Interjections from either side of the house are out of order, but I am sure Mr Corbell is adroit enough to use his second 10 minutes without referring to interjections.

MR CORBELL: Yes, thank you, Mr Speaker. I will do my best. Mr Speaker, it is quite clear that the Government, as the Chief Minister so rightly confirms, has placed the land allocation function - she nods again - in the hands of her can-do merchants over in the Office of Asset Management. That response, to me, really underlines the fundamental problem we have here with the Office of Asset Management; that we have can-do merchants who seem to be out there looking to get the best dollar for the land and who do not worry about any of the other consequences. That is not the sort of response we want to see from a government.

We want a government which manages land in a prudent way and which gets the best possible return from the land for the Territory. Land is a valuable asset owned by everyone in the Territory. But, Mr Speaker, that is not the end sum game which the Chief Minister seems to think it is. We believe very strongly that coupled with getting that best possible return is the issue of the best possible planning outcome, and that is not what we saw in relation to the Hall/Kinlyside development, and that is not what we are potentially seeing in some other projects that are currently being managed by the Office of Asset Management - for instance, section 56 in Civic. As I said earlier, section 56 in Civic is a significant redevelopment in Civic Centre. It is the last remaining piece of open space within the inner Civic area.

Ms Carnell: It is a car park.

MR CORBELL: Yes, it is a car park - - -

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Ms Carnell: It is a very ugly car park.

MR CORBELL: Open space, Mrs Carnell. It does not have any buildings on it. Of course, Mr Speaker, I am not allowed to respond to interjections.

MR SPEAKER: Yes, but at the same time you should not be provoked.

MR CORBELL: No, I certainly should not be provoked, Mr Speaker, and thank you for your protection. The fact that section 56 is going ahead outside of any comprehensive master plan for the development of Civic is of concern. The fact that the Government has pushed ahead with this development without a comprehensive plan for the overall development of Civic I think demonstrates very strongly that the Government is interested in getting the dollar from the development but is not interested in the overall planning outcome that will result from such a large redevelopment in the Civic area. That, in simple terms, underscores our whole concern about Mrs Carnell's can-do merchants, as she acknowledges, over in the Office of Asset Management.

Mr Speaker, the other thing I want to raise is the issue of good planning function. Again I come back to that most obvious of examples, the Hall/Kinlyside development. That development proceeded with a proposal for an exclusive grant of land to an individual developer, a direct grant, with absolutely no open tender process. Why? Because the Chief Minister thought it was a good idea. She told her bureaucrats to go and do it and they did it. That is the sort of can-do mentality that is occurring in this city.

What was wrong about what occurred, Mr Speaker? First of all, the Government ignored the fact that that developer had no exclusive rights to that land. In fact, that land was a grazing lease which was on a 30-day renewal. That meant that the tenants of that land, the family that had farmed there, would have to leave the land on 30 days' notice. They had signed a lease which gave them no rights to the land except for grazing purposes; yet the Government decided that they would give that land, under an exclusive arrangement, to a particular developer because he held some sort of power of attorney from these people who had absolutely nil rights except for grazing on the land.

Now, why is this happening, and why did it happen? It happened because these decisions were taken in the Chief Minister's Department. They were not taken in the Planning and Land Management Group. If they had been taken in the Planning and Land Management Group, it would have been very quickly brought to the Government's attention that the people did not have any rights over the land except for grazing; that the lease was about to expire, and in fact could expire with 30 days' notice; and that for that reason it would be most appropriate to release the land, if that was the Government's wish, on a tender basis. That did not occur. Instead of this matter being dealt with by people with planning expertise who understand the overall development sequence, for instance, in the Gungahlin area, who understand issues about blocks and leases, which are fairly basic issues, and a whole range of things like that, the decisions were being taken by the Chief Minister's Department.

What we are seeing now with the establishment of the Office of Asset Management is the formalisation of this terrible process that occurred in relation to Hall/Kinlyside. Far from the Government learning its lesson about the importance of having the land allocation function and the planning function closely coordinated, the Government has split them apart and has put in charge of land allocation people who, really, when it comes down to it, are interested in the dollar rather than in a good planning outcome. That is the fundamental problem with the establishment of the Office of Asset Management.

As I have demonstrated, both with section 56 and with Hall/Kinlyside, this sort of process which the Government is embarking on, this can-do process, whilst it may get outcomes, makes mistakes, and it places the Territory at risk in terms of the appropriate and effective management of its land resources. For that reason, Mr Speaker, we believe very strongly, on this side of the house, that the Office of Asset Management is too powerful an organisation with too little focus on good planning outcomes for it to be good for this city.

MR SMYTH (Minister for Urban Services) (9.19): Mr Speaker, just briefly, I am very pleased with the division that this Government has put in place because it is sensible and it is reasonable. If, as the Opposition would have us believe, there is a crisis in planning in this city, then that crisis exists only in their minds. It is like the Kubler-Ross death and dying thing for the Labor Party in planning. First we have this total rejection from the Labor Party that they have ever done anything wrong in planning. I do acknowledge that Simon Corbell, on the last sitting day of the last session, did admit that they had made mistakes, although he is yet to detail them or to apologise for them.

Then we have this denial phase when they say they have never done anything wrong; they have never had a Harcourt Hill which will ultimately cost this Government, against advice given to that Government, something like \$20m. Then we have anger: "We found this conspiracy. We have Kinlyside. We are outraged. It is mock; it is wonderful". Now we have this grieving process. What we really need in the planning debate is some acceptance by the Opposition that we are getting on with the job; that this Government has been re-elected to continue the job of sound financial management of the ACT; that this Government has been elected to carry on and build a better city, to make it a great city. This Government is getting on with the job.

You can denigrate good public servants by calling them the can-do merchants, but I suspect that a lot of people in this city are quite pleased that we do have a few can-do merchants in this town. They are the great builders, the great planners, the great people who have got on with the job of building Canberra.

I think it is about time we got from the Opposition a list, as Mr Corbell alluded to, of their mistakes, and perhaps an apology to the people of Canberra for the glutting of the retail market, for the driving down of prices, and for the destruction of the building trade that occurred under Labor that has taken us almost four years to restore. Are we restoring it? Yes, we are. Is unemployment on the way down? Yes, it is. Things are going ahead. What we are talking about, Mr Speaker, are the lost opportunities here that Labor squandered in their 13 years in government federally and their many years in government here.

I believe that the ladies and gentlemen of PALM, the staff of PALM, are doing a tremendous job that largely goes unacknowledged. The vast majority of applications go through without complaint, on time and are approved according to the Territory Plan. Of course, there are some developments that cause us all some angst and things like that. We hear about Kinlyside and we hear about Manuka. I guess the bottom line for something like Manuka is that ultimately at Manuka we will have more car parking spaces than a certain candidate received votes.

MS CARNELL (Chief Minister and Treasurer) (9.22): Mr Speaker, in this debate we on this side of the house have decided not to respond to things we have responded to many times before. I would like to make the point for the *Hansard* record that not responding to things we have responded to four million times before does not mean that we accept them in any way; it just means that we will not be as boring as those opposite. We all know that land was never granted to anybody at Kinlyside. In the case of the Yarralumla Brickworks, no proposal ever went forward to planning. Mr Speaker, I would rather have can-do people working for me than the never-will people opposite.

MS TUCKER (9.23): Mr Speaker, I also do not think I will go into lengthy diatribes again about things I have talked about before, but I would like to make one or two comments. I have said already tonight that I think there are concerns about how much control has been taken in Chief Minister's in a number of areas, and the consequential lack of consistency and use of expertise in other departments. It certainly did become obvious in the Estimates Committee's questioning on planning issues. The question of the city, Labor's complaints about planning, and whether or not they were just as incompetent is not, to me, of great import. What I am concerned about is what is happening now. I have always said that I did not think Labor had it together with planning in the last Assembly. They worked with the Liberal Party, in fact, to reduce the possibility of us making the Land Act a better piece of legislation, with the amendments Michael Moore and the Greens put up on that Bill. But we are hearing that Labor are looking again at their approach to planning this time, and I believe that they are.

Talking about Harcourt Hill or anywhere else is not important at this point. What is important is that we have had claims made by this Government currently that they will be taking a coordinated and strategic approach to planning. That, clearly, has not happened. There have been huge issues around Kinlyside. There have been stuff-ups with Manuka, section 56, the ROCKS and the Canberra Centre. They are all a problem. They are not dealt with in any strategic context. We still do not have a retail strategy. It is still, I am afraid, developer-led planning to a large degree. Some of the processes are marginally improved as the outrage occurs and is loud enough to cause government to improve, but it is such a wasted opportunity in a way. We could be doing planning so much better and it would save everyone a lot of trouble, including the Government. It is not a question of saying we cannot do anything. The can-do merchants have been referred to. I do not think anyone is opposing doing things. It is how you do it, once again, that really matters, and that obviously is not something that the Government has worked out at this point.

MR QUINLAN (9.26): I will not be long. I want to assure Mr Smyth that my colleagues were not casting aspersions on either him or his staff because they have no say in what is going on anyway.

I wish to make a comment in relation to the can-do culture. From my observations in the short time I have been here, that can-do culture appears to be degenerating into a culture of arrogance as well. There is a clear picture at times that we have government by a group that includes very few elected representatives. I think that is a very serious problem for the ACT and the way we do things.

Question put:

That the proposed expenditure be agreed to.

The Assembly voted -

AYES, 10

NOES, 7

Ms Carnell
Mr Cornwell
Mr Hird
Mr Humphries
Mr Kaine
Mr Moore
Mr Osborne
Mr Rugendyke
Mr Smyth
Mr Stefaniak

Mr Berry
Mr Corbell
Mr Hargreaves
Mr Quinlan
Mr Stanhope
Ms Tucker
Mr Wood

Question so resolved in the affirmative.

Part 6 - Central Financing Unit

Proposed expenditure - Central Financing Unit, \$22,562,000 (comprising capital injection, \$1,577,000; and payments on behalf of the Territory, \$20,985,000)

MR QUINLAN (9.31): Mr Speaker, I have a couple of comments to make. I think we established during the Estimates Committee process that some of the outyears estimates within these budgets are not a lot of use because the Government's intentions, although heralded, have not been factored into them.

Ms Carnell: Like what?

MR QUINLAN: Look, we went through the questions to Mr Lilley, while you were there, Chief Minister, about the usefulness of the forward estimates in these things and the contributions made, which seem to be growing, but yet the Government intended to reduce it. I tried to discover for the outyears how much of the contribution was to be continued and considered to be a level of service that we wanted to provide versus - - -

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Ms Carnell: Sorry, what are we talking about? Are we talking about the CFU?

Mr Humphries: Are you talking about Part 6 or Part 7?

MR QUINLAN: Yes, the Central Financing Unit.

Ms Carnell: Well, which bits are we talking about?

MR QUINLAN: I am just painting a picture. If we look at borrowing, we cannot use all of that. We want to assess where we are going in terms of future borrowing. We cannot really use it because we have already established that the forward estimates out beyond this year start to fall away very rapidly in terms of their usefulness.

Mr Moore: But this was important, so which recommendation did you put it in?

Ms Carnell: Can you tell us what you are talking about?

Mr Corbell: Mr Speaker, are you going to call them to order?

MR SPEAKER: No, I think it is reasonable. We are having a general debate. Mr Quinlan could assist the Government by specifying the area.

MR QUINLAN: I went to the Estimates Committee and asked about the contributions, the balancing figure in each of the budgets which was described at one stage as being virtually an inefficiency premium. I asked at that time: Is this totally an inefficiency premium, or is it the intention of government to continue to finance at that level? The answers were yes and no. So it really meant that the estimates that we were looking at were not of great use to anybody who wanted to know what the intentions were out there in terms of wind-back of expenditures, and expenditure wind-back obviously and expenditure levels have a direct impact on the level of borrowing. That was the point I wished to make in regard to the budget and its indication of borrowing.

Some of the outyears, in fact, record a possibility of double deficits where we are running at an operating loss and at a cash deficit, which has the indication that we are going to borrow more than might be projected. I think the budgets could be improved in that regard. I did notice in the budgets that there was some reference to refinancing borrowing over the next few years, which seemed to be a fairly sensible strategy, but then again there was no real itemisation of the benefits that might flow from that.

Ms Carnell: Lower interest rates.

MR QUINLAN: Let us hope so. Is there any estimate as to what the result might be so that we can conclude something beyond this year? The point that I simply wanted to make was that when we are looking at the budget through the avenue of the Central Financing Unit, we still have limitations because we have not actually described what we really intend to do in terms of the expenditure levels.

Proposed expenditure agreed to.

Part 7 - Superannuation and Insurance Provision Unit

Proposed expenditure - Superannuation and Insurance Provision Unit, \$20,063,000 (comprising payments on behalf of the Territory, \$20,063,000)

MR QUINLAN (9.36): Mr Speaker, I have a couple of points to raise on this. I notice that there is an intention for a triennial review. We would be interested in information on that as soon as it might become available. As we are all aware, this is a very crucial element to the financing of the ACT overall. I would also like to know whether we can arrange for an actuarial study that tells us not just what the superannuation liability is going to be at any given time but what the lowest level it is going to fall to is so that we can look at the continuum and say, "There is a level we have to be concerned about but do not have to panic about". If we can see the pattern of - - -

Ms Carnell: It gets to about \$125m in emerging liability.

MR QUINLAN: From where I stand, you could actually graph the demand upon that superannuation liability.

Ms Carnell: That is the emerging liability, when it gets to a top. It will not go above that.

MR QUINLAN: Yes. If we can graph the demand and at the same time graph the inflow, we can get some idea of how much our cash shortfall might be. If we could see that as a pattern, as a graph, then we could look at it and say, "Okay, there are some short-term measures you can take in financing where you have peaks and troughs relatively close to each other". We could get a real concept of the exposure and the risk to financing in the ACT and not be panicked by these gross figures. We could get an idea of our net exposure that we have. I think that is important if we are going to debate finance in the ACT. That very large liability hanging over us is going to be the base motivation for a lot of action. I would like to know exactly what we are talking about rather than just see big fearsome numbers coming forward. We need a proper perspective we can share so that if we ever get to cooperative, non-adversarial government we can work from the same base.

MR BERRY (9.39): I would like to support what my colleague has said. Much has been made of the unfunded liabilities which are declared in the budget papers at around \$700m and which they talk about blowing out to \$1,700m in the year 2013 and so on. There has been a lot of hyperbole about those figures. By themselves, they are fairly frightening figures. The end result is that it seems to me that the Government wants to make employees feel guilty that they have some sort of superannuation entitlement. That is an entitlement they have built up over years and which, in due course, they are entitled to receive the full benefits of.

Some other superannuation issues deserve attention. Let us take what was described in the Estimates Committee process as leakage from the returns from the various agencies for superannuation. Pressed, the Under Treasurer pointed to a leakage of about \$44m from the \$84m which was collected from the various agencies. The budget papers say at page 62:

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Of that amount, \$40.000m will be retained by the Superannuation Provision as funding of the accruing liabilities.

The Government has made great play about the agencies contributing their entire costs for superannuation but at the same time has ensured that there is a great deal of leakage. A substantial amount was kept in the provision fund. Budget Paper No. 3 states:

retention within the Superannuation Provision of a substantial component of the payments by budget-funded agencies (\$40m in 1998-99).

Less than half went into the superannuation provision account, and the Government seems to be wandering around without any particular knowledge of the right figure to seize upon in relation to the funding of the annual emerging liability. Let us also look at the Government's position on the level of funding. When pressed, the best the Under Treasurer could tell us was that it was less than 100 per cent.

That is not a good enough measure by any account. I think the Government's response to the Estimates Committee is a bit weak in that respect. The community are entitled to know the appropriate figure that ought to be put aside to deal with the annual emerging liability. The Government goes on to praise itself, which you would expect, and say in its response to the Estimates Committee report:

The total budget funding to the Superannuation Provision for 1998-99 of \$60.063m, rising to \$100.638m in 2001-2002 ... is significantly greater than the commitment by any previous Government.

Most of all, it is greater than the commitment of the last Liberal Government. There was a very poor effort by the last Liberal Government in dealing with this issue. Indeed, last time, the Chief Minister gave as an excuse that she would only put real money into the superannuation provision fund. This year she has apparently found some real money. I do not think it is any different from the real money she could not find last time, but it still must be real money. In screening these things, we have to force the Government to be honest and straightforward and not to seize upon those unfunded liabilities. They are just using the unfunded liabilities to try to make employees feel like what Mr Hird described the arts community as. Mr Hird described them as leeches. It is outrageous to try to make the people who - - -

Mr Hird: I take a point of order. I hate to interrupt my colleague. The point of order is that I did not and would not identify the arts institution as a pack of leeches. Mr Berry identified them as leeches and I would ask you to ask him to withdraw that, Mr Speaker.

MR SPEAKER: Order! There is no point of order. Mr Berry, stop being provocative and let us get on with passing this budget.

MR BERRY: You have to get to the heart of the issue.

MR SPEAKER: That will be the day.

MR BERRY: You have to get to the heart of the issue, which is the general philosophy of this lot opposite when they deal with the community and workers in the Public Service. What they have attempted to do with these big numbers is make ordinary public servants feel guilty about their - - -

Mr Hird: Leeches - is that what you are saying, Wayne?

MR BERRY: You are the one who said that the arts community were leeches.

Mr Hird: I did not say that at all.

MR BERRY: Yes, you did. You said they were leeches. It was in the newspaper.

MR SPEAKER: Mr Berry, we are discussing the Superannuation and Insurance Provision Unit.

MR BERRY: Many of your constituents who live out in Belconnen are not very happy about that description.

MR SPEAKER: I find it very difficult to stretch the imagination to involve the arts community. Please get on with it.

MR BERRY: They are not very happy about that description and they - - -

MR SPEAKER: And I am not very happy about you not addressing Part 7.

MR BERRY: I happen to be addressing the Government's response to the Estimates Committee. I am sure you are happier now that I have told you that, Mr Speaker. The Government's response still does not tell us what they think is an appropriate figure. So far as we can make out, it is something less than 100 per cent. If that is the sort of understanding of the budget process that we get from this Government, then I think we have a long way to go before we get budget clarity and a commitment from the Government to ensure that the community is well informed about the Government's intentions.

Just to say that it is doing more than any other government is not much of a recommendation. It certainly could not do any worse than the last Carnell Government in relation to superannuation, but we need more clarity and we need a better understanding of the funding levels which ought to be provided. We certainly need to understand how these leakages are created and what formula is used to create these leakages from the superannuation payments by agencies that go into the provision fund.

MS CARNELL (Chief Minister and Treasurer) (9.47): Mr Speaker, I would just like Mr Berry to reread our answer to recommendation 9, which explains this whole issue in depth. It is unfortunate that Mr Berry, even after estimates and our response, still does not understand it.

MR SPEAKER: Bless you for your brevity, Chief Minister.

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MR BERRY (9.47): I was reading from the Government's answer in relation to this matter. Most of the things I said were in reference to the answer that was given by the Chief Minister.

Ms Carnell: It just means that you do not understand it.

MR BERRY: I understand, Chief Minister. I understand when the Government is trying to pull the wool over the eyes of the community and will not provide adequate information in relation to superannuation. The community is entitled to have the right amount of money put aside. The Government does not know. The best it can come up with is that it is something less than 100 per cent. You reckon that I do not understand. Come on, what a joke! We want more clarity, Chief Minister, and you are not providing it.

MR MOORE (Minister for Health and Community Care) (9.48): Mr Speaker, it may assist the Assembly to understand this issue if I quote from the Government's response to the Estimates Committee report. It states:

The committee's description of the difference between the amount paid by agencies and the amount retained in the Superannuation Provision as "leakage" ignores the fact that this is an increase in funding, not a reduction.

I think that is part of the confusion that Mr Berry has.

Proposed expenditure agreed to.

Part 8 - Department of Health and Community Care

Proposed expenditure - Health and Community Care, \$342,829,000 (comprising net cost of outputs, \$303,639,000; capital injection, \$30,617,000; and payments on behalf of Territory, \$8,573,000)

MR STANHOPE (Leader of the Opposition) (9.49): I commented earlier on what I regarded as some negative aspects of the way in which the Estimates Committee procedures were conducted. I indicated that it was the first time I had appeared in Estimates Committee hearings, so it was a learning experience. I found it a very productive experience. I mentioned that one of the concerns I had was the haste with which some Ministers cut off their officials and chose to answer on behalf of officials quite legitimate questions about policy and management issues. Mr Moore was not in the chamber then, but I did comment that health was one portfolio where I was prepared to commend the Minister on his preparedness to let his officials speak for themselves. I acknowledge that to the Minister, much as it pains me. I think it is a fair comment that it was - - -

Mr Moore: I am worried about what is coming.

MR STANHOPE: No, not at all, Mr Moore. I was quite genuinely pleased with the fact that your officials were encouraged to give information, whereas with other departments the general motivation seemed to be to deny as much information as possible.

There are a number of significant issues in relation to the health portfolio, particularly the delivery of public health to the people of Canberra. The Estimates Committee did seek to flesh out some advice to get a greater understanding of some of these issues. There are a number of recommendations in the Estimates Committee report going to items within the health budget. Some of those recommendations have been accepted, but a number of them have been rejected. There is, of course, an ongoing issue of concern in the ACT. Health, of course, is our biggest single budget item.

Mr Moore: No, education is, I think.

MR STANHOPE: Health is second biggest after education. It is a very significant item. Our health is of major concern to each of us as individuals, as family people and as members of the community. A number of factors impact on the difficulty we have as a community to rein in the costs of providing health services that meets the needs of all of the people of Canberra. Some are issues that from time to time generate a lot of public interest. The VMO dispute is one. During the Estimates Committee process we sought to better understand why it is that we have a cyclical battle with the VMOs. I understand to some extent some of the steps which the Minister has taken to restructure the VMO contract arrangements. I guess to some extent I am a little perplexed by the Government's response to the recommendation within the Estimates Committee report in relation to a process of reporting to the Assembly on VMO contractual arrangements and their cost. If the Minister proposes to speak in this debate, perhaps he can give us some explanation of why it was that the Government did not accept that particular recommendation. Some of the problems we have with VMOs perhaps arise from the difficulty of understanding the arrangements we have with VMOs. Perhaps the new arrangements the Minister has put in place will overcome that.

We continue to battle with waiting lists or waiting time. Some significant allowance is made within the budget to continue to address this issue. I am sure that there is a significant and serious level of disquiet within the community about the capacity of the public health system to deliver a timely service and that a large number of people consider that they have a condition worthy of much more urgent attention than they receive.

Our public health system does not deliver a timely service, and the quality of life of a range of people is seriously affected by their inability to readily access a service. As I am sure the Minister does and as I am sure all members do, I regularly have people presenting to me heart-rending stories of what they regard as the lack of capacity of the public health system to meet their particular health care needs. I accept that this is a difficult issue. A never-ending issue for governments is the public health service we in the Territory can afford to deliver to all of our people.

A whole raft of changes are occurring within the delivery of services. It is a testing time. In terms of the most desirable models available for the delivery of health care, the Labor Party has a commitment to the fostering and development of a broad-based community health care delivery system. I notice from the Minister's vision statement that he is inclined to move in that direction himself. We will watch that with great interest.

There are enormous pressures within the public health sector because of staffing levels. There has been a significant issue of dispute between the Australian Nursing Federation and the Government over the last few weeks. I am and have been critical of what I regard as the Minister's very hands-off approach to that dispute. I think the Australian Nursing Federation have been pushed to the brink. I believe that the quality of care has suffered as a result of a lack of nurses at the coalface. A significant number of the problems presented to me in calls to my office from constituents result from the closure of beds or the nonavailability of beds, which to a large extent, as I understand it, is a consequence of a lack of available staff.

As I mentioned, some of the cases are quite heart rending. We hear stories of people prepped for a major procedure and waiting in the corridor for their procedure and then being sent home. These are not one-off or once-a-month stories. Over the last couple of months, we have heard them on a large number of occasions. I have heard terrible stories of people taking time off work and travelling to Canberra from interstate to be with a family member expecting to undergo a procedure and finding that the procedure does not occur and the patient being told to come back a week or two weeks later. Such appalling disruption causes unnecessary pain. A number of times over the last three to six months - I do not know the exact number; perhaps the Minister can tell us - the Canberra Hospital has been in bypass mode. When I first heard of it, it caused me significant surprise and shock because it was something I did not know ever happened. It was a genuine shock to me to learn that. (*Extension of time granted*) I did not know we did this. It is not uncommon for the Canberra Hospital to go on bypass and for ambulances that are called to an emergency not to go to the Canberra Hospital but to go elsewhere. As I understand the procedure, sometimes they may have to go to Sydney.

Mr Moore: The person is always stabilised. It does not put anybody's health at risk. It is inconvenient and it is a problem, but it does not put people's health at risk.

MR STANHOPE: I will be interested to hear, because I do not fully understand how it works, Minister. Nevertheless, it shocked me to discover that our public hospital system at times basically closes down. We are pushed to the limit. We are pushed to bursting point and the system does not manage. I cannot quite come to grips with the fact that it is not uncommon for the Canberra Hospital simply to close down because there are no beds available. Somebody the subject of an emergency may be stabilised, as the Minister has just said, but it does not deny the fact that there are times when our hospital system simply cannot cope with demand. It really worries me that we in this city, in this Territory, are pushed to that limit. We are operating on the edge all the time, or at least we seem to have been over the last three to six months.

I am concerned by the one-off application of the so-called windfall Medicare funds. We have applied about \$2m to the purchase of surgical equipment. It makes one wonder what we would have done had we not done the deal, a deal that I still feel particularly uncomfortable about. It is ironic that the extra billion dollars in public health funds achieved nationally, from which we have received an extra \$16m or so, was achieved for us by Bob Carr, Jeff Kennett et al. We thought that John Howard had delivered enough to the public health system. We took our bat and went home. It was only because Jeff Kennett, Bob Carr and the other Premiers stayed in the debate that we managed to drag another billion dollars out of the Commonwealth for public - - -

Mr Humphries: We did not lose out, though, did we?

MR STANHOPE: We might not have lost out, but we lost out morally. We basically took our bat home. We said, "We're all right, Jack". We were prepared to bale out and give comfort to Howard. It was only through the fact that the States knew the deal was crook that we ended up getting the extra billion dollars and the ACT received some short flow-on. There is an issue there for us. It is only through that windfall that we have been able to afford additional surgical instruments. What would we have done had we not received this flush of funds?

I do not know whether the Minister is speaking today, but there is one issue that I simply have not been able to track down. I was sure I heard that Totalcare's new sterilising equipment was purchased out of Medicare funds. I do not know whether this is within your knowledge, Minister, but I would like to know, if you can tell me, how we paid for the new sterilising equipment at Totalcare. I do not know the answer. I am pleading ignorance here. It is a question that interests me greatly.

Mr Moore: How did we pay for the new sterilising equipment?

MR STANHOPE: Yes. This is a general request. I am really intrigued to know how we paid for the new sterilising equipment at Totalcare. I thought it came out of the Medicare funds. Something flashed through my mind. I wonder how Totalcare accounted for that. Was it a profit or loss, or how did they account for that?

I have some genuine concerns about the new approach to the provision of out-of-hours hospice care. This was an issue that was raised in the Estimates Committee by Mr Corbell.

Mr Moore: It is going very well, Jon.

MR STANHOPE: I have a different view of that, Minister.

Mr Moore: I am sure you do.

MR STANHOPE: I do, but I put it on the table. I wait with great interest for the response the Government gets from the Commonwealth on what they are going to do about the provision of a new hospice. I understand that there is a possibility that the hospice will remain on Acton Peninsula - - -

Mr Moore: I hope so.

MR STANHOPE: I hope so too, but I have a real concern that this Government entered into a deal with the Commonwealth to swap some land on which there is a priceless ACT community asset and did not take that into account in its negotiations, leaving us exposed to a potential cost of some millions of dollars. That is an issue which we have not concentrated on enough.

MR WOOD (10.05): Mr Speaker, I will focus on the community care aspects of this department. The budget papers claim that it is a clever and caring budget. If that is the case, it is in this area where the pressures are greatest. This is where the Government can be found out. Let me acknowledge first of all that this is also a department where the Government has provided additional money in a number of areas, and that is a fairly rare event. I certainly acknowledge that. There is nevertheless a problem contained here. The papers say that the Government has maintained its level of funding in this portfolio and has increased it in some areas. Does that mean that it has maintained the level of services? Has it been able to meet the increasing demand on services, including that created by the ageing of our population? It is one thing to say we have maintained funding, but does that necessarily do the job? I am not sure that it does.

A fairly wide range of programs come under the heading of this service. They include programs that it is difficult to meet the needs of. They include the alcohol and drug program, the dental health program - and I acknowledge there is new money for that - the disability program, for which there is also some new money, and the mental health program. They are the most demanding areas of government in this Territory, in my opinion. They place the greatest stress on service delivery. The service is delivered in many instances by the Government and in other circumstances by the range of providers who have traditionally done a job of very high standard in the Territory.

Like other members here, I often get calls about all these services. Sometimes I go to the Minister's office, and when the services are provided by a number of groups in the community I go to them. Respite care is just one example. I am told, "We cannot take any more cases. We cannot do it. We do not have the resources to do it". That is only one area. A little while ago I went with some delicacy and care to a flat where someone had died a few days before. He had been under the care of people who worked out of the alcohol and drug program, but it simply could not help him. There was not the residential care that that person needed. He had been through the program. He had been turned out at the end of it but there was not a level of care. Let me acknowledge that these are heavy demands, but over and over again there are people whose needs cannot be met because the resources are not there.

I turn to the disability program. I went to one of the private providers - it would be pretty easy to identify them because there are not too many of them - of accommodation about a house that was built for a number of people some years ago. It was well built but is in need of some touching up. Its standard is not of the order that it should be, especially the wet areas. They simply do not have the money to do it, because they are stretched to the limit in providing resources just to keep that place and other places running.

They expend a great deal of voluntary effort in raising funds. Like a lot of other bodies, they in fact subsidise the Government. What is the reward for this? The reward, of course, is the fine service they have done. Many bodies like this one stepped in before there was an adequate range of government services, many years ago.

What is the reward coming to them now? It seems - and it is perhaps early days - that the Government is contracting the services to the cheapest tender. I put a question on the notice paper today so I will not anticipate that, but a Sydney company appears to have won a contract for some services.

Mr Moore: Anticipate away. It is not on the notice paper yet.

MR WOOD: That is right, Mr Moore. The Government, in its tendering process, seems to be going down a path of inviting groups from outside the ACT. Perhaps there is some benefit in competition, but the case that has been brought to my attention does not appear to me to bring any benefit to the ACT or to the community here. I am most uncomfortable about it, as are those who provide the services now being tendered for.

We face the problem of meeting a considerable shortfall in these services. I asked a short time ago whether we were maintaining services. That is difficult to do. The Minister has to meet shortly - and it will only be a small measure - the impost of the SACS award. He indicated to me - and at that time I did not want all the detail - that there may be some government funding to meet the additional costs to service providers of that award, but I expect that the providers themselves will have to face the squeeze. The Minister for family services has not even gone that far. He simply said it is a management problem; that is, he is saying, "We expect you to do at least what you are doing now but at lower cost. You are going to have to accommodate this increase in your costs". That means that everybody has to work harder or they see fewer people. Which one? That is a management issue. I have tracked around a lot of these bodies, as other members have, as Mr Moore has. I think they work pretty efficiently. They have worked on a shoestring for years. They have never had any fat to develop. Now the squeeze comes again. They want to service their clients. They want to provide additional services. My guess is that they are going to be made to work harder.

I suppose that in a year's time they will tell the Estimates Committee, "We cannot tell you that. That is a matter for negotiation. We will see what the outputs are". They will tell us all this jargon. We cannot get an answer now - I have not seen it thus far - on how the addition of the SACS award will affect service delivery. Maybe the Minister, who is assiduously taking notes, will be able to provide some answer for me, and particularly some answer for those people who are trying to provide the services.

What is the problem with being explicit about it? Why not tell everybody what the situation is and work through it? It seems to me that instead the pressure is going to be on an indefinable amount to put the squeeze on people. Let us see whether the Government is, as it says, caring. Let us see whether it can help provide the additional services that this community is going to need in the next year and well beyond.

MR MOORE (Minister for Health and Community Care) (10.15): Mr Speaker, I would like to thank members for their contributions. I would particularly like to acknowledge the comment that Mr Stanhope made about the public servants who appeared before the Estimates Committee with me. I must say I was very proud to appear with those people. They are professionals who operated in a particularly open way. I think it is a credit to them. I appreciate the fact that you have acknowledged that. I am sure they will appreciate that acknowledgment.

Mr Stanhope talked about a range of issues that I would like to take one at a time. He talked about a cyclical battle with waiting times. When we are successful at reducing waiting times, then more people say, "There has been a reduction in waiting times. Therefore, I will now put my hand up for something that I might not have been so keen about before". It is a problem we have identified. It is not something we do not deal with. We still have to deal with it.

A problem that has been identified, a particularly important problem as far as I am concerned, is that some people have been waiting particularly long times for elective surgery. We deal with emergency surgery. I will come to the bypass in a while. When people are on the elective waiting lists, we assess whether we are treating people with a need in a time that is clinically defined. We had been quite successful in doing that until the VMO dispute, when a number of problems were created. One of the problems we have identified is the ownership by VMOs of their waiting lists. We have a series of waiting lists. If one doctor is particularly popular with the GPs, that person's waiting lists can be very long, whereas somebody in the same specialty who is new to the town might have very short waiting lists. Therefore, somebody who goes to the new doctor can wind up having their surgery much earlier than somebody on a waiting list for a different specialist. I have talked about the possibility of pooling lists. It is something that the specialists resist very vigorously. However, I still wish to pursue pooling or some compromise that will achieve the same goal. I do not think we have to be bloody minded about it, but I think we do have to find a more equitable system. We are in the process of trying to identify the outcomes we want to achieve and how we might go about doing that.

Mr Stanhope talked about VMO waiting lists. The response of the Government to the Estimates Committee was quite clear. It is about priorities; it is about making sure that we set the direction and take people where we are going and that we make sure our focus is on goods and services delivered. That is where I want to go.

Mr Stanhope also mentioned the staffing levels of nurses. Most, not all, cases that have been identified as being in the sort of situation he mentions have involved intensive care nurses. We will employ more intensive care nurses if we can find them. They are in shortage nationwide and they are in shortage internationally. That is probably because intensive care nursing has been recognised as a speciality area for something like only a decade and a half. That is one of the reasons why the intensive care unit at the National Capital Private Hospital is managed under a joint arrangement with the Canberra Hospital. The aim was to ensure that that intensive care unit did not drag all our staff away from the Canberra Hospital and leave us in an even worse position. Some issues are still being negotiated.

Mr Stanhope also raised the issue of a bypass. I hear the word “bypass” used particularly with reference to Calvary Hospital. When it goes on bypass, people go to the Canberra Hospital. Generally, I do not think most of us have much difficulty with that. They are located relatively closely and the most sensible treatment is delivered. The Canberra Hospital technically does not go on bypass as such. It goes on stable patient redirection. I think it is important to emphasise this. That is why I interjected earlier. We are using the same language. I understand the language. I am not trying to resile from that but it is important to emphasise that a patient does get stabilised and then moved to another area. Patients may either come from the region and be redirected to other hospitals or come from the ACT and be redirected to an appropriate hospital after they have been stabilised. The reason for this is that we have long waiting lists for elective surgery. We can either allow those elective surgery waiting lists and waiting times for people to get longer or we can try to make sure that the hospital is working to capacity at all times.

When you push the hospital to work at capacity, it means that if an emergency happens the capacity to deal with it is reduced. The particular bottleneck I identified earlier is the intensive care unit. I do not resile from the fact that it is a problem. The hospital is conducting a review to determine the appropriate level of intensive care to ensure that we do not have this bottleneck. I am waiting for the outcomes of that review.

Mr Stanhope also raised the issue of surgical equipment. He asked a very good question about hospital management. What would have happened if there had been no incentives money? I must say that I have asked the same question as you. I think very poor management has led to such a run-down of equipment that there has to be an injection of millions of dollars. I have been assured by hospital management that we now have systems in place to ensure that equipment is replaced as it wears out so that we do not get into that circumstance again.

A related issue that Mr Stanhope raised was about Totalcare. My recollection is that Totalcare said at the Estimates Committee that they had not bought any new sterilising equipment. It has not been paid for through Medicare, to the best of my knowledge. Mr Stanhope may need to pursue that further with the Chief Minister or I can seek more information for him if he wants it.

The final issue Mr Stanhope raised was about the land swap and the hospice on Acton Peninsula. I suppose he should also ask Mr Berry why it was that when he negotiated the lease on the hospice it was only a five-year lease. I imagine the answer is the very logical one - Mr Berry may choose to stand and correct me - that that was the best he could negotiate at the time. My guess is that he would have preferred a much longer lease, but that is what it is. I think I answered a question on it, but the Chief Minister has written asking for clarification.

I would like to say to Mr Wood and to other members of the Assembly that in the last three months I have not been able to make services in Community Care perfect. I know that if you came into government you would be able to make them perfect in a very short time. Nobody else has ever been able to do it, but that may be the case.

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Seriously, we seek to do the very best we can. I do not think there will ever be a perfect set of services, because there is not an unlimited amount of money. I know that every single community group that I talk to could use more money in a reasonable way. As you correctly identified, Mr Wood, we have injected funds into areas where we have seen greatest need, making it very clear that we have a caring and, with the direction we are taking, a clever budget.

Mr Speaker, in the areas that Mr Wood identified we will work our very best. I do not think it is worth while my going through them individually. However, I will answer a couple of questions, particularly the one on the tenders from outside the ACT and the one on the SACS award. Mr Wood indicated that he has put a question on the notice paper - and no doubt that will give you a more detailed answer - on tenders from outside the ACT. The reality is that if we are able to get cheaper services, provided we maintain the quality of the services, then that gives us more money to spend to provide for individuals. It is the individuals we are interested in more than the actual service provider. (*Extension of time granted*) We have to make sure that our services are focused on the individuals receiving those services. If we can find a provider who will provide exactly the same or better services and they happen to come from outside the ACT, we should accept the tender and provide the services in that way. The tender process has to be a genuine process.

I was informed by the department that a contract was going to be offered to somebody from outside the ACT. My approach is that if they won the tender in a fair and open process, and provided there is no reduction in quality, then it is appropriate that that group should be awarded the contract. I realise that that has caused some concern from groups within the ACT. I also know that it has put other groups on their toes to look at delivering services in a better way.

Mr Wood also raised the issue of the SACS award. Money has been put aside within the department to try to assist people where necessary. The difficulty I have is that if I identify the level of funds then, because the vast majority of groups are interested in delivering services, they will not look at the money in terms of their own SACS award, as is reasonable, but look at it as a bucket of money which they can get a share of and distribute. There is some money. Where people have needed extra assistance to deal with the SACS award issues, we have written it into the contracts. The outcome is what we are interested in. We are interested in the best outcome for the services, provided people can also meet the requirements of the SACS award. It is amazing how well community groups have responded.

That leads me to an interesting difference between what Mr Stanhope has been saying and what Mr Wood has been saying. Mr Stanhope identified staffing levels of nurses as an issue about which there has been some dispute. Nurses have been asking for some extra 50 nurses at the hospital. The cost of that is approximately \$3m. If we did have \$3m - and you can see in the budget that we do not have \$3m - would we spend it on extra nurses at the Canberra Hospital or would that money get much better health outcomes if we put it into community care, where it might also be spent on nurses? I think that is an important question for us. The questions are always:

“Where are your priorities?”

Where is the money?". In launching and tabling "Setting the Agenda" I have clearly set the direction in which the Government wants to take Health. That is why it is that we will be concentrating, where possible, on funding Community Care.

If we were able to save approximately 10 per cent at the Canberra Hospital, without looking at Calvary, and I put that money into the community groups providing services in disability and respite care and all those areas, it would effectively double the amount of money we provided in those areas. It is difficult, as any Health Minister in Australia knows, to maintain an even budget in hospitals, let alone deal with the blow-outs. There is a great challenge for us just to hold budgets even to allow any growth funds to go into community care, but certainly that is what I am seeking to do.

I appreciate the comments people have made. I appreciate the recommendations of the Estimates Committee. I believe that I have sought, where possible, to respond positively to the Estimates Committee and that my officers responded positively when questioned. We will try to achieve the best outcomes for the people, not necessarily for the professional groups involved.

MS TUCKER (10.32): I would like to make a few comments after hearing Mr Moore and other speakers. It is all very reassuring to hear Mr Moore say that he welcomes comments and that he does intend to try to address the problems that have been highlighted by speakers tonight, particularly Mr Wood. It is the comments by Mr Wood I am particularly interested in, because I share his concerns on a number of issues in the community sector.

What we need to see in the ACT from Mr Moore and from this Government is an up-front picture of unmet need. I know I have raised this before and I have been told that it is sort of happening, that community groups are being asked to keep information, that they are doing some analysis themselves and that we will get an idea of the unmet need eventually. However, I seem to recall resistance in acknowledging that community groups need a little bit of help in collecting that data. It is another job they have to do. As Mr Wood so clearly articulated, they are working on a shoestring already, quite often in very stressful situations.

Mr Moore said, "I cannot fix everything up in three months but maybe you could". Obviously, no-one can fix everything up in three months. If there is this limited bucket of money that we keep being told exists and even if we could change our priorities and still be unable to do the job, then I say that it is the responsibility of government and of Health Ministers to be out in the open and honest with the community about what this means for vulnerable people in our community.

We have had a number of debates in this place about taxation. There is a debate going on in the Australian community right now about taxation. It is quite disgusting because it is always about giving people tax cuts. It is about offering people breaks. It is about not having to pay tax. I believe that when most people in Australia really understand the experience of quite a large number of vulnerable people in our community we will get a rejection of this approach to taxation which is coming from the two major parties.

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If the people of Australia were aware of what was going on, maybe they would say, "This is not good enough. If we have to pay more taxes to solve this situation, we will, because we believe in a fair go in Australia". The people who are the most vulnerable in our society should not be the ones copping it worst, but that is what is happening.

It is often the mothers who must care for people who have a disability or a mental illness. It is often the quite elderly people who are caring for adult people with a disability or a mental illness who are not able to care for themselves. We have been closing institutions across Australia. Our own facilities are closing. People are being encouraged to move out of Watson Hostel and Hennessy House. Support is supposedly being provided in the community, but I am hearing from people in our community that the face-to-face support is not adequate. It is not increasing; it is in fact decreasing. I recall asking in the Estimates Committee what the caseload of caseworkers in the mental health sector was. It was very high.

We cannot just say, as Mr Moore just did, that we will do it when we can and that we have put more money in. I think it is unacceptable. I think it is offensive. Mr Wood described personal experiences of the suffering of families, individuals and carers. It just makes you feel sick. It makes you feel that as a society we are failing in a very serious way.

I want to raise also the question of the professional people who are being paid as providers of care in this same sector. I have already raised it today. I have looked at the salaries that are paid for this work. I have seen the work first-hand and I do not think it is a fair wage. I think it is an insulting wage for the work they do. It is also interesting how in this place we have been told several times that you get monkeys if you pay peanuts. Does that mean we think monkeys are fine to work in the community sector? Do we think it does not matter who cares for our disabled and who cares for our mentally ill? I do not necessarily support that argument and I believe people do work for reasons other than money, but if the Government's argument is to be followed, the argument they always put up for their hugely excessive executive salaries, then I think, to be consistent, they should be paying very high salaries to people in the community sector if they value that work and if they value the concept that we as a society believe those vulnerable people need support.

It is also about prevention and intervention. It is about knowing that if you do support people who get into strife with mental illness or substance abuse, and if you have highly qualified people, you have good people and you have services available, you will save money in the long run. Here again we have the old economic argument that if we do not have effective and accessible support for people in our community who are struggling with these particular sorts of illnesses we will pay in the long run. I know that is a hard one for government, because it is always hard to get out of a timeframe of a few years. It is so critical that we make that shift in terms of the environment as well.

I have to be honest and say that I have not totally read "Setting the Agenda", so the Minister can clarify himself. He would be delighted to stand up.

Mr Moore: If you need another copy, I will provide you with another copy.

MS TUCKER: I have a copy, Mr Moore. I have not had time to read the whole document. I am sure you will be delighted to leap up and clarify the issue that I am about to raise if you have covered it in your "Setting the Agenda". It is the link between health and the environment. In all areas we have repeated discussion about interagency links and interagency communication. I am not aware of the question of health and the environment having been adequately addressed. We do not see the two sectors being merged. They really need to be, because obviously clean air, clean water and clean soil, how we use pesticides and what is happening with noise in our community have an effect on health. Mr Moore might like to clarify whether that is featured in his "Setting the Agenda". If it is not, then I certainly recommend that he address that issue. It would be a first. The ACT would be fairly significant if we managed to do that successfully. It is not happening across other government departments, as I have already pointed out and as other members have pointed out today, with so much moving into the Chief Minister's Department and things getting broken up. Here is an opportunity for the two Ministers who are sitting here tonight to show the rest of government how you can do it and work together.

MR MOORE (Minister for Health and Community Care) (10.40): Mr Smyth would acknowledge that I have been trying to poach environment from him since the day I took over. It is much more logical for it to be within the health portfolio. What I have done, as a starting point to try to poach as much as I can, since I cannot actually do it, in setting the agenda - - -

Mr Corbell: They will not give you planning, Michael. They will not give you planning.

MR MOORE: I know that. The interjection from Simon Corbell is that they will not give me planning. I do not think there is anybody in this Assembly under any illusion about that. In fact, Mr Corbell, I have a feeling they will probably give it to you before they give it to me.

Specifically on the issue that Ms Tucker has raised, in setting the agenda we have made it clear that we will be seeking World Health Organisation accreditation as a healthy city. Part of that accreditation concerns the way we deal with our environment, so there is an issue there. I am already beginning to move in on Mr Smyth's area as much as I can. More importantly, "Setting the Agenda" is about good partnerships and working in very close partnerships. I have asked my officers who look after environment-health issues to work closely with Mr Smyth's areas. Indeed, Mr Smyth and I have already had some discussions on how we can get officers to work closer and to see whether we can get more innovative ideas to protect health and the environment, environmental health.

As Ms Tucker correctly points out, the issues often overlap and are integrated. That is something that we will work on together. Today Mr Smyth tabled a statement on greenhouse strategy. Quite clearly, I see that as a health issue and have been very supportive of the Government's approach on that. No doubt Ms Tucker will feel it does

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not go far enough. I know that is a valid point of view. There is always a question of balance, as we have all talked about tonight - how far can you go within the parameters that are set? The parameters are not always budgetary parameters. There are a series of other parameters that apply to us as well - for example, how is the Assembly going to react to what we propose; how is the community going to react to what is proposed; how are workers going to react to what is proposed? These are all very important issues that need to be taken into account. Apart from that, I think Ms Tucker's speech raised a range of philosophical arguments that it is important to have put, but to respond to them now in this debate it would be very difficult to do them justice. I am sure that we will have those debates time and again and will look at them with more care.

However, I will take this opportunity to respond to a couple of things that Mr Wood raised when I ran out of time. Mr Wood mentioned respite care. We are trying to increase the provision of respite care. One example of that is using the Fisher COOOL house as a temporary measure for respite care while the residents move into the other house. Members will be pleased to hear that we are having some success in providing residential accommodation in the COOOL house in Fisher. Certainly, a number of people have moved in. We are in negotiations to bring a fourth person into that house, hopefully in the next couple of weeks. There have been some exchanges. You might be aware that one of the people who were in Macquarie has moved into Fisher. A swap took place as it suited both people. Some of the difficulties that we have encountered with COOOL are being resolved - very successfully I believe - by Community Care. I congratulate those who have been involved in that work. It has been particularly difficult and there have been a huge number of problems.

Mr Wood also raised the issue of drugs and alcohol and asked whether we provide an appropriate amount of care. There is certainly room for improvement, Mr Wood; there is no question about that. I do not deny that but, at the same time, there is a point at which we have to say, "Are people making their choices to use the services that are available, or are they making other choices?". There are times when people choose not to use the services that are available or, having tried the services three or four times, particularly people with an addiction, they just cannot bring themselves to go back and try yet again.

I know some people who have tried to give up smoking 16 and 17 times and when they say, "I am going to try again" everybody thinks, "Wow, that is terrific. This is somebody who really is working very hard to deal with that addiction". When somebody has been through a drug and alcohol facility for either heroin or alcohol and they go back in to try for the third or fourth time, we have a very different attitude for some reason, yet they are wrestling with the same issue. I admire people who go back and try yet again, because it must be incredibly debilitating to say, "I gave up for six months and I managed but now I have fallen again" - often that is the way people look at it - "and I am back to try again". But some people choose not to try for the sixth or seventh time. I believe there is no way we can force them. All we can do is make sure that the services are available when they want to be there, and we are working to achieve that.

MR QUINLAN (10.47): Mr Deputy Speaker, in reinforcing a point on the SACS award I may stand to be corrected, and I would like to be corrected, if possible. The last estimate that I saw while working in the community sector was that, for the community services sector overall, there was likely to be about a 14 per cent increase in the actual cost of the same level of service as a result of the introduction of the SACS award. That was not a 14 per cent increase in the wages bill; that was a 14 per cent increase in the gross funding required to maintain output at the same level within those community services.

It is important that we do not lose sight of that. When we make decisions in this regard and set priorities - in fact, reduce services, because we are not funding to that level - we need to be acutely conscious that it is not just a squeaky wheel that receives extra funding but that many organisations out there are working at the margin. One knows that community service organisations have always been required to work at the margin. If they do not spend every last dollar they ever got they are likely to lose it in next year's grants. If they overspend by a couple of dollars it is a bit like Mr Micawber. There is disaster and departmental panic if they overspend even slightly. They are used to spending every cent they have had and they have no reserves and no capacity to ride out this particular problem. My best recollection is that there was about \$800,000 in the budget to pick up on some of this, but it is nowhere near that which would be needed to maintain the same real level of funding, given the change in the basis of the costing.

I would like to reinforce Mr Wood's reservations in relation to the extended application of purchaser-provider and the focus on dollars - in fact, providing contracts outside the ACT. I am not totally convinced by the purchaser-provider model. In my relatively limited but nevertheless hands-on experience in the sector, there is much more to it than just the dollars and the hours of service provided. Organisations within the community sector build a relationship with their clients. Those clients are quite often acutely conscious of the fact that they are assessed from time to time. We need to protect them against a passing parade of reassessment that could occur in an open annual tender process. At the nth degree - and I hope it is an extreme we never meet - we could have a passing parade of assessments. We already have that because the services are disparate.

In recent years the Government has made some effort to try to coordinate assessment and the provision of care and to provide a backup system of information and negotiation services to people so that the distressing and embarrassing process of being assessed and reassessed is minimised at least. There are questions that extend to the privacy of information when people confide considerably in an organisation. It is necessary for the community service organisations to accumulate a certain amount of information, and that is formal information necessary to provide the service. Then there is informal information which is kept which is about particular behaviour and likes and dislikes - I do not want to exaggerate it much further than that - and that is necessary for the organisation to accumulate but it would never be passed from one organisation to the other. When we take the purchaser-provider model to the nth degree, we build and destroy relationships between those organisations and the client.

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I agree that the Government should try to get the best service for its dollar. However, under that umbrella I would like to be assured that we are not taking the focus completely to the dollar, that we are still looking at the service level, the degree of compassion, the degree of capacity, the degree of reliance and the relationship that the clients have built with the service provider that brings them closer to being one of the family, when they have got over that long period of becoming uncomfortable with some very personal intervention in their lives from time to time and when they were most vulnerable and dependent. I would like to be assured that we are not hell-bent on pursuing the purchaser-provider and the tender model down to the nth degree. I would like to go back to that 14 per cent and hope to God that that was an exaggerated figure when I last heard it about a year ago.

MR BERRY (10.54): The first thing I would like to say, arising from what I heard in the Estimates Committee and around the traps, is that what is now described as stabilised patient transfer, SPT - another acronym that we can add to the list - is an illness, I suppose, that seems to have developed to an accepted stage in our public hospital system, and I find that unacceptable. I do not think that we have ever experienced this sort of problem to the level that I have heard it talked about recently. That is not to say it has never happened and it is not to say that it cannot happen, but - - -

Mr Moore: Do you want me to get comparative figures from when you were Minister?

MR BERRY: You can if you like. If you can find any reliable figures in the system from those days, best of luck. I have never questioned that some of the figures have improved but, in my experience, these sorts of things have never occurred to the extent that they are occurring now. What annoys me mostly is that there is this broadening attempt to make it acceptable for these things to occur. However, that is just a comment.

Since Mr Moore has taken over the health portfolio, I do not see there is much different an emphasis on the way the hospital system is heading. I have just had some discussions with Mr Stanhope and we agree that there is an irrevocable push towards a two-tier system which is consistent with the Liberals' philosophical position on health. It seems that all that we are hearing in defence of the new private hospital on the site are the same sorts of echoes of people defending the decision to put it there in the first place.

I would like to see more commitment to the public system. Knowing, as I do, that the intensive care ward is the bottleneck which is creating many of the problems within our public hospital system, and knowing that the private hospital will be recruiting intensive care nurses for its own intensive care unit, it seems to me that we are being drawn into a sort of vortex of the two-tier system which, as I said, is consistent with the Liberals' philosophy on the public hospital system but is quite foreign to me. That having been said, it is up to the Labor Party to keep highlighting - and I know Mr Stanhope will keep highlighting it - the difficulties within our hospital system and urging Mr Moore to take a different direction.

There is just one remaining matter I would like to talk about and that is the salary increases to the salaried medical officers. The Estimates Committee asked the Government to justify its position and the Government has set out a justification on the matter. It has said, in essence, that all of this is justified. I am not in a position

to question that, though I do make the point that the salaried medical officers, at least in some classifications, will receive a 14 per cent pay rise, which is 9.5 per cent better, fully supplemented over the life of the agreement.

Mr Moore: No. We compared the 5.6 to the 10.1 per cent received by some unions - trade unions.

MR BERRY: Let me put it this way: The very clear position from the Government in relation to its general employees is that if there are any pay rises it will cost them jobs - it is as simple as that - or services. In respect of the salaried medical officers a new standard has been created in health, which I am sure other health workers will be keen to latch on to, where full supplementation is okay and there will be no job losses. There are some productivity arrangements, which are welcome, but I think an industrial difficulty has been created in the hospital system. Were I a union official or a worker out there, I would be keen to attach myself to this arrangement.

The Government will find it very difficult to argue that other workers within the system are not entitled to the same, and I have to say that I would be on their side on the basis of this arrangement. That is not to say that the salary increase was not justified. It just seems to me that you have created a problem for yourself by having a double standard. I would be surprised if you were able to extricate yourself from that one without a few scars on you. However, be that as it may. I trust that the nurses and the other classifications will be given fair treatment in the assessment of their wages and working conditions.

Many of us have been through the argument with visiting medical officers who, as contractors, have been in a quite different position from those on salaries. From time to time I have said that I would like to see more people on salaries in the hospital system. Salaried medical officers are entitled, just like anyone else, to reasonable pay increases, and the Government has justified that. I reiterate that I think it has created another standard in health.

Mr Moore raised the issue of the hospice, in light of the Estimates Committee's report and the Government's response. I think he said - - -

Mr Moore: No. I just talked about the length of the lease - the five-year lease. You know, why did you do a five-year lease?

MR BERRY: Yes, he asked why I signed a five-year lease. I was not in a position to sign anything. Even if I were, I would not have been signing a lease for land that the Territory owned because it was Territory land at the time. It would not have been something we would have needed to sign a lease on. As far as I am aware, there was never a lease signed. There was an agreement signed - - -

Mr Moore: It was Terry Connolly, was it not?

MR BERRY: It was Mr Connolly. At the same time there was an agreement reached - I think it was a five-year agreement - with the Little Company of Mary to run the hospice. Nobody ever expected that that would not be renewed but - - -

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Mr Moore: It was a five-year lease and there was a six-month gap between the two agreements.

MR BERRY: That may well have been the case. As I recall it, the National Capital Planning Authority - as it was called then - in a patronising way, I think, tried to impose some sort of tenancy agreement on top of its agreement for construction work to occur at the hospice. They might have mentioned five years. I know what I said at the time. I said, "Well, once we are in there, try to get us out". There is no lease, as far as I am aware. It is just some arrangement which - - -

Mr Rugendyke: It might be a block.

MR BERRY: What was that? I did not hear that.

Mr Moore: It might be a block.

MR BERRY: Yes, no lease. No, we know there is a block down there because there is a hospice built on it. If somebody tried to bring a lease to your office and got it confused with a block, I am sure you would know because they would find a bit of difficulty getting it in through the front door. I think the point is well made that the hospice was a forgotten casualty in the land swap deal. As far as I am concerned, it is a hospice that is valued and is worth fighting for. I trust that people have the fortitude to stand their ground if the Commonwealth tries any funny business.

MS TUCKER (11.03): I want to comment on the purchaser-provider issue as well. Mr Moore said that there was a possibility people could be brought in from outside the ACT and that it would happen only if that was going to be a better outcome for the people in the ACT consuming the services. The statement implied that we actually know what we are doing with the contracting out and tendering process. I believe that is not the case. That is why I have referred the whole issue of service purchasing to Ted Quinlan's committee - to see how the recommendations of the Government's report on service purchasing are being progressed.

For a start, the whole issue of pricing has not been progressed to a level that is satisfactory to the community sector, the providers. Pricing is such a fundamental issue that, until it has been resolved to the satisfaction of all partners, or by the partners - however many partners there are - it is quite dangerous to be proceeding with this whole process.

The contestability continuum is another issue. It should have been given a lot more attention in the report. I do not think a lot of community organisations are satisfied that it has been given enough attention and debate. So this is not just about whether or not an organisation's services should be contestable; and that debate has not happened. The issue of pricing is right back at square one. If we are starting to tender out before we have worked this out, no one community sector is concerned.

Proposed expenditure agreed to.

Part 9 - Department of Urban Services

Proposed expenditure - Urban Services, \$268,826,000 (comprising net cost of outputs, \$218,808,000; capital injection, \$49,228,000; and payments on behalf of Territory, \$790,000)

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

ADJOURNMENT

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

That the Assembly do now adjourn.

Mr Geoff Harris : Mr Tom Duncan

MR SMYTH (Minister for Urban Services) (11.07): I will speak for 30 seconds, Mr Deputy Speaker. To Geoff Harris, who is standing around there all on his own as the public guardian, I say: Thank you for your endeavours. You can now go home. For the information of members who may not have known it, today, being the first day of spring - 1 September - is Tom Duncan's birthday. Happy birthday, Thomas.

Abortion Legislation - Rally

MR MOORE (Minister for Health and Community Care) (11.08): Mr Deputy Speaker, at lunchtime today approximately 2,000 people gathered outside the Assembly, and I think it is worth our recognising that assembly. They gathered there to protest at the Bill that is before the Assembly - the Health Regulation (Abortions) Bill that Mr Osborne has put up. Those who spoke at that rally identified very clearly that they were not impressed by the Bill, that they saw it as an infringement of the rights of women. For me, the most important things were the wide range of ages of people at that rally and also the number of men who were there - I know many members from here were at the rally - to support women and to recognise the attack on women's rights.

I do not want to get into the issues of the actual Bill which we will debate in this Assembly when it is brought on in due time, Mr Deputy Speaker. But there was another factor which I thought was significant; that is, a small number of people - probably 40 or 50 - from the Right to Life movement were expressing their view close to the doors of the Assembly. There were some 2,000 people with the opposite view and I thought it was to the great credit of the people involved that neither group interfered with the other. I believe their views were expressed. They used their democratic right and democratic option to express their opinion, and I think that was to the great credit of all the people involved.

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Mr Deputy Speaker, this matter will come on again. The level of community involvement, considering the Bill was tabled less than a week ago, with 2,000 people gathering in such a short time, is a very clear indication - and I hope members have taken note - that the community is singularly unimpressed with this Bill.

Question resolved in the affirmative.

Assembly adjourned at 11.10 pm