



DEBATES

OF THE

LEGISLATIVE ASSEMBLY

FOR THE

AUSTRALIAN CAPITAL TERRITORY

HANSARD

17 November 1998

Tuesday, 17 November 1998

Debits Tax (Amendment) Bill 1998.....	2543
Bushfire (Amendment) Bill 1998.....	2544
Justice and Community Safety - standing committee.....	2545
Statute Law Revision (Penalties) Bill 1998.....	2546
Fair Trading (Petroleum Retail Marketing) (Repeal) Bill 1998.....	2547
Roads and Public Places (Amendment) Bill 1998.....	2550
Urban Services - standing committee.....	2553
Urban Services - standing committee.....	2554
Crimes (Amendment) Bill (No. 5) 1998.....	2555
Questions without notice:	
ACTEW - sale.....	2558
ACTEW - sale.....	2559
Superannuation liability	2561
Gungahlin - transport links	2564
ACTION - industrial agreement.....	2564
Rural residential development.....	2565
Rural residential development.....	2566
Supported accommodation for people with mental illness	2568
Housing maintenance.....	2568
Health workers - salary packaging	2569
Relevancy in debate	2571
Authority to broadcast proceedings.....	2572
Legislative Assembly - quarterly performance report	2572
Subordinate legislation.....	2572
Departmental performance reports	2573
Urban Services - standing committee.....	2574
Land (Planing and Environment) Act - variation No. 67 to the Territory Plan (Ministerial statement).....	2574
Land (Planning and Environment) Act - leases (Ministerial statement).....	2576
Questions without notice:	
ACTEW - privatisation seminar.....	2576
ACTEW - loss of customers.....	2577
Special Premiers Conference - outcome (Ministerial statement).....	2577
Adjournment.....	2581

Tuesday, 17 November 1998

The Assembly met at 10.30 am.

(Quorum formed)

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

DEBITS TAX (AMENDMENT) BILL 1998

MS CARNELL (Chief Minister and Treasurer) (10.32): I ask for leave to present the Debits Tax (Amendment) Bill 1998.

Leave granted.

MS CARNELL: Mr Speaker, I present the Debits Tax (Amendment) Bill 1998, together with its explanatory memorandum.

Title read by Clerk.

MS CARNELL: I move:

That this Bill be agreed to in principle.

Mr Speaker, the Debits Tax (Amendment) Bill 1998 makes a number of amendments to the Debits Tax Act 1997. These amendments arise from recommendations of the Wallis report concerning changes at the national level in the provision of financial services in Australia. Mr Speaker, one of these changes involves amendments to Commonwealth legislation to allow building societies and credit unions to issue cheques in their own names. This change will take effect from 1 December 1998. Under the current arrangements the Commonwealth Cheques and Payment Orders Act 1986 does not allow building societies and credit unions to issue cheques in their own names. The cheque-drawing facilities are provided by building societies and credit unions through an arrangement with a defined financial institution. Debits tax imposed on the defined financial institution is then on-charged to the building society or credit union account.

Mr Speaker, in order to facilitate a smooth transition of financial institutions to the new arrangements from 1 December 1998, it is necessary for States and Territories to amend their existing debits tax legislation. This Bill will enable building societies and credit unions to come under the definition of a financial institution; provide a uniform debits tax

17 November 1998

regime for financial institutions in the ACT; and legislatively extend the rebate provisions under the Debits Tax Act 1997 to eligible persons with a building society or credit union cheque account.

Mr Speaker, I commend this Bill to the Assembly. We would like to debate this Bill next week so that it is in place before 1 December.

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

BUSHFIRE (AMENDMENT) BILL 1998

MR HUMPHRIES (Attorney-General, Minister for Justice and Community Safety and Minister Assisting the Treasurer) (10.35): I ask for leave to present the Bushfire (Amendment) Bill 1998.

Leave granted.

MR HUMPHRIES: Mr Speaker, I present the Bushfire (Amendment) Bill 1998, together with its explanatory memorandum.

Title read by Clerk.

MR HUMPHRIES: Mr Speaker, I move:

That this Bill be agreed to in principle.

Mr Speaker, the purpose of the Bill is to make simple technical amendments to the Bushfire Act 1936. These provide for the Chief Fire Control Officer to declare a total fire ban and provide the power to grant exemption permits. Such exemption permits are for low-risk community activities that include the use of fire in the open during a period when the weather conditions represent an acute fire danger and a total fire ban has been broadcast.

The declaration of a total fire ban is based on a number of technical considerations such as drought indices, levels of grass cutting and short-term weather factors, including wind speed, relative humidity and temperature. Currently the Act provides for the Minister to declare the total fire ban. However, it is appropriate that the declaration of a total fire ban condition be made by the Chief Fire Control Officer, who has the expertise to consider and interpret those technical factors.

The Territory has, on average, about three total fire bans each bushfire season. In normal seasons total fire bans cause only slight disruption to community activities. Unfortunately, the Territory, like many other parts of south-east Australia, is subject to recurring hot, dry seasons, and the 1997-98 bushfire season was particularly difficult in this regard, resulting in 24 total fire bans being declared.

Experience gained from the 1997-98 bushfire season showed that declarations of numerous fire bans during the peak summer period can have a significant impact on major community activities. Such disruptions did cause some level of community upset and potential financial loss to community organisations. However, the actual risk associated with some community activities during total fire bans varies as the daily weather conditions vary. Factors that should be taken into account in assessing the risk associated with such activities include the nature and location of the activity, the actual weather conditions and the time of day. For example, carols by candlelight at 8.30 pm in Commonwealth Park may well justify exemption because of the time of the activity and the condition of the irrigated grass, but carols by candlelight in a non-irrigated paddock would constitute an unacceptable risk due to the location and the combustibility of non-irrigated grass.

At present the Bushfire Act 1936 does not provide for the Chief Fire Control Officer to attempt to meet community expectations by exercising a discretionary power to grant such an exemption. Mr Speaker, whilst there is a risk associated with reconciling community expectations with public safety precautions, the Territory is fortunate to have ready access to local fire weather forecasting and has a well-developed electronic and print media for the dissemination of information.

The Bill is intended to provide a means to resolve competing issues so that we can strike a balance between low-risk community activities and public safety and the protection of life, property and the environment from the impact of fire. It is appropriate that this power be exercised not by the Minister but by the Chief Fire Control Officer, who is in a position to exercise technical judgment and to impose appropriate conditions for an exemption from a total fire ban. Due to the unpredictable nature of the distribution of potential embers from fireworks, they will not be considered for exemption during total fire bans.

Mr Speaker, in order to ensure that this legislation is in place before the beginning of the bushfire season, it is my intention to bring it on for debate in the Assembly next sitting week. I commend the Bill to the Assembly.

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

JUSTICE AND COMMUNITY SAFETY - STANDING COMMITTEE
Scrutiny Report No. 11 of 1998

MR OSBORNE: Mr Speaker, I present Scrutiny Report No. 11 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.

17 November 1998

MR OSBORNE: Scrutiny Report No. 11 of 1998 contains the committee's comments on six Bills and eight pieces of subordinate legislation. I commend the report to the Assembly.

Mr Speaker, I also inform the Assembly that, although the committee has received a government response to the committee's comments on the Domestic Violence (Amendment) Bill (No. 2) of 1998, it is still considering that response. I expect that the committee will report on Tuesday of next week on that matter.

STATUTE LAW REVISION (PENALTIES) BILL 1998

Debate resumed from 24 September 1998, on motion by **Mr Humphries**:

That this Bill be agreed to in principle.

MR STANHOPE (Leader of the Opposition) (10.41): Mr Speaker, I have very little comment to offer in relation to this Bill. It is a significant piece of work that the Attorney-General's Department has done on updating the schedules of penalties. The Statute Law Revision (Penalties) Bill implements a review of penalties which has been ongoing within the ACT and throughout Australia. It deals with a very difficult issue, the development of an appropriate range of penalties for all the offences that our legislation covers.

The Labor Party notes that the review is ongoing, that further amendments will be required and that certain offences have not been covered by this particular Bill. It is indeed very difficult in the context of a debate such as this for any member of the Assembly to get across the detailed implications of all the new penalties. In relation to a Bill such as this, I think it is appropriate that the Attorney and his department continue to monitor the impact and the effectiveness of the new penalties. Subject to the caution about the need for penalties and their appropriateness to be constantly monitored and assessed for appropriateness, the Opposition is happy to support this Bill.

MR HUMPHRIES (Attorney-General, Minister for Justice and Community Safety and Minister Assisting the Treasurer) (10.42), in reply: Mr Speaker, I want to thank the Opposition for its support for this Bill. As members are aware, this exercise in revising the penalty regime for the Territory and incorporating the concept of penalty units has been a massive exercise that has taken a very large amount of time and effort. Three Assemblies have considered this issue. I am pleased to say that we are drawing to a close in that exercise.

This exercise was commenced at a time when inflation was running at a rather higher rate than it is at the moment, when it was felt that there would be a need fairly regularly to go back and revisit the state of various penalties, to make sure that they were being kept up to date with the value of money. Just at the moment inflation is not quite such a serious problem, and obviously we hope that it does not return to the problem that it has been

in the past for this country. Nonetheless, it is important to be able to deal with those issues flexibly without having to go back and amend numerous pieces of legislation to deal with a decline in the value of money because the penalties referred to in the legislation are dollar figures rather than the more flexible penalty units which are now in most ACT legislation.

This is a step which in a sense obviates the need for future Assemblies to do further work of a mechanical nature. I think we would all agree that parliaments have more important things to do than to mechanically go through and overhaul pieces of legislation on a purely technical basis like that. It is best if the minds and energies of members are concentrated on more important issues of policy and leadership within our community generally.

It is a small but important step today to be able to close off this exercise in penalty units and to put on the record the Government's thanks for the hard work that has gone into this process by officers of what is now the Department of Justice and Community Safety over many years to bring this to fruition. It certainly was a major exercise, and I am very pleased that we now have a thorough revision and up-to-date penalties provided for in, as far as I am aware, all ACT legislation.

Question resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

**FAIR TRADING (PETROLEUM RETAIL MARKETING)
(REPEAL) BILL 1998**

Debate resumed from 29 October 1998, on motion by **Mr Humphries**:

That this Bill be agreed to in principle.

MR HARGREAVES (10.45): I rise to advise the Government of the Opposition's support for this Bill. The Bill repeals the Fair Trading (Petroleum Retail Marketing) Act 1995. The 1995 Act introduced controls over the four major oil companies. In 1995, when an oil company decided to close a petrol station, the franchise could not continue as a franchise of another company through the sale of the site by one company to another. This was because the Act set limits on the four major oil companies for multisite franchises. Since that time we have had other operators - Burmah, Woolworths Plus and Gull - enter the market. This has shown that the legislation, while well intended, did not actually work, so we are quite pleased to see the repeal come forward.

17 November 1998

We see this piece of legislation, if backed up with some punch from the Government, providing some measure of protection for small operators. They need this repeal to allow them the opportunity to bargain with major oil companies to ensure the viability of sites.

Let me mention another possibility precluded by the existing Act. Say a franchise was concluded, a small operator purchased the site and company No. 1 departed. Let us suppose that that small operator could not sustain the business but it was still a viable one. Under the existing Act he could not negotiate with another oil company for a franchise on that site. The repeal of the existing legislation will in fact open that possibility up. Whether operators take it up or not is another issue, but it does provide that opportunity.

I thank the Minister for the briefing that was provided. The only difficulty I had was the suggestion that the legislation may contribute to the levelling off of prices over holiday weekends, school holidays, et cetera. I said to the officers at the time that I thought that was hoping for too much. Indeed, I was somewhat chuffed to see the Minister only 24 hours later exhorting people to shop around the ACT, because guess what had happened? The price was starting to bounce back up again. However, this legislation is not intended to control the price of petrol. It is intended to create the competition which will do that.

Mr Speaker, the Commonwealth has announced its intention to repeal the Petroleum Retail Marketing Franchise Act 1980 and the Petroleum Retail Marketing Sites Act 1980. The Government says that these Acts underpin the operation of the ACT's Act. At the repeal of the Commonwealth legislation, the Commonwealth's intention to introduce increased competition may create greater flexibility in the petrol retail market. I congratulate the Government for having the same sort of commitment that Terry Connolly had in trying to get the best deal for our motorists. We assure the Government of our support for this sort of an attempt. We will not block legislation of this nature just for the sheer sake of it. We wish to see people get an opportunity to buy petrol at a fair price, and a cheap price, without fluctuation. Mr Speaker, I urge the Assembly to support this legislation.

MR HUMPHRIES (Attorney-General, Minister for Justice and Community Safety and Minister Assisting the Treasurer) (10.50), in reply: Mr Speaker, I want to thank the Opposition for its support on this piece of legislation and join Mr Hargreaves in expressing my hope that the new flexibility which we have seen in the marketplace in recent years will advantage the consumer and will provide a state of affairs where a level of genuine competition is taking place to the advantage of consumers and that the highly protected and highly uncompetitive petrol market which we experienced for a very long time in Canberra is a thing of the past.

It may be too early to be signing off that particular era in the ACT's history. As Mr Hargreaves points out, there are a number of major new players in the marketplace which are having the effect of shaking up the existing players very significantly. Whether that has removed the opportunity for cartels to operate and for collusion on the pricing of petrol, I suppose, is a matter we will have to take on notice.

Certainly as motorists we have all experienced the price of petrol mysteriously going up not very far from public holidays or from Public Service paydays. In fact, only last Public Service payday that was the experience. I think it is true to say that there is less of that going on and that there are some players in the marketplace apparently prepared not to collude in that way but to offer real price competitiveness to customers. Let us hope that the increasing competition in the marketplace achieves that goal. I have noticed in the last few weeks that Burmah has now opened its second site in the ACT, in Braddon. I understand that Woolworths Plus is also exploring the availability of other sites in parts of Canberra which they do not currently work in. I can only hope that that process does lead to higher levels of competition.

Mr Speaker, the legislation was put in place originally on the urging of the Motor Trades Association representing local retailers. They have now urged the Government to repeal the legislation. On both occasions the Government has seen fit to support their call. I do not know whether I would go so far as to say that the legislation has achieved nothing. I think that the arrangements being made in respect of some of those retailers now seeking to exit the marketplace and for whom exemptions have already been granted under the legislation were probably fairer deals than might otherwise have been the case. It is hard to say for certain but they appear to have negotiated better exiting arrangements than might otherwise have been the case had they not had a barrier to this process and a chance for the Government to nay-say a particular proposal.

Mr Speaker, it is perfectly clear that these sorts of restrictions are no longer capable of being enforced and that there are too many changes taking place in the marketplace to attempt to freeze the situation as it was with respect to oil company control in 1995. Above all, we have to deliver to the people of this Territory an ongoing flexible marketplace which changes to meet emerging needs. There are good sides of that and there are downsides. One of the downsides of that arrangement, I believe, will be the closure of a number of smaller suburban-based petrol stations. Clearly many oil companies are looking at concentrating their outlets on major roads and exits and entry points to the city. We may view that process with some trepidation, but it is a reality of commercial change going on all over Australia in the retail petrol market. We have to make sure that the motivations for those changes are about greater competition and better price advantage and services to customers, not about other things.

Members will be aware that my colleague Mr Smyth has announced changes to the land and planning policy on disused service station sites to provide that, in essence, service station control has to be offered to existing operators where a site is being vacated or it is proposed that it be vacated by the oil major concerned. If an operator wants to continue on that site but the oil company wants to pull out of the site, it has to be offered to that local trader first and foremost. If the local trader does not want to, or anybody else is not found, operate the site, then it is possible to vacate the site and to use it for other purposes such as medium-density housing or something of that kind. We feel that that kind of measure in place ensures that where a local trader wants to keep going there is some mechanism for him or her to do that.

17 November 1998

Mr Speaker, the world of petrol marketing is far from certain. There are many uncertainties in it. Perhaps we are contributing slightly to the uncertainties by repealing the Fair Trading (Petroleum Retail Marketing) Act today, but I think we accept that there needs to be flexibility in the marketplace, as I said. Once again I thank the Opposition for its support for the Bill.

Question resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

ROADS AND PUBLIC PLACES (AMENDMENT) BILL 1998

Debate resumed from 29 October 1998, on motion by **Mr Smyth**:

That this Bill be agreed to in principle.

MR HARGREAVES (10.56): Mr Speaker, the current Roads and Public Places Act 1937 prohibits a person from using advertising signs if they do not have a permit issued by the ACT Government. This appears simple enough in theory. However, difficulty arises when it comes to enforcing the law. Indeed, some would argue that bureaucracy has gone nuts. In my own case - I am sure my colleague Mr Smyth will appreciate this one - we had to ring up our good friend David Lissimore and say, "Can we stick a sign up, please, David?" and he would say, "Certainly not", or "Certainly". If he said, "Certainly not", we then figured that we had a fairly good chance that we were not going to get done. We were not going to lose the sign, so what was the point of getting the authority? This Bill takes away the silliness of us having to ring up David Lissimore and say, "Can we please have a sign up?".

Problems have arisen within the law when a person does not follow the appropriate procedures. However, prosecuting a person for illegal signs has been difficult under the existing legislation, almost weekly. This amendment gives clearer legislative powers for the placement and removal of signs in public places. It also establishes a code of practice which outlines guidelines for people displaying a moveable sign. This Bill gives the legislative authority for real estate, business, directional and sandwich board signs.

I am pleased to see that the legislation is flexible with community groups, charities and schools. Often, for many of these organisations, who have limited funds, the only means of advertising an event is with this type of signage. I am glad that they will be able to continue with the current method.

I am also quite pleased to see that the legislation describes where one can place a sign. If the placing of a sign is going to cause a danger - for example, it is in the middle of a traffic island at an intersection - that is totally wrong and you cannot do that. I would not be surprised to find that you cannot place a sandwich board on the windscreen of a car either. I imagine that that would be illegal.

Mr Smyth: You cannot do it now.

MR HARGREAVES: You cannot do it now, thanks very much to Mr Moore's Litter (Amendment) Bill. At present the law does not allow rangers to remove a sign, which can at times create all sorts of problems. For instance, if a ranger feels that an advertising sign is blocking the view of traffic and may cause an accident, even if that sign is halfway up a lamppost, he still cannot cause it to be removed. The ranger has to notify the person responsible for the sign and then ask them to remove it. This is all very time consuming. However, under this new amendment the ranger has the power to move the sign. After he has made due attempts to get the heinous perpetrator of this illegal signage to move their sign, he can remove it. After a prescribed period of time, he can also arrange for its disposal, which was not possible under previous legislation.

I commend the department for consulting with the various industries who use this method of advertising. The only people who will find this legislation a nuisance are those who do not want to comply with the new processes. Mr Speaker, the Labor Party supports the Bill but, members, when you are campaigning at election time make sure your campaign advertisements comply with this Act because you never know when big brother, aka David Lissimore, is watching you. Mr Speaker, I commend the Bill.

MR OSBORNE (11.00): I am a little bit concerned about this Bill. To think that the Government will need to take such drastic action because of one person is a little bit disconcerting. This Bill mainly deals with moveable signs. Until now all signs on public property have been illegal if the Minister has not given prior permission for them. I will take into consideration what Mr Hargreaves said. The Government has been content to turn a blind eye to all those that you see about town - the happy birthday signs on bridges, garage sale signs on streetlights, just to name a few. The existing fine, I think, is \$1,000.

This Bill will allow moveable signs if people follow a set of rules contained in a code of practice. The code would be a disallowable instrument. My concern is with the draft code released with the Bill, which I feel is perhaps a little restrictive. For example, there can be no "happy birthday" signs on bridges. I think they add a bit of atmosphere to the city. Secondly, it will be virtually impossible to put out a sign for a garage sale, as they cannot go on a residential nature strip, a tree, a streetlight or a traffic light, within 20 metres of an intersection or on the roadside grass verge. I would ask: Where are you going to put them? It is pleasing that schools and charities are excluded from some of these restrictions.

Another potential problem that I see for one-off signs is the requirement for \$5m public liability insurance if the sign is put on public land. It does, as I said, Mr Speaker, look to me like bureaucracy gone mad. It is unfortunate that pieces of legislation need to be put in place because of certain individuals who seem to continually beat you.

Mr Rugendyke: Who might that be?

MR OSBORNE: Who might that be? Is today Tuesday or Monday? I just find it intriguing, Mr Speaker, that because Mr Tuesday - sorry, Mr Munday - continually embarrasses the Government and continually takes them to court and wins they would feel the need to put up pieces of legislation like this. I quite enjoyed looking at Len's face as I drove up Tuggeranong Parkway during the last election. I do have concerns about this. If we do pass the Bill today, perhaps the Government will consider the code of practice being approved by the Urban Services Committee, for example. Hopefully, that will attract some more comment from the public and perhaps the code will be a little bit more reasonable. I will not be opposing the Bill but thought it important to make those couple of points.

MR RUGENDYKE (11.04): Mr Speaker, this Bill strikes at the heart of democracy. We are no longer able to advertise our garage sales or to advertise our small businesses on the sidewalk. This is what Canberra is all about - the ability to hang a sign on the bridges along Ginninderra Drive or Belconnen Way. When you look up at such a sign, you may laugh when you see the name of someone you know on a sign that says, "Happy birthday, so-and-so". We all chuckle when we see those signs and we all love how much the person named is embarrassed by that sign. Mr Speaker, this Bill does seem rather harsh and heavy-handed. For that reason I will not support this Bill.

MR SMYTH (Minister for Urban Services) (11.06), in reply: Mr Speaker, I thank members for their interest in this Bill and take on board the suggestions of the Osbornes. I am very pleased for the draft code to go to the Urban Services Committee for consideration. The code is certainly not to restrict those things that I think really add to Canberra. I would not see the code, for instance, removing roadside memorials to those who have died in motor accidents. I think that they are a tremendous reminder of the responsibility that we all have. Certainly I have no objections to birthday signs. I take on board Mr Osborne's suggestion that we refer this to the Urban Services Committee. If the committee would accept that, they would work on it and come back to the Government with something that meets the needs of all Canberrans.

In the draft code - and I thought Mr Osborne had got to it, and perhaps he did mention it - there is a typographical error. Mr Osborne referred to signs within 20 metres of traffic lights on residential nature strips. They should be two prohibited areas rather than one. It simply means that you have to put a sign in your front yard rather than on the nature strip. It keeps it away from the roadside.

Mr Speaker, I thank members for their support of this Bill. We will take appropriate actions to refer the draft practice to the Urban Services Committee for their consideration.

Question put:

That this Bill be agreed to in principle.

The Assembly voted -

AYES, 16

NOES, 1

Mr Berry	Mr Moore	Mr Rugendyke
Ms Carnell	Mr Osborne	
Mr Corbell	Mr Quinlan	
Mr Cornwell	Mr Smyth	
Mr Hargreaves	Mr Stanhope	
Mr Hird	Mr Stefaniak	
Mr Humphries	Ms Tucker	
Mr Kaine	Mr Wood	

Question so resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

URBAN SERVICES - STANDING COMMITTEE
Report on Draft Variation to the Territory Plan No. 63 -
Policies for Home Businesses and Home Occupations

MR HIRD (11.12): Mr Speaker, as chairman of the Urban Services Standing Committee, I present Report No. 13, entitled "Draft Variation to the Territory Plan No. 63: Policies for Home Businesses and Home Occupations", together with a copy of the extracts of the minutes of proceedings. This report was provided to you, Mr Speaker, for circulation on Thursday, 5 November this year, pursuant to resolution of appointment. I move:

That the report be noted.

The report deals with variations to the Territory Plan to facilitate home businesses and home occupations. After reading the documents and after receiving a particularly useful briefing by officers of PALM, the committee accepts that the draft variation should go ahead. I would like to identify the officer the committee was particularly impressed with as Ms Shirley Graham. She did a lot of detail work. On behalf of the committee, I compliment her for the professional way she went about informing us in respect of the draft variation and helping us to come to the conclusion that the draft variation should go ahead.

17 November 1998

However, we have recommended that the draft variation clearly state that policies for home businesses and home occupations must meet any relevant Territory code of practice. In particular, this will pick up things like the home parking code for heavy vehicles, and it will complement the provisions already in the variation stating that the policies must satisfy any relevant legislation.

As is usual practice, the committee has moved quickly on the variation. The Minister referred it to the committee on 12 October this year, we were briefed on 30 October, and we finalised the variation on the same day. I think this shows that the committee is moving as quickly as possible to clear its heavy workload. I compliment Mr Rugendyke and Mr Corbell and also our clerk, Mr Rod Power. I commend the report to the house.

Question resolved in the affirmative.

URBAN SERVICES - STANDING COMMITTEE
Report on Draft Variation to the Territory Plan No. 105 -
Symonston Section 103, Block 6, Mugga Mugga

MR HIRD (11.15): Mr Speaker, I present Report No. 14 of the Standing Committee on Urban Services, entitled "Draft Variation to the Territory Plan No. 105: Symonston section 103 block 6 Mugga Mugga", together with a copy of the extracts of the minutes of proceedings. This report was provided to you, Mr Speaker, for circulation on Thursday, 5 November this year, pursuant to the resolution of appointment. I move:

That the report be noted.

This report deals with a variation to the Territory Plan to better protect the historic "Mugga Mugga" property. The committee enthusiastically supports this variation. We hope it will lead to better use and protection of the site and facilitate its use as a cultural and educational facility. Members are aware of the long association of this property with the Duntroon estate and the Curley family. It has come into the public's possession, because of the generosity and dedication of Miss Sylvia Curley, well-known former matron of the Royal Canberra Hospital. I know that the Chief Minister and Mr Stefaniak attended the celebration of Miss Curley's hundredth birthday. She is an icon within the Territory, a person with a very fixed determination to make certain that in the future this property is used for the whole of the community and in particular for cultural and educational facilities which will be of benefit to this Territory. We should do all that we can to see that it is used in the right way for future generations. I commend the report to members.

Question resolved in the affirmative.

CRIMES (AMENDMENT) BILL (NO. 5) 1998

Debate resumed from 3 September 1998, on motion by **Mr Stefaniak**:

That this Bill be agreed to in principle.

MR STANHOPE (Leader of the Opposition) (11.17): Mr Speaker, I have indicated to the Attorney that the Opposition will be supporting this Bill. It is a fairly small amendment but I think quite a significant matter. It relates to the order of address by the defence or the prosecution in a criminal trial before a jury. It actually provides the discretion to the defence to address last. As the Attorney has previously indicated, the Bill catches us up to New South Wales and to other jurisdictions in relation to the order of address. It is a change that reflects the fact that jurisdictions around Australia have successively abandoned the right previously available to a defendant to make an unsworn statement.

In the minds of some jurors, some lawyers and civil libertarians it seeks to address the balance that applies in a criminal matter, where an accused person should be given every opportunity to profess and protest their innocence to the end. To balance the loss of the so-called right to make an unsworn statement, the defence may seek to address last.

A couple of comments that I wish to make about the process that was applied in relation to this particular amendment actually go to the comments which were made by the scrutiny of Bills committee. I think it is quite an interesting matter. I raise it because the scrutiny of Bills committee expressed some serious concerns about a couple of aspects of this particular amendment. I read the scrutiny of Bills report in some detail and gave serious consideration to the issues raised by the committee going to a couple of issues. I think it probably is worth noting for the record that the committee did raise some matters, going in the first place to concerns that perhaps the amendment did create some confusion about whether the defence was being given a discretion or whether the proposal would actually require in all instances that they address last and would remove their right to address first if that was their wish. I never did quite understand the basis on which the scrutiny of Bills committee made that suggestion, but it is interesting that it was noted. Let us hope that that is not the effect.

The scrutiny of Bills committee also suggests that there are concerns about the diversion of time in a criminal matter in situations where the defence, if addressing last, raise issues of fact that had not previously been raised. The legislation allows the prosecution in those circumstances to seek to address the court again on those assertions of facts which were not previously raised and which the prosecution believes are not supported by any of the evidence.

I notice that the Attorney, in a detailed response to the scrutiny of Bills committee, did respond to each of the issues raised. The Opposition is minded to accept the Attorney's response to each of those issues. I think those responses reflect the Opposition's views on those particular matters as well. But I just put on the record that on this issue there was a significant and serious report from the scrutiny of Bills committee which the Government has responded to fully, and the Opposition is persuaded that the response of the Attorney does appropriately address each of the issues.

17 November 1998

Having regard to the strength of the report of the scrutiny of Bills committee, I trust that the Attorney and his department will monitor the application of this particular change to ensure that it does achieve the desired outcomes. I take the Attorney's assurances that in New South Wales the change to this system has created no difficulties and no hiccups, but it is an issue probably worth somebody within the Attorney's department keeping their eye on. The Opposition is happy to support this amendment.

MR HUMPHRIES (Attorney-General, Minister for Justice and Community Safety and Minister Assisting the Treasurer) (11.22): Mr Speaker, again today I rise to thank the Opposition for its support for legislation. This is, as Mr Stanhope points out, a simple but fairly significant piece of law-making with respect to the conduct of a trial. In drafting this legislation and putting it forward, the Government has certainly consulted very closely with a number of arms of the legal profession - with courts, with lawyers in private practice and with public bodies associated with this. It has received full support from those quarters for these changes.

As I think was indicated in the presentation speech, in a sense this fulfils a promise made by my predecessor Mr Connolly that there would be balance in the conduct of a trial. With the passage in 1994 of legislation abolishing the right to make an unsworn statement in court proceedings, the expectation at that stage was that the advantage conferred on a prosecution would be offset by an equivalent, if you like, *quid pro quo*, to a defence by the capacity of the defendant to go last in addresses to the jury before a judge sums up. This legislation puts in place those provisions.

Mr Speaker, in those terms it is surprising to see some of the comments proposed by the legal adviser to the scrutiny of Bills manifestation of the Standing Committee on Justice and Community Safety. I want to put on record my considerable surprise at the content of some of those comments. The Government was particularly surprised to see reference to the possibility that the Bill could constitute an undue trespass on the personal rights and liberties of defendants in criminal trials, the surprise stemming from the belief that the Government had that it was actually enhancing the rights and liberties of defendants in those settings.

What the committee's adviser - I distinguish the committee from its adviser - has suggested is that in some way there will be prejudice delivered where a defendant, for example, may not wish to go second in a jury trial. I would be extremely surprised if there were very many defendants, if any, who in the course of any trials conducted in this Territory for the foreseeable future did not wish to have their counsel exercise the right, as would now be the case with this legislation passing, to have their remarks made at the end of the trial before the judge sums up.

It is almost commonsense that when long addresses are being made to a jury - and they generally are quite long affairs, sometimes lasting for days at a time - the defendant will feel some advantage by being able to have his remarks, as it were, ringing in the ears of the jury when the judge comes to sum up and close the trial. This has been seen universally by the profession as an advantage to the defence, so I have to reject fairly emphatically the suggestion in the committee's report that in some way this constitutes some trespass on the rights and liberties of a particular defendant.

There has also been a suggestion about the safeguard built into the legislation giving the judge the right to reopen an address from the prosecution where some matter has been asserted which is not supported by evidence. That is a necessary precaution which in my view presents no danger at all that a trial could miscarry or that there could be some other problem pertaining to the operation of the trial.

Mr Speaker, similar provisions have been in place now for a number of years in New South Wales. They have operated there, apparently without any difficulty at all. To the best of my knowledge, no trials have been aborted because a prosecution has reopened to make some response to a remark made by a defence counsel in these settings. There has been no confusion about the use of similar words in New South Wales. It seems to me that there is very little risk presented by having that capacity built into the legislation.

There is a suggestion also that after the words “are asserted” should be inserted the words “to exist or not to exist”, so that certain evidence or certain matters are asserted to exist or not to exist. My advice is that those words are not necessary. One asserts things necessarily and whether it is a positive or a negative matter, whether certain things are asserted to be the case or not to be the case, is hardly necessary. It is unnecessary use of words. I have suggested, and I think the committee has accepted, that those words are not necessary to be inserted in the Bill.

The committee also posed the question: Is proposed subsection 423A(2) necessary? Again, I refer to the fact that in New South Wales a similar provision has operated without apparently any problem. There has been no comment at all from the profession or from the prosecution service about difficulties with that particular provision. The point is also made that of course a judge has the conduct of a trial at his or her disposal, and if proceedings are conducted in such a way as to offer prejudice to a defendant the judge has an overriding common law capacity to take steps to protect the right to a fair trial. Indeed, not only is it within his power but it is his obligation under the law to ensure that that takes place. Even if any provision of this kind were abused by an overzealous defence counsel or in turn used injudiciously by a prosecution, I find it very hard to imagine that any judge worth his or her salt would allow that to prejudice the conduct of a fair trial.

Mr Speaker, having made it clear that I do not support some of the comments made by the Standing Committee on Justice and Community Safety, I thank the Opposition for its support for the Bill. I think it will be a significant change. Certainly the profession has sought this change for some time. These changes have been canvassed, as I said, with a number of parties, including the Legal Aid Commission, the Director of Public Prosecutions, the Law Society of the ACT, the Bar Association of the ACT and the former Criminal Law Consultative Committee that operated in the ACT. None have expressed any concern about these provisions. I thank members for their support, and I look forward to the legislation operating successfully to enhance the right to defendants in criminal trials in this Territory.

17 November 1998

Question resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

Sitting suspended from 11.31 am to 2.30 pm

QUESTIONS WITHOUT NOTICE

ACTEW - Sale

MR STANHOPE: Mr Speaker, my question is to the Chief Minister. Given the failed experiences with regulatory structures in privatised public utilities within the UK, what assurances can the Chief Minister give that the potential regulatory regime for ACTEW operations will be an effective one, and how much is the model suggested in the ABN AMRO report likely to cost to implement?

MS CARNELL: I thank Mr Stanhope for at least some of it being a very sensible question. The issue of regulatory framework is really important and, I think, as ABN AMRO rightly says, it is important whether ACTEW is in public or private ownership. In fact, one of the things we have seen of recent days around Australia - in Queensland, in New South Wales - and of course in Auckland in New Zealand is a situation where, when entities that are owned by government at various levels of government are not subject to appropriate regulatory frameworks, all sorts of fairly nasty things can happen. It is not, as Mr Stanhope said, just in the situation of private ownership. It is the case, in private or public ownership, that you need appropriate regulation to ensure that people have appropriate price, access, quality, environmental frameworks and environmental confidence, I suppose, in the situation.

We will be tabling next week the initial stages of the statement of regulatory intent, which will give members of the Assembly and members of the Canberra community an opportunity to see the basis upon which we will be putting together the legislation which we will bring forward early in the new year, to ensure that legislation is in place before the final sale is completed with regard to ACTEW. I think it is essential that we do get the statement of regulatory intent right. We are currently working with ACTCOSS, other members of the community and parts of government to ensure that this is done appropriately.

The second part of Mr Stanhope's question was: What will this cost? I am not 100 per cent sure yet what it will cost. It is certainly not an inexpensive thing to do. But, as we said earlier, we believe that it is something that needs to be done whether we have an electricity and water authority in public or private ownership.

Again, Mr Speaker, anybody who doubted that would have only needed to look at Sydney Water. The Sydney water authority obviously is in public ownership, but unfortunately the regulatory situation simply was not up to speed. That will not happen in Canberra under a Liberal government.

MR STANHOPE: I have a supplementary question, Mr Speaker. Will the Chief Minister give an undertaking to meet the concerns of ACTCOSS, with whom the Government is working, that a full regulatory framework is developed and the broadest community consultation undertaken before the Assembly considers any ACTEW sale option?

MS CARNELL: Mr Speaker, the view of the Government is that the Assembly should vote on the sale prior to the legislation on regulatory intent being passed, but we believe very strongly that the legislation for regulation should be in place and passed in this place before the sale goes ahead. So, what we are doing next week in this place is bringing forward the statement of regulatory intent, giving it as a basis to everyone in the community - in fact, good community consultation, as you can see - for people to look at what we are proposing. We will then put it together over the next few months. We will be speaking to members of the community, ACTCOSS and so on, to ensure that the legislation does reflect the needs and concerns of the community and, of course, the needs and concerns of government and the Assembly as well.

That legislation will be passed in this place prior to the sale going ahead, Mr Speaker. I think that is absolutely essential. So, to that extent, we believe, as ACTCOSS does, that the legislation should be in place prior to the sale occurring.

ACTEW - Sale

MR HIRD: Mr Speaker, I am delighted that the Opposition has raised the topic of ACTEW and has its mind on ACTEW, because this is certainly a topical issue at the moment. My question is to the Chief Minister, Mrs Carnell, in her capacity as a voting shareholder of ACTEW, the ACT Electricity and Water Corporation. Can the Chief Minister advise the parliament as to how ACTEW has performed - financially, Mr Quinlan - for the first three months of this year, and specifically how it has fared in relation to electricity revenues?

MS CARNELL: Thank you very much, Mr Hird. I appreciate the question. Mr Speaker, I can understand - - -

Mr Quinlan: A million dollars better than budget.

MS CARNELL: On electricity revenue? No, wrong. You cannot even read a balance sheet.

17 November 1998

Members interjected.

MR SPEAKER: Order, everybody! The Chief Minister is answering a perfectly reasonable question.

MS CARNELL: Mr Speaker, ACTEW Corporation has provided me with an overview of its financial performance for the first quarter of the current financial year. That overview raises issues that should concern every member of this Assembly. Obviously, it does not concern those opposite, Mr Speaker, because they do not want to know the truth of this situation.

Mr Speaker, ACTEW's electricity revenue for the first three months was just over \$57m. This compares with revenues of \$65.8m for the same period last year and \$65.5m for the first three months of 1996-97. In other words, so far this financial year, there has been a fall-off of more than 13 per cent in electricity revenues compared with a year ago. I will say that again, Mr Speaker, because Mr Quinlan and Mr Berry are speaking - a 13 per cent drop.

MR SPEAKER: Order! If members want to talk, they can go outside and do it.

MS CARNELL: I am advised by ACTEW, Mr Speaker, that this drop in electricity sales was due almost entirely to the impact of contestability in the electricity market. We also know that they have had to reduce margins for commercial customers. This is ACTEW's comment, not mine. As members will be aware, 55 per cent of ACTEW's total energy is currently contestable. It is worth noting too that ACTEW's operating profit before income tax for the first three months of this financial year was just shy of \$19m. Mr Speaker, this compares with a pre-tax profit of \$31.7m for the first quarter of 1997-98 and \$21.1m for the first quarter of 1996-97. This amounts to a reduction of 40 per cent compared with a year ago and a drop of 10 per cent compared with the same period two years ago. Yet again, this is proof in black and white that the profitability of ACTEW is not only under threat but is diminishing in government hands.

I know that those opposite do not want to know, Mr Speaker, but the figures speak for themselves. I have to ask: How much longer will those opposite continue to ignore the evidence - the absolute bottom line evidence? Mr Speaker, I should point out that ACTEW has also advised that its total operating expenditure for the first three months of this year was up by \$4.9m. ACTEW says that this is due to the additional cost of its redundancy program and higher interest costs. The corporation says that a total of 159 applications for voluntary redundancy were approved between July and September this year. So, Mr Speaker, you would have to ask: Why would this happen when the corporation remains in government ownership?

Quite simply, Mr Speaker, ACTEW is having to reduce its costs in its efforts to become more competitive, because right now it is largely uncompetitive in a very competitive market. Jobs are being lost, even though ACTEW has not been privatised. So much for the arguments of those opposite that, if it stays in government ownership, then jobs will be preserved, Mr Speaker. The fact is that that is not happening, for very good reasons.

So, Mr Speaker, there you have it - a drop of 13 per cent in electricity revenues compared to last year, a pre-tax operating profit that is significantly down on the same period in both 1997 and 1996, and more than 150 fewer jobs. And those opposite, who do not want to hear, say that I am scaremongering, Mr Speaker.

Mr Speaker, those opposite obviously have no basis for the position that they have adopted. I can see that they just want to interject and, I suppose, be truly stupid on this issue because the figures are very clear. Mr Speaker, I do not know which is more scary - knowing that, unless something is done with ACTEW, these sorts of figures will continue, or watching members of the Labor Party simply stick their fingers in their ears and try to convince themselves that nothing is happening here. I think it is absolutely tragic that those opposite, because of an ideological approach to privatisation, are simply unwilling to listen to the realities.

MR HIRD: Mr Speaker, I have a supplementary question. I thank the Chief Minister, who is one of the major stakeholders of ACTEW Corporation. Chief Minister, what you are saying is that if we, as a responsible government, sit on our hands like the previous Government did on a number of issues then the community ultimately will pay for the loss of jobs and also for the loss of revenue by their privately owned company.

MS CARNELL: Mr Speaker, I make the point again. Here we have the figures for the first three months of this year showing a 13 per cent drop in electricity revenue compared to last year; a pre-tax operating profit significantly down, not just on last year, but on the year before as well; and 150 fewer jobs. If those opposite think that is a great outcome or something that somehow they could turn around, Mr Speaker, it is about time they said how they would do it. It is about time we heard, instead of just hearing whingeing from those opposite, how they would change these figures. Mr Speaker, the reality is that it can only be done by significant risk-taking with public money - something that this side of the house will not do.

Superannuation Liability

MR QUINLAN: Mr Speaker, my question is to the Chief Minister. Can the Chief Minister advise this Assembly which departmental chief executives have addressed their staff or their senior officers on the superannuation issue, and what did that brief include?

MS CARNELL: Mr Speaker, I understand that, in question time when I was away, there might have been a similar question from Mr Corbell with regard to departmental briefings on this issue. I have an answer to that question to table later. Mr Speaker, I understand that seminars have occurred, but not just on the issue of superannuation. It is a regular approach to ensure that senior managers are briefed on a number of issues of whole-of-government importance. I understand that things like the 1998-99 Territory budget outcomes, the proposed Commonwealth tax reforms, the Olympics, Canberra Olympic football events, equal opportunity and leadership in the workplace have been addressed in the past via seminars of senior people.

17 November 1998

I also understand that the chief executive of my department has, in recent days - I think this is in answer to Mr Corbell's question - held a seminar, and I assume that these would have occurred across government, where the ABN AMRO project report was addressed. Such things as unfunded superannuation were addressed, but at the same seminar so were the recent developments with regard to ACTION buses. I think that our senior managers - people at SOG A, B and C level - should be regularly briefed on issues of importance such as unfunded superannuation, what is happening in ACTION and leadership in the workplace. I would have to say that I would believe my senior managers were not doing their job if they did not hold those sorts of seminars.

Mr Speaker, I also understand that at least the seminar that Mr Corbell was speaking about and others are voluntary. People do not have to go to them. Records of attendance are not kept. But if people are interested in issues of very real importance to the whole ACT Government, they are given an opportunity to gain that information. I think that is totally appropriate, and I will support my senior managers every day of the week for passing on information and having debates on things of real importance, not just to this place but to everybody in the ACT and certainly to the ACT Public Service.

MR QUINLAN: I have a supplementary question, Mr Speaker. Does the Chief Minister know whether any thought was given to presenting a balanced discussion of the sale of ACTEW - as the Chief Minister and I did, I believe, in a forum convened by the Institute of Energy and the Institution of Engineers - to incorporate such things as the fact that ACTEW performed \$1m better than budget in the first quarter of this year; that competition impacts upon ACTEW's retail arm only; that the water and sewerage components are not subject to market threat; and that the ABN AMRO report states that ACTEW could well repatriate \$300m in capital to the Government as an alternative in funding superannuation to flogging off public assets?

MS CARNELL: Mr Speaker, one of the people who gave these presentations was the director of the GBE Management Branch in my department. I am very confident that he would have given a very balanced report.

Mr Berry: Was his name "Mr Goebbels"?

MR SPEAKER: Order!

MS CARNELL: I have to say it is not, and I would require Mr Berry to take that back.

MR SPEAKER: Yes, I heard that interjection. The suggestion that a senior member - or any member, for that matter - of the department is a Mr Goebbels, I would suggest, is offensive, Mr Berry.

Mr Berry: To whom?

MS CARNELL: Mr Speaker, it is not just a bit offensive; it is very offensive.

Mr Berry: It applies only to members in this place, Mr Speaker, if you have a look at the standing orders. I withdraw any reflection on public servants, Mr Speaker, but your demand was out of order, because it did not reflect on people in this place.

MR SPEAKER: We have been through this before, Mr Berry. We do not like people who are in no position to defend themselves in this chamber being attacked.

MS CARNELL: I do not know about you, Mr Speaker, but I think it is about time members in this place stopped having a go at senior public servants.

Mr Berry: On a point of order, Mr Speaker: Methinks she doth protest too much.

MR SPEAKER: There is no point of order. Please continue, Chief Minister. I support you entirely in that.

MS CARNELL: Thank you, Mr Speaker. I think it is atrocious, and the approach that has been taken, particularly by Mr Berry - - -

Mr Corbell: You are politicising the Public Service and then you have the gall to put up this mock outrage. It is absolutely pathetic!

MR SPEAKER: Be careful, Mr Corbell. You may not have a chance to ask your question if you keep up these interjections.

MS CARNELL: Mr Speaker, if we are talking about politicisation of the Public Service, Mr Berry would know that very well from emails that he has sent to the whole of the Public Service. If we are looking at politicisation, there is politicisation.

Members interjected.

MR SPEAKER: Order! Keep it down, all of you.

MS CARNELL: Thank you very much, Mr Speaker. I am absolutely confident that the director of the GBE branch and the executive director of Operations in the Department of Urban Services gave very balanced approaches, both to the ABN AMRO report and to the current situation with regard to ACTION.

Mr Corbell: So, they did not present the alternative view?

MR SPEAKER: I warn you, Mr Corbell.

MS CARNELL: I have every faith in their approach. They are very professional officers, Mr Speaker. I have to say that I think that this place has to start having a good look at its approach to senior public servants and to stop the approach that was taken just then by Mr Berry and by those opposite.

Mr Corbell: That sort of mock outrage is pathetic. You politicise the Public Service every day. Politicisation of the Public Service - - -

MS CARNELL: Mr Speaker, I am outraged for those officers. I am sorry about that; but I am outraged.

Gungahlin - Transport Links

MS TUCKER: My question is to the Minister for Urban Services. Minister, you would be aware that last year a preliminary assessment was undertaken on behalf of the Government on the route for the John Dedman Parkway linking Gungahlin and North Canberra. The preliminary assessment concluded that the best route for the parkway was option 3, which runs along O'Connor Ridge to the east of the AIS and then across Bruce Ridge to join with Caswell Drive in Aranda. In November last year, your predecessor, Mr Humphries, announced that the Government would not proceed with further assessment of the parkway because the need for the road was still some way in the future. I understand, however, that PALM has been working on a variation to the Territory Plan to delete the other route options that are still shown on the Territory Plan. Could you confirm that your Government is proceeding with a Territory Plan variation to identify the route for the John Dedman Parkway on the eastern side of the AIS and tell us what your timetable is for finalising this variation?

MR SMYTH: Mr Speaker, I thank Ms Tucker for her question. One of the concerns that residents of Gungahlin have is that they should have adequate entry and egress routes from that part of Canberra. Clearly, one of the options there is the building of the John Dedman Parkway. I had some briefings recently on the parkway to find out what sorts of population and traffic volumes would be necessary in Gungahlin to bring on the construction of the John Dedman Parkway. The estimate I have been given is some five to 10 years, and I am still considering my options on what we will do with it.

MS TUCKER: I ask a supplementary question. You did not answer my question. I asked whether a Territory Plan variation was being developed to identify the route for the John Dedman Parkway on the eastern side of the AIS. That is what I asked you. Have you actually decided on a route?

MR SMYTH: Mr Speaker, no, I have not decided on a route. Such a decision would have to go through Cabinet and eventually, after consultation, come to this place. As I have said, I have had some briefings on the future of traffic flows and volumes in and out of the Gungahlin area and I am yet to make a decision on those.

ACTION - Industrial Agreement

MR HARGREAVES: Mr Speaker, my question is to the Minister for Urban Services.

Ms Carnell: They have run out of questions on ACTEW already.

Mr Humphries: That is right.

MR HARGREAVES: Mr Speaker, must I put up with the inane ramblings of mad people in this place as we are speaking? I have sat here in silence, Mr Speaker. I would ask those clowns to do the same.

MR SPEAKER: I certainly uphold your comment, Mr Hargreaves.

MR HARGREAVES: Thank you very much, Mr Speaker. It is nice to have your indulgence instead of theirs. Minister, with the acceptance of the new four-year industrial agreement between ACTION workers and the Government, 28 employees will be transferred from the maintenance workshops to full-time driving. Do you believe that safety has been compromised? Furthermore, will the ACTION service be under threat due to the reduced number of employees working on the maintenance of vehicles?

MR SMYTH: Mr Speaker, I am aware of concerns that have been raised by some of the workshop staff. The answer simply is no; we will never compromise safety or the mechanical reliability of our fleet.

MR HARGREAVES: Mr Speaker, I thank the Minister for that undertaking. Let us just hope that he is right. My supplementary question is this: Can the Minister confirm that the gradual downsizing of the maintenance workshops indicates that the Government has plans to have private companies perform that work?

MR SMYTH: Mr Speaker, as part of the EBA, a business review group will be established that will review all the workshop core and non-core maintenance practices. Management and staff of ACTION will have involvement in that, and that is to proceed after the new EBA is signed.

Rural Residential Development

MR KAINE: Mr Speaker, through you, I ask a question of the Minister for Urban Services. Minister, at the last sitting you tabled what you described as an independent discussion paper on future rural residential development in the Territory. I do not quite know how it can be independent. It was commissioned by the Department of Urban Services. But we will let that pass. That document deals comprehensively with the possibility of rural residential development, covering such matters as planning, environment, bushfire management, landscape issues, heritage and cultural issues, servicing and access issues. Minister, would you not agree that, had that document been on the table before the Government proceeded with the ill-advised and ill-fated Kinlyside development earlier in the year, the outcome for the developer might have been far more satisfactory than it turned out to be at the time?

MR SMYTH: Mr Speaker, no.

MR KAINE: You do not? So this document is useless? That is not a supplementary question, Mr Speaker. This is: Minister, I must say that I find your comment astonishing. But now, having got this document on the table, will you assure the Assembly that any future land releases under these arrangements will be by open tender and not by the secret selection method which was used in connection with Kinlyside?

17 November 1998

MR SMYTH: Mr Speaker, land release is the bailiwick of the Chief Minister, and on behalf of Mr Kaine I will ask the Chief Minister to give me some more information on that question.

Mr Kaine: You will not give any undertaking?

MR SMYTH: I cannot give an undertaking for things for which I am not responsible.

Mr Kaine: It is your document. You tabled it. You tabled the document, but you have no responsibility for it.

MR SMYTH: I am not responsible for land release.

MR HUMPHRIES: As Minister assisting the Chief Minister in respect of the Office of Asset Management, I am happy to answer the question. Generally, Mr Speaker, the policy of the Government is to release land by way of an open process, but there are occasions which have arisen in the life of every government - and Mr Kaine might even recall some occasions during his own term as Minister for Land and Planning - when, for various reasons, a non-open process is used. They arise from time to time. Mr Speaker, they are appropriate, not often, but on occasions, and they will be employed by the Government when they are appropriate.

Rural Residential Development

MR CORBELL: Mr Speaker, my question is also to the Minister for Urban Services and it also relates to the recent discussion paper on rural residential development. Can the Minister confirm that the discussion paper on rural residential development in the ACT raises serious concerns about a wide range of environmental and infrastructure impediments to the successful development of this type of land development in Canberra? Can the Minister also confirm that, in fact, the study suggests that the management of environmental and cultural heritage, bushfire risk, weed management and water quality would create costs to the Territory, the developer or the potential lessees that would make the whole proposal less than competitive with surrounding developments in New South Wales? Minister, is it not also the case that the impact on greenfield land release projections and net income to the ACT Government shows that the proposal is simply not a good earner for the Government, even before consideration of long-term costs of service provision to these areas? In fact, Minister, when will you acknowledge that the report vindicates every concern raised by the community and the Labor Opposition over the last six months in relation to rural residential development?

MR SMYTH: Mr Speaker, I thank the member for his question. I do not believe that it raises any impediments at all. The whole purpose of the discussion paper is to highlight those issues that would have to be addressed before rural residential development could continue. I think that it does a very good job, particularly so if you look at the Melrose Valley section of the report. It clearly highlights some of the sensitivities that would have to be addressed should anything occur in the Melrose Valley. In that way,

I do not think that it creates impediments at all. I think that it actually shows where the Government has to go. In fact, in the second stage of any inquiry into rural residential development, these are the things that we would have to address, as outlined in that report.

MR CORBELL: It is absolutely amazing, Minister, that you believe that it does not put any impediments in the way of government and does not highlight any of the problems. I simply ask you, as a supplementary question: Has it not shown all along that Labor were right when we said that the Government was reckless and rash in pursuing the preliminary agreement for development of Hall/Kinlyside before the work was done by the consultants engaged by your departments? Will you now acknowledge that the whole deal was ill considered and deserved the derision that it received?

MR SMYTH: Mr Speaker, I do not believe that it was ill considered. Again, this report clearly identifies some of the steps that the Government must take before rural residential development can continue, and we have put them out for discussion. We will consult with the department. I understand that there is to be a forum this afternoon that the ANU has organised to look at the whole issue of rural residential development.

Mr Speaker, I guess you see things as either opportunities or threats. The people opposite want nothing to change. It is about not moving forward; it is about living in suspended animation.

Mr Osborne: The true conservatives.

MR SMYTH: They are the true conservatives. They are the only conservatives in this place. Mr Speaker, what they are afraid of doing is offering the people of Canberra a little bit of choice.

Mr Corbell: Can't you address the substance of the report, Minister? You haven't read it, have you?

MR SMYTH: The substance of the report is, I think, quite good, Mr Speaker. The substance of the report highlights what must occur before rural residential development can continue. The Government has said that it is quite willing to discuss it, to talk to the community. We have put it out as a discussion paper, Mr Speaker, so that the community can have their say. I think what it does is offer another choice. The part of the report that Mr Corbell chooses to ignore is where it speaks about Canberra having the opportunity to lead the country in this form of niche development, of genuine rural residential development. It will not be like that which is around us in New South Wales. It will be quite spectacular, it will be quite special and it will offer the people of Canberra some of the choice that they have long been after, Mr Speaker.

Supported Accommodation for People with Mental Illness

MR RUGENDYKE: Mr Speaker, my question is to the Minister for Health and Community Care, Mr Moore. I refer to a grant of \$130,000 for this financial year awarded to the Work Resources Centre to provide community-based supported accommodation for people with mental illness. Minister, is it the case that Michelle's Home Care and Nursing Agency actually provides the service on behalf of the Work Resources Centre? If so, why was that contract not awarded directly to the agency?

MR MOORE: Thank you, Mr Rugendyke, for the question. I am not aware of the specific contract that you are talking about and whether or not Michelle's does, in fact, deliver the work. However, I am happy to say to you that it does not worry me if that is the case, because there are certain times when the most appropriate way for us to provide services is to purchase them from a particular organisation and they, in turn, deliver in the way that they see fit. If, in fact, this particular case has a further additional problem to it, then, of course, we would want to deal with that particular problem. Mr Rugendyke, I shall find out more information about that particular situation and report back to you and the Assembly on the specifics.

MR RUGENDYKE: Thank you, Minister. I have a supplementary question. Could you also find out what percentage of the \$130,000 that should be used to care for people with mental illness is skimmed off the top as commission by the Work Resources Centre?

MR MOORE: Mr Rugendyke, I shall seek that information. I will also have to take into account whether that interferes with privacy principles or commercial-in-confidence principles, but I will certainly find out. If, indeed, I have a problem along those lines, then I would be prepared to give you a confidential briefing on the matter.

Housing Maintenance

MR WOOD: My question is to Mr Smyth as the Minister for Urban Services. Minister, I am receiving reports that ACT Housing tenants are being told that there is little money left for urgent or unforeseen maintenance and that some of the work being carried out is of a stopgap nature. Is there a lack of funds for urgent or unforeseen maintenance in this financial year and the next financial year?

MR SMYTH: Mr Speaker, as always there would never be enough funds to maintain a stock of 12,000 houses to the absolute peak of what could be required. This year we put aside large amounts of money in the budget. I will confirm for Mr Wood the status of those funds. We allocate those funds on a needs basis. I will get further information and give it to Mr Wood as soon as I can find out.

MR WOOD: I have a supplementary question. I thank the Minister for that, but there does seem to be some concern among tenants that urgent work is being done in a less than perfect way in some circumstances. It is the urgent work that I am talking about, not the longer-term maintenance that you have. In that answer, if you cannot answer me now, would you also tell me how those urgent maintenance funds are allocated?

I know there are contracts - I think they are two-year contracts - with certain firms in Canberra. Is that the only money that is available? If that money runs out, is that it, folks, or are there other avenues that the department can use for that urgent type of expenditure?

MR SMYTH: Mr Speaker, the funding of maintenance has been devolved to the regional offices so that the regional offices themselves can make the decisions that would look after the tenants to best effect and gain best value for the money. Mr Wood, I will find out those answers for you. I believe that we have satisfactory funds there to keep up the maintenance, but I will inquire for you as to how much of that has been expended and how much is left.

Health Workers - Salary Packaging

MR BERRY: My question is to the Minister for Health and Community Care. Minister, is it true that certain health workers will be offered a tax deal in lieu of a pay increase, the deal being based on the tax status of the hospital as a public benevolent institution? Minister, what authority have you to offer a tax deal to some ACT workers in lieu of a pay rise? Who will enforce the deal if the tax arrangements change? Do you know that a review of the PBI tax arrangements is proceeding as we speak?

MR MOORE: Thank you, Mr Berry, for the question, which is mostly about the issue of salary packaging and the deal that has been offered specifically to some non-nursing staff at the hospital. Salary packaging is rapidly becoming a key feature of employment arrangements across the Commonwealth, State and Territory public sectors. Most new certified agreements applying to Commonwealth and ACT public servants provide for employees to participate in salary packaging arrangements should they so choose. A legal instrument, such as an award, a certified agreement or an Australian workplace agreement, is required in order to authorise salary packaging. So, that is how they are authorised.

Salary packaging provides additional flexibility for employees as they can elect to receive their fortnightly salary as a combination of cash payments and non-cash items. The Chief Minister's Department has issued guidelines on salary packaging which limit the percentage of salary which may be packaged and provide a menu of the non-cash items appropriate for packaging at this time. The guidelines also ensure that there is no additional cost to government of providing salary packaging arrangements.

Salary packaging arrangements generally attract fringe benefits tax rather than PAYE taxation. The Commonwealth taxation system provides benefits to employees participating in salary packaging, with fringe benefits and other tax arrangements applying to certain non-cash items being less than would be payable under a PAYE tax system. Examples of these non-cash items are things such as leases on motor vehicles and superannuation.

17 November 1998

Salary packaging is a great benefit to employees of the Canberra Hospital and the Calvary Hospital, in particular, because the Australian Taxation Office recognises these public hospitals as public benevolent institutions. Under the relevant Commonwealth legislation, public benevolent institutions are exempt from the payment of fringe benefits tax. Accordingly, most salary packaging arrangements for employees of these hospitals are not subject to taxation, the same as right across Australia. The ACT Public Service guidelines permit employees of the hospitals to package up to 30 per cent of their base salary, except executives, who are limited to 20 per cent. Employees of other agencies may package up to 50 per cent of the base salary, as I understand it.

All State and Territory public hospital systems, with the exception of Tasmania, already have FBT-exempt salary packaging in place for their employees or are intending to introduce salary packaging. Some hospitals interstate allow employees to package in excess of 30 per cent of salary. The Government, however, intends to ensure that the salary packaging arrangements are reasonable and has accepted the view of the Australian Taxation Office that salary packaging for hospital employees of 30 per cent of salary is reasonable.

Salaried medical officers at the Canberra Hospital and Calvary have had access to salary packaging arrangements since 1996. Directors of nursing were granted access through their certified agreements in 1997. It is proposed that other groups of employees will have access to salary packaging through new certified agreements which will be negotiated in the near future. All new certified agreements are required to provide for productivity and efficiency improvements, and salary packaging forms one of the benefits to employees in return for their contribution to the increasing efficiency and effectiveness of the ACT public sector.

Mr Berry, we have an opportunity to improve the working conditions and the effective take-home salary of workers within our health system. Of course I will look very closely at it and of course I will be very supportive of anything that I can do to assist in improving their working conditions.

MR BERRY: Perhaps the Minister was not listening, but I asked him what authority he had to offer a tax deal and who will enforce the changed income arrangement for workers if the tax arrangements change. I will add: Do you have the Federal Treasurer, Peter Costello, signed up for this deal? Have you considered the possible risk to other public benevolent institutions as a result of it?

MR MOORE: I think I made it very clear that the authority comes through a legal instrument such as a certified agreement or Australian workplace agreement. I did answer that part of the question. The part of the question that asks me to speculate about what will happen in the future in terms of what the Federal Government might or might not do is out of order and I do not intend to answer it. You can speculate as much as you like. The conditions are in place.

Mr Corbell: How can it be hypothetical when Kate Carnell has signed up to it?

MR MOORE: The hypothetical bit, Mr Corbell - through you, Mr Speaker - is about what might happen in the future. That is what "hypothetical" means. It seems to me, Mr Speaker, that we have an opportunity in front of us now where we can - - -

Mr Berry: There endeth the lesson, Simon.

MR MOORE: I know that this upsets Mr Berry, for some reason. I think the part that upsets him most of all is that somebody who is not a Labor Party member might actually be interested in improving the conditions of workers. I am sorry, Mr Berry, as I know that this is really hard for you to take, but some of us are actually interested in getting better outcomes for workers if we possibly can. That is what it is about, Mr Speaker. If, indeed, there is a way for us to improve the conditions for the 3,000-odd workers at the Canberra Hospital, then that is what we will do. Mr Speaker, this also gives us the opportunity to guarantee job security for them, because we have the opportunity in looking at an enterprise bargaining situation of finding a way to increase the money in their pocket and also increase - and, therefore, take away the threat of having to reduce - the number of workers; in other words, maintain job security. Mr Berry, this is about ensuring that we can look after the workers. I hope, Mr Berry, that I will get your support for looking after the workers. That is what I would expect.

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

RELEVANCY IN DEBATE

MR SPEAKER: Before I move to the presentation of papers, I would like to make a statement relating to relevancy in debate. During debate on a censure motion on 28 October 1998, I gave a ruling on a point of order raised by Mr Humphries concerning the issue of relevance. I ruled that Mr Corbell's remarks should be relevant, which then led Mr Corbell to query my ruling, given an earlier ruling I made during a motion of censure of the Chief Minister and the Deputy Chief Minister.

I have since examined the *Hansard* of both rulings that I made and agree that, whilst on one occasion a member was allowed to develop an argument to show a relevant connection to the motion before the Assembly, on another occasion a member did not receive that opportunity. I emphasise that it is often difficult for the Chair to ascertain whether a member's remarks are relevant, particularly if there is a gap of several sitting days or weeks. However, to assist me in this task, I have asked for the finalisation of a compilation of Speaker's rulings being prepared by the Secretariat. This compilation will also assist other occupants of the Chair as well as members of the Assembly.

**AUTHORITY TO BROADCAST PROCEEDINGS
Papers**

MR SPEAKER: For the information of members, I present the authorisations to broadcast vision given to a number of television networks in relation to the public hearing of the Select Committee on Gambling on 10 November 1998, pursuant to subsection 8(4) of the Legislative Assembly (Broadcasting of Proceedings) Act 1997.

**LEGISLATIVE ASSEMBLY - QUARTERLY PERFORMANCE REPORT
Paper**

MR SPEAKER: For the information of members, I present the performance report for the September quarter 1998-99 for the Legislative Assembly for the Australian Capital Territory.

**SUBORDINATE LEGISLATION
Papers**

MR HUMPHRIES (Attorney-General, Minister for Justice and Community Safety and Minister Assisting the Treasurer): Mr Speaker, pursuant to section 6 of the Subordinate Laws Act 1989, I present subordinate legislation in accordance with the schedule of gazettal notices circulated.

The schedule read as follows:

Bookmakers Act - Determinations of -

Directions for the operation of a sports betting venue - No. 229 of 1998 (S204, dated 30 October 1998).

Sports betting venue - No. 230 of 1998 (S204, dated 30 October 1998).

Criminal Compensation Act - Criminal Injuries Compensation Regulations - Subordinate Law No. 24 of 1998 (S168, dated 26 June 1998).

Electricity Act - Instrument of appointment of members and deputy members of the Electrical Licensing Board for the period 1 October 1998 to 22 June 1999 - No. 228 of 1998 (No. 42, dated 21 October 1998).

Financial Institutions Duty Act - Financial Institutions Duty Regulations (Amendment) - Subordinate Law No. 33 of 1998 (No. 45, dated 11 November 1998).

Health Professions Boards (Procedures) Act - Veterinary Surgeons Act - Instruments of appointment of members of the Veterinary Surgeons Board - Nos 232 and 233 of 1998 (No. 44, dated 4 November 1998).

Intoxicated Persons (Care and Protection) Act - Revocation of Determination No. 35 of 1995 - No. 231 of 1998 (No. 44, dated 4 November 1998).

Land (Planning and Environment) Act - Approval of plans of management for Woden and Weston Creek's urban parks, sportsgrounds and for Belconnen's urban parks, sportsgrounds and Lake Ginninderra - No. 242 of 1998 (S205, dated 16 November 1998).

Motor Traffic Act - Determination of registration fees - No. 234 of 1998 (No. 44, dated 4 November 1998).

Public Sector Management Act - Management Standards - No. 3 of 1998 (No. 42, dated 21 October 1998).

Subsidies (Liquor and Diesel) Act - Determination to set the maximum percentage of ethyl alcohol for liquor products to be classified as 'low-alcohol liquor' and all subsidy amounts for diesel and low-alcohol liquor - No. 235 of 1998 (No. 45, dated 11 November 1998).

DEPARTMENTAL PERFORMANCE REPORTS

Papers

MR HUMPHRIES: (Attorney-General, Minister for Justice and Community Safety and Minister Assisting the Treasurer): For the information of members, I present the quarterly departmental reports for the September quarter 1998-99, pursuant to section 25A of the Financial Management Act 1996, for the Chief Minister's Department, the Minister for Education and Community Services, the Minister for Health and Community Care, the Department of Justice and Community Safety, and the Minister for Urban Services.

17 November 1998

URBAN SERVICES - STANDING COMMITTEE
Report on Water Resources Bill 1998 and Amendments -
Government Response

MR SMYTH (Minister for Urban Services) (3.17): Mr Speaker, for the information of members, I present the Government's response to Report No. 12 of the Standing Committee on Urban Services, entitled "Water Resources Bill 1998 and amendments", which was presented to the Assembly on 29 October 1998. I move:

That the Assembly takes note of the paper.

Mr Speaker, in tabling the Government's response to the report, I would like to take the opportunity to thank the committee for the work that they have done in gathering input from interested parties and providing the Assembly with their report.

The Water Resources Bill 1998 is a very important piece of legislation which will provide, for the first time, a high level of protection for the ACT's water resources, and it has been excellent that the broader community has had the opportunity to put their views to the committee. Members will note in the response that the Government will move a number of amendments to deal with the issues raised in the committee's recommendations. These amendments, together with others which the Government will move, are being circulated to members so that they will have an opportunity to consider them before the debate resumes later this week on the Water Resources Bill 1998.

Question resolved in the affirmative.

LAND (PLANNING AND ENVIRONMENT) ACT - VARIATION NO. 67
TO THE TERRITORY PLAN
Papers and Ministerial Statement

MR SMYTH (Minister for Urban Services): Mr Speaker, for the information of members, I present, pursuant to section 29 of the Land (Planning and Environment) Act 1991, variation No. 67 to the Territory Plan, relating to the Federal Highway duplication. In accordance with the provisions of the Act, this variation is presented with the background papers, a copy of the summaries and reports, and a copy of any direction or report required. I ask for leave to make a statement.

Leave granted.

MR SMYTH: Mr Speaker, variation No. 67 to the Territory Plan proposes to vary the land use policies shown in the Territory Plan map to enable the duplication of the Federal Highway from Watson to the New South Wales-ACT border. The proposal will alter the road reserve in a minor way in several locations and will also enable repositioning of the Majura Road-Federal Highway intersection to a position approximately 500 metres south-east of its present location. Mr Speaker, the new intersection is proposed to be grade separated and will link Majura Road to the Federal Highway in the short term and Horse Park Drive to Gungahlin in the future. The variation also proposes to make minor changes to the alignment of Horse Park Drive.

The draft variation was released for public comment in conjunction with a draft amendment to the National Capital Plan and an environmental impact statement. To avoid duplication of the EIS process, the former Minister for the Environment, Land and Planning formally agreed to give full faith and credit to the New South Wales impact assessment process, in accordance with Schedule 3 of the Intergovernmental Agreement on the Environment. Full faith and credit was given on the basis that the ACT would have input to the draft joint assessment report, in order for the EIS to meet the requirements of the ACT Land Act and the ACT Territory Plan. The ACT contributed to the joint assessment report on 23 October 1997, thereby meeting the requirements of the Land Act.

Mr Speaker, the New South Wales Minister for Urban Affairs and Planning accepted the assessment report, which contained conditions for approval, and gave approval to the project on 20 January 1998. The Commonwealth Minister for the Environment decided on 8 May 1998 that the New South Wales process satisfied their EIA obligations and no further impact assessment under the Commonwealth legislation was required. Consequently, the EIA process of all three parties was completed.

Mr Speaker, project design and documentation are being fast-tracked with a view to enabling work to commence in January 1999. The projected completion date is June 2000, so that the duplication is open in time for the Sydney 2000 Olympics.

The variation has been revised to respond to amendment No. 19 to the National Capital Plan. The indicative location of the proposed high-speed slip lane has been adjusted so that it will not impact on the Remembrance Drive plantations along the highway. The variation has also been revised to incorporate an amended alignment for Horse Park Drive. The alignment has been adjusted following more detailed investigation, in association with the location of a new gas pipeline into Gungahlin. The pipeline has been located within the Horse Park Drive road reserve. Adjoining land use policies and overlays on the Territory Plan map have been adjusted in accordance with the new alignment.

Mr Speaker, the Standing Committee on Urban Services considered the draft variation and, in report No. 8 of October 1998, endorsed the draft variation. In endorsing the variation, the committee suggested that an informal consultative group, including wildlife officers from the Government and representatives of community conservation groups, be established to monitor construction activity. Mr Speaker, the project team has now briefed the Conservation Council and ACT for Trees about the project and arranged a site inspection with representatives of both groups. The project team acknowledges their helpful suggestions and would be happy to maintain dialogue with these groups during construction.

Mr Speaker, the committee also recommended that plantings of new trees, understorey plants and grasses along the new alignment be of species native to that area and that, where possible, the collection of seeds for this purpose be from plants along the proposed alignment. Species of trees and shrubs native to the area are to be used extensively in the plantings to achieve the landscape objectives set for the project.

17 November 1998

Where appropriate, native understorey and grass species will be used for understorey plantings. The collection of tree and grass seeds from the local area is a requirement being included in the contract documentation for the landscape work associated with the project.

I now table variation No. 67 to the Territory Plan for the Federal Highway duplication.

LAND (PLANNING AND ENVIRONMENT) ACT - LEASES Papers and Ministerial Statement

MR SMYTH (Minister for Urban Services): Mr Speaker, for the information of members, I present the schedule of lease variations and change of use charges for the period 1 July 1998 to 30 September 1998 and the schedule of leases granted for the same period, pursuant to the Land (Planning and Environment) Act 1991. I ask for leave to make a short statement.

Leave granted.

MR SMYTH: Mr Speaker, section 216A of the Land (Planning and Environment) Act 1991 specifies that a statement be tabled in the Legislative Assembly each quarter outlining details of leases granted by direct grant, leases granted to community organisations, leases granted for less than market value and leases granted over public land. The schedule I have tabled covers leases granted for the period 1 July 1998 to 30 September 1998. I have also tabled two other schedules in relation to variations approved and change of use charges for the same period. A record of all new leases and applications to vary crown leases is available for public inspection at my department's shopfront at Dame Pattie Menzies House in Challis Street, Dickson.

QUESTIONS WITHOUT NOTICE

ACTEW - Privatisation Seminar

MS CARNELL: Mr Speaker, I would like to answer a couple of questions that were taken on notice while I was away. On 29 October 1998, Mr Corbell asked Mr Humphries a question in relation to a briefing seminar conducted in my department on 23 October 1998. In response to the question Mr Corbell raised: The seminar was a briefing for Chief Minister's senior staff to increase their understanding of current major policy and public administration issues. Similar sessions have been conducted over the past few months to provide information and stimulate discussion about a range of current issues, including the 1998-99 Territory budget, the proposed Commonwealth tax reforms, the 2000 Olympics and Canberra soccer events, equal opportunity, and leadership in the workplace.

The particular seminar was chaired by the chief executive of my department. The presentations, which were the subject of Mr Corbell's question, were provided to staff by the director of the GBE Management Branch of my department on the ABN AMRO/DGJ Projects report on the scoping study of ACTEW Corporation and the Government's response to the recommendations of that report, and by the executive director, Operations, Department of Urban Services on recent developments in relation to ACTION.

The seminar cost a total of \$465, being for room and equipment hire. Senior officers grades A, B and C staff from my department were invited to attend this seminar. Staff were not required to attend and they were free to leave at any point during the briefings. No record of attendance was kept. The seminar was conducted from 4.00 pm to 5.30 pm. I understand that it actually commenced at 4.15 pm and finished at 5.40 pm. I am advised that staff with family responsibilities and other commitments exercised free choice and either chose not to attend or left the briefings at their own convenience.

ACTEW - Loss of Customers

MS CARNELL: Mr Speaker, during question time on 28 October, Mr Corbell asked the Acting Chief Minister whether the number of sites picked up by ACTEW under the deregulated electricity market was 60. I can confirm that the number of sites or individual contracts picked up is approximately 60, according to ACTEW, representing an increase of 3 per cent in total electricity sold in the ACT. I can confirm that the number of sites lost at this point is approximately 178. This represents a loss of 7.1 per cent in terms of total energy sold by ACTEW and is a loss of about 17.5 per cent of the total energy that is currently contestable. Expressed another way, Mr Speaker, the number of customers lost by ACTEW amounts to approximately 100, while the number gained is approximately nine. These interstate customers were picked up by ACTEW, I am advised, on an almost non-existent profit margin. For the information of members, I can also advise that 55 per cent of ACTEW's total energy is now contestable.

SPECIAL PREMIERS CONFERENCE - OUTCOME Ministerial Statement and Paper

MS CARNELL (Chief Minister and Treasurer) (3.30): Mr Speaker, I ask for leave of the Assembly to make a ministerial statement on the outcomes of the Special Premiers Conference.

Leave granted.

MS CARNELL: Thank you very much. Mr Speaker, I am delighted to be able to inform the Assembly that the Special Premiers Conference held in Canberra last Friday made significant progress towards some long overdue reforms in Commonwealth-State financial relations. As a nation, we are now on the verge of the most substantial reforms

17 November 1998

in the last 50 years to our tax system. We have the opportunity to mark the centenary of Federation in 2001 by creating a stronger federation through a set of reforms that will give the States and Territories more budget certainty and flexibility.

Mr Speaker, for as long as I can remember, the States and Territories have been arguing that they need access to a growth revenue that the Commonwealth controls. The tax reform package, as currently proposed by the Commonwealth Government, will deliver exactly that, by providing to the States and Territories all of the revenue from the proposed new goods and services tax, the GST.

In simple terms, it means that once we are through the transitional period there will be more money available to the ACT Government to fund health, education, justice and all the other vital services that we provide to the people of the ACT. As well, it will mean the abolition of a number of regressive State taxes, including financial institutions duty and the bank account debits tax.

Mr Speaker, the States and Territories went into Friday's conference united on a core set of principles that, from our point of view, were critical to this reform process. They were: That the Commonwealth must guarantee that each individual State and Territory would be no worse off under these reforms than if current funding arrangements continued; that this guarantee must cover the transitional period to the new system, this transitional period being as long as it takes for each State and Territory budget to be in an improved position; that, in keeping with this guarantee, the Commonwealth would not cut specific purpose payments to the States and Territories to offset rising GST revenue, which would otherwise defeat the objective of the States and Territories being better off; that the Commonwealth agreed to include in legislation its commitment to allocate all the GST revenue to the States and Territories; and that if elements of the tax package, as announced in August, were significantly amended, there would need to be renegotiation of any agreement between the States and Territories. Mr Speaker, on each of these key issues the Commonwealth agreed.

It was the most productive Premiers Conference that I have attended, because everyone shared the view that Commonwealth-State financial relations needed to be put on a firmer footing and that this tax package presented a clear way forward - yes, Mr Speaker, even Labor States. That is not to say that each State and Territory gained everything that it wanted. Queensland, for example, wanted to enjoy the spoils of the GST two years before any of the other States and went away disappointed that it had been unable to bring seven other jurisdictions around to its point of view. Mr Speaker, I suspect that it will learn.

New South Wales wanted to dispense entirely with the system of equalisation that protects the poorer States and has been at the heart of funding arrangements for the States and Territories for 70 years. Ironically, the greatest conflict at the conference was between these two Labor States. On each of these points they were on their own.

Mr Speaker, I think one of the more interesting moments of the Premiers Conference was when Mr Kennett gave Mr Carr a lecture on social equality in terms of horizontal fiscal equalisation. The agreement on principles, which I will now table for the information of members, records the objections of New South Wales and Queensland on these two quite specific points. The rest of the document is agreed with all States and Territories - a rather remarkable achievement in itself.

Members will be able to read through the agreement for themselves; but, in summary, it covers processes for implementation; specific taxation reform measures by both the Commonwealth and the States and Territories; distribution of GST revenue; transitional arrangements to ensure no State or Territory is worse off; improved local government finances; the establishment of a first home owners scheme; arrangements for managing the GST rate and base; application of the GST to State and Territory governments; reciprocal taxation arrangements; and provisions for the ACCC to take legal action against business pricing decisions inconsistent with tax reform.

For the ACT, the agreement means that we will certainly be no worse off during the period of transition to the new scheme than if current arrangements continued, that is, real per capita increases. When the transitional period ends the ACT will immediately be better off by at least \$20m per annum on current estimates, with that figure growing each year as the GST pool grows. It is also worth noting, Mr Speaker, that under the tax reforms Canberrans will be paying less tax overall, as a result of significant cuts to personal income tax rates. These personal income tax rates will put between \$200m and \$300m a year back into the pockets of Canberra taxpayers. Of course, that gives taxpayers more spending power that flows into the economy in areas such as retail sales.

Mr Speaker, the agreement on principles reached on Friday is the start of a process that will see a great deal of work done between now and the next Premiers Conference in April to develop a detailed intergovernmental agreement on the new financial arrangements. As always we will be pursuing the best deal possible for the ACT, but with an eye also to the benefits to the nation as a whole that will flow from the reforms to, I have to say, what is very much a ramshackle taxation system.

Mr Speaker, the interesting part of this Premiers Conference was that, whether a State was Labor or Liberal, or CLP in the Northern Territory's perspective, the agreement was very solid. The States and Territories do need access to growth revenue. The GST will certainly bring that to the States. It is interesting, Mr Speaker, that no discussion whatsoever was brought forward by Labor States during the conference with regard to the GST. In fact, the agreements reached were, from my perspective, very heartening.

What it does show, though, when you actually look at the figures, is that the ACT is one of the big winners from the whole package. It does mean that we can look forward, as long as the Senate does the right thing, to a situation where, in the not too distant future, the ACT will have access to growth revenue, something that we have not seen since self-government. In fact, we have seen the opposite, Mr Speaker. That is something that, I would assume, all members of this Assembly would embrace, whether or not they like the GST. The fact is that it is growth revenue. That is more money for health, education, police, and community services.

17 November 1998

Mr Speaker, I certainly support the package and, I have to say, support the approach that the Special Premiers Conference unanimously took. I certainly hope that members of the Senate take note of the agreement between the Premiers and Chief Ministers of the States and Territories. Let us be fair, Mr Speaker: The Senate is the States' house. I present the following paper:

Outcome of the Special Premiers Conference - Agreement on principles for the reform of Commonwealth-State financial relations - ministerial statement, 17 November 1998.

I move:

That the Assembly takes note of the paper.

MR QUINLAN (3.36): I shall be very brief, Mr Speaker. I have had a very quick look at the communique that came out and I am happy to - - -

Ms Carnell: We sent it to you.

MR QUINLAN: I had one before that, but not much before that. The Chief Minister has mentioned that we will be \$20m better off, according to the figures. The joint communique and the outcome communique do not include figures relating to the ACT. I wonder whether they could be tabled. I have not seen any numbers that would confirm that we are going to be \$20m better off. I am glad to hear that we are. If it is at all possible, I would like those estimates and numbers to be tabled for the benefit of all members of the Assembly. I do not wish to make any other particular comment, other than to say, "Good on you, Bob Carr". He was in the same situation as we are whereby we have been net losers on PAYE repatriation, and I am sure that I would have liked to have seen our Chief Minister backing him up a little more.

MR KAINE (3.38): Mr Speaker, I think that we would be remiss in this place if we did not note the fact that this agreement at the State, Territory and Commonwealth level is a milestone in the development of this country. For many years now, I guess for decades, the problem that was so quaintly described as vertical fiscal imbalance has been something that has plagued this country and every year we had the spectacle of Premiers and Chief Ministers fronting up and trying to persuade the Commonwealth to give back to them sufficient money to allow them to run their States and Territories. The situation has been that the Commonwealth has been the main tax collector and the States and Territories have been the main public money spenders, and there was an enormous imbalance in those two sets of activities.

The question of resolving this problem was first raised, to give him his due, by Bob Hawke in 1990. The first Premiers Conference that year was convened in Brisbane with the specific purpose of addressing this problem. It has taken seven years to reach the point where agreement has been reached between the States and the Territories on the one hand and the Commonwealth on the other as to how to remove this problem. I am hopeful that the tax reform package at the Federal level will go through without too much fiddling around the edges because the implementation of this agreement is dependent upon that.

I note that the Chief Ministers and State Premiers have guarded themselves against the possibility that there will be major amendments that would leave them in a disadvantaged position. One of the requirements that were set down by them in their negotiations was that if elements of the tax reform package as announced in August were significantly amended there would need to be renegotiation of any agreement with the States and Territories. It obviously had to be part of the deal. I note that it has been anticipated that there might be some difficulty at the end of the day and that that might entail some renegotiation.

Mr Speaker, I do not want to go on at length, but it has taken us seven years from the time the first move was made to resolve this problem. On the face of it, as far as the States and Territories and the Commonwealth are concerned, we have now reached the point where that annually recurring problem of having to go and beg for money from the Commonwealth will be no longer necessary once the new regime is put into place. It will give the States and Territories far more independence and flexibility as to what they can do with the money than they have ever had in the past. I restate that this is a landmark decision, it is a landmark agreement, and I think that the Territory, to be a little parochial about it, can only gain from the fact that this agreement has been reached. I think it is a great achievement and I think we should acknowledge that.

Question resolved in the affirmative.

ADJOURNMENT

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

That the Assembly do now adjourn.

Assembly adjourned at 3.42 pm