



**DEBATES**

OF THE

LEGISLATIVE ASSEMBLY

FOR THE

AUSTRALIAN CAPITAL TERRITORY

**HANSARD**

20 April 1999

**Tuesday, 20 April 1999**

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

### **PETITION**

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

By **Mr Osborne**, from 840 residents, requesting that the Assembly reconsider the new student fare system to ensure that it is budget neutral for both students and adults, takes account of school location and student travel needs, is fair and just for all students and supports choice in schooling.

### **ACTION - Student Fares**

*The petition read as follows:*

To the Speaker and Ministers of the ACT Legislative Assembly.

The petition from St. Clare's School Staff and Parents, draws attention of the Assembly to:

- . the harsh and unfair financial impact of the new student bus fares which
- . increases fares for most students between 33% and 167%, under the guise of being Budget neutral overall,
- . take no account of school locations and student travel needs,
- . are inappropriately related to adult travel patterns.

Your petitioners request the Assembly to reconsider the new student fare system to ensure it:

- 1) is Budget neutral for both students and adults,
- 2) takes account of school location and student travel needs, and
- 3) is fair and just, for all students and supports choice in schooling.

Petition received.

## DEATH OF MISS SYLVIA CURLEY

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

That the Assembly expresses its deep regret at the death of Miss Sylvia Curley, OAM, who made a significant contribution to nursing and the heritage of Canberra, and tenders its profound sympathy to her family in their bereavement.

Mr Speaker, it is with much sadness that I, and I am sure many others, learnt of the recent death of Miss Sylvia Curley at the age of 100. Miss Curley was one of Canberra's most outstanding citizens. Born at Duntroon in 1898, she was one of three daughters of Elizabeth and Patrick Curley. The family moved to live in the stone cottage at Mugga Mugga in 1913 after Duntroon estate was sold.

Miss Curley's achievements in her three careers of nursing, personnel management and environmental management demonstrated her adaptability, her determination and her foresight. Completing four years general nursing training at Goulburn Base Hospital, Miss Curley later qualified in obstetrics at the Royal North Shore Hospital in Sydney. Her early years of nursing were spent in the New South Wales country region, where she rose to the position of matron at the Gundagai Hospital. Miss Curley's commitment during this time to improving the living and working conditions of nurses is well remembered. In 1964 Miss Curley's dedication to the nursing community was recognised when the new nurses quarters at the Canberra Hospital were named after her. Miss Curley retired from nursing in November 1966 after 28 years of dedicated service to the Canberra Hospital. At that time, she held the position of deputy matron.

Following her retirement from nursing, Miss Curley established an employment agency at Manuka. She managed that business successfully for 20 years. In recognition of her services to nursing and to the Canberra and District Historical Society, Miss Curley was awarded the Medal in the General Division (OAM) in the Queen's Birthday honours list in June 1992.

In 1994 Miss Curley offered Mugga Mugga, with its historic cottage and 17 hectares of land, to the ACT Government for use as a site museum and environmental education resource. Miss Curley worked tirelessly to fulfil her vision and that of her late sister, Evelyn, that Mugga Mugga should become a resource for the people of Canberra. She was overjoyed when her gift was accepted, and she herself guided the conservation of the cottage and the building of the education centre. The fact that the centre was built and furnished through the generosity and dedication of local businesses and tradespeople is a measure of Miss Curley's persuasiveness. The Mugga Mugga memorial education centre was opened in November 1995 and dedicated to Evelyn Curley.

A special mass of thanksgiving celebrating Miss Curley's 100th birthday was held at St Christopher's Cathedral at Manuka in November last year. I am sure everybody who was there found it a wonderful service and a wonderful thanksgiving for a great life. At the time of her death, Miss Curley was still lobbying for better conditions for nurses, for

better ways to encourage underachieving students and for compulsory environmental studies for all children. I am sure all members of this Assembly would have spoken to Miss Curley regularly about a number of issues. It was wonderful that up until weeks before her death she was still on the phone regularly telling all of us what should be happening in the ACT. She continued to contribute until her death.

Miss Curley will be remembered for her untiring efforts on behalf of the Canberra community as a whole. As a memorial to her, the ACT Government will be renaming Dairy Flat Bridge after her. I am sure all members join me in expressing our sympathy to Miss Curley's family and friends and in acknowledging the outstanding contribution she made to the Canberra community and this Territory.

**MR STANHOPE** (Leader of the Opposition): Mr Speaker, I join with the Chief Minister in expressing condolences to Miss Curley's family. It was only in November last year that we stood in this Assembly and congratulated Miss Curley on her 100th birthday. Sadly, today I, along with other members, stand to convey our condolences to Miss Curley's family.

Miss Curley led a rich and rewarding life. Her contributions to the ACT and the wider Australian community were many and varied, and her interest and devotion towards her fellow human beings were selfless and tireless, as is evidenced by the 40 years she spent as a nurse, almost 30 of them in Canberra.

Canberra has benefited from Miss Curley's charitable nature and her philanthropic donation of her 17-hectare family farm at Mugga Mugga, including one of Canberra's oldest houses, as a new environmental education centre. This contribution is not simply a donation to the Territory but to all Australians, and in particular students with a keen interest in Australian heritage. Over recent years, Miss Curley devoted herself to the creation and promotion of the educational centre in order to preserve a fragment of the past for our young people. She committed herself to ensuring that a small piece of history remained so that we could experience the wealth of this pioneering memorial.

Miss Curley's interest in, and commitment to, youth have been a perpetual thread throughout her various life pursuits. Following her nursing career, Miss Curley established a business as an employment consultant and assisted many young unemployed people to find work, emphasising always the importance of job satisfaction. Sylvia Curley has left an outstanding legacy to Australia in her Mugga Mugga property donation and, as the Chief Minister mentioned, had been agitating right up until her death to secure some of the Centenary Foundation funding for this venture. On behalf of the Labor Party, may I express my condolences to her family. Sylvia Curley was an outstanding citizen of Canberra, and her deeds remain an inspiration to us all.

**MR STEFANIAK** (Minister for Education): I too wish to pay tribute to a fine lady who died at the age of 100. It was not long ago that we were all celebrating her 100th birthday. I recall attending the service at St Christopher's at Manuka in her honour and talking to her at some length there. I think few of us on that day would have thought that she would sadly pass away so quickly. She seemed to be a person who would just go on

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and on forever. She probably would be sad that she went when she did, because I am sure she was looking forward to the twenty-first century. She would have then lived in three centuries. She did a fine job in almost achieving that.

The world Sylvia Curley was born into was very different from today's world. Australia was not even a Commonwealth then. It was six independent self-governing colonies of Britain. She lived in Canberra from the time it was just a series of sheep paddocks and a few farms through to the fine capital it has become today. Miss Curley - and that is what she always wanted to be called, not Sylvia Curley - was the epitome of a fine lady. Her standards were very high, as were her expectations of herself and of others.

Generations of nurses who trained and worked at the old Canberra Hospital respected her. Both my wife and my older sister-in-law were nurses who trained under her and worked under her, my older sister-in-law for many years, and held her in incredibly high esteem, as did everyone who worked under her and everyone who came into contact with this remarkable lady.

The hospital was just one place where Miss Curley exercised her influence, her commitment and her determination to achieve goals she knew to be important. As has been said, she trained as a nurse in her youth, but her interests were very diverse, and her skills and her capabilities were absolutely astounding. I recall about 18 months ago having a very lengthy conversation with her at her home at Griffith. Even though she was not terribly mobile, she insisted on serving the tea, the cakes and the biscuits. I was so impressed not only by the fact that she was such a fine lady but by her incredible intellect, the depth and breadth of her mind, her sharpness and her awareness of current issues. She seemed to me to be timeless.

I am very sad that Miss Curley died when she did, only a couple of days before I was due to see her again. I was looking forward to seeing her again when Dr David Kemp, the Federal Minister for Education, and I were due to go to Mugga so that Dr Kemp could have a look around the magnificent property and the legacy that so transparently she has left to the Territory.

Miss Curley was a well-known member of a pioneering family in the Canberra district. As someone who was able to turn her hand to anything she liked, she established a very fine property at Mugga. Her lasting gift to the Territory has been the education centre there. This was one of her cherished projects. She campaigned tirelessly and fearlessly for it. It is great that so many people assisted her in that and that we were able to provide an educational officer to teach children about the environment, with hands-on experience. Having been around that property, I know what a wonderful resource it is for young people in the Territory and for future generations, as is the original property and homestead of Mugga. They are a rich reminder of Canberra's history and Miss Curley's central part in it. The homestead has been maintained in its original condition, and today's schoolchildren are able to learn much about the daily life and work of former times as well as learning about the environment through the displays in the education centre, which she herself was instrumental in designing and getting up and running.

Miss Curley was a woman who knew many prominent people during her lifetime. They will all remember her for her strength, her stamina and her remarkable capability. I do not think there are many in the Canberra community who would not remember her with great admiration and affection. We have lost a magnificent Canberran and a magnificent Australian. She was related by marriage to some members of my family. I send to her relatives my personal condolences on the sad death of this very fine lady and this wonderful Canberran.

**MS TUCKER:** I also rise to convey condolences to Miss Curley's family. As members have already explained, Sylvia Curley and her family were Canberra pioneers. Miss Curley's death marks a milestone in Canberra's history. Her life was a celebration of the Canberra community and the heritage of this region. Most of Miss Curley's life was spent helping others, particularly as a nurse serving the Canberra region for 29 years. In retirement she sought further challenges and set up an employment agency to support job seekers and promote individuals to prospective employers.

Miss Curley described her vision and her dream as the establishment of the education centre for environmental studies and the Mugga Mugga homestead museum. I would particularly like to acknowledge her commitment to, and understanding of, the importance of the environment in policy discussion. I think she has left to the Canberra community a facility which will be valued more highly, not less, as we move into the next century.

**MR KAINE:** It is with great sadness that we all mark the passing of somebody who was so much a part of us and of Canberra's living history as was Miss Sylvia Curley. But at the same time I think that we can all appreciate what she has given to this community. First of all, her commitment and the work she did in so many fields have benefited so many people in Canberra today. A very large number of people in Canberra will remember Miss Sylvia Curley at the personal level, because they were the recipients of much of the work that she did for this community. Setting aside the sadness associated with her passing, I think that in a way we can celebrate the work she did and the good she did for this community.

The living memorial to Miss Sylvia Curley is Mugga Mugga, which she bequeathed to this community and which for decades, and hopefully for centuries to come, will stand as a memorial to her. She is a great loss, but we are thankful for the fact that she was part of this community. I join with the Chief Minister and other members in this motion of condolence at her passing.

**MR WOOD:** Mr Speaker, I will begin by pointing to the difficulty Australia has in setting a preamble to our Constitution. That preamble is designed to express the identity of Australia, a pretty difficult task. If we focus on the ACT and try to establish our identity, difficult as that is, we would have a very sound beginning if we looked at the life and the example of Sylvia Curley. She was born before the ACT was. She was born at a time when the notion of federation was being debated. She was born on 8 November 1898. She did not quite make that remarkable achievement of a life spanning three centuries. That is a shame.

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For 40 years she was a nurse, for 30 of them in the ACT. She chose nursing as a career because it was a way of helping people. It was a service to others. In that work, she was a pioneer in education. She fought very hard for her nurses, for their education and for better conditions, and she was much respected. After her retirement from nursing she spent a further 20 years running an employment agency. Again, she did that because it was a service. As she explained to me, it was helping other people, particularly young people, to make the transition to employment or to find employment.

After her retirement from business, she carried on her service when she became an activist working to establish a memorial for her parents at Mugga Mugga. Again, it was a service to the community. She set out to restore the cottage and to build an education centre around it. I would ask Mr Stefaniak whether he would carry on the notions that she would have presented to him when he and Dr Kemp were to go and visit her. I think we should carry on those ideas, because by no means is that centre, as we now see it, complete in the way she would have wanted it to be.

The Curley family moved to Mugga Mugga in the same year as the laying of the foundation stone for our new capital, 1913. She saw the ACT grow from a scattering of rural properties to a city of over 300,000. During the century she saw the world change in ways that no-one could have imagined at the start of the century. But she kept up with those changes. In her work as a nurse, she was ahead of her contemporaries. She also recognised that links with the past are most important. She recognised the value of our heritage, and hence the work at Mugga Mugga. She set out to make that a memorial to her parents, but of course it is more than that. It is a memorial to Sylvia Curley herself.

I think that the life of Sylvia Curley, and of others like her, is essential in determining our identity in the ACT. Of course, there are many other factors involved as our society has changed dramatically over the years. As we reflect on her life and as we honour her as one of our early rural pioneers, we honour her as one who struggled with others to gain a hold in this area and who worked through the century for her fellows, providing a service and pioneering in other ways. She was a remarkable woman, and we honour her.

**MR MOORE** (Minister for Health and Community Care): Mr Speaker, tomorrow it will be exactly three months since I was fortunate enough to have afternoon tea with Sylvia Curley. She invited me to her home where she made a cup of tea. I suggested on a number of occasions that perhaps it would be better if I boiled the jug and poured the tea. As many of you know, Sylvia Curley insisted that she do it. It is a rather interesting experience to have a cup of tea made for you by a 100-year-old moving the teapot and teacups on to the tray of her walking frame and bringing them to the table and pouring the tea. She insisted at all times on calling me Mr Moore and I, in return, called her Miss Curley. I give this little insight because other members have spoken broadly about her life and the contribution she made, something we are all aware of.

There was a purpose to the afternoon tea with Miss Curley. That purpose was to ensure that I understood her view on issues to do with the Canberra Hospital. It was really interesting that there was no attempt to refer to it as the Royal Canberra Hospital or by some other term. She was thinking about the issues facing the Canberra Hospital.



Following that meeting she wrote to me on 8 February expressing her ideas on nurse management, strikes, senior management in the hospital but, most of all, attitudes to nurses in the community.

She concluded that letter by saying, "I wish you every success with this tremendous challenge. I hope that members of the Legislative Assembly will not be divided on this". The message from Miss Curley was that sometimes we need to work more closely on controversial issues. It is a message that I take seriously and a message that I will continue to heed to the best of my ability. All of us in this place know that there are times when that is impossible because there are significant differences of opinion on how things should be done. When we have those differences of opinion, we have this forum to resolve them.

There are issues on which I had a significant difference of opinion with Miss Curley. But to be able to argue those in a logical and rational way with somebody 100 years old with the mind of someone 40 or 50 was quite exciting. I am sure that is why we all hold Sylvia Curley in great admiration. If we could get to 70 or 80 and still have a mind that worked as well as Sylvia Curley's did, then I think all of us would be very grateful for that.

Mr Speaker, I feel very privileged to have met Miss Curley on a number of occasions, but recently to have had the opportunity to join her for afternoon tea in her home in Griffith. I join with other members of this Assembly in supporting this condolence motion and expressing our sympathy to members of her family and to the wider Canberra community.

**MR HUMPHRIES** (Attorney-General, Minister for Justice and Community Safety and Minister Assisting the Treasurer): Mr Speaker, I cannot fail to take part briefly in this debate and support the motion. The Chief Minister made reference to many of us having spoken with Miss Curley. It may be more accurate to say "lectured by Miss Curley", since she had very strong views, as members have indicated, and conveyed those with great politeness but with great force in the course of meetings. If one had another appointment that one needed to get to, one needed to make other arrangements very quickly, because she was not to be departed from until she was ready.

My most pleasurable experience with Miss Curley was being shown around Mugga Mugga homestead by her when I was Minister for Heritage and she had only recently donated the homestead to the ACT. Members - having visited her, I am sure - will all be aware that it is a most remarkable place. The most remarkable part of my experience was seeing a building with a remarkable degree of preservation about it and its artefacts and being shown around that building by a person who actually lived there and used many of the artefacts and items which were there in front of me. Her insight into that was quite extraordinary, and one has to assume that decades ago Miss Curley had some vision of what Mugga Mugga might become. That is the only way I could explain how she might have had the foresight to preserve so many items in that place which now form part of the collection there and which provide a fantastic insight into what life was like at the turn of the century.

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Mr Wood urged the Minister for Education not to abandon the vision that Miss Curley had put before him in most emphatic terms. I would certainly not have dared to depart from her vision during her lifetime, and I am not entirely satisfied that it is safe to do so even after her death. Mr Speaker, I think it is worth while preserving that vision and carrying it forward and ensuring that Mugga Mugga becomes everything that Miss Curley hoped of it and dreamed of it. It is a reflection of her life and the remarkable civic mindedness she showed to the citizens of this Territory. That would certainly be an enduring memorial, as well as the buildings and artefacts which remain at Mugga Mugga.

**MR HIRD:** Mr Speaker, I join my colleagues on both sides of the house and the crossbenches in supporting this condolence motion. Like many of us in this place, I had the honour of being lectured by Miss Sylvia Curley. One lecture I continually received was on the naming of a bridge in the Fyshwick area known as Dairy Flat bridge. She believed it should bear a name honouring her family. I note that her wishes have been complied with, and I commend the Chief Minister for that.

We have lost a great Canberran and a great Australian. Although her profession was nursing, she would have made a wonderful advocate for any cause. Indeed, she would have been a wonderful headmistress, given the lectures I received over the years. We are saddened by the loss of this great person. I will certainly miss Miss Curley and the talks that we had over the years. I support the motion.

**MR SMYTH** (Minister for Urban Services): Mr Speaker, on 24 November last year this chamber paused to acknowledge, and write into our record a tribute to, one of the most senior and loved citizens of Canberra, Miss Sylvia Curley, who that month was celebrating her 100th birthday. Today we pause again, and rightly so, this time to mourn her passing but I think also to reflect joyously on her life and pay tribute to that great life. It is a life she so accurately summed up in the title of her autobiography published last year, *A long journey*. It is with sadness that we note the end of Miss Curley's journey, but all who have spoken here this morning acknowledge that it was a full life and a happy life. It was a life that was well travelled and well planned. It was an unselfish life, one devoted to caring for others. In every respect it was a truly remarkable journey by any measure. Moreover, it was a journey devoted to ensuring that Canberrans and visitors to our city would always be reminded that Canberra did not grow merely as the result of an administrative stroke of a pen; that it had a rich life and a heritage before the birth and growth of the national capital as we know it now.

Miss Curley was born at Duntroon on 8 November 1898, moving with her family to Mugga Mugga in 1913. After leaving school she studied nursing and became deputy matron of the former Royal Canberra Hospital, where she worked for almost 30 years. On retiring - retiring from the hospital, certainly not retiring from employment - in 1966, at the age of 68, she started her second career, as she called it, as an employment consultant with a particular emphasis on finding jobs for young people. At the same time she worked to other visions and other dreams. In ceding the family farm at Mugga Mugga to Canberra to ensure its preservation and to deliver on a family pledge, Miss Curley said:

It is not for me that you will be doing this; there is nothing personal in it; it is for the future students and adults of Australia.

That gift is manifest today in the form of a fully functioning restored Mugga Mugga memorial environment education centre and the restored Mugga Mugga homestead museum.

Mr Speaker, although Miss Curley's career achievements are well documented in a life spanning more than 100 years, the stories and anecdotes that have not been written about her life abound. These reminiscences not only add colour to an already colourful life but will also ensure that her strength of purpose, her deeds and her vibrant personality live on as a reminder of what one person can achieve. In Miss Curley's book, *A long journey*, we find great insights into her thinking and her no-nonsense way of doing things. In the foreword to the book Ken Eldridge notes:

Sylvia Curley's story is a great contribution to Canberra's history, but she tells an even more lively story of herself and her attitude to life, in places a ripping yarn.

We all know that Miss Curley had a winning way with public administrators and members of the Assembly. We also know of her satisfaction at seeing her dream, and her family's, come true in the restoration of Mugga Mugga. Staff of the Historic Places Unit of the Cultural Facilities Corporation who observed her absolute joy when she saw the completed project tell how she said that she felt that time had rolled back and that she could imagine her mother walking through the door into the front room. I think that is a tribute to all who worked with her to achieve that restoration.

We also know that, while Miss Curley had an eye on the big picture, it never interfered with her attention to detail and doing things the right way without shortcuts. It is a telling characteristic that she always wanted to be known as "Miss Curley". This was her decision and she stuck to it, and she made sure that all of us stuck to it. Many have spoken of her hospitality. She is renowned for the wonderful spreads she would put on. Like others, I was summoned last year to visit Miss Curley. She insisted on doing things herself and doing them the way that she had been brought up to do them. She served afternoon tea. The white tablecloth had matching white napkins. The floral-patterned crockery had been taken out and the teapot had a tea-cosy. There was always a savoury or a sweet sandwich, depending on what you wanted. My last memory of her is that she always had a final point to make. After an hour-and-a-half with her, she wedged herself in her walking frame in the small alcove that was the entrance to her home and would not let me leave until she had made her final point. Others here have indicated that they also sometimes felt perhaps a little trapped.

Miss Curley's journey displayed an abiding affection for, and a commitment to, Canberra. Her life was also a triumph of achievement and concern for others. As she said in her own book:

People frequently state that Canberra is a city without a soul. I do not agree. Canberra has a soul but without our heritage we have nothing to build a city on. All the great cities of the world have built their cities on heritage.

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Mr Speaker, I do not think any of us would disagree with that statement. As a means of a lasting acknowledgment to Miss Curley's impact on our city, I am pleased to confirm today that the Government will rename the bridge that crosses the Molonglo River at Dairy Flat the Sylvia Curley Bridge. It was either last week or next week that we had planned to have Miss Curley there to participate in the opening. It is unfortunate that she will not be around for that. Because of her death, I have decided that we will hold off and reschedule that to a time that is convenient to the family and other parties that have an interest in Miss Curley's life. It is an indication of the woman that when we offered to do something in her honour she asked that the bridge be named in honour of not only her but her family, because she saw it as a link to her past, linking Duntroon and Mugga Mugga where she had grown up.

Mr Speaker, the legacy of Miss Sylvia Curley is a legacy that is an example for all of us. It is a legacy of service and it is a legacy of caring. It is a legacy of understanding for youth and of compassion for the unemployed. I think it is a legacy that says she valued education, she understood the place of the environment and she saw the importance of heritage. Her lasting pleasure was the confirmation that Canberra does have a soul, a soul built on a long heritage and a heritage that she was part of.

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

### **URBAN SERVICES - STANDING COMMITTEE Report on 1999-2000 Draft Capital Works Program**

**MR HIRD** (11.08): Pursuant to order, I present Report No. 22 of the Standing Committee on Urban Services entitled "The Draft 1999-00 Capital Works Program", together with the minutes of proceedings. This report was provided to the Speaker for circulation on Wednesday, 7 April this year, pursuant to the resolution of the Assembly on 23 March this year. I move:

That the report be noted.

Mr Speaker, last week, with the prior approval of the parliament, I released the report by the Standing Committee on Urban Services into the draft 1999-2000 capital works program. The recommendations in the report had been reached after many hours of meetings, sittings and hearings, and a great deal of study of often quite complicated documentation. I would like to commend the committee members on being able to put their views and to discuss their differences, sometimes with a great deal of vigour, and still present a cohesive report in which such a large and diverse range of issues are canvassed.

It is also of great credit to the Government, to the Ministers and to the various government departments and agencies that the committee has been able to identify and to accept a vast amount of the thrust of the Government's capital works budget strategy and detail. The task was made easier, particularly given the short time span available, by the excellence of the information made available to the committee, particularly, if I may pick one individual, the Under Treasurer, Mr Mick Lilley.

Mr Speaker, there were almost 200 separate items in the draft capital works program, and the fact that the committee only made specific recommendations in relation to a small number of these projects points to two factors: Firstly, that the standard and quality of information provided to the committee was generally relevant, understandable and backed by sound logical argument; and, secondly, that the committee itself was willing to look cooperatively at the overall budget scenario for the planned development of the ACT and not get bogged down in nit-picking argument over the detail of each proposal. There were, however, a few proposals where the committee felt constrained to make particular recommendations to the Government to assist it in the lead-up to this year's budget.

One of the specific issues addressed by the committee was the development of a master plan for Belconnen Town Centre. All members are aware of the amazing and heavily documented and much vilified hotchpotch of development at Belconnen, overseen by the Commonwealth Government. The committee is now very strong in its view that any further development must be strictly confined to the master plan currently being developed and that the necessary resources should be applied to enable the master plan to be completed quickly and efficiently.

The committee also spent considerable time discussing the proposed Belconnen aquatic centre and the status of the relevant public benefit and feasibility report. The public benefit and feasibility report is a consequence of the Federal Government's national competition policy which was signed off by the previous Follett Government in this Assembly. The prioritisation of a pool at Belconnen was included in the sports policies of both major parties prior to the last election, and it is pleasing to see that the Government's commitment to the facility remains.

Another major project is the non-budget-funded Mitchell resource recovery and transfer facility. The advancement of this proposal will be of great benefit to the 70,000 people in the developing area of Gungahlin and North Canberra who are currently forced to travel to Parkwood or to use the present limited CS&G facility at Mitchell.

Mr Speaker, most of the recommendations made by the committee relate to the mechanics and functional processes of preparing and presenting documentation which will make it even easier for the community to have transparent access to the Government's budgetary intentions. There has been remarkable improvement in this area over recent years. Whilst it is recognised that governments are elected to govern, it is the stated intention of this Government to allow for the fullest possible community consultation and input into decision-making processes.

Some areas where improvement or modification of procedures are recommended are: Instalment of measures to reduce backlogs in capital works projects; clear indications of future operating options for facilities constructed; further standardisation of listing projects across government agencies; rationalised provision of specialist advice to agencies, especially in relation to technical and cost aspects of major projects; and a uniform definition of minor new works.

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Mr Speaker, the committee was very much aware of the timeframe applying to the consideration of the draft capital works program. We believe that we have achieved a remarkably quick turnaround time, despite the Christmas holiday period and other committee pressures on me, particularly the superannuation inquiry. The amount of information to be absorbed was more than considerable, and time had to be made available for the community to consider the implications of the draft program. Community submissions had to be considered by the committee and public hearings had to be timetabled. Mr Speaker, the parliament generously agreed to allow a small amount of extra time for the committee to complete its task, and again I thank members for their indulgence. The committee very strongly recommends that a way be found to provide a greater timeframe, say six to seven clear weeks, for consideration of future draft capital works programs. This will not only assist the committee, it will also allow the community a greater opportunity to be involved in the process.

In closing, Mr Speaker, I would like to thank committee members for their work on the arduous task that was given to them. I thank Ministers and other members who have been involved in our deliberations. I also thank Ministers for making officials available, and I thank those officials who provided the information for my committee. I thank members of the public who presented submissions or made representations to the committee and who appeared before the committee. I particularly thank the secretary to the committee, Mr Rod Power, and other secretariat staff for the unparalleled support which they have provided to me and to the committee. I commend the report to the parliament.

**MR CORBELL** (11.16): Mr Speaker, this report is a comprehensive one from the Standing Committee on Urban Services and is a unanimous one. Unfortunately, Mr Speaker, I could not say the same thing as to my chairman's comments in presenting this report because he has used the opportunity in the Assembly this morning not to present entirely the views of the committee, although he made some reference to them, but instead to proclaim that all was well with the Government's draft capital works budget and to proclaim that the incredible efficiency of the Government had shone through once again. Clearly, Mr Speaker, this is not the case. If my chairman had taken the opportunity to highlight some of the more critical aspects of the report and some of the important aspects of the report which the committee has drawn the Assembly's attention to, perhaps we would have had a fairer and more accurate presentation of this report.

Mr Speaker, there are a number of recommendations in this report which need to have attention drawn to and which are of quite significant importance. My chairman failed to raise them, so I will take this opportunity to do so. The first of these relates to the Belconnen aquatic centre. I know that some of my colleagues will have something to say about this a little later in the day, as I am sure will my colleague on the committee, Mr Rugendyke. Mr Hird, as chairman of this committee, stood up and said it is not the Government's problem that the pool is not proceeding; it is the Follett Labor Government's fault because they signed the national competition policy. I do not see that reflected anywhere in the report, and for Mr Hird to stand up here today and say that that is the reason we have come out with this recommendation is quite erroneous.

What this report says, as the same report said last year, again unanimously, is that the commitment to a pool for the Belconnen community should proceed, as the Government committed at the last election. That is what the report says. It is the second time the report has said it and my chairman, unfortunately, cannot attempt to represent it as something else. It is quite clear and unambiguous.

Another recommendation that I want to draw the Assembly's attention to is in relation to the Ainslie Public School and the refurbishment of the old Ainslie Public School for a craft centre. The committee was very concerned to learn that the Government was proposing to spend somewhere between \$150,000 and \$250,000, depending on which figures you put together - I was a little unclear as to how you could do that, but it is a figure in that range - with absolutely no feasibility study or business case in place. None whatsoever. That is a fairly serious indictment of a breakdown in procedures in the Chief Minister's Department and in the areas responsible for that proposition. It proves the worth of the capital works process in the Urban Services Committee that we were able to identify that and say, quite clearly, that that project should not proceed. Not a cent of money should be spent on that conversion until the Government is able to produce a feasibility study and business case which justifies the proposal.

We have to think about this, Mr Speaker, in light of some of the other things that have been missed out in this capital works program. We have to think about the contrast between that and other proposals, and I point out to members the proposal for an upgrade of the technology area at Hawker College. We received evidence from the school board of Hawker College and the P&C Association saying that they understood that they had a commitment from the Government at the last election to upgrade the technology area. Indeed, they were told it was not just a promise; it was more than that. It was more than that because it was locked into the capital works program. A Liberal candidate, Mr Birtles, said that during the last election campaign. So, they were very disappointed to learn that in the second budget after the last election they still have not got the money for the upgrade of their technology area.

On the one hand we have a government that is prepared to spend a quarter of a million dollars upgrading a school building for which it has done no feasibility study or business case, and on the other hand you have a desperately needed and required upgrade of technology areas at a secondary college which goes wanting for the second year in a row. I think that is a very valuable example of how scrutiny of the capital works budget by this committee can address those sorts of discrepancies.

Mr Speaker, the committee was also concerned at some process issues to deal with the capital works program and how it was assessed. It became quite clear to the committee that the Government was rapidly losing the expertise available to it to make the detailed technical assessments of the technical and cost aspects of the proposed capital works. Because of the Government's policies with outsourcing, it is quite clear that we are rapidly running out of qualified officers within government departments, notably the Department of Urban Services, to make an appropriate assessment as to the cost and technical aspects of the proposed capital works projects.

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If we do not have that assessment ability in-house, the overall costings of the Government's capital works program are going to be run out of control very quickly. If you do not know whether the quality of advice you are getting is good, you do not know whether or not you are getting the best value for money, and that is what this program is meant to be all about. We have made a very significant recommendation, and that is that the Government needs to investigate the re-establishment within the Department of Urban Services of the former Works and Services Group, a group of people dedicated within the government department to assessing the costs and technical aspects of projects so that ACT ratepayers get value for money. That is a very significant recommendation.

Another recommendation I want to draw attention to is in relation to an area just out there, Civic Square. We were very surprised to learn that after the redevelopment of Civic Square had taken place - over the past 12 months we all observed the work that has gone on out there in Civic Square - all of a sudden the Government was proposing to spend more money on refurbishing the square. This project is expected to cost, in total, \$765,000, and there is a proposal for an expenditure of a further \$200,000 for Civic Square development, including the potential to bring colour and activity and life to the square. Improvements may include some grassed areas to soften the square, a stage, a floral display and street furniture.

The question that the committee had to ask was: "Why wasn't that done when you were digging it up six months ago? Why wasn't it all done at the same time? Surely that would be more cost effective". The answer we received was: "Well, this was a different government agency asking for the money". Before it was the Department of Urban Services; now it is the Cultural Facilities Corporation. Now, the corporation has responsibility for the square. Well, that makes sense, does it not?

I thought when Civic Square was being upgraded that the whole point was to bring more colour and life and people into the square. I thought that was what we were doing, Mr Speaker. But no, it seems we need to spend another \$200,000 to do it. Mr Speaker, the committee makes the very sensible recommendation: "That all planning for capital works should reflect careful assessment of how the particular work will be used in practice". You would think that just a little bit of general forward design and planning would solve these problems. Then, perhaps, we might have money for important projects like the technology upgrade at Hawker College.

Mr Speaker, I am sure my colleagues will want to raise a number of other issues, so I will conclude with one final point. That relates, Mr Speaker, to planning for the Belconnen Town Centre. The Belconnen Town Centre is facing, at this stage, perhaps the most significant redevelopment since it was first constructed. We found, through the capital works program, that, instead of a coordinated planning approach being adopted to how we could make the Belconnen Town Centre a more livable and human place, in terms of the scale and design, there was again the repetition of ill-coordinated, sloppy planning that has occurred at Belconnen, really, since self-government and prior to self-government.

Here is this amazing opportunity. The Commonwealth is redeveloping two significant office blocks in the Belconnen Town Centre and the ACT Government is talking about relocating or changing the structure of the Belconnen bus interchange. Yet there is



expenditure proposed for works to change the Belconnen bus interchange which are not related to the overall master planning process for the Belconnen Town Centre, and there is no reference to incorporating, or even dealing with, the aspects of the redevelopment of the Commonwealth office blocks in Belconnen.

You would think commonsense would dictate that you incorporate all these elements together; that you consult with the Commonwealth and with ACTION, and the Planning Authority does an overall plan on how to master plan the Belconnen Town Centre to make it a more attractive, livable space for people. That was not done. So the committee, again, has recommended to the Government that the resources should be made available for a decent and effective master plan for the Belconnen Town Centre, and that the office blocks, the aquatic centre and the interchange all be incorporated into a master plan for Belconnen. That way, we might actually start to get a decent planning outcome for the residents of that area. Our town centres are important and it would appear that the Government is neglecting the opportunities currently available to do something about it.

Mr Speaker, the committee's inquiry into the capital works program was a very rushed process and the committee has made the comment that we believe that in future years the Government should endeavour to make more time available to properly assess the capital works program. In particular, Mr Speaker, the committee has no idea what capital works are occurring in relation to CIT, ACT Housing, ACTEW or Totalcare because those are not part of the overall budget. That is disappointing, Mr Speaker. The Assembly should have an understanding of the overall expenditure on capital works whether or not it is directly budget funded. Indeed, in past years the committee has had at least the information from those agencies I have just mentioned made available. That should occur in the future.

Mr Speaker, a lot of government officials and a lot of government agencies do a hell of a lot of hard work to get their documentation right for capital works programs. I am sure that all members will get a very clear indication, from reading the report, of which agencies have done the work to justify their projects and have done the work and research to get them right. They should be commended for their efforts. It is a complex process and it is one that they have done well.

It is disappointing that there are some agencies, and some areas within agencies, that fail to do that. Indeed, in one case they provided one sentence as justification for expenditure of a quarter of a million dollars. That is simply not acceptable, and this Assembly and this committee should not have to ask those public servants and those agencies to come back with greater detail. It should be provided in the first place in accordance with the guidelines that the Government itself sets down. Mr Speaker, I commend the report to the Assembly, and I urge the Government to take up the very important recommendations that the committee has made.

**MR RUGENDYKE (11.31):** Mr Speaker, I rise to commend to the Assembly the report of the Standing Committee on Urban Services on the 1999-2000 draft capital works program. I would like to express my thanks to my colleagues Mr Hird and Mr Corbell and also to the committee secretary, Mr Rod Power, in compiling this report.

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I believe that our committees should strive to work towards completing sensible and unanimous reports wherever possible. I see the role of the committee system as keeping the various departments honest, and analysing where improvements can be made for the benefit of those departments and for the benefit of the community. Mr Hird, as chair, did everything possible to ensure that this was achieved with this report. He respected the input of both Mr Corbell and I and could not have been more cooperative in incorporating our views in a balanced appraisal. The fact that this is a unanimous report underlines Mr Hird's commitment to ensuring that this was an objective report.

Mr Speaker, in the 27 recommendations there is criticism of the Government's formulation of the draft capital works. There were varying standards of justification for spending, and the committee has served its role by making it known to certain departments that they do have to lift their game in this area.

The committee secretary, Rod Power, did a sterling job in coordinating this report, particularly considering some of the hurdles which were put in his way. For example, I was disappointed by the lack of punctuality in respect of the submission from the Chief Minister's Department. This submission arrived the day before the first public hearing, and about two weeks after the other departments. This placed an unfair burden on the committee, and I would expect a marked improvement from this department in the future.

Mr Speaker, I will touch on a couple of topics raised in the report. Firstly, I would like to mention the Government's continued emphasis on the redevelopment of the city centre and increased public participation in the city heart. There is another \$3m set aside in the draft capital works program for construction activity in Civic alone, and I am concerned that other areas, such as Belconnen, are going to be left behind.

There is real concern in my electorate of Ginninderra that the continued weight of activity on Civic is being done to the neglect of facilities and services in Belconnen. In future I would like to see a concerted focus on bringing alive the Lake Ginninderra foreshores, for example. There is enormous potential in the Belconnen lake and it is nowhere near being realised. Greater focus would certainly be a lift for business and the community in Belconnen. The Belconnen community is also eager to know what is happening with the Belconnen aquatic centre. The Government has had the latest report for more than a month, and I urge that that report be released before the budget, as recommended by this committee.

Overall, Mr Speaker, I think members will agree that the report is fair and constructive, and I urge the Government to take on board the recommendations contained in it.

**MS TUCKER (11.34):** I also would like to make a few comments about the committee's report as it raises some bigger issues to do with the Government's budget and what appears to be its fairly ad hoc approach to determining which capital works projects get funded and which do not. This has already been raised as an issue of concern by Mr Corbell, particularly.

I agree with virtually all of the committee's recommendations, although some are of more interest to me than others, and I would like to go through some of the committee's findings that have attracted my attention. I note the committee's comment that there are inconsistent levels of justification for projects across departments and even within departments. At the worst end of the scale is money set aside for projects like the prison before there is agreement on how and where this project will proceed. There are also projects like the transfer of the Crafts Council to the old Ainslie school, where a political decision has been made to proceed, without any feasibility study of whether this expenditure is justified. On the other hand, there are projects that the Government has made election promises about, such as the Belconnen pool, but where the actual expenditure keeps getting put off. There also seem to be a number of projects that are each classified as minor works but when put together constitute a bigger project that requires a greater level of justification.

There are also projects like Civic Square where money is going to be expended to fix up the bad design of the previous capital works in this location. That has already been raised by other members. Mr Rugendyke and Mr Corbell have raised concerns about that. I do not know whether Mr Corbell realises that there was a consultation process which preceded the original revamping of the square at which it was said that we need soft spaces. So Mr Hird's claim today that the Government listens so carefully and seriously to the community is not borne out by this particular fiasco in Civic Square, because it was quite clear that people wanted it to be much more friendly and softer than it ended up. Maybe it is a sort of job creation scheme because what you do is do it badly; then you dig it up and you do it again. So we are creating jobs at least.

I am also concerned that, as part of the Government's pursuit of the purchase-provider model, expertise on the technical and cost aspects of proposed capital works has been moved out of the core departments. I agree with the committee that it is imperative that a way be found to bring this expertise back into the Public Service so that development of capital works proposals can be undertaken more rigorously and accurately. There is also a need to bring together consideration of the initial costs of new capital works and the need to budget for ongoing maintenance costs.

These examples point to the urgent need for a more objective and transparent process for determining priorities for capital works projects which is based on forward planning of what needs are arising across all sectors of the ACT and how they can be best met.

There is also the general issue that there are a number of instances where money has been allocated in one financial year but has not been expended until following years. This is creating quite a backlog of work, which raises questions about whether the Government has a real commitment to those projects. One example the committee noted was funding for Decade of Landcare projects, which has continually slipped back over a number of years. The delays in spending Decade of Landcare money and other money for land rehabilitation was raised in the previous Assembly by my former colleague Lucy Horodny, and I am glad that this issue is now getting wider attention.

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The cut in funding to the Boboyan pines plantation rehabilitation is also of great concern because, unlike built structures, this type of work is subject to direct environmental impacts. The early work of clearing this plantation could be wasted because of these funding delays as it has allowed weed infestation and soil erosion to occur in the area which may require even more money to address later on.

Turning to other specific projects highlighted in the committee's report, the saga over the ownership of ACT streetlights is of great concern. The Government needs to clarify whether it is still intending to sell the streetlights or not, and what the impacts are on current and future budgets. I have already mentioned the Ainslie Public School debacle, and I agree with the committee's view that the Government has followed a sloppy process and that a full business case and feasibility study need to be undertaken before any more funds are expended on the conversion of the building to a craft centre.

It was interesting to note that there are a number of projects mentioned in the report which impact on the provision of new roads to link Gungahlin to the rest of Canberra. These are the upgrading of the Barton Highway south of Gungahlin Drive, the provision of more Bruce Stadium car parking and its impact on the western alignment of the John Dedman Parkway, the Horse Park Drive/Majura Road/Federal Highway intersection, and the upgrading of the Majura Road. There is an obvious need to bring discussion of these projects together so that they can be assessed in the context of an overall transport strategy for North Canberra. This was obviously beyond the scope of this inquiry but it points to the need for the type of broader inquiry envisaged in my private members motion on the John Dedman Parkway which, hopefully, will be debated tomorrow.

The committee's raising of the problems faced by community groups who occupy government owned buildings which are not being adequately maintained is of great concern. I fully agree with the committee's recommendation that a long-term strategy needs to be developed to maintain these assets so that community service agencies can continue to provide a high standard of service delivery.

Turning to facilities being provided for sporting activities, such as the money going into hockey fields, a new mountain bike track and the previous year's expenditure on rugby league and rugby union facilities, it is unclear what process is being followed to determine which sports get priority for funding. There needs to be a more objective, strategic and transparent process in this area also.

I hope that the Government takes notice of the strong comments made in this report and fully responds to them in its finalisation of the 1999-2000 capital works budget.

**MS CARNELL** (Chief Minister and Treasurer) (11.41): Mr Speaker, obviously the Government will be responding in full to this report in the future at some stage but I thought it important to make a couple of comments today with regard to some comments that members of the committee have made. First, in regard to process, I am pleased that Mr Hird made the point that there has been an improvement in process. Certainly, that is the case over the last few years. In fact, previous capital works committees have made that point.

With regard to the backlog in capital works programs from year to year, that is something that we have significantly improved on over the term of this Government. It is still bigger than I would like it to be, Mr Speaker, but it is nothing like it was when we came to government when we were finding that anything up to two-thirds of the capital works budget was being rolled over. So the process has improved quite significantly and it will continue to improve.

With regard to timeframes for the committee, this is something that I simply will not accept, Mr Speaker. I offered this report to the committee at least two weeks before they got it and was given the answer: "Look, sorry, but members of the committee are on holidays". I think that that criticism is simply unfair, inasmuch as the Government was more than happy to make the capital works program available early. It is not the Government's fault that the committee was not ready to accept it.

Another issue that I find a little bemusing too is the lack of consistency through some of the report. I heard members make comments today about the Belconnen pool and the Ainslie Public School. I have heard comments such as: "Shock, horror, the Ainslie Public School; expenditure of \$250,000 is made without a business case or feasibility study", but the Government should immediately go ahead with a project potentially costing up to \$15m, the Belconnen pool, for which there is no feasibility study or a business case.

If on one side it is absolutely essential to stop the Ainslie Public School refurbishment because there is no feasibility study and business case, how on earth can the same committee suggest we immediately go ahead with a pool that has no business case and feasibility study and that could be worth as much as \$15m? Mr Speaker, I think this shows a lack of consistency that is quite mind-boggling. Again, it is \$250,000 versus potentially \$15m. Same situation; the committee comes down in very different ways. Mr Speaker, you would have to assume that the reason for that is obviously some very avid lobbying from some local members with regard to the pool, and I am willing to turn a blind eye to the lack of a business case or feasibility study, and maybe some politics coming into the Ainslie Public School debate.

Mr Speaker, I will make another comment about those two issues mainly because they have been brought up by members today and they are recommendations. They were both government commitments in the last election. Again, the committee says, "You made a commitment, Government; go ahead with the pool". The Government also made a commitment to Ainslie Public School, but on that side they are saying, "Look, Government, you made a commitment, but that doesn't matter this time; don't go ahead". Mr Speaker, some consistency in committee reports is absolutely essential, and you do not see it here. Maybe a little bit of politics is coming to the fore, not necessarily party politics. Maybe electoral politics, and maybe some party politics as well.

One of the things that disappointed me about this report is the committee not coming to grips with what makes a sustainable level of capital works expenditure. Apart from the Ainslie Public School, and that is \$250,000 out of a capital works program of up to \$90m, so it is a very small amount, nowhere in the report is it suggested that we spend less. In quite a lot of areas in the report it is said that we should spend more.

**Mr Smyth:** Where is it all coming from? Where does the money come from?

**MS CARNELL:** Well, where does the money come from? I hope Mr Quinlan would know, but I am not sure that anybody in this Assembly has quite come to grips with it yet, at least not those on the other side of the house, that the capital works budget must be funded out of an operating surplus. There is no other way to fund it, apart from borrowings.

**Mr Quinlan:** What about depreciation? There is over \$100m worth of depreciation in your budget.

**MS CARNELL:** Without an operating surplus, there is not the cash to spend on the capital works budget without borrowing.

**Mr Quinlan:** Cash can exceed operating surplus by virtue of non-cash items. Do not mislead the house.

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

**MS CARNELL:** What we must aim at in the future, Mr Speaker, is achieving an operating surplus equal to our capital works budget. It is at that stage that our budgetary situation in the ACT becomes sustainable in the longer term. That is something that I would have hoped that this committee at least would be starting to come to grips with and realising that you cannot just spend more money in capital works without having the cash to pay for it. I make the point, "in cash" because, as we know, capital works does not fall to the bottom line in the budget, but it does require cash to pay for it. I think this is an issue that everyone in this Assembly needs to come to grips with.

This city is not growing at the same sorts of levels as it has in the past. It has been through some reasonably tough times. Certainly, we are very pleased now that growth is back and bubbling along, and population growth is at least into the positive figures. The committee report which is on the table at the moment seems to believe that we can just spend any amount of money on capital works and somehow the money or the cash to pay for it will materialise. It will not materialise unless those opposite and those on the crossbenches believe we should borrow always for capital works.

Mr Speaker, we on this side of the Assembly believe very strongly that we do need to get to a sustainable level of capital works - in other words, the level of capital works that we can fund from within the budget. Again, I am absolutely amazed that any member of this Assembly would argue with that proposition. By the way, before Mr Quinlan makes a comment about borrowing on capital works, I have absolutely no problems about borrowing on capital works that actually produce an income stream. There are no problems there at all. But, as members would be aware, a very large percentage, in fact virtually all, of our capital works budget does not do that at all and on that basis must be funded from cash flow from elsewhere in the budget.

Mr Speaker, we will be responding in full to the capital works report. Again I make the point that it would have been nice to see some consistency in dealing with the Ainslie Public School and the Belconnen pool issue, two issues that it seems members were very interested in. I might leave my other comments either to my colleagues or to our final response.

**MR STANHOPE** (Leader of the Opposition) (11.49): I would be happy for Mr Hird to have leave to speak again to defend his report from that terrible attack on his integrity and his chairmanship of the committee. I just wish to reiterate some of the points and comments made by the speakers, in particular my colleague Mr Corbell. I think this is a good report. I think it is a good report, Mr Hird. I would not send you to the corner with a conical hat on your head as your leader sought to do to you. I think it is a good report. I think it does seek to provide a reasonable, balanced and objective explanation of the range of issues covered in the capital works program, and I am gracious and generous enough, Mr Hird, to commend you for your efforts in bringing down this unanimous report with other members of the Assembly.

Having said that, there are a number of issues in relation to capital works that the committee quite rightly has focused on and it is appropriate that we look at some of those. We do not need, in an examination of this report, to be distracted as the Chief Minister has sought to distract us by a long dissertation on the budget and the impact on the budget. This was an examination by the Urban Services Committee of the draft capital works program, and it was appropriate in the context of that examination and this committee's brief that it do precisely what it did, and that was look at the process that has been employed in relation to a range of issues. There is some very interesting discussion and commentary on a whole range of matters that are of deep and abiding interest to the people of Canberra.

The issues covered in this report are basically issues that affect the day-to-day lives of the people of Canberra, and some of these issues are tremendously important to almost all Canberrans. I propose to focus on a number of the recommendations on which there is significant community debate and on which there has been some debate in this place, and it is appropriate that we continue to focus on those.

Comment has already been made by both Mr Corbell and Mr Rugendyke about the sorry saga of the Belconnen aquatic centre, and we should not be distracted by the Chief Minister's attempts to deflect criticism of her for breaking a significant election promise on the basis that there is no business study available for the Belconnen aquatic centre or the Belconnen pool. The promise made by Mrs Carnell and the Liberals at the last election was not made conditional upon the outcomes of a so-called business study. It was a direct promise to the people of Canberra and specifically to the people of Belconnen that there would be an aquatic centre in Belconnen, and that construction should, by now, be under way. Everybody knows, to the shame of the Government and the Liberal Party, and to the great embarrassment of the Minister who twice turned the sod in the election campaign, that that promise has simply been unutterably broken. That is the fact of the matter. It has been unutterably broken, and that is to the shame of those opposite.

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I also note with great interest the comments in the report on the Belconnen bus interchange in the Belconnen Town Centre. I think there are some significant issues raised here in relation to both the bus interchange and the Belconnen Town Centre and planning generally that we, as an Assembly, need to have significant regard to. The Department of Urban Services has made some allocation for forward design work for the proposed relocation of the Belconnen interchange. As members know, from announcements made in the last couple of weeks, particularly by John Fahey in the Federal Parliament, about proposed redevelopments of the Cameron and Benjamin offices, those redevelopments potentially impact very dramatically on the structure, the amenity and the vitality of the Belconnen Town Centre.

Concern is expressed by the Urban Services Committee about the extent of cooperation between the ACT planning authorities and the Commonwealth in relation to the potential relocation of the bus interchange, the redevelopment of the Belconnen Town Centre, the potential removal of the Cameron Offices, the construction of a replacement office block for the Bureau of Statistics, and potentially the sale and, who knows, the potential removal of some of the Benjamin Offices and the consequent redevelopment that that may generate in Belconnen. There is a whole range of issues here going to the integrity of Canberra's planning systems, to the Y plan, to the need to maintain an appropriate employment base in the town centres, and the need for the town centres to be able to take their place as vital living town centres for the significant communities they serve.

I have a significant concern about the need for us to ensure that the planning in the town centres is comprehensive and that it takes into account the interests of the retailers and the residents of those areas. There are significant issues there that do concern me. The redevelopment of the Cameron Offices, it seems, is a process being principally controlled by the Commonwealth. In the proposals that are being put forward and assessed by the Commonwealth, are there proposals for additional residential development on those sites? Are there proposals for additional retail development on those sites? These issues do require significant attention by the Government and by the Assembly and by those relevant communities.

There was some concentration by the Assembly on questions of process, and that is very appropriate. The Chief Minister sought to deride the committee's attention to process, but questions of process are vitally important. The committee did note a matter that has been of some concern to other members and to people within the community, and that is that the process for determining the needs in the ACT for a prison really has been pre-empted to some extent by the Government's announcements and positioning on this matter in the face of an inquiry by Mr Osborne and his committee. I think it is to be regretted that the debate that this community really does need to have about the form and style and need for a prison in the ACT has to some extent been pre-empted and made more difficult and disjointed as a result of the conflicting approaches and messages that we are getting. The size, the form, and the philosophy and principles underlying criminal justice and a new prison are very significant issues. I think the Urban Services Committee highlights the fact that that debate is being made more difficult than it should be.



That is a criticism that can rightly be made about the process that has been employed in relation to the Belconnen aquatic centre, too. The Government has referred the issue of the Belconnen aquatic centre to another committee for advice on the extent to which competition principles may be affected by that proposal. That report has not yet been made available and, once again, in terms of the process adopted by the Government, there is a real inconsistency there that does affect this Assembly's capacity to make decisions in relation to that.

There are a couple of other issues that I will mention briefly. One is the very concerning recommendation in relation to the lack of attention to the cork plantation. I say this as somebody interested in that plantation, but also as a resident of Belconnen, and I do acknowledge a parochial interest. I do not believe sufficient attention has been paid to that by the community. Quickly, in conclusion, I note, with some dismay the fact that we have not been able to expend appropriately the budget in relation to exotic weeds in the ACT. Having regard to the extent to which weeds are infesting all areas of Canberra, that is something that really does surprise and disappoint me.

**MR BERRY** (12.00): When Mr Hird rose and spoke in relation to this report, I thought he may have been talking about a very different report; that maybe he had got reports mixed up before he wrote his speech. I think this report makes some quite adequate criticisms of the Government's performance, and, having read part of it, Mr Hird's bubbling enthusiasm for the functionality of the capital works budget has not, I think, covered up some of the warranted criticisms which have been made in the report.

The Chief Minister made a feeble attempt to defend the Government's position in relation to the blatantly dishonest pork-barrelling which was used before the last election by the Liberals. She rose to her feet and attempted to justify their position. For example, the Chief Minister talked about the inconsistencies of the committee's report in relation to the Belconnen aquatic centre and the Ainslie Primary School issue, but exposed her own inconsistency in relation to the matters. The fact of the matter is that these were election promises. The only difference in the case of the Ainslie commitment, if one was given by the Liberals before the election, is that it was only made once. The Belconnen pool one was made twice.

If I may disagree with my leader for a moment, he said construction of the pool should be under way now, but, if the Liberals' promise was worth anything in the first place, people should be swimming in it now. It should have been built after the first time the promise was made. This approach to making election promises has been proven to be dishonest. It has been highlighted by this report. It shows the lie of the Government's approach to elections in the ACT.

There is also mention of a feasibility study in relation to the aquatic centre which the Government has been keeping under wraps. I have, today, placed on notice a motion requiring the Government to table that report in order that the Assembly can get an indication of the information that the Government is sitting on. Enough has been said about the Belconnen aquatic centre, but this approach to capital works and election promises has permeated the Government's thinking right throughout its period of office.

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Let us take the unfinished Civic Square out here. We all remember the rush, the 24-hour days, that workers had to put in to try to complete that square in order that the Government could open the gallery opposite. We now know that water was put into the fountain while the render was wet. The render was washed out and the fountain had to be pulled apart again. We now are not surprised when every other time we look at the fountain we see that it has been emptied out and repairs are being carried out. It was a rush job to suit the Government's election agenda. That has come at significant cost to the ACT community because, continually, it has to be maintained. Now we hear that it was never finished and more work is required.

The last issue I want to speak on - I know other members have spoken on it - is the Hawker College refurbishment which was promised emphatically by the Liberals before the last election. This report has exposed another one of the blackest of lies that were told to the community before the election and the lack of intent that the Government had to follow through with it. Now, students at Hawker College have been forced to use substandard facilities in the false expectation that it would be improved as a result of the Government's election promise. This report merely exposes the Government again and again.

I think this report is a reasonable report. It is a report that is constructively critical of the Government's approach on many fronts. I trust that the Government will take note of the recommendations which are made in the report and much of the commentary, and that we do not see a repeat performance of the Chief Minister trying to justify the silly and dishonest position that the Government has taken over various issues in this term of office.

**MR HARGREAVES (12.05):** Mr Speaker, I rise to congratulate Mr Hird also on a very brave report and quite a good one, because it does show, I think, the good news that the Government has. It also shows up the flaws that some of the people in the bureaucracy have fallen into, notably the unprofessional and incomplete approach taken by the Chief Minister's Department. It is a good report. It is not the usual biased product, and I congratulate Mr Hird, Mr Rugendyke and Mr Corbell for it.

I notice in it provision in the city places thing for Belconnen and Civic. I also notice there is absolutely nothing there for Tuggeranong and I wish there was. I think it reflects sadly upon this Government to be so Civic centric.

Mr Speaker, there are a couple of good things I would like to say about this report. The Conder 4A extension of Templestowe Avenue is a great move. I congratulate the Government on that. I also congratulate the officers of the Minister's department on the way in which they have gone about talking to people and keeping their minds open to alternatives to achieving the same outcome. It is becoming increasingly obvious to us that there are sensitive wildlife and sensitive grasses and trees around that area. We have just bulldozed through these things all too often in the past.

An example of that sort of an attitude was the dumping of rubbish in the particular spot, which, I might say, I have been asking to have removed for about 18 months. The Minister's office has been interceding with the department and trying to get it done for at least three to four months. So far, Mr Speaker, both of us are being ignored for some

reason unknown to me. I commend a member of the Minister's staff, Chris Beinke, for his attention to it and his efforts. I just wish that the officers with the department would have the same devotion to an outcome as Chris has.

Mr Speaker, on that spot where all of this rubbish has been dumped there are two things which concern me greatly. The first is the presence of barbed wire hidden by long grass. There are children in the area sub five years old. Anybody playing chasings around that area could run straight into rusty barbed wire. That was the reason for requiring its removal in the first place, and they have not done it.

The second thing I would like to mention - I hope the Minister's officers upstairs are listening to this one - is that it has been discovered that there are sensitive grasses in the middle of the dumping. That only came to light at the end of last week - on Friday, in fact. So the eventual removal of this dangerous waste that is sitting at the end of Templestowe Avenue will need to be done in an environmentally sensitive way. I would urge those officers involved in supervising the eventual removal of that stuff to be sensitive about those grasses.

I would like to congratulate the Government, and particularly the Minister for Education, for the presence of the Lanyon Neighbourhood and Youth Centre. This is an excellent exercise. The Government has listened to what the community says and has made provision for that centre. The community is looking forward to working with the Government on it. The moment the program has been passed by this Assembly, the bureaucratic machinery will swing into place, and the community and the department will end up providing that most needed facility. I congratulate the Government for that.

Mr Speaker, this report also talks about what actions ought to take place to fix the traffic problems at St Edmund's and St Clare's at McMillan Street. I am afraid I agree with the committee in its disagreement with the Government that the solution can be found from within the recurrent budget. It is crystal clear that that street, McMillan Street, is too narrow for the number of buses and the number of children accessing those buses. Something more substantial needs to be provided than red kerbs and signage. If it requires the closure of that street, then I would agree that it can come out of the recurrent budget because that is dead easy; but if it requires the installation of layovers, either in McMillan Street, Captain Cook Crescent or wherever else, it will require a substantial injection of funds.

I had comments as recently as Sunday from quite a number of parents who go to St Clare's that they believe the Minister is just not listening to them. I have to say to you, Mr Speaker, that I think they are right. The dangerous issue at McMillan Street was raised by me, at least, during the election campaign, which, as all members would know, was 18 months or more ago. How long do we have to wait before the most serious drop-off spot for schoolchildren's buses in the country, according to Mr Thurston - - -

**Mr Smyth:** No, the biggest.

**MR HARGREAVES:** The biggest. I would suggest to you that, if it is the biggest - not the biggest retailer of electrical goods but the biggest drop-off zone for kids - then it is also the most dangerous.

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**Mr Smyth:** That does not follow.

**MR HARGREAVES:** I hear the Minister saying that it is not the most dangerous. Well, that is a revelation to me. A casual observer there at around 3.30 in the afternoon will find a most dangerous situation. I do not know how many times I have to go there and see it for myself, hoping each time that I go that something has changed. Not so. My contact with the staff at both of those two institutions confirms their concern, and I would urge this Government to think more seriously about this situation. It will not go away. Neither will I, and I intend to keep raising it until it gets done.

Mr Speaker, I agree with the recommendation from this committee that the Minister report to this Assembly at the end of April on what exactly he is going to do, and what is a permanent and proper solution to this problem. If, in fact, that report is forthcoming to the Assembly by the end of April and it does contain a permanent solution to it, I will be the first to stand in this place and congratulate the Minister on it. As they say in Aussie football parlance, Mr Speaker, "I'd like to see that", and I do not think I will.

I will now go on to some concerns that I have regarding the provision for the ACT prison in these capital works programs. There are a couple of points that I would like to make. Firstly, the report is critical of the lack of a business plan, yet the Chief Minister stood up here not too long ago and said, "We don't want to do Ainslie Public School; there is no business plan". Well, she cannot have it both ways. I draw your attention to paragraphs 3.23 to 3.26 regarding the business plan for the prison rather than repeat it here.

Mr Speaker, in the 1998-99 capital works proposals there was \$500,000 put in the program for forward design works. That is the work which connects the development of a program with the construction. That is the connector. That is the bridge between the ideas and the bricks and mortar. Mr Speaker, it is missing from this year's capital works program. There is nothing in it for forward design works. Mr Speaker, if it is true that that is what the Government has - and I will refer to this a little later - in terms of its boo-to-a-geese approach, then you will notice that the \$500,000 is possibly coming out of the \$12m in the first year. That shrinks the value of the prison.

Everybody that I spoke to in the first six months of my checking of this said that the prison has to cost us about \$35m. I understand the Minister, and I accept the Minister's view that this is an indication only and it may grow. It may not grow as well, Mr Speaker. Certainly, if this exclusion of \$500,000 for forward design work has not been provided and has to be provided out of the first \$12m, it is not going to grow; it is going to have to shrink, because that is what is happening. It is absolutely incredible, Mr Speaker (*Extension of time granted*) I thank members.

Mr Speaker, the department, whilst it was criticised for not really coming up with business plans and all that much information, nonetheless provided to the committee information on costings of the prison. The Standing Committee on Justice and Community Safety has been looking for that information for nearly a year, or maybe longer than that. We keep waiting for the Government's submission on it, and it is a case

of “Keep on coming”. Quite frankly, Mr Speaker, there is nothing wrong with the Government giving the committee part of the information, for example, the costings, and they have failed to do so.

So the question has been: “What have they got to hide?”. They were forced to come up with the costings in the capital works program for this year. They were dragged kicking and screaming to the altar, Mr Speaker. The problem that we face here is that they did not want to. A close examination of the capital works program reveals exactly why the Government did not want to do it. What they did here, Mr Speaker, was very clever. I nearly missed it myself. In fact, I congratulate the Government for its skulduggery. I refer those reading this glorious green report to paragraphs 3.14 and 3.15 on page 9. Mr Humphries’ staff, if they are watching, should read paragraphs 3.14 and 3.15 on page 9.

The report talks about the term “BOOT”, which means build, own, operate and transfer. I do not know who made that up, but I congratulate them because they are indeed giving the prison the boot. This term refers to the way in which we finance and operate a prison and who owns it in the long term. But, as paragraph 3.15 says, sometimes the transfer function is omitted, making it a “BOO” project. Somebody could have thought up something better than that, surely.

Since this inquiry into the prison started, Mr Speaker, people have argued the toss on whether it should be privately run or publicly run. They have argued the toss on what sorts of programs and what sorts of issues should be addressed. Shall we have a rural facility? Shall we have a maximum security prison? Shall we have a medium prison? Shall we have one at all? The one consistent thing we have in the prison submissions is that, like the responsibility for the justice system, it is a community issue and it should be a community owned prison.

Now, for the first time, we have revealed in paragraph 3.15 that it is the Government’s intention never to own the prison. In the committees, we have always been operating on the perspective that the Government will own it at one stage or another, either up front or over a period of 20 years. We have argued the toss on how we would finance such a thing, and we have kept our arguments into how it will be managed. Neither this standing committee, the public, nor this Assembly, has ever been given the Government’s preferred option, and I quote in relation to the prison that it is a BOO-type project. Well, Mr Speaker, I say boo to that. It is essential that such a facility be in public hands and be publicly owned.

It is disgusting, Mr Speaker, that you have to look through the capital works programs to find something as significant as this. This is the biggest project this community has faced for many a long time, since self-government. There has been an enormous amount of public concern. Our standing committee has received 33 submissions on this issue. The people are talking about it out there in the streets. And what happens? The Government has such a significant preferred option as this and it tries to sneak it through the capital works program. They should be ashamed of themselves.

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Mr Speaker, I will wind up by congratulating Mr Hird and the committee members again for what is a very good report. I think it is a warts and all report. I think it is an excellent one. It is a shame, however, that the Government has not done something real and positive within it.

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

**MR QUINLAN (12.21):** Mr Speaker, I did not intend initially to speak on this particular report or in this debate. However, I want to react very briefly to the observations of the Chief Minister, the lady who takes the credit for Rosemary Follett's initiative in introducing accrual accounting in the ACT. She wished to tell this Assembly that the only cash available for the development of capital works would arise from operating surpluses. Mr Speaker, that demonstrates a clear, absolute paucity of knowledge on the part of the Chief Minister in relation to accrual accounting. It is a fundamentally inadequate understanding not to appreciate the fact that within accounting there are non-cash expenses above the line, which decrease the operating surplus but still represent cash, such as depreciation.

The budget papers for this year show a depreciation in the general government sector of about \$123m. It is almost up to the surplus. If you look at the cash statements, we have had a reasonable sized capital budget, and we have had a very marginal cash deficit over the time. I really recommend that Mrs Carnell get hold of a bookkeeping grade 1 text and have a damn good look at it.

**MR OSBORNE (12.22):** Mr Speaker, I will be brief.

**Mr Smyth:** You have eight minutes, Paul.

**MR OSBORNE:** No, I will speak further when we come back to it because I have not had a really good look at the report. I want to address a number of issues. The first is the one that Mr Stanhope spoke about in relation to the prison. As he indicated, most members will realise that the Justice Committee is currently looking at the issue of the prison. Under pressure from the Government, we have been attempting to get back with some report in the next month or two. Given the timeframe, Mr Speaker, I too am concerned at paragraph 3.15 which says:

The committee was told that the government's preferred option in relation to the prison is for a BOO type project.

BOO means build, own and operate. What that basically means is that the transfer of the prison would eventuate. One of the trump cards used by the Government in relation to a privately built and run gaol was that at the end of a period the prison would be handed back to the Territory. So, rather than just paying dead money every year, we would be paying off an asset which would eventually come back into our ownership. I am concerned about that point. I am informed by Mr Rugendyke that Mr Keady and Mr Ryan were two of the government representatives who addressed the committee. I am disappointed that these two gentlemen, with whom we have had many discussions, seem to have changed tack somewhat from what they have - - -

**Mr Moore:** There has not been a government decision on it.

**MR OSBORNE:** Mr Moore says there has not been a government decision. The information has been quite clear from our perspective, Mr Speaker, that the Government's preferred option, and the reason they were not going to pay for it themselves, was that by employing a private company they would be able to pay the thing off - I think that was one of the terms used - and we would get it back. Obviously, a final decision has not been made, but I am concerned that different information is going to different committees.

Mr Speaker, I too, like the Chief Minister, am concerned at the hypocrisy of certain members on this committee in relation to the Ainslie Public School and the Belconnen pool. Quite clearly, some members of this committee have used this committee to push the views of their own constituency. It is not that I would ever do that, Mr Speaker, but I do think it is regrettable that Mr Hird and Mr Rugendyke have used the draft capital works report to push their barrow.

**Mr Smyth:** The Belconnen cartel.

**MR OSBORNE:** The Belconnen cartel, as Mr Smyth says. I, for one, would support a government that chose not to go ahead with the Belconnen pool. I think that part of Canberra is well serviced. They have a number of pools out there, Mr Speaker. They have the Jamison one, they have Kippax, and they have the AIS. I would support the Government putting a third pool down in Tuggeranong where it is desperately needed in the Conder Valley. I hope the Government will consider that. I think it is an absolute disgrace that Mr Rugendyke and Mr Hird have abused the responsibility that this committee has given them. Quite clearly, they have not gone into this inquiry with an open mind, as I do on all issues, Mr Speaker. I can understand the reluctance of Mr Stefaniak not wanting the pool to go ahead until the next election, given that he does have a history of sod-turning in relation to this pool.

Mr Speaker, as I said, apart from that fact, I think the committee has done a good job. I have not been completely through the report. The one major concern is clarification of the Government's preferred option in relation to the prison. It is something that is very real for the Justice Committee. It is an issue that is of the highest priority to us, as it is, I think, to most members of this committee, and it is regrettable that we had to find it hidden away in this report. Nevertheless, Mr Speaker, I commend the committee. It is a very hard process, and I look forward to hearing from Mr Hird today in response to what the Chief Minister had to say about the report.

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

**Sitting suspended from 12.29 to 2.30 pm**

## QUESTIONS WITHOUT NOTICE

### ACTEW - Proposed Merger

**MR STANHOPE:** Mr Speaker, my question is to the Chief Minister. In the developing debate over the proposed merger of ACTEW and Great Southern Energy the existence has been revealed of a favourable retail electricity price difference between the ACT and the region serviced by Great Southern, probably arising from economies that accrue to ACTEW because of the compact area that it covers compared to the huge rural area serviced by Great Southern. It has been suggested that a merger would see prices brought into line over time. Clearly, there is an implication that a merger, in itself, would force a price increase on ACT residents, quite apart from other influences of the predicted elimination of the perceived cross-subsidies, a double whammy for the households of Canberra. Mr Speaker, will the Chief Minister assure the Assembly that calculations of the value of a potential merger will take the impact on the domestic consumer of Canberra into account.

**MS CARNELL:** Yes.

**MR STANHOPE:** That was very helpful in the context of the debate, Mr Speaker.

**MR SPEAKER:** Order! Ask your supplementary question, please.

**MR STANHOPE:** I thank the Chief Minister for her answer, Mr Speaker. Whilst I welcome her response, will she concede that her support for the merger is driven by her desperation to get her hands on some cash to insulate her from having to manage the ACT economy for the first time? Is she prepared to expose Canberrans to additional utility costs just to salvage some form of a win after her previous failed attempt to flog ACTEW?

**MR SPEAKER:** You can answer if you wish, Chief Minister.

**MS CARNELL:** Mr Speaker, I am very happy to answer that. In terms of need to access cash, those opposite have already recommended that we take some \$300m out of ACTEW to move across to the Superannuation Provision Account. In fact, this Assembly has suggested to the Government that we do that. We know that \$300m is at the maximum, or the real upper limit, of what ACTEW could handle while maintaining its credit rating and its capacity. Even at that level, it will certainly affect dividends to the ACT. The reason I understood that the Assembly recommended that to government is that every member of this place believes that our unfunded superannuation liability should be addressed. Yes, without any doubt, this Government does need to access cash from ACTEW. In fact, this Assembly told us that that is exactly what we should do. I am surprised that Mr Stanhope has forgotten that.

The Government is interested in looking at whether a merger is a possibility or not, because this Government is not going to sit on its hands and allow ACTEW to become a smaller, less innovative organisation with a greater risk profile and returning less to the ACT taxpayers. Mr Quinlan admitted during the debate on the ACTEW sale that he believed that the retail arm of ACTEW would be worth, to use his term, “zip” in the



future. Members of this Assembly have all accepted that the retail arm of ACTEW is open to substantial risk. There are risks in other parts of the organisation, too. Mr Speaker, we believe really strongly that the appropriate approach is not, as those opposite obviously believe it is, to sit on our hands and allow that risk to engulf the organisation.

The board of ACTEW has continued to recommend to the shareholders of ACTEW that we need to move. Initially, they recommended that we should look at a sale option. This Assembly has decided not to do that. The board now has gone down a path of looking at different options because it, as well, understands that doing nothing is not an option. Unfortunately, the only people who seem to believe that doing nothing is an option are those opposite.

**Mr Stanhope:** That is not true.

**MS CARNELL:** That is really interesting. Mr Stanhope said, "That is not true". Please tell us what is true. We know that they do not want a sale. We now know that they do not want a merger or a strategic alliance. Those opposite just want to oppose. They will oppose anything, regardless of what is in the best interests of the people of the ACT, the owners of ACTEW. They are willing to allow ACTEW's value to decrease and the risk associated with electricity retailing, which those opposite have agreed exists, to engulf the organisation.

We are not willing to do that. Mr Speaker, we are working with New South Wales Labor. I know those opposite have trouble working with the Labor Government in New South Wales, but I do not have a problem doing that. Why is it that New South Wales Labor - - -

**Mr Stanhope:** Neither do they. I wonder why they do not.

**MS CARNELL:** Mr Stanhope, I know you are embarrassed but, just for a moment, have a listen. Why is New South Wales Labor interested in a merger with ACTEW?

**Mr Stanhope:** Good question.

**MS CARNELL:** Okay, it is a good question. What did Michael Egan say in answer to that question? He said that in a competitive market the risk associated with small distributors was too high.

**Mr Berry:** Why did he not amalgamate with one of his own?

**MS CARNELL:** He made the point that small entities such as Great Southern needed to become bigger to have better buying power in the market, to be able to spread their overheads over a bigger base and to be able to compete in an ever-changing market. That is what the Labor Treasurer in New South Wales said.

Mr Berry asked another question which I should not be responding to but I am going to. He asked, "Why are they merging with ACTEW?".

**Mr Berry:** No. Why are they not merging with one of their own?

**MS CARNELL:** Okay. Why are they not merging with one of their own? That just shows that Mr Berry has a problem with maps and geography. I understand that that is a bit of a problem. All of those who do have a good grasp of location and geography will know that ACTEW sits right in the middle of Great Southern territory. If you are to achieve logistical improvements, improvements in overheads and all of the things that go with being co-located, guess what you need to do? You need at least to look at a merger with the entity that is right next door.

Mr Speaker, we already provide water to Queanbeyan, which of course gets its electricity from Great Southern. There are many synergistic approaches, but at this stage we have not decided to go ahead with the merger, because the figures are not on the table. That is why the New South Wales Labor Treasurer and I set up a working party to look at the benefits of the merger to both Great Southern and the ACT. We have made very clear the basis upon which we will make the decisions - that is, to minimise risk, to maximise value, to maximise return, to protect the interests of the ACT owners of ACTEW and, most importantly, to give ACTEW a chance of competing in a difficult marketplace in the future. But it is interesting, Mr Speaker, that those opposite are just knockers. They cannot even work with their own colleagues in New South Wales, because they cannot work with anybody. All they want to do is say no to everything, and I think the crossbenchers should note that.

### **Chemical Use in Schools**

**MS TUCKER:** I notice that Mrs Carnell does not always agree with the Liberal Prime Minister, mind you. My question is to Mr Stefaniak as Minister for Education. It is about chemical use in schools. As you are no doubt aware, Minister, after a motion from the Greens some years ago the Commissioner for the Environment inquired into the use of chemicals for pest control in the ACT and the report made a number of recommendations. The situation in schools was mentioned as being particularly concerning. The guidelines which you attempt to use as justification for your irresponsible management of this important safety and health issue are clearly lacking and require expertise from principals which they should not be expected to have. Can you inform the Assembly what you have done, as Minister for Education, to progress the recommendations of this report of the Commissioner for the Environment? How are you ensuring that even the inadequate guidelines are being implemented?

**MR STEFANIAK:** I thank the member for the question. She is quite right in saying the guidelines are in fact inadequate. Mr Speaker, I make it quite clear that the department has a responsibility to maintain a satisfactory level of safety and hygiene and to control pest infestations in its schools and preschools. The department takes its duty of care to staff and children very seriously. It does have specifications for the provision of pest control services to minimise the risk to the children or staff of being exposed to pesticides. Pest control services are used on a needs basis to control infestations.

**Ms Tucker:** How are you monitoring?

**MR STEFANIAK:** I will come to that, Ms Tucker. Treatment is not routinely undertaken. I can think of a few examples of someone complaining about how we were doing things. I recall something recently about cockroaches. The guidelines for eradication of cockroaches set out what actually occurs in schools. I think that was an isolated incident.

Environment ACT authorise pest control contractors. They are required to use the least toxic and the least irritant chemicals for each application. That is a requirement of Environment ACT. The provision of pest control services for schools and for preschools is coordinated centrally. The advice we have from Environment ACT, Ms Tucker, is that the Department of Education and Community Services approach is consistent with interstate practices. The decision on whether to engage pest controllers and on what type of application to use is made on a case-by-case basis. We will always consider best alternatives. For example, a new non-toxic termite control system is being trialled at Waramanga preschool at present. We are always amenable to new ideas and improvements, especially if they are more environmentally friendly. ACT schools have a very good record as a result. The trial at Waramanga preschool is just one case in point.

Chemical use is minimised. Chemicals are used only as a last resort. Manual eradication is a method adopted by pest controllers and by teachers at schools. I have already mentioned something in relation to cockroaches.

**MS TUCKER:** I ask a supplementary question. Mr Stefaniak, if it is being so well managed, can you explain to the Assembly why toxic chemicals were sprayed into the sandpits at preschools and, further, why you do not even know which sandpits were sprayed and so have to replace the sand in all the sandpits in preschools? While I am on it, if you believe that that is centrally coordinated and managed by Environment, can you please table for this Assembly all the reports that you have about how schools are using chemicals? My supplementary question is about the preschool sandpits.

**MR STEFANIAK:** I am fairly well aware of what has occurred, although we are still trying to find out exactly which sandpits were sprayed.

**Ms Tucker:** Exactly!

**MR STEFANIAK:** Will you shut up and just listen, Ms Tucker. Quite frequently the problem goes right back to the source. In this case I understand from my friend here that a worker was a bit overzealous and did something that was not actually in the guidelines. I understand that my colleague's department has counselled the person responsible. I am certainly assured that as a result CityScape has reinforced with their staff that sandpits are not to be sprayed. That is the normal practice, Ms Tucker.

I go back to what I said earlier. As Minister of the Department of Education and Community Services, I have a duty to make sure that we take proper steps ourselves regardless of whether someone else has or has not done the right thing. In this case, quite clearly, someone was overzealous and incorrectly sprayed sandpits. We have to ensure that children are protected. If we have to err on the side of caution, that is something that I am going to do to ensure their safety. Accordingly, that is why we have replaced the sand in the sandpits we know were sprayed. The rest have been sealed off. Until such

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time as we are absolutely certain which sandpits have not been sprayed and can be reopened, we will take the necessary precautions. If that means replacing sand in sandpits throughout Canberra, we will do that.

It is unfortunate that, as a result of the action of one overzealous individual, this has to occur, but primarily we have a duty of care to our students and I will err on the side of caution in exercising that duty, because I think that is right in relation to the students concerned.

### **ACTEW - Proposed Merger**

**MR QUINLAN:** Mr Speaker, my question is to the Chief Minister. In the ABN AMRO report that recommended the selling off of ACTEW, these international economists stated quite clearly that the ACT could absorb a further \$200m to \$300m of debt.

**Ms Carnell:** You mean that ACTEW could.

**MR QUINLAN:** Yes, ACTEW could.

**Ms Carnell:** That is not what you said, but that is all right.

**MR QUINLAN:** I have been phased, Mr Speaker. They said that ACTEW could absorb a further \$200m to \$300m of debt. One can readily impute a maximum recommended debt-equity ratio of some 33 per cent. That is a maximum of \$1 debt for each \$3 of equity. Is that clear enough? You have had a bad morning on your books. Will the Chief Minister concede that setting up a merged enterprise with a debt-equity ratio higher than that figure would sit outside the zone of prudent financial management, at least in the view of the Government's and ACTEW's preferred consultants?

**MS CARNELL:** In answer to the first part of the question, yes, the Government or ABN AMRO did indicate that ACTEW could manage to repatriate capital of between \$250m and \$300m back to the ACT Government, and the ACT Government accepts that that is possible. It certainly will stretch ACTEW to do that. It will certainly mean that ACTEW will have to borrow the money. That will add to the borrowings of the ACT Government, as the borrowings of Territory owned corporations are added to the total borrowings of the Territory, but it is still quite possible.

I assume that Mr Quinlan is getting to looking at the details of a proposed merger between Great Southern and ACTEW. Mr Speaker, we have a working party set up to look at all these issues - whether a merger is an appropriate outcome for both Great Southern and the ACT and what sorts of benefits we would get out of that sort of merger. It would be absolutely stupid to pre-empt those discussions at this stage.

I am not 100 per cent sure what Mr Quinlan was talking about with regard to debt-equity ratios. I assume he was going to add, by way of a supplementary question, what Great Southern's debt-equity ratio is at this stage. There is no doubt that Great Southern's debt-equity ratio is higher than the ACT's, not because their debt is all

that much higher but because their equity is somewhat lower. Those are all of the issues the working party needs to look at to determine whether a merger is the right way forward.

If a decision is taken to go ahead, this Assembly will get an opportunity to debate the issue. But again, Mr Speaker, what those opposite are doing is a desperate attempt to undermine the approach prior to the details being put on the table. Why would those opposite try to do that? The reason is that they are knockers. They just want to knock off any option that may be in the best interests of ACTEW. It is very interesting that in the past Mr Quinlan has indicated that strategic partnerships that the ACT Government - - -

**Mr Quinlan:** Mr Speaker, I take a point of order about relevance. I asked about an acceptable debt-equity ratio and a parameter, a boundary, that the Government might set for its working party; that is all.

**MR SPEAKER:** Thank you. That is all right.

**MS CARNELL:** A merged entity, if it ever exists, will be significantly bigger than either Great Southern or ACTEW. In fact, initial indications are - and certainly it would be true - that the merged entity would be bigger than the sum of the parts, simply because its capacity to compete would be significantly higher, as would its capacity to buy better and to spread overheads. A 30 per cent debt-equity ratio is not a benchmark for utilities. Different debt-equity ratios would be appropriate for different sized utilities. It is simply ridiculous to assume that what is right for ACTEW or what is right for Great Southern is right for a significantly bigger entity that may eventuate as a result of a merger.

**MR QUINLAN:** It is a bit of a worry, is it not? I look forward to the shifting sands of debate.

**MR SPEAKER:** I look forward to the supplementary question, thanks, Mr Quinlan.

**MR QUINLAN:** My supplementary question, Mr Speaker, is: What does the Chief Minister believe is a reasonable difference in equity contribution for a merged enterprise where the ultimate control will be shared on a fifty-fifty basis?

**MR SPEAKER:** That is a hypothetical question, Chief Minister.

**Mr Berry:** No, it is not.

**MR SPEAKER:** I think it is.

**MS CARNELL:** Mr Speaker, it is a hypothetical question. What I can say quite definitely is that the ACT Government is looking at a fifty-fifty split so that the shareholders both from the ACT and from New South Wales have equal say.

**Mr Stanhope:** Subject to the outcomes of the working party.

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**MR SPEAKER:** Order! I might add, Chief Minister, that you do not have to answer questions that ask for an expression of opinion. If members do not like the idea that it is a hypothetical question, they might like to consider that.

**MS CARNELL:** We believe it should be fifty-fifty. Obviously, the level of gearing of any new entity would be decided jointly between New South Wales and the ACT. It would be based upon the capacity of the new operator to trade efficiently in the marketplace. I think what we are seeing here is Mr Stanhope and those opposite getting their knickers in a bit of a knot because Mr Egan would not see them. I can understand that you might get upset when your own colleagues in New South Wales say, "Jon who? Jon Stanhope - who is that?".

**Mr Corbell:** I take a point of order, Mr Speaker. Relevance, Mr Speaker.

**MR SPEAKER:** I think the answer has been concluded.

#### **ACTEW - Consultants**

**MR CORBELL:** Mr Speaker, my question is to the Chief Minister. Can the Chief Minister explain why ACTEW Corporation decided to engage ABN AMRO, at a price of \$250,000, as consultants responsible for assessing the expressions of interest process without conducting a public tender process?

**MS CARNELL:** The ACT Government did not engage ABN AMRO to do that work. ACTEW did. ACTEW decided on that.

**Mr Corbell:** I did not say the ACT Government did.

**MR SPEAKER:** Order, please! Let the Chief Minister answer the question.

**MS CARNELL:** Mr Speaker, if Mr Corbell has not seen a copy of the chairman of the board's press release on this exact issue, I am more than happy to find one for him. Boards of corporations have the capacity to engage consultants and to run their corporations. Interestingly, they do not ask for the advice of shareholders on issues like that, because they are about the day-to-day running of the corporation.

With regard to the appointment of ABN AMRO, Mr Service made the point in his press release, and I think in subsequent interviews, that the reason they decided to put on ABN AMRO is that ABN AMRO had done significant work for the ACTEW Corporation already and were still engaged in doing the work on the regulatory framework and so were well versed in the corporation and the depth of its business. They understood the business very well. I think Mr Service's view would be that to put on somebody else at this stage would incur a significant extra cost to ACTEW.

The role of the board is to minimise costs to the corporation and maximise outcomes. The board of ACTEW made that decision. That decision was disseminated from the chief executive of ACTEW, John Mackay, to staff in March. It seems that those opposite, again, are just behind the game. They simply do not know what is happening and are really upset that no-one will talk to them.

**MR CORBELL:** I ask a supplementary question. Chief Minister, as a shareholder of ACTEW as well as the responsible Minister, are you concerned that ACTEW, as a publicly owned corporation, has engaged ABN AMRO with public funds without any tender process, particularly when the ACT Government's own guidelines require open tender for any contract worth more than \$50,000? How can the Government be confident and how can you as a shareholder be confident that the quarter of a million dollars paid directly by ACTEW to ABN AMRO is the cheapest price when no tender process was conducted?

**MS CARNELL:** ACTEW are not required to enter into tender projects. They are not bound by the same rules on these sorts of things as the Government. We have boards to run corporations. We have Territory owned corporations legislation which sets up the roles and responsibilities of the boards. The board's role is to run the corporation. Mr Corbell said that it was public money. No. Dividends are public money. The money that is involved in the running of ACTEW is ACTEW's money until it becomes profit and comes back to the ACT. Under the Corporations Law, it is quite clear. The board has every right to make those decisions. Mr Service has made it clear that they made that decision based upon what the board believed was the best outcome for the organisation. They have every right - in fact, not a right; they have a responsibility - to do just that.

### **ACTEW - Proposed Merger**

**MR BERRY:** My question is to the Chief Minister. Minister, you will recall, I am sure, that in December 1997 the then newly announced chief executive of ACTEW, John Mackay, pledged himself to saving the corporation from a merger, which he said would be "a crying shame". In the same comments Mr Mackay indicated that he was aware of the challenges facing ACTEW by saying:

Our task becomes doubly challenging, I guess, in terms of countering the bids by competitors to move into our market.

Mr Mackay went on to say he had "absolutely no doubt" that ACTEW could survive in its own right. Since Mr Mackay seemed to think that an ACTEW merger was "a crying shame" and that he was clearly aware of the challenges facing the organisation, is Mr Mackay now advocating a merger simply to suit the Chief Minister's agenda to sell down by stealth?

**MS CARNELL:** It is not very stealthy, is it? Sell down by stealth, going out and doing - - -

**Mr Stanhope:** That is what it is. It is a sell down.

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**MR SPEAKER:** Order, please! The Chief Minister is about to try to answer Mr Berry's question.

**MS CARNELL:** As soon as those opposite are quiet, Mr Speaker.

**MR SPEAKER:** Yes, indeed.

**MS CARNELL:** Mr Speaker, Mr Mackay did that interview before he started with ACTEW.

**Mr Stanhope:** He had been appointed.

**MR SPEAKER:** Order! You will not get an answer if you keep interjecting.

**MS CARNELL:** He did that interview a month before he started with ACTEW. It was done in 1997. I know it has escaped those opposite, but I do not think it has escaped the crossbenchers, that the electricity market has changed a lot. It has something to do with a national grid and significant competition in the market.

**Mr Corbell:** And that was not around in 1997?

**MR SPEAKER:** Order, please! We have plenty of time for question time. We can go on all afternoon if necessary.

**MS CARNELL:** The market has changed significantly. Mr Mackay is now very well aware of the issues that surround ACTEW. Those opposite who believe that this is a direction from me or the Government should again have a look at the press release put out by ACTEW recently that spelt out chronologically what has happened since early last year when the board wrote to me and suggested to me that we should investigate the sale of ACTEW.

That particular chronology ran through the direction that the board has taken the whole way through this approach. The board is empowered, is required by legislation passed in this place, to take control over the running of ACTEW. There is no doubt that the board, certainly supported by the Government, is doing an extremely good job in ensuring that ACTEW maintains its asset base, maintains its return to the ACT Government and continues to look to ways they can minimise risk.

Members of this place - in fact, just about everybody apart from those opposite - have made it clear that they believe we should be looking at strategic partners or mergers. They have said it in the media or in this place. It is only those opposite who simply cannot come to grips with the fact that this is a government that will not sit on its hands, that will work with New South Wales Labor and that will come up with an approach for ACTEW that does minimise risk, that does not just do what those opposite want us to do and let ACTEW slowly die.



We know already that ACTEW have indicated that they are going to shed 10 per cent of staff over the next two years. They have indicated that they cannot stay in the electricity retailing industry unless something gives. Mr Speaker, we are not willing to just let that happen. We want to find different ways to allow for growth in the future.

**Mr Quinlan:** So we will sell the dams and the sewerage works.

**MS CARNELL:** It is fascinating that Mr Quinlan has said before that that is what we should be doing. All of a sudden, there was a big turnaround after Mr Egan cancelled meetings with Mr Stanhope, and now they are being as negative as they always are. They simply cannot accept a positive way forward. If they are going to continue with this approach, Mr Speaker, they have to put on the table what they would do.

**MR BERRY:** I ask a supplementary question. Is it open to the much-vaunted working party to come out with a decision that this has been a complete waste of time, or is it that everybody involved in this has been instructed to dance to your blinkered ideological tune?

**MR SPEAKER:** I do not think that deserves an answer, Chief Minister.

**MS CARNELL:** Is it my blinkered ideological tune or is it Michael Egan's blinkered ideological tune? This is a joint approach between me and Michael Egan and our particular departments. I do not think Michael Egan would worry at all if Wayne Berry said he had an ideological approach. In fact, I think Michael Egan would wear it with a badge of acceptance.

### School Enrolment Figures

**MR HIRD:** Mr Speaker, my question is to the Minister for Education, Mr Bill Stefaniak. Some weeks ago there were allegations that several primary school teachers had fudged their enrolment figures. I understand that as a result of that your department engaged an independent auditor to review its census process. Can you, as Minister, advise the parliament of the results of that review, sir?

**MR STEFANIAK:** Yes, I can. I thank the member for the question. At the time the story broke about a particular school understating enrolments, my department was the subject of various criticisms about its census process. The census is undertaken in mid-February to determine enrolment numbers for the purpose of staffing. I think Mr Berry went so far as to tell the *Canberra Times* that the principal had not committed a hanging offence as the census process had proved a problem over a number of years. He added that the principal was only "trying to get around the system to defend the quality of the education his school could provide".

The AEU president, Clive Haggart, joined the criticism, saying the case exposed "the impact of having an arbitrary cut-off date". While he said the union certainly did not condone anyone not following proper procedures, he tempered this by adding that the census procedure needed to be overhauled. We had a look at the census procedure. That was part and parcel of the process we set in train as a result of these problems. It was

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timely, too. I understand the last overhaul was in about 1991. Mr Berry and Mr Haggard should note that an independent - yes, independent - auditor of no less a reputation than Price Waterhouse Coopers has found that the department's census procedure was "sound and should result in materially correct enrolment data". How about that? Therefore, it seems that these people opposite were merely attempting to defend what may prove to be the indefensible by passing the blame on to the department. Although we have not yet received the results of the independent investigation into these particular actions, prima facie evidence certainly appears to show that what occurred was, at the very least, outside the bounds of what is normally acceptable.

There is more, Mr Speaker. When four more incidents of schools overstating their enrolments were uncovered, Mr Berry again was quoted, this time as saying that this was an indication that the system of relying totally on a census for the year's resources is not up to the job. Mr Berry, you are wrong again, because Price Waterhouse Coopers found that the census process was sound and should result in materially correct enrolment data.

**Ms Tucker:** Are you going to table the report for us?

**MR HIRD:** I ask a supplementary question. Thank you, Minister. That was a surprise, and well received, too. Can you, Minister, tell the parliament whether the February cut-off date was an initiative of this Government or whether it was in place under the previous Follett Labor Government?

**MR STEFANIAK:** Funny you should ask that, Mr Hird, because this census date has been in place for many years. And guess what? It was in place when Mr Bill Wood over there was the Education Minister. The year 1991 rings a bell, Mr Hird, because that is the last time it was reviewed. We had had a Labor government then for 3½ years or so. This cut-off date applied then and this census procedure was in place then. There were no criticisms then. If Mr Berry insists that the process is flawed - Price Waterhouse Coopers disagree - then the process was also flawed under the previous Labor Government. I certainly do not have any dramas in tabling the relevant parts of the Price Waterhouse and Coopers report.

### **ACT Housing Properties**

**MR WOOD:** Mr Speaker, my question is to Mr Smyth, Minister for housing. Minister, can you tell the Assembly how many ACT Housing properties are boarded up, closed down, forgotten about or otherwise uninhabitable, and what are you going to do about it?

**MR SMYTH:** Mr Speaker, I thank Mr Wood for his question and his interest in public housing. Over the past 12 months I have followed on from the work that Mr Stefaniak started in coming to grips with public housing in the ACT. We currently control some 12 per cent of housing in the ACT. That is a very large amount. The dilemma most ideally highlighted by the Productivity Commission was that the age of the stock and the type of the stock that we have no longer match the needs of tenants.

Mr Wood asked a question on notice that revealed there were 538 houses untenanted at the end of February. There are a number of reasons for that. Some are being processed after becoming vacant. They are normally returned to stock within two weeks. Others, however, are awaiting conversion, possibly sale, demolition or redevelopment upgrade or are on offer to Community Housing Canberra. We will continue to monitor the stock and use the stock as appropriately as we can.

**MR WOOD:** I ask a supplementary question, Mr Speaker. Would it have been a help in maintaining the stock if the first Carnell Government had not ripped millions of dollars out of its maintenance funds?

**MR SMYTH:** That is simply speculation on Mr Wood's part. The Productivity Commission says quite clearly that our problem is the age of the stock. The ACT Government inherited from the Federal Government stock older than any other public housing stock in the country. The average age around the country is some 20 years. We are the youngest city in the country but we have the oldest public housing stock, with an average age of some 25 years. Fifteen per cent of the stock is over 40 years old. We have a problem with the age and then we have a problem with the type of stock and a mismatch to the sort of accommodation tenants need and where they want it. This Government is addressing those needs.

### **Sportsgrounds**

**MR HARGREAVES:** Mr Speaker, my question is to the Minister for sport. At a meeting between the Minister and representatives of the Tuggeranong Australian Football Club at Gordon Oval this week, at which the Minister and I were present, officers of his department advised the group who were milling around while the Minister was slightly absent, for reasons we will keep amongst ourselves, that from about June this year at least three enclosed ovals will be withdrawn from general use to be made available to SOCOG for Olympic training purposes. Can the Minister confirm that the withdrawal will in fact take place? Can he advise the Assembly which ovals are involved and which sports are affected?

**MR STEFANIAK:** That is a good question, Mr Hargreaves. If that occurred, I was not there. I believe I was having a comfort stop at that time - probably the wrong time to do it. If that is the case, I understand that there may well be some requirement for SOCOG to use a number of the enclosed ovals for training. I would have to get back to you on exactly what ovals and exactly when they would be required. I think they have indicated a requirement to utilise some enclosed ovals outside of Bruce for training purposes. I will get you what details the bureau has and keep you up to date if there is nothing definite at this point.

**MR HARGREAVES:** I ask a supplementary question. Thank you, Minister, for that undertaking. You will probably have to do the same thing with the supplementary question. Can the Minister advise the Assembly how long the ovals will be withdrawn from local use, whether affected local sporting organisations were consulted and what alternatives are proposed for those organisations?

**MR STEFANIAK:** I thank the member for the supplementary question. I will get back to him on how long is proposed, if indeed it has been worked out yet. Whilst ensuring that the needs of SOCOG and the Olympics are met, we would naturally be keen to ensure that any withdrawals that occur are for as short a period as possible.

At times we need to redo ovals. We have had problems in recent years, for example, with scarabs and various other infestations. Some of the ovals are very old and periods of maintenance are needed. That means that an oval might be withdrawn from public use for a period and other arrangements made with the sporting groups that use it. Obviously, similar arrangements would be made with sporting groups who would be using ovals at the time SOCOG needs them. I will get back to you on the exact details. I am not too sure whether all the exact details have been worked out yet. We can keep you informed of those as events transpire.

### **Australian Institute of Sport - Swimming Pool**

**MR RUGENDYKE:** Mr Speaker, my question is to the Chief Minister. Chief Minister, during the last sitting period I asked the Minister for sports whether he could advise the Assembly when the Government would be releasing the feasibility study into the public costs and benefits of the proposed Belconnen pool, which we are still waiting to see. Since I asked that question, the Australian Institute of Sport have advertised for expressions of interest for the provision of health and fitness associated services from its site in Bruce. This obviously includes the AIS pool. Chief Minister, has the ACT Government or ACT government departments had any contact or discussion with the AIS about becoming involved with, or taking over, the AIS pool or any other AIS facilities; and, if so, what are the details?

**MS CARNELL:** Mr Speaker, I am not aware of any discussions with regard to taking over the AIS pool. It is my understanding that no decisions have been made by the Australian Institute of Sport with regard to the relocation of any sporting programs after the Olympics. I am advised by the Federal Minister for Sports that there is a full review going on of where all sports in and out of the Olympic program will be located after the Olympics. The Federal Minister gives me an assurance that the Australian Institute of Sport will continue in its current role as the prestige institution that it is. Mr Speaker, I am unaware of that particular ad. I will take on notice the question as to whether we have had any contact with the AIS with regard to that particular issue.

**MR RUGENDYKE:** I ask a supplementary question. Thank you, Chief Minister. Bearing in mind the precedent set by the ACT Government's involvement with Bruce Stadium, what is the Government's position on putting money into taking over and upgrading the AIS pool?

**MS CARNELL:** Mr Speaker, if the AIS were to relocate their swimming program and the pool were freed up for other uses, it would be an issue that the ACT Government would look at but, as I said, no decision has been taken to relocate their swimming program. In fact, I would be working very hard to ensure that that did not happen.

### **ACT Housing - Waiting Times**

**MR OSBORNE:** My question to the Minister for Urban Services is about government housing. I understand that Mr Wood asked a question about this too but I missed it. On 9 April the Chief Minister confirmed to the Prime Minister via the media an offer to immediately house up to 400 refugees from Kosovo. Ms Carnell stated at the time that any refugees would probably be either billeted in people's homes or housed in unused public housing. Your contribution, Minister, was to add that you have about 500 vacant public houses at your disposal which presumably could be used for this purpose. When questioned the following day, Minister, about why your department has so many public houses vacant, you went on the attack and said that the ACT had the shortest waiting times for public housing in the country, with about half of all applicants having to wait only six months. As of yesterday, the approximate waiting time for a two-bedroom house in the Tuggeranong region was five years and 11½ months and just over five years for a four-bedroom house. The average waiting time for all types of public housing in Tuggeranong was four years and three months. Minister, how do you equate these extremely long waiting times with your statement that half of all applicants have to wait only six months?

**MR SMYTH:** There is no difficulty in this at all. I thank Mr Osborne for his question, because it is a very important question. It highlights the dilemma that faces the ACT Government and the people of the ACT in supporting public housing. It highlights quite adequately the fact that if you want a three-bedroom house in the inner north we have a large number of such houses. In fact, some half of the stock are three-bedroom houses that were built at a time when we housed public servants. They were public servant housing. Changes in the family, changes in the demographics and changes in the population of the ACT, and the desire by people to live inside their own networks with their families and their friends mean that the stock we have where we have it no longer meets what the public would like.

The perfect case is Tuggeranong, where we have some of the longest waiting lists. Contrary to public opinion that all public housing tenants want to live in the CBD, in the centre of Canberra, or in North Canberra, some of our longest waiting lists are in Tuggeranong. We address the public housing waiting list by looking at the mismatches that we have between stock and applicants' needs and make sure that we meet needs where we can.

People on the waiting list apply for a certain suburb or a certain street. They want to be housed in an area that they are very specific about. We have to simply wait until accommodation becomes available and then they are housed. So you need to treat the figures on the list with some wariness, but at the same time Mr Osborne's question perfectly highlights the dilemma that we face in housing, in that the old stock does not meet the needs of the modern housing tenant.

**MR OSBORNE:** I ask a supplementary question. I look forward to the press release which says that it is not six months' waiting time, Minister, but I do not think I will see it. Minister, you said that there were 500 vacant public houses to house the refugees.

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I think you said a couple of days later that many of them were uninhabitable and due for urgent maintenance. If this is true, how could they possibly have been available for refugees in the first place?

**MR SMYTH:** I think your colleague Mr Rugendyke said that he would take some, that he would put some up, because he felt that there was a need for a community response. If you look at the Chief Minister's statement, I think you will find the Chief Minister said that we would look at all options, and that of course would include public housing where possible.

### **Water Franchise - Report on Overseas Study Trip**

**MR KAINE:** My question, through you, Mr Speaker, is to the Chief Minister. It has to do with a report which I sought for some time in connection with a visit by a senior officer to France to look into water franchising. I hope the Chief Minister sees the same humour in this question as I do. The Chief Minister has produced a report, which I thank her for. In connection with that, the Chief Minister castigated me recently for being mistaken as to when this visit took place. Perhaps I can be forgiven for that, when it is obvious that the officer himself is not too clear. That is the substance of part of my question. This report, which is entitled "Water Franchising Review: Fact Finding Visit to France in October 1998", was published only in March. Perhaps the fact that it took four months to write the report accounts for the discrepancies in that title. I ask the Chief Minister, first of all: How could this have been a fact-finding visit to France in October 1998, when, according to the itinerary in the report, the officer did not leave Australia until 14 November? I think I can be forgiven for being a bit mistaken as to when this visit took place. When I look at the itinerary, I note that virtually the first 24 hours of this visit was actually spent in Casablanca in Morocco, so the second part of my question is: Did the officer concerned, and does the Chief Minister, know that Morocco is not a province of France; it is in fact an independent monarchy in North Africa on the other side of the Mediterranean?

**MS CARNELL:** Yes, I do know, and it is certainly my knowledge that the officer was there in November, not October.

**MR KAINE:** I ask a supplementary question, Mr Speaker. It has to do with whether the Humphrey Bogart of the ACT Public Service might have done some other things as well. The report is obviously silent on the question, and I would ask the Chief Minister to see whether she can inform the Assembly as to what the cost of that visit was.

**MS CARNELL:** I will take that on notice, Mr Speaker. I am sure that Mr Kaine would withdraw any inferences that he may have made in that question that the officer was not performing his duty. I can guarantee that the officer was doing so.

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

### **Research into Recreational Facilities**

**MS CARNELL:** On 9 March 1999 Mr Dave Rugendyke asked a question relating to a visit to the ACT by a representative of a Los Angeles firm, Economic Research Associates. I have provided him with an answer that I seek leave to incorporate in *Hansard*.

Leave granted.

*The document read as follows:*

#### **Mr RUGENDYKE - Asked the Treasurer upon 9 March 1999**

Thank you, Mr Hird, for reminding me of that. Mr Speaker, my question is to the Chief Minister. Chief Minister, I understand that last week an employee of the Chief Minister's Department and representative of Economic Research Associates were undertaking research of recreational facilities in the ACT. Economic Research Associates is an American consultancy with its corporate headquarters in Los Angeles. Previous projects include Tokyo Francisco Giants baseball ball park. Chief Minister, could you please advise the Assembly what business Economic Research Associates was conducting in Canberra, and what did it have to do with your Department?

**Ms Carnell** - The answer to the Member's question is as follows:

A representative of Economic Research Associates was in Canberra reviewing and researching the ACT as a possible site for a world standard leisure product.

The ACT is being considered as a possible destination for such a product although such deliberations are at an early stage. A representative from the Office of Business Development and Tourism within the Chief Minister's Department escorted the representative from Economic Research Associates around the ACT to show what the ACT currently has to offer and also assisted in obtaining data for the research being conducted.

#### **Bruce Stadium**

**MS CARNELL:** On 11 March 1999, during question time, Mr Kaine asked a question relating to the organisation selling the corporate products at Bruce Stadium. He asked a further question on 25 March 1999 in relation to the contract with the marketing organisation. Mr Speaker, I have already provided an answer to the member, and I ask for leave to incorporate it in *Hansard*.

Leave granted.

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*The document read as follows:*

CHIEF MINISTER FOR THE AUSTRALIAN CAPITAL TERRITORY  
QUESTION ON NOTICE

**Mr Kaine** - Asked the Chief Minister on 11 March 1999 in relation to the organisation selling the corporate products at Bruce Stadium:

1. Is it not the fact that in addition to the commission which this organisation (Nationwide Venue Management) receives, that it has also received a very substantial up-front payment and can you tell us how much that up-front payment was?
2. Can the Chief Minister tell us how much commission has actually been paid to this organisation for its efforts in marketing the Stadium and can she confirm the commission for two sales to those great private sector enterprises of ACTEW and Totalcare?

**Mr Kaine** - also asked the Chief Minister on 25 March 1999:

3. In relation to the contract with this marketing organisation, is it not true that there is a second contract which runs way beyond July?

**Ms Carnell** - The answers to the Member's questions are as follows:

Questions 1 and 2:

- . A consortium headed up by Nationwide Venue Management, a member of the Spotless group, has been engaged to undertake the sales and marketing campaign for the Bruce Stadium including the sale of naming rights, corporate suites, memberships, signage and advertising, and other items such as video board rights.
- . The front-end marketing campaign is an inherent part of the Stadium operations and, as such, is part of the cost structure of the entity. Accordingly, revenues which are generated by the Stadium from the sales of tickets, suites, boxes etc cover the operating expenses which include marketing, advertising, horticultural maintenance, security, cleaning and the like.



The operating costs of running Bruce Stadium are quite separate from the redevelopment costs. The operating budget includes an amount of \$1,795,820 for the direct costs of the marketing and advertising program, made up of the following items:

. marketing materials	\$274,000
. advertising	\$270,820
. marketing campaign/design	\$300,000
. administration	\$398,000
. professional services	\$553,000

Many of the above items are one-off in nature and are associated with the initial re-positioning of the new Stadium. These costs have always been factored into the business plan for the Stadium and, as indicated above, are quite separate from the costs of the redevelopment.

\$774, 000 has been paid to date for direct marketing costs.

For the sales program, a commission is payable on completion of sales. The size of the commission is variable depending on the product sold. No sales commission has been paid to date. However, commission will be payable on sales achieved and invoices are expected to be received in the near future.

As far as I am aware, no suites have been sold to Totalcare or ACTEW. However, I understand that a non-government organisation (The Smith Family) has purchased a suite and rented it to ACTEW and Totalcare for the season. This is the second year that the organisation has been involved in such an arrangement. The organisation has advised that it is part of their normal fundraising activities.

Bruce Stadium is a long-term project. Asking what happened yesterday is meaningless in the long run because so much of the expense of repositioning the Stadium occurs in the early years, with the benefits flowing in the medium to longer term.

The Stadium operates as a separate commercial entity. Any exposure for the ACT will be a result of the Stadium not being used by the community. This will only occur if the need for marketing is ignored.

### Question 3

No. There is no second contract.

## **AUTHORITY TO BROADCAST PROCEEDINGS**

**MR SPEAKER:** For the information of members I present, pursuant to subsection 8(4) of the Legislative Assembly (Broadcasting of Proceedings) Act 1997, authorisations to broadcast given to a number of television networks and radio stations in relation to public hearings on, firstly, the inquiry into the Victims of Crime (Financial Assistance) (Amendment) Bill 1998 by the Standing Committee on Justice and Community Safety on 13 April 1999; and, secondly, the inquiry into education services for students with a disability by the Standing Committee on Education on 15 and 29 April 1999 and 13 May 1999.

## **STUDY TRIP Paper**

**MR SPEAKER:** I present a report of a trip undertaken by Mr Hird, MLA, to Sydney between 7 and 8 April 1999 and statement of details of expenditure in accordance with the provisions of Remuneration Tribunal Determination No. 30.

## **TRANS-TASMAN MUTUAL RECOGNITION ACT 1997 Papers and Ministerial Statement**

**MS CARNELL** (Chief Minister and Treasurer): Mr Speaker, for the information of members and pursuant to section 7 of the Trans-Tasman Mutual Recognition Act 1997, I present the endorsement of proposed regulations of the Commonwealth notified in *Gazette* No. S18 on 9 April 1999. I ask for leave to make a brief statement.

Leave granted.

**MS CARNELL:** Mr Speaker, as the designated person under subsection 5(4) of the ACT's Trans-Tasman Mutual Recognition Act 1997, I have endorsed proposed regulations of the Commonwealth to extend the temporary exemption of mandatory energy appliance labelling and special exemptions described in Schedule 3 of the Commonwealth's Trans-Tasman Mutual Recognition Act 1997.

The Commonwealth Act provides for the recognition within Australia of regulatory standards adopted in New Zealand regarding goods and occupations. It is legislation contemplated by the Trans-Tasman Recognition Agreement, a non-treaty agreement signed in 1996 between the Commonwealth, State and Territory governments of Australia and the Government of New Zealand.

The purpose of the regulation is twofold. First, it has been agreed to extend the temporary exemption for energy appliance labelling until 30 April 2000. This is in order to implement a decision by the Australia New Zealand Minerals and Energy Council to permanently exempt electrical appliances that do not comply with the mandatory energy efficiency labelling required under Australian law. Second, the regulation is to provide a further 12-month period to 30 April 2000 for special exemptions described in Schedule 3 of the Act. The purpose of the extension is to allow Australian and

New Zealand regulators to develop complementary arrangements across the Tasman in the areas of therapeutic goods, hazardous substances, industrial chemicals and dangerous goods, consumer product safety standards, radiocommunications standards and electromagnetic compatibility, road vehicles and gas appliances.

Under the Commonwealth Act the Governor-General can make regulations continuing temporary and special exemptions only with the endorsement of at least two-thirds of the participating jurisdictions to the arrangement. An endorsement is made by a jurisdiction publishing a notice, endorsing the terms of the regulation, in its official gazette. Currently, the participating jurisdictions to the arrangement are the Commonwealth, New Zealand, New South Wales, Victoria, Queensland, Tasmania, the Northern Territory and the ACT. All participating jurisdictions, including New Zealand, have agreed to the proposed regulations.

### **SUBORDINATE LEGISLATION**

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

*The schedule read as follows:*

Architects Act - Instrument of appointments to the Architects Boards of the ACT - No. 62 of 1999 (No. 15, dated 14 April 1999).

Auditor-General Act - Instrument of appointment of John Alexander Parkinson as Auditor-General - Instrument No. 51 of 1999 (No. 13, dated 31 March 1999).

Bookmakers Act -

Determination of events to be a sports betting event - Instrument No. 48 of 1999 (S15, dated 17 March 1999).

Determination of a place to be a sports betting venue - Instrument No. 49 of 1999 (S15, dated 17 March 1999).

Determination of directions for the operation of a sports betting venue - Instrument No. 50 of 1999 (S15, dated 17 March 1999).

Domestic Violence Act - Instrument of appointment of Domestic Violence Project Coordinator - No. 47 of 1999 (S15, dated 17 March 1999).

Drugs of Dependence Act - Instrument of appointment of Chairperson to the Drugs Advisory Committee - No. 61 of 1999 (No. 15, dated 14 April 1999).

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Electricity Act - Electricity Regulations (Amendment) - No. 4 of 1999 (No. 15, dated 14 April 1999).

Energy and Water Act - Canberra Sewerage and Water Supply Regulations (Amendment) - Subordinate Law No. 3 of 1999 (No. 15, dated 14 April 1999).

Health Act - Instrument of appointment of Clinical Privileges Committee - No. 56 of 1999 (No. 14, dated 7 April 1999).

Justices of the Peace Act - Instrument of appointment of Justices of the Peace - No. 55 of 1999 (No. 14, dated 7 April 1999).

Land (Planning and Environment Act) - Instrument of approval of the Tidbinbilla Nature Reserve Plan of Management - No. 59 of 1999 (No. 15, dated 14 April 1999).

Nature Conservation Act - Instrument of appointment as a member of the Flora and Fauna Committee - No. 45 of 1999 (No. 12, dated 24 March 1999).

Public Health Act - Instrument of appointment of Chief Health Officer - No. 54 of 1999 (No. 14, dated 7 April 1999).

Public Place Names Act - Determination of street nomenclature in the Division of Garran - Instrument No. 53 of 1999 (No. 14, dated 7 April 1999).

Residential Tenancies Act - Selection of persons to be members of the Residential Tenancies Tribunal - Instrument No. 63 of 1999 (No. 15, dated 14 April 1999).

University of Canberra Act -

Instrument of appointment as a member of the University of Canberra Council - No. 52 of 1999 (No. 13, dated 31 March 1999).

Instruments of appointment as a member of the University of Canberra Council - Nos 57 and 58 of 1999 (No. 14, dated 7 April 1999).

Victims of Crime Act - Instrument of appointment of Victims of Crime Coordinator - No. 46 of 1999 (S15, dated 17 March 1999).

## PAPERS

**MR HUMPHRIES** (Attorney-General, Minister for Justice and Community Safety and Minister Assisting the Treasurer): For the information of members, I present the following papers:

Electricity (Amendment) Act 1998 - Notice of commencement (14 April 1999) of remaining sections (No. 15, dated 14 April 1999).

### **Annual Reports**

Annual Reports (Government Agencies) Act, pursuant to section 14 - Canberra Institute of Technology - Report and financial statements, including the Auditor-General's report, for 1998.

Motor Traffic Act, pursuant to section 84 - The Nominal Defendant (Australian Capital Territory) - Report for 1998.

Pursuant to standing order 83A, I also present an out-of-order petition lodged by Mr Hird concerning the proposal to vary the lease purpose of the Lithuanian-Australian Club.

## QUESTIONS WITHOUT NOTICE

### **Water Franchise - Report on Overseas Study Trip**

**MS CARNELL:** Mr Speaker, I think it is appropriate for me to add some information with regard to an answer I gave at question time. I think Mr Kaine tried to create the impression that the officer was holidaying in Casablanca or was not in full work mode. I am advised that Casablanca is the only place in the world to have sold a combined electricity and water authority. This is actually covered in the report. The officer involved was meeting with the appropriate people. I think that is a very appropriate approach. In this place we should always be very careful about casting aspersions against public servants, even if those opposite like to have a bit of a laugh about it. I do not think it is appropriate in any way.

## **OUTCOME OF THE 1999 PREMIERS CONFERENCE AND AUSTRALIAN LOAN COUNCIL Ministerial Statement**

**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 1999 Premiers Conference and the Australian Loan Council.

Leave granted.

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**MS CARNELL:** Mr Speaker, the 1999 Premiers Conference was an historic occasion and not only because it produced an excellent result for the ACT, although it was very nice. It was almost certainly the last Premiers Conference of its type. It achieved rare agreement from all States and Territories, and the Commonwealth, on the most significant reform of Commonwealth-State financial relations in 50 years. And most importantly, unlike any other Premiers Conference, the ACT came away with a win. It is really the first time since self-government that that has been the case. Mr Speaker, we got a win on three counts: An increase in general revenue assistance in 1999-2000; a new financial deal from the Commonwealth that will provide us with access to a growth tax; and an increase in the compensation package from the Commonwealth for the transition to the new arrangements.

Mr Speaker, as foreshadowed in the Grants Commission's report on the general revenue grant relativity 1999, general revenue assistance to the ACT is forecast to increase by \$57.5m, or 18.7 per cent, in 1999-2000. This is the greatest increase in percentage terms to any State or Territory. It is also far and away the best outcome for the ACT since self-government.

**Mr Smyth:** Hear, hear! Well done.

**MS CARNELL:** It was. Didn't Mick do a good job. Accepting the five-year relativity recommendations of the Commonwealth Grants Commission, the Federal Government's general revenue assistance to the ACT will rise in 1999-2000 to \$365.1m. It is the first time in the 10 years of self-government, Mr Speaker, that a Chief Minister has successfully argued for such an increase in Commonwealth funding, after a decade of savage cuts.

Members would be only too well aware that since 1989 Commonwealth grants to the ACT have decreased by 49 per cent in real terms. That massive reduction in Commonwealth funding has been a major contributor to the ACT budget problems and, as I have already foreshadowed, the extra funding guaranteed to the ACT will be used to reduce the Territory's operating loss.

I place on record my appreciation for the enormous amount of high-quality work which our officials in OFM have put into this task over many years. Their dedication and professionalism are an example to us all of what can be achieved with thorough research, analysis and top rate presentation. The outcome, Mr Speaker, speaks for itself. Total Commonwealth payments to the ACT, including specific purpose payments, are forecast to increase by \$87.1m, or 15.2 per cent.

Mr Speaker, on the eve of a new millennium, it is only appropriate that Commonwealth-State financial relationships be radically revamped. And revamped they were, with all Premiers and Chief Ministers signing the historic intergovernmental agreement which will revolutionise Commonwealth-State financial arrangements. The States and Territories have long sought access to a revenue base comprising a real growth tax. The Commonwealth tax package underpinning the intergovernmental agreement will deliver just that.

The intergovernmental agreement provides for all GST revenue to be directed to the States and Territories, replacing financial assistance grants from 1 July 2000. In addition, the IGA requires the abolition of nine inefficient State-Territory taxes, the introduction of a first home owners scheme, and controls on the power of the Commonwealth to change the GST rate or base.

As could be expected, negotiations were not all plain sailing, and a number of difficult issues required resolution. Importantly, from a State-Territory perspective, leaders believe the Commonwealth's original package fell short of the mark in compensating jurisdictions for the impact of the GST on their operations. A list of seven outstanding issues were identified at the leaders forum which I chaired on the eve of the conference and subsequently presented to the Prime Minister. We were collectively successful in obtaining agreement to six of the seven items on the day.

Of particular importance was the Prime Minister's agreement to increase compensation to the States and Territories by close to \$1 billion, covering the loss of wholesale sales tax equivalent payments from government business enterprises, totalling \$338m over three years; the exclusion of savings to local governments from the removal of embedded WST, meaning an additional \$210m over three years to the States and Territories; the impact of the GST on public housing costs, estimated at \$269m over three years; and the bringing forward by one year of the capacity for States to keep the benefits of increased funding from GST revenue, which amounts to an estimated \$200m.

The impact for the ACT of these concessions is increased funding of approximately \$40m over the first three years of the GST, that is, 2000-01 to 2002-03. This additional \$40m is approximately 4 per cent of the \$1 billion additional compensation agreed by the Commonwealth at the Premiers Conference, representing an outstanding result for the Territory.

Mr Speaker, in conclusion, it must be said that the Premiers, Chief Ministers and the Prime Minister set aside political differences to reach this historic agreement which is undoubtedly in the national interest and will forge a stronger federation. Three of the six Premiers who signed the agreement head State Labor governments. I must say that they shared an appreciation for the big picture and a willingness to do what is best for the broad community which is regrettably absent in those opposite. The willingness of the Labor Premiers to put aside their ideological baggage is a clear reflection of the importance of these reforms. It was the most constructive and positive Premiers Conference I have attended, due in no small part to the recognition by the Commonwealth and all the States and Territories that this is an historic opportunity to reform our ramshackle tax system. From a personal perspective, it was wonderful seeing leaders in this country of different political persuasions working together to ensure that this country does have a future in the next century.

I present the following paper:

Outcome of the 1999 Premiers Conference and Australian Loan Council - ministerial statement, 20 April 1999.

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I move:

That the Assembly takes note of the paper.

Question resolved in the affirmative.

**OUTCOMES OF THE SPECIAL COUNCIL OF AUSTRALIAN GOVERNMENTS -  
NATIONAL APPROACH TO ILLICIT DRUG USE  
Ministerial Statement**

**MS CARNELL** (Chief Minister and Treasurer) (3.40): Mr Speaker, I have to say that I am absolutely amazed that after probably one of the most important statements I have ever made in this place there were no comments. Oh, well! Mr Speaker, I ask for leave of the Assembly to make a ministerial statement on the outcomes of the Special Council of Australian Governments on a national approach to illicit drug use.

Leave granted.

**MS CARNELL:** Our nation is at a very important stage in the development of a coordinated approach to services for drug-dependent people. As members will be aware, I attended a special Council of Australian Governments meeting on 9 April 1999 at which a national approach to illicit drug use was agreed. The Prime Minister tabled a proposal for a national approach to illicit drug use at that meeting. Its three key themes were, firstly, zero tolerance of illicit drugs in schools, by being tough on drugs and drug pushers and helping students to overcome their drug problem; secondly, police referral of drug offenders to compulsory education, assessment and/or treatment programs; and, thirdly, a series of measures aimed at being tough on drugs and drug pushers in prisons, while also diverting prisoners to treatment.

The Prime Minister's proposal also outlined a range of supply reduction strategies and stressed the need for complementary action by the Commonwealth and States and Territories. The ACT Government supports any additional focus on treatment and diversion programs for drug-dependent people. I certainly welcome any additional funding for the ACT and the other jurisdictions in this respect. It is important to stress, however, that the ACT Government does not, and will not, support a wholly zero tolerance or "tough on drugs" approach to managing Australia's drug problems.

While illicit drug use and its associated harms can never be condoned, it is essential to take a broader approach if the best outcomes are to be achieved. For example, Mr Speaker, a zero tolerance approach would never have allowed the introduction of needle exchange programs in Australia. Needle exchange has played a large part in preventing an HIV epidemic amongst injecting drug users in Australia. In countries such as the USA, where needle exchange is not the norm, the rate of HIV infection is far higher than here in Australia. Needle exchange will also do much to contain hepatitis C in this community.



The most important thing is to keep drug-dependent people alive and as healthy as possible so that they have the best possible chance to stop their drug use. This is the nature of harm minimisation. In schools, a range of approaches to illicit drug use is also important. Simply telling young people to “say no to drugs” will not always work. Support structures need to be in place for those young people who need help to overcome their drug problem.

We need to take a broad view of all of the issues that impact on young people and frame our response to their drug use accordingly. There is not one way to deal with drugs. There are many ways, and we have to be prepared to try things that have the best chance of success. Likewise, it is important to tread very carefully when talking about the concept of compulsory treatment. “Compulsory treatment” is a contradictory term, in my view. If treatment was made compulsory, then it implies all factors relevant to involuntary treatment for people with a mental health illnesses. These factors include provisions for detention, the costs of secure treatment facilities, and involuntary provision of medication. These factors have both human rights and resource implications.

The States and Territories approached with caution the Prime Minister’s proposals for zero tolerance in schools and compulsory treatment. At the end of the day, however, I believe that COAG developed a useful set of guidelines for progressing a national approach to illicit drug use. Heads of government agreed to work together to make a new investment in prevention, early intervention, education and the diversion of drug users to counselling and treatment.

States and Territories agreed to strengthen their attack on drug pushers and their responses to drug use within schools and noted the importance of education in preventing growth in illicit drug use and of existing school-based initiatives. The Commonwealth is to provide resources to increase the capacity of schools and school communities to respond to illicit drug use. Heads of governments also agreed to work together to put in place a new nationally consistent approach to drugs in the community.

Mr Speaker, this Government supports additional diversionary mechanisms for people confronting the criminal justice system because of drug-related crime. The funds directed to the ACT are limited. They will not achieve the substantial expansion of treatment programs which the Commonwealth appears to think are necessary. The ACT will examine priorities for treatment funding, highlighting the best opportunities for diverting people who are drug dependent.

COAG noted that drug use in prisons is common and a large proportion of prisoners are incarcerated for drug-related crime. States and Territories agreed to develop and fund programs to intercept the supply of drugs to prisons and to be tough on dealers within prisons, and to develop and trial diversionary treatment programs within the gaol system so that dependent users can break their addiction.

This Government supports the Commonwealth’s commitment to making alternative treatments more readily available. The Commonwealth will fast-track consideration of listing naltrexone under the pharmaceutical benefits scheme. I consider this a big step forward. But there is still further to go. Naltrexone is not a cure-all and there are other

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pharmacological treatments that are worthy of consideration and Commonwealth support. This Government has not reneged on its commitment to a heroin trial in the ACT or to the detailed consideration of a range of additional and innovative treatment options for people with drug dependency options.

Mr Speaker, one of the most important things to emerge from the COAG meeting is a commitment to a partnership approach. The Commonwealth, States and Territories have agreed to work together to better manage the issue of illicit drugs. This means carefully drawn, explicit and practical links between education, law enforcement and treatment efforts at all levels of government and in the wider community. The ACT will respond to this challenge. I will be working with my ministerial colleagues to develop practical ways to improve the situation for drug-dependent people in the ACT.

It is great to see for the first time a truly national approach. There is a broad range of views in this area. There is a broad range of views in this Assembly. I think we can all say, and certainly we all said at COAG, that everybody accepts that there is a huge problem in the community, as I hope everyone in this place accepts that there is huge problem. The only way we will make a significant difference is to put aside political differences, as happened at COAG, and look for cooperation, look for agreement and look for ways forward in an area where more and more young and not so young people in this country are ruining their lives and, for that matter, killing themselves.

I present the following paper:

Outcomes of the Special Council of Australian Governments - National Approach to Illicit Drug Use - ministerial statement, 20 April 1999.

I move:

That the Assembly takes note of the paper.

**MR WOOD** (3.48): Mr Speaker, I move:

That the debate be now adjourned.

In doing so, I ask the manager of government business to see whether this can be listed for a cognate debate with order of the day No. 8 on the notice paper.

Question resolved in the affirmative.

### **ACTEW - PROPOSED MERGER Discussion of Matter of Public Importance**

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

The selling down of ACTEW Corporation through merger.

**MR QUINLAN (3.49):** Never was the title “matter of public importance” more appropriate. I have introduced this subject today in the hope of receiving outside the cut and thrust and the repartee of question time some perspective on what is happening. Going back to the ACTEW debate - the sell ACTEW debate - although complex questions should have been debated, in the main the Government dined out on some simplistic messages. It is quite clearly their stock-in-trade - not necessarily through a particular skill, I have to say, because sometimes some dreadful press releases emerge.

Now and then I have been mystified as to why the print media does not flog the Government mercilessly. However, recently the *Canberra Times* has nailed its colours to the mast. The editorial last Saturday is the prime example. Worse, it has joined the propagandist-type process. It has reverted to the idiotic proposition or implied proposition in all of this debate since it first emerged that we would somehow cede control over our water and sewerage, for example, because there is competition in the electrical retail business. While criticising the *Canberra Times*, I will give credit to the Assembly reporters, the two that I have met, who did try to distil some facts out of it. Last Saturday’s Forum article, aside from a couple of swipes at the ALP, contained a considerable amount of quite logical, clearly stated fact. It is unfortunate that this type of fact and information does not emerge, does not float to the surface.

I am confident that, if an objective history is compiled one day, this Carnell Government will be recorded as successful propagandists rather than achievers. They have gotten away with, at least in my time, the glib rather than the rational so very often. Through the course of the sell ACTEW debate, it took weeks and weeks to point up the gargantuan flaw in the logic and to get it into the media in any way - that flaw being that the risk to the electrical retail business does not necessarily infect the other activities of ACTEW, electricity distribution and water and sewerage.

All in this place accept that there could be risk in the electrical retail business and that steps ought to be taken to address that and to minimise it. However, we must all also accept that the people of Canberra have shown their feeling clearly, and their feeling is: “Don’t flog off our assets”. So how far have we come? Not very far, I have to say; a bit of recidivism is going on. The people of Canberra are entitled to know that the Carnell Government no longer has as its primary objective a heap of cash, the ultimate sale of ACTEW. But so far the Government has not been very convincing.

We do need reassurance. ABN AMRO, the million dollar consultants, included merger followed by sale as sale option No. 6 in their report. We are concerned, I am concerned particularly, that the manic desire for cash out of this - not just cash for superannuation purposes, but the old balancing the budget cash that we have seen - will weaken our resolve in the negotiation of any merger. At this stage ACTEW Corporation is about three times the size of Great Southern in terms of equity. Are we contemplating handing over 50 per cent control even though we would bring much more to the merged enterprise or are we contemplating selling down through the new organisation borrowing to the hilt and passing those funds back to the ACT to compensate, which is starting to look like an asset sale again? If it looks like a duck and walks like a duck, it just might be a duck.

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Let us focus for a moment on water and sewerage. Great Southern Energy is not in the water and sewerage business. It used to be, but it got out of it. Yes, we are considering some minor extensions of our system to Queanbeyan and maybe as far as Yass, but it is hardly to be considered a common or shared interest. So why on earth would we consider giving up 50 per cent control over our basic resource, water, and our basic service, sewerage? Is there any reason other than the desire for cash?

I noticed in question time that the old “synergies” popped out. The Government might want to trot out the argument for economies of scale and toss around that word “synergies”. “Synergies” is like reform. It is so often used to camouflage other agendas, but not necessarily reform; it is just doing it our way. But let us hang with “synergies”. There is greater synergy between water and sewerage and general and land rating in the ACT. There is certainly more synergy between the water operation in the ACT and general rating than there is between electricity and water and sewerage. There is greater correlation in the database in Canberra for the water customer database and the land rates database. It is almost one to one. That is not so with water and electricity. With electricity the occupant, not the owner, is responsible for the consumption and is responsible for paying for it – the occupant is the customer.

If we are looking for economies of scale, I presume that ABN AMRO would be looking in that direction so that we can enjoy the economies of scale within the ACT without necessarily losing control over our assets. Why would we contemplate negotiating away 50 per cent of our control over water and sewerage for what? It is not necessarily economies of scale. I have grave reservations as to the service level and maintenance level decisions where half the decision-making power of a potential merged organisation belongs to parties with no interest that goes beyond money that could be derived from the operations.

I have the greatest respect for our Labor colleagues in New South Wales, so much so that I am bit concerned about their capacity and ability to screw a Liberal ACT government. Ms Carnell was very keen to drop Michael Egan’s name in question time. Is it the case that she has been charmed by Mr Egan into thinking that she is his mate? Has he stroked her ego a little as he has done the salesman’s job on her?

**Mr Humphries:** It might be vice versa.

**MR QUINLAN:** I doubt it, mate. Their responsibility is to the people of New South Wales, not to the ACT, and we have to accept that New South Wales politicians of any persuasion would be happy to do a deal that advantages their constituency at the expense of Canberra. I have a mental picture of Michael Egan grinning widely at the prospect of negotiating with an ACT Chief Minister who has a need for a pile of cash, as this one does.

I do not expect this time round to get a great deal of information from this Government. We will get snippets if there is a propaganda snoop value in them, otherwise there will be more misinformation than information. “What is new?”, I hear you ask. So I went to the annual reports. We discussed this matter in question time. The case is that the equity held in ACTEW of the last audited financial reports published is about \$1.2 billion and for Great Southern Energy it is something less than \$400m, a bit better than three times

in the ACT's favour. Asset valuations for Great Southern carried out at acquisition time are at the current replacement costs. They have been in place for only a few years, so their valuations would be as modern as the ACT's. ACTEW has a debt-equity ratio of about 9 per cent, which is a bit worse than the 4 per cent before the Carnell Government started taking capital out of it and spending it on recurrent expenditure. Great Southern is up around 24 per cent.

Without boring you with any more of the details, it seems to me that one or more than one of the following is a prerequisite to a successful workable merger: The ACT would invest more assets in the enterprise than would Great Southern, reportedly without a commensurate level of control. The New South Wales Government could need to buy part of the ACT assets to create a balance. I have my doubts. The new enterprise would need to borrow something like \$800m to \$900m to buy the ACT's excess share. New South Wales could agree to less than 50 per cent of control. I have my doubts. The merger could be ultimately limited to electricity supply. That is a possibility.

I wonder why we are not, in fact, looking closer at our capacity to increase our power in the market, but to do that as a priority. We have water and sewerage and we have to bundle them all up; it is all about economies of scale. Why are we not looking for these strategic alliances first? Why are we not looking for the best way to protect ACT assets, to maintain control over our own water supply and our own sewerage services, for God's sake, without immediately leaping into a situation that will, woops, inevitably lead us to "freeing up excess capital" - the euphemistic term for selling down a very large chunk of the asset that the people of Canberra almost unanimously conveyed to the Government they do not want to sell and that this Assembly decided we would not sell?

You will understand a certain scepticism on our part when we have the same consultants on the job and we have a working party made up of officers who work directly to senior politicians who have clearly demonstrated a willingness and desire to sell assets. I believe that it is incumbent upon this Government to start from this point to convince the people of Canberra that this exercise is being carried out objectively by declaring some of the boundaries and limitations that you would put on the establishment of a merged enterprise with a body outside the ACT that carries with it the loss of control over the very basic services that ACTEW now provides.

**MS CARNELL** (Chief Minister and Treasurer) (4.04): The MPI, it seems to me, addresses two issues; namely, why is the ACT Government pursuing partnership options for ACTEW Corporation, and is the Government's intention in looking at merger options something to do with privatisation by stealth? It is very obtuse but, for all of that, I will try to address them.

I must say at the outset that the Government has not developed a position on the details of any partnering arrangement for ACTEW; it is far too early for that. So today we should really discuss whether it is proper for the Government to be investigating the partnering options that might be available, rather than the pros and cons of any particular merger or other partnering options. Any detailed debate on merger or partnering options should quite rightly be left for when the Government seeks the Assembly's approval at a later time; in other words, Mr Deputy Speaker, when all of the information is on the table.

Why is the Government pursuing a merger? At the outset the Government's objective has been to maintain the value of ACTEW on behalf of the Territory. Previously the Government decided that the best way to do that was to undertake a combined sale and concession of ACTEW after the outcomes of rigorous investigations into the risks that ACTEW faced and the pros and cons of the numerous options that were available had been considered. The studies were carried out by experts in their fields. The first of these studies was by Fay Richwhite and stated:

As a sole shareholder in the ACTEW business, the ACT Government is faced with a substantial dilemma in relation to the growth options available to ACTEW. While the pursuit of these growth options is the key to the enhancement of ACTEW's long-term commercial value, the pursuit of these growth options carries the risk of investment failure to varying degrees.

So, there is a real issue of failure if we get involved in the sort of growth that Mr Quinlan just spoke about, Mr Deputy Speaker.

In September ABN AMRO delivered a scoping study into ACTEW which indicated that ACTEW would lose about \$500m in value if the utility remained under public control. On 2 February, during the debate on the ACTEW (Transfer Scheme) Bill, members of the Assembly asked the Government to consider other options. The following are members' comments during the debate. Ms Tucker said:

In relation to the electricity retail side of ACTEW, I am disappointed that the Government did not suggest any other options for lessening the risk ACTEW faces from the new competitive electricity market, apart from selling off the whole of ACTEW. Such options could include a strategic alliance or merger with another electricity utility.

That is what Ms Tucker said. These comments were made during the debate, suggesting that the Government look at these issues. Mr Rugendyke said:

In my view, private ownership is not the answer at this time. However, I am prepared to consider other options that could enhance ACTEW if they were to arise in the future.

In addition, members have made comments in the press. An article in the *Canberra Times* on 1 February 1999 said that Mr Rugendyke was "prepared to consider options such as a merger or other strategic alliance of ACTEW, given the 'challenges' posed by the competition in electricity". In the same article, Mr Osborne's spokesman is quoted as saying that "a merger with Great Southern could be a marriage made in heaven" and that "he would look at a merger as long as it looked nothing like a sale". He would support a merger as long as it looked nothing like a sale, Mr Deputy Speaker. Mr Quinlan said that Labor had "always urged the Government to look instead at strategic partnerships and that Labor did not support ACTEW becoming a junior partner

in a merger where it could be subsumed by another company, but would consider all alliances that allowed ACTEW to remain in public hands while reducing the risk it faced from competition". Mr Deputy Speaker, those were Mr Quinlan's own words.

Mr Kaine said on ABC radio on 13 April 1999 in relation to merger investigations that "this is the sort of stuff that the Government should be doing". On the same day on ABC radio, Ms Tucker said that the Greens would need to see the detail before they would be able to say how they would vote on such a proposal. That is a reasonable approach. I would expect all members to judge any proposal on its merits after the Government has investigated the full range of options.

The Government has accepted the Assembly's decision that a sale of ACTEW is not an option, but that does not mean that we should do nothing. I am sure the Assembly would agree with me on that. Consequently, the Government is investigating ways of addressing the challenges that ACTEW faces, including the lack of economies of scale and lack of capital to fund growth options without resorting to the sale of the business. The Government is therefore investigating the possibility of strategic partnerships, as that seems to be a course of action universally agreed by members of the Assembly, although you would not know from the actions of those opposite today, in an attempt to ensure that ACTEW has the critical mass to be able to compete effectively in the national electricity market. Expressions of interest were called on 10 April 1999 inviting proposals from other industry participants, the benefits of which will be considered by the ACTEW board and the Government.

Not only do most members of the Assembly believe that we should be pursuing partnering options, but also the ACTEW board and management believe that they should be pursued. It should also be remembered that the other party we will be talking to in relation to a possible merger with GSE is the New South Wales Labor Government, who also believe that this approach is worth investigating. It would appear that the Opposition is out of step with not only the wishes of the Assembly but also with their New South Wales colleagues.

The Government's objectives in calling for expressions of interest are: To improve the commercial viability of ACTEW and enhance economic efficiency; to achieve either a reduction in risk or at least no increase in risk for ACTEW; to maintain effective government control over the core services of ACTEW; to provide the opportunity for releasing significant excess capital from ACTEW; and to assist in the economic development of the ACT region.

While many possible arrangements exist for ACTEW to enter into, some are more apparent than others. A merger with GSE is one. However, a merger with Great Southern would pose some complex cross-jurisdictional accountability and regulatory issues. If a proposal to merge with GSE was to be considered in the same light and timeframe as proposals from the private sector arising from our call for expressions of interest, these issues would need to be flushed out. That is exactly what the preliminary discussions taking place between the ACT and New South Wales are doing, and the working party has been established to identify and investigate all relevant issues. Naturally, the ACTEW board and the Government would be derelict in their duties if they did not consider all relevant options that may be available for joint ventures,

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mergers, strategic alliances and contracting arrangements. That is why the two streams of work are occurring in parallel. As members would be aware, negotiations with New South Wales are not well advanced and responses to the expressions of interest are not due until 10 May 1999.

Any proposal must be judged by the Assembly on merit, rather than making hasty decisions based upon misinformation, deliberate or otherwise. Yet we have those on the other side already making sweeping, ill-informed comments well before any option can be considered in any detail. On 10 April in the *Canberra Times* we had Mr Stanhope saying that the investigation of partnering options was a "pre-emptive strike" by the Government to "unload ACTEW" and that he will "have to respond on the basis that this is really subterfuge for sale". It is a shame that Mr Stanhope is attempting to throw a spanner into the works before any partnering options have been investigated properly, even though partnering options were recommended by Mr Quinlan. As for a merger being a sale by stealth, that is totally wrong; but we will deal with that suggestion later, Mr Deputy Speaker.

On 9 April on ABC radio Mr Quinlan asserted, and he said it again today, that GSE would have to pay the ACT Government \$800m to \$900m to merge with ACTEW. He went on to say that, considering that the Government had questioned whether ACTEW could afford \$300m to \$400m being taken out if it was not sold, there was little chance of more than twice that amount being paid by GSE, and he said that again today. These comments are rather confused and serve only to confuse any informed debate. I have to say that I expect that to be Mr Quinlan's intention here.

The Government has never questioned ACTEW's ability to make a capital repayment of \$300m. We do, however, accept that this is about the upper limit that ACTEW could afford without losing its investment grade credit rating. What the Government did reject was the ill-informed recommendations of the Australia Institute, which claimed that \$580m could be withdrawn and, indeed, a dividend larger than the profit withdrawn indefinitely. Mr Quinlan's claim regarding the need for GSE to pay \$800m to \$900m is based upon a very simplistic examination of book values in the company's annual reports. That is a basic, yet unsurprising, mistake made by Mr Quinlan.

To illustrate the risks involved in using accrual numbers to derive valuations, one could look at Telstra's balance sheet and conclude that it has a value of about \$11 billion, based upon the net asset value in Telstra's balance sheet as at 30 June 1998, whereas Telstra's capitalised value - that is, the market value of the organisation according to its share price - is \$71 billion as at 30 June 1998. Actually, the capitalised value now has risen to about \$100 billion. So, if you use Mr Quinlan's approach, Telstra would be worth \$11 billion. Obviously it is not worth \$11 billion on the market, Mr Deputy Speaker.

I accept that GSE has a smaller asset base than ACTEW. However, it should be noted that GSE generates similar levels of profit. Considering that an asset's value is based upon its earnings potential, it is clear that a simple comparison of accounting book values, as undertaken by Mr Quinlan, will not be the basis of any merger. In the same item Mr Quinlan went on to say that if the ACT and New South Wales were to be equal partners, the equity held by the ACT would have to be reduced to the New South Wales level. Well done, Mr Quinlan; 10 out of 10 on that one! That is exactly why the



potential for a substantial capital repayment for a merged entity is possible. If GSE and ACTEW were merged it would form a much greater whole; in other words, the whole would be bigger than the sum of the two parts. On this basis and considering the ACT's substantial possible contribution to any proposed merger with GSE, the opportunity exists for a significant return of capital. Would that be \$800m to \$900m, as Mr Quinlan suggests? That would seem to be highly unlikely, Mr Deputy Speaker, but those are the sorts of issues that will be sorted out by the working party. It is important that any merger is not the actual book valuation but the relative valuation of the entity. This must be determined on a consistent basis, which is not the case when using book values.

Once this relative valuation is determined and we have the debt structure for the merged entity, we will know how much capital repayment should be returned to the Territory, Mr Deputy Speaker. If a merger with GSE were to proceed, the capital returned to the ACT from the merger would be a function of asset valuation methodology - which assets are to be included in the merger - and the level of debt for the new entity. Mr Deputy Speaker, it is always interesting to me that those opposite think that it is fine to take \$300m out of ACTEW in public ownership, but it is not okay to take the same amount out of a merged entity.

**MR CORBELL** (4.19): Mr Deputy Speaker, this is indeed an important matter of public importance. It is a matter of public importance which I feel will continue to galvanise and interest members of the Canberra community in the year ahead, and so it should as we are dealing with one of the most significant assets that the Territory holds. My colleague Mr Quinlan, in his comments earlier in the debate, referred to a fundamental lack of trust. I would have to say that that comment strikes at the heart of why Labor is raising this MPI today. The Canberra community has a fundamental lack of trust in this Government when it comes to the management of our assets. The Canberra community has a fundamental lack of trust in this Government's commitments that it will no longer be proceeding with the privatisation, part or whole, of ACTEW. That, indeed, is the reason why my colleague Mr Quinlan has said in his MPI that it is a case of the selling down of ACTEW Corporation through merger.

Why, Mr Deputy Speaker, does this fundamental lack of trust occur? I think, perhaps to look at a most recent example, we should look at the comments only 18 months ago of Mr John Mackay, the chief executive of ACTEW Corporation. On the announcement of his appointment, and less than a month before he actually took up his post, he pledged himself to saving the corporation from a merger, which he said would be a crying shame. Mr Deputy Speaker, he went on to say, when asked about the challenges faced by ACTEW in the competitive electricity market:

Our task becomes doubly challenging, I guess, in terms of countering the bids by competitors to move into our market.

He went on to say that he had absolutely no doubt that ACTEW could survive in its own right. Those are clear and unequivocal statements, Mr Deputy Speaker, and the Canberra community deserves to ask, and this Assembly deserves an answer, what has changed.

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The fact that it has changed, the fact that this Government is, in a pre-emptive way, pursuing a merger option, does underscore the fundamental lack of trust that this Assembly and this community have in this Government when it comes to the management of one of our most significant assets.

Mr Deputy Speaker, a number of members of this place previously, but not in this debate, have outlined the questions of process - how the Government is managing the merger process and the examination of options process. For the benefit of the debate, I would like to emphasise some of those today. The first is in relation to the setting up of the examination of a merger between Great Southern Energy and ACTEW Corporation. Mr Deputy Speaker, this occurred less than two days, according to my understanding, before the Government released in the newspapers a call for expressions of interest. It would seem, Mr Deputy Speaker, to be a strange way to do things. Surely you would have all the ideas coming to you through the expressions of interest process. Instead, this Government has chosen to do one thing and another parallel - parallel and potentially conflicting.

Mr Deputy Speaker, that is not an appropriate way to manage it. How would a firm that saw the expressions of interest advertisement react if, at the same time, it was aware that this Government had already entered into an arrangement with the New South Wales Government? Would you not think, "Well, it seems to me like it is all sewn up, really, and they are just going through the motions."? Whether or not that is actually the case, the Government must avoid that perception. The Government must avoid the perception that its process is in some way flawed. For that reason, Mr Deputy Speaker, it is right that members of this place, including Ms Tucker, Mr Kaine and the Labor Party, have raised those concerns.

Perhaps the more worrying prospect about the way the Government has managed the investigation of ACTEW's future has been through the tender process, or lack of it, between ACTEW Corporation and ABN AMRO. ACTEW Corporation engaged ABN AMRO to examine the replies to the expressions of interest process. That was done, the Chief Minister would have us believe, completely without her knowledge and completely without any responsibility accruing to her. Mr Deputy Speaker, I think the community of Canberra have a right to know why a Territory owned corporation, a company owned by residents of the ACT, decides to award a contract worth a quarter of a million dollars to one company without any tender process whatsoever. We have had the chairman of ACTEW coming out and saying, "It is the cheapest possible way". How do you know when you do not have a tender process? How do you know whether there is someone else who can do it at a better price when you do not even ask? The logic of the statement astounds me and it concerns me deeply that a quarter of a million dollars can be spent on a contract awarded to a particular firm without any open competitive process. If we are interested in getting value for money, you would think that a tender process would be the way to go; but not, it seems, when it comes to the Government's requirements and the Government's interests in ACTEW.

Mr Quinlan, in his comments earlier in the debate, raised the issue of loss of control over ACTEW in any potential merger arrangement. It is interesting that an article published in the *Financial Review* of 16 April 1999, reinforces this point. I quote from it:

The ACT Government, blocked from selling its water and electricity assets, is seeking expressions of interest that may ultimately award operations of the one billion dollar ACTEW asset entirely -

my emphasis -

to the private sector.

Mr Deputy Speaker, is that the issue we are trying to address? Is that the issue that this Assembly asked the Government to address when it rejected the proposed sale? No, it is not. The issue that this Assembly asked the Government to address was about fixing the risk, managing the risk, in the electricity retail aspects of ACTEW's operations. That is where this Assembly said that there was a problem. There is no problem with the water. We understand that. All of us here know that. There is no problem with the sewerage. All of us here understand that. Indeed, there is not even a problem with electricity distribution - the wires business. We all understand that. The one aspect that we do understand is subject to risk is the electricity retail business. Time and again members of this place, not only on this side of the house but also on the crossbench, have said that that is where you should be investigating options for strategic alliances between ACTEW and other electricity retailers. Those are the opportunities that should be addressed. Instead, this Government has come back to the debate that it lost three months ago and said, "We are going to look at all of ACTEW. We don't really want this thing. We have to try to off-load it in some way. We have to try to get some money for it". That is a fundamental failure. That underlines this Government's fundamental failure to address the issue that this Assembly has asked it to address, and that is retail electricity only. That is what needs to be addressed.

Mr Deputy Speaker, it is no wonder that the Chief Minister feels so passionately about this issue because, for the first time since she has been in government, she will have to manage a budget without asset sales and she is desperately looking for a way to get some cash to make her reputation look good and justify her claim that she is some whiz financial manager. She is in for a harder task than she thinks because this Assembly knows what the issues are and it knows that the moves the Government has taken so far in addressing ACTEW are fundamentally beyond that which the Assembly has raised time and again.

**MS TUCKER (4.29):** I will be brief because I know a number of people still want to speak. I share the concerns that have been expressed by Mr Corbell on the process of opening up this matter for discussion. Apparently a press release was put out explaining it, which I will look at, but I cannot understand how anyone could have confidence in a process where expressions of interest are being sought at the same time as detailed discussions are occurring with a particular party. I agree with Mr Corbell that there is a lack of trust in the Government's processes around ACTEW. The committee that looked at the superannuation liability certainly challenged the accuracy or the validity of the reports that Mrs Carnell has referred to in her speech today. Obviously, there are different views on how we can manage the issues of risk following the deregulation of the electricity market.

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I think it was a rather shabby thing for Mrs Carnell to do to quote statements in the speech that I made regarding the sale of ACTEW as if I was supporting a total merger of ACTEW, because I recall saying very strongly that the Greens have grave concerns about handing over control of water and sewerage. It is totally clear, if you look at it in the context of the whole speech, that I was never suggesting that the whole thing should be handed over in some way to the private sector or to another State government. If that was not clear then, let me make it clear now. I do have concerns about handing over control of water and sewerage, whether it be to another State government or to the private sector, because, as members have already said quite clearly, not only the Greens but also other members of this Assembly and the broader community that we are representing have concerns about that.

I also have concerns about the use of ABN AMRO. I found it a little ironic to hear Mrs Carnell say that the benefits of that were that they were experienced in the area and had already gained knowledge in the area. The fact that their performance has been challenged by the Assembly and by the Assembly committee on superannuation obviously is a factor in this regard. Another irony for me is that when we had chief executives in the ACT Public Service being swapped around in a most peculiar manner the justification from the Chief Minister was that it created a dynamic Public Service. Maybe we could have a dynamic system for employing consultants as well. You cannot have one argument one day and totally contradict it the next. This Government does claim to be supportive of the tendering out of contracts to ensure that the best deal is got for the ACT taxpayers, so there is a contradiction there as well.

As members have said, there has been a willingness in the Assembly to look at taking money out of ACTEW, whether it be \$300m or \$500m. Obviously, that decision has to be made in a considered way, but you have to look at the costs and benefits of getting that extra money, if that is what you need to do, before you decide to do it. Mrs Carnell did acknowledge that I have said publicly that I wanted to see the detail of this proposal before the Greens would make any decision about it. As I have already expressed some concerns about the process, I do not think that that is a very good start.

We are definitely concerned that the ACT would lose significant control over ACTEW if it went into a fifty-fifty partnership with Great Southern Energy. Maintaining our control over the merged corporation against the bigger New South Wales Government would be fraught with difficulty. For example, how would we stop the New South Wales Government from then selling off its share to the private sector? There would be tensions within the organisation that would have to be dealt with if either partner chose to take that path. While at present it is very clear that the ACT community and its representatives do not support that, there are obvious examples of what happens in such a situation when you look at what is happening in Telstra now.

We are absolutely opposed to any proposal that reduces the ACT Government's ownership and control of those parts of ACTEW which are monopoly operations - water supply, sewerage operations and electricity transmission. We would not want the management of the water aspects of ACTEW's business given over to Great Southern Energy, which is primarily an electricity utility and does not have expertise in the provision of water infrastructure. However, we are prepared to consider merger proposals of other types of partnership arrangements related to electricity retailing.

We are not opposed to ACTEW expanding its operations interstate, such as taking over Queanbeyan's sewerage infrastructure, provided there is minimal commercial risk and high environmental standards are maintained. There are other ways by which ACTEW can expand its business, increase its financial viability and minimise risk. Mechanisms include joint mergers, strategic alliances and joint contracting arrangements. These mechanisms would allow ACTEW Corporation to remain as a single entity and not be dissolved into a larger organisation. We believe that the Government should be pursuing all these options before considering a complete merger in the way that they have proposed at the moment.

We are interested in looking at other alternatives to deal with electricity retailing, particularly in the deregulated market. Mrs Carnell has made a commitment today, I believe, to provide details to members of the Assembly and not to push ahead with this matter in a hasty way, and I welcome that statement from the Chief Minister. I hope that, in fact, we will see a change of approach from the Government in regard to process so that we can have a more cooperative debate.

**MR RUGENDYKE (4.36):** Mr Deputy Speaker, I would just like to put on the record my support for the working party investigating the possibility of a merger between ACTEW and Great Southern Energy. At the time of the ACTEW debate earlier this year I made the following quote, and it is interesting to note that the Chief Minister plucked it out of my speech for use:

... private ownership is not the answer at this time. However, I am prepared to consider other options that could enhance ACTEW if they were to arise in the future.

This is one of the opportunities that I would like to see more detail on. I would obviously need to examine this detail before deciding whether this is the best option for ACTEW, but I would certainly like to see the case presented to the Assembly. The one non-negotiable factor would be retaining control by maintaining ACTEW in public ownership. If this Assembly were to consider allowing ACTEW to enter into a joint venture, it would have to be fifty-fifty with Great Southern Energy and with safeguards in place to ensure that the partnership could not subsequently privatise the operation without the Territory's approval.

**MR HUMPHRIES** (Attorney-General, Minister for Justice and Community Safety and Minister Assisting the Treasurer) (4.37): Mr Deputy Speaker, it is refreshing to see that at least one member of the Assembly is prepared to be open-minded about the process to be pursued here. I have to say that the Assembly, a couple of months ago, voted very clearly about what it did not want to see happen to ACTEW. It said, "We do not want to see a loss of ACTEW to the ACT public estate or preserve". The Government has accepted that result and has gone away to explore options to produce a result which is acceptable to the terms laid down by the Assembly. As a result, we have begun a process of talking with New South Wales about a merger with Great Southern Energy and of discussing other options with other possible partners through the process of inviting expressions of interest, yet we still have this litany of criticism from those opposite about the way in which it is going.

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**Mr Stanhope:** Questions. Suspicion. Lack of trust.

**MR HUMPHRIES:** No, Mr Stanhope, it is not questions; it is out-and-out criticism. In fact, it is an attack which is little short of ferocious when the process is barely under way. We had a press release from Mr Corbell, for example, just a few days ago when we announced the exploration of a merger through a working party with New South Wales, saying that this is privatisation by stealth and the decision is, to quote Mr Corbell today, "all sewn up".

I have to ask members to ask themselves the question: What exactly is the ACT Government - - -

**Mr Corbell:** You are misrepresenting me.

**MR HUMPHRIES:** Mr Deputy Speaker, I heard members with a fair degree of silence. I would ask for a little bit of - - -

**MR DEPUTY SPEAKER:** The debate has been conducted in relative silence and should continue in that way.

**MR HUMPHRIES:** Mr Deputy Speaker, the fact is that the process has to go somewhere from here. It has to be a process of exploring options. The Government has laid its cards on the table in the clearest, most transparent way it can and we still have people crying all sorts of things, ranging from "Privatisation by stealth", to "You've made up your mind already", to "You're selling the Territory down the river", to everything under the sun. Members clearly do not have any interest in this debate being conducted in a fair way. Their only interest, at least as far as those opposite are concerned, is in making sure that the Government simply has to wear the fact that the Opposition will criticise whatever it puts forward without any constructive element in its approach.

Mr Deputy Speaker, I think the words of the *Canberra Times* editorial of last Saturday sum up pretty well just what kind of position the ACT is in at the present time. I quote from that editorial:

In the circumstances, seeking a merger is about the best option available to the ACT Government, but the end result will be that the ACT Government will be part owner of a corporation distributing electricity in New South Wales.

The editorial goes on to argue that there are very significant drawbacks to that arrangement and suggests that this proves that, in fact, as a second-best option, the first and best option ought to have been the privatisation of ACTEW, as proposed last February. Then it goes on to point out:

We now have the pitiful sight of Labor's employment spokesman Wayne Berry writing to 74 ACT organisations which have signed with interstate electricity providers pleading with them to return to

ACTEW ... This is putting it the wrong way around on two counts. First, ACTEW should be freed of the constraints of public ownership so it can compete effectively and maintain ACT employment. Secondly, businesses operating in the ACT should ensure they get all their business inputs as cheaply as possible so they remain competitive in business and employing people in the ACT.

Of course, that makes a lot of sense. What is the point of paying more for electricity because you are loyal to ACTEW when someone across the border is paying less for the same sorts of inputs and therefore providing a better chance to continue employment and be competitive at the same time? It makes no sense whatsoever.

Mr Deputy Speaker, I ask members to be open-minded about this process. We have a difficult process ahead of us. If members opposite have decided already that they do not like this particular option, so be it. I hope others in this place are prepared to give the Government the leeway to come back to this place with an option. Members have said that they want public ownership. Fine. We will produce an option, I hope, through this exercise of a working party which contains public ownership as a central plank of its operation, and we will see how we can deal with ACTEW's problems. But if you are not prepared to acknowledge that ACTEW does have problems in this exercise that we simply have to address, as is suggested by the editorial in the *Canberra Times*, then frankly you are starting behind the eight ball in this debate.

I want to make some rounding up comments on a few things that were raised in the course of the debate. Mr Corbell was very critical of the lack of use of a tender process by ACTEW to elect ABN AMRO as its adviser in this matter. I repeat what was said in question time. ACTEW is a corporation with independence guaranteed by legislation passed by this place. They have the capacity to make those decisions as they see fit. It may well be that they would have been able to obtain a cheaper offer of advice by going to tender, but could they get anybody with the same level of expertise and knowledge of ACTEW's operations and of the electricity market generally by taking the cheaper option? A decision was made by ACTEW to go down that path and I believe that we should let them make that decision. In fact, we had bleating from those opposite only a few months ago in the course of this debate that we were not letting ACTEW get on with the job, that we were constraining ACTEW's decision-making processes in the way that we were interfering in its events. Now we are told that we should have intervened to impose a competitive process on them. What exactly do they want? Obviously, whatever we do not do is what they want.

The suggestion was made by Mr Berry in the course of question time today that John Mackay, prior to his appointment, was in favour of maintaining ACTEW without any merger option. I should point out that nowhere in the article referred to by Mr Berry does Mr Mackay discuss a merger - nowhere. In fact, Mr Mackay denies, I understand, that he at any stage discussed the question of a merger with Mr Downie in his interview. Indeed, to be fair to Mr Downie, the word "merger" appears only in the headline to the article, not anywhere else. So, once again, I think misrepresentation has occurred here about what was being said and it is very clear that Mr Mackay was not addressing his mind to a merger.

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Mr Deputy Speaker, I ask members to consider on their merits partnering options that are put before the Assembly. As I mentioned earlier, the Government has not developed a position on how, with whom, or exactly what kind of partnering arrangement would be best at this stage, but we are exploring the opportunities to do that. Indeed, we have to do that because that is our obligation. The Assembly has set constraints on our operation. It has set constraints on what we can do. We are attempting as a government to comply with those constraints, to bring forward to the Assembly an option which is acceptable to the Assembly but which retains the capacity for public ownership. If you want to get stuck into us because we are doing that, because we are complying with the Assembly's requirements of us, then go right ahead on the level of politics. I intend to make sure that we honour our obligations, both to this Assembly by way of the decision in February and to the broader community, to protect the asset we have in ACTEW. We will continue with the process we have begun already.

I call to mind some words of Robert Kennedy some years ago in respect of opposition. He said, "One in five people think everything is a bad idea all of the time". Indeed, that is very true. There will always be somebody who is willing to oppose a particular proposition put forward. It is unfortunate that the ACT Opposition appears to be a statistical anomaly in that not just one in five but six out of six of their members are prepared to oppose a particular idea all of the time if it comes from a Liberal Party government. Mr Deputy Speaker, I hope that other members of this place will not be so narrow-minded about those matters, that the Assembly as a whole will be prepared to accept that we need to think laterally about problems in this area and about solutions to those problems. That is what we intend to do.

**MR STANHOPE** (Leader of the Opposition) (4.47): I am sorry that I have such a short time to speak in the debate as there are a number of issues that I would have liked to traverse and I will not get through them all.

**Mr Humphries:** Do it again tomorrow.

**MR STANHOPE:** I am sure that this is a debate that we will have again and we will all have plenty of opportunities. We really do need to correct the misconception that is now being peddled unremittingly by the Government that the Labor Party is not prepared to look objectively and dispassionately at appropriate proposals for the future of ACTEW. We are. The problem is, and it has been highlighted by a number of speakers already, that the Government lacks so much credibility that we are simply not prepared to take at face value anything you do or say when it comes to ACTEW. That is the crux of the problem. We are, quite rightly, questioning everything you do because you are, again, just destroying appropriate and proper process. You have done it in the way that you have gone straight to a proposed ACTEW-Great Southern merger the day ahead of calls for expressions of interest. That is just appalling.

I do want to take the one minute remaining to me to address the issue raised by the Deputy Chief Minister about the *Canberra Times* editorial. I think that it was a disgraceful editorial by the *Canberra Times*, absolutely disgraceful.

**Mr Humphries:** Of course you would.



**MR STANHOPE:** I do. I have retrieved today other editorials by the *Canberra Times* on the ACTEW issue and the ACTEW debate during last year.

**Mr Osborne:** They are never consistent.

**MR STANHOPE:** They are not consistent. The *Canberra Times* is about as consistent as the Liberal Party in relation to this issue, namely, totally inconsistent. The last editorial by the *Canberra Times* is just appalling. It is puerile, stupid. Look at this from the pseudo-lefties out there, the wine and cheese night pinko lefties at the *Canberra Times*:

The private sector can do it better and pass on the fruits of competition to consumers.

That is now the view, of interest to me, coming from the *Canberra Times* a week after the Rural Press matter. At least we will get some honesty out there now, as a colleague of mine said recently. I regret that the time allotted for this debate has expired, Mr Deputy Speaker.

**MR DEPUTY SPEAKER:** Order! The time for discussion has now expired.

#### PERSONAL EXPLANATIONS

**MR CORBELL:** Mr Deputy Speaker, I wish to make an explanation under standing order 46.

**MR DEPUTY SPEAKER:** Proceed.

**MR CORBELL:** In the debate Mr Humphries said that I had suggested that the decision on ACTEW was all sewn up. Mr Deputy Speaker, recalling my comments accurately, without the interpretation that Mr Humphries put on them, what I said was along the lines that people in the expressions of interest process could think that it was all sewn up and that, regardless of whether that was the case, the process should not allow that perception to come about.

**MR KAINE:** Mr Deputy Speaker, I wish to make a short personal explanation under standing order 46.

**MR DEPUTY SPEAKER:** Proceed.

**MR KAINE:** Thank you, Mr Deputy Speaker. I will be brief. The Chief Minister, in addressing the matter of public importance, referred to a statement that I had made about the merger of ACTEW. Indeed, she was fairly accurate in her reporting of that, but that did not entail and did not imply unquestioning support for whatever the Government does. Whatever the Government concludes out of its consideration of a merger, I would reserve the right to make a judgment about that on its merits at the time, having regard to all the facts. The Government should not assume, because I have indicated some measure of support, that I will support them come what may.

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**MR STANHOPE** (Leader of the Opposition): I wish to make a very short personal explanation.

**MR DEPUTY SPEAKER:** Proceed.

**MR STANHOPE:** The Deputy Chief Minister, during his speech just now on the matter of public importance, went to some lengths to insist that a question asked today by my colleague contained misinformation. I just wish to give the Deputy Chief Minister the opportunity to correct the fact that he just misled - - -

**Mr Humphries:** Mr Deputy Speaker, I take a point of order. If Mr Berry was misrepresented by my comments, Mr Berry has to take the personal explanation; Mr Stanhope cannot take it on his behalf.

**MR DEPUTY SPEAKER:** Yes, I think that is the procedure.

**MR STANHOPE:** I am sure that it is.

#### **JUSTICE AND COMMUNITY SAFETY - STANDING COMMITTEE Scrutiny Report No. 4 of 1999 and Statement**

**MR OSBORNE:** I present Scrutiny Report No. 4 of 1999 of the Standing Committee on Justice and Community Safety, performing the duties of a scrutiny of Bills and subordinate legislation committee. I ask for leave to make a brief statement on the report.

Leave granted.

**MR OSBORNE:** Scrutiny Report No. 4 of 1999 contains the committee's comments on 11 Bills and one government response. I ask members to have a special look at the part of the report which deals with the Government's legislation in relation to the security arrangements for the Olympics. The legal adviser highlighted a number of concerns in relation to the legislation and I think all members would be well advised to have a particular look at that comment in this legislation. I commend the report to the Assembly.

#### **URBAN SERVICES - STANDING COMMITTEE Report on Draft Variation to the Territory Plan - Residential Land Use Policies**

**MR HIRD** (4.53): Mr Deputy Speaker, I present report No. 23 of the Standing Committee on Urban Services, entitled "Draft Variation to the Territory Plan No. 109: Residential Land Use Policies - Area Specific Policies No. B11 and No. B12 North Canberra and Appendix III.3 Urban Housing Code", together with a copy of extracts of the minutes of proceedings. This report was provided to the Speaker for circulation on Friday, 16 April 1999 pursuant to the resolution of appointment. I move:

That the report be noted.

Mr Deputy Speaker, I am pleased to present a further report by the Urban Services Committee. The report deals with what has been a contentious planning issue for a long time, that is, the nature of residential redevelopment in selected areas of Braddon, Turner, O'Connor, Lyneham and Dickson.

Leaving aside the interim draft variation which is the subject of the committee's report, redevelopment of these areas has been governed by three key planning documents: The B1 area specific policy in the Territory Plan, the multidwelling design and siting code at appendix III.2 of the Territory Plan and the guidelines for residential redevelopment in area B1 North Canberra.

Each of these three documents has come in for considerable criticism by local residents and developers alike. As a result, the Planning Authority reviewed the B1 policy in May 1997. The outcome was draft variation No. 82, which was released in May 1997 and which came before my committee's predecessor, the Standing Committee on Planning and Environment, in October of the same year. The P&E Committee closely examined the draft variation over three public hearings and concluded that it be rejected, revised and resubmitted. The P&E Committee's report was presented to the parliament in November 1997. It outlined the areas where further work on the draft variation should be done. I am pleased to say that the Government has done this work. But it is the P&E Committee's conclusion that is particularly relevant to the report by my committee today. It is constructive to read the conclusion:

The Committee considers the [B1] area should be treated like any other Canberra suburb - each of which has its own mix of housing types and each of which is likely to have specific areas that can cope with, and are ready for, some type of redevelopment pressures. The areas that are not ready for such development should not be forced to undergo this specific type of pressure.

The Committee hopes that its proposals set out in this report will facilitate the natural development of the inner north and point the way to a wider application across Canberra - the aim being to find the appropriate balance between preserving an existing amenity and facilitating redevelopment of one kind or another.

The P&E Committee felt that one vital element in striking this balance was to refine the concept and use of section master plans. That has been done in draft variation No. 109. After a close examination, which included four well-attended public hearings, the Urban Services Committee has reached the unanimous view that this draft variation achieves the best possible balance between preserving the existing residential amenity and facilitating appropriate redevelopment.

That was never going to be easy, as is shown by the history of this issue in this place. The B1 policy guidelines were introduced in 1993 and adopted in 1994. In response to community concern about the pace and nature of redevelopment, the then planning Minister in mid-1994 commissioned the residential redevelopment review by Robert Lansdown. It reported in November 1994. Mr Deputy Speaker, I think you were the Minister at the time. In response to the Lansdown report, draft variation to the

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Territory Plan No. 33 was prepared and released in November 1995. The variation retained the B1 area in its entirety but restricted three-storey development to just the Braddon area, pending the adoption of local area plans. In February 1996, draft variation No. 33 was withdrawn, reflecting the fact that it did not take into account the role of LAPACs, which started in November 1995. In lieu of draft variation No. 33, draft variation No. 58 was released. It formalised the role of LAPACs in relation to the applications for multiunit development. This variation was endorsed by the P&E Committee, our predecessor, in May 1997. Throughout 1996 and 1997, PALM did a lot of work on monitoring and refining development in the B1 area. This led to draft variation No. 82, which was released in August 1997 and which was rejected by the P&E Committee. That is the background to the present draft variation.

I think it shows three things: Redevelopment has been a hot potato for many years; the parliament and this committee's predecessors had been involved on several occasions; and this Government and PALM have done what the P&E Committee asked it to do in 1997, that is, to refine the concept and application of section master plans to provide the missing link between the broad land use definitions in the Territory Plan and their application in an appropriate manner to a particular section. Taking all this into account, the Urban Services Committee sees no reason to block the operation of draft variation No. 109. However, we are recommending that the Minister keep the committee informed about the operation of the variation and provide a full assessment to us in approximately six months' time.

Before I close, Mr Deputy Speaker, I want to make one further comment. My colleagues and I were disturbed to learn during the inquiry that some local residents have been subject to the less savoury activities of those associated with redevelopment. These activities, it is alleged, have extended to untruths about the alleged sale of properties adjoining long-term residents in an effort to get them to sell without full knowledge of the facts.

Debate interrupted.

## ADJOURNMENT

**MR DEPUTY SPEAKER:** Order! It being 5 o'clock, I propose the question:

That the Assembly do now adjourn.

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

Question resolved in the negative.

## URBAN SERVICES - STANDING COMMITTEE Report on Draft Variation to the Territory Plan - Residential Land Use Policies

Debate resumed.

**MR HIRD:** Such activities, in anybody's language, are abhorrent. The committee recommends that the Government take steps to remind the relevant professional bodies of the need to control and discipline their members in relation to such unsavoury activities.

I would like to thank those who assisted us - from the Minister through to his departmental officers and my colleagues Mr Corbell and Mr Rugendyke - in respect of the delivering of draft variation No. 109 to the parliament today. I commend the committee's report to the parliament.

**MR CORBELL (5.01):** Draft variation No. 109 is a very significant proposal in relation to the Territory Plan. It was probably one of the most difficult inquiries I have faced in the Urban Services Committee. It was difficult because the committee was confronted with two very distinct challenges, and in this report we have endeavoured to reach a compromise within those two challenges that we faced. This is certainly not a report which is going to make everyone happy, I have no doubt about that, but any planning issue in Canberra will not make everyone happy all the time.

The challenges that this committee faced were twofold, as I said earlier. These were to meet the requirements, the demands and the concerns of those residents within the areas covered by the B11 and B12 boundaries who wish to remain in their existing residences and who wish to protect the amenity of the suburbs which they have grown up in, which they have lived in, in many cases, for many years, and in which they want to remain and those of the residents who want to sell and those proponents of development who want to redevelop an area.

The work done by PALM officers has been, for the most part, quite exemplary, as is quite clear from the painstaking efforts that they took in answering each and every one of the committee's questions, even on the times when we did not understand something and we needed to ask about it two, three or four times. Their patience and their persistence in explaining what they were attempting to achieve certainly did credit to the individuals concerned, and they are named in this report.

The committee was prepared to accept that there was a need for this type of variation, perhaps in some cases more reluctantly than in others. Because the area covered by the B11 and B12 zone has been one which has been the subject of redevelopment pressures and of proposals for redevelopment zones for a significant period of time, it was appropriate to ensure that redevelopment occurred in the area in a way which was sensitive to the existing amenity of the area, taking into account the interests of long-term residents as well as those of the development proponents.

The committee came to the view that the present uncertainty and confusion facing that area was helping no-one, neither the residents nor the developers, or the city as a whole, and that to resolve that question in the most sensible way it was appropriate to endorse variation No. 109, but with a number of important recommendations. I would just like to outline those briefly today. The first and perhaps most significant one, Mr Deputy Speaker, relates to the sections of the urban housing code which we were asked to consider along with the variation itself. In the urban housing code there are provisions for the overshadowing of existing dwellings.

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The urban housing code provided for a protection against overshadowing which only included the existing dwelling on a particular block. The committee came to the view that this was not the most sensible course of action and that, instead, it was appropriate to protect the living space of a resident on an existing block, and the way to do that was to use the word “block” instead of “dwelling”. I am hopeful that the Government will respond to that recommendation positively. From the Minister’s smile, perhaps that will be the case. That recommendation is an important one. I know that it is one which has been an issue of major concern for existing residents of the areas and I am hopeful that it will go some of the way to addressing their concerns about what sort of impact redevelopment will have on their lease.

Mr Deputy Speaker, another issue that came up in the course of the inquiry which was of significant concern to me and, I believe, to the committee as a whole was in relation to the consultation process and how the consultation process was managed in relation to section master plans. Section master plans are a positive step in achieving a greater level of detailed planning in particular areas of the B11 and B12 zone, and indeed other areas where they may be applied. It became very clear that section master plans would have to be implemented in a very open way and in a way which considered a very wide range of issues. In the report, an officer of PALM outlined the best way of that occurring. I believe that that is the process that the Government must be adopting when it implements the process for consultation on section master plans. That is why the committee has recommended that PALM should prepare a document, freely available to the public, that sets out the manner in which it will handle the consultation process in relation to section master plans, so that everyone understands from the beginning - PALM, residents and others involved in any consultation process - how it will operate, what the steps will be and what will be the issues that are canvassed. That needs to occur consistently. If it does not occur consistently, the legitimacy of the section master planning process will be brought into doubt. For that reason, I am hopeful that the Government will seriously adopt that recommendation.

The third one, flowing on from the previous recommendation, dealt with the resources available for the preparation and management of section master plans. There is no point in having this level of detailed planning in the inner north that is able to take into account the specifics of a particular area if you do not have the resources available to do that. The committee is very concerned that PALM at the moment does not have those resources. PALM simply does not have the people on the ground to do that work. It is work that needs to be done if the B11 and B12 zone is to be successful. That is why the committee has recommended that PALM must be provided with extra resources to ensure that additional work associated with the preparation and management of the section master plans is performed quickly, efficiently and to a high planning standard. That is an important recommendation. The Minister will be aware of my comments in relation to the lack of resourcing in PALM. I hope that, in relation to this area at least, he adopts the committee’s recommendation.

The next recommendation dealt with regular updates on the implementation of variation No. 109. That is a very important step that needs to take place. It is important that the committee continue to perform an oversight role and make sure that variation No. 109 is

implemented in an appropriate manner and in a sensitive manner. My colleague Mr Hird has already dealt with the issue of the real estate industry. I will leave those comments where he left them. I think the point has been made adequately.

Mr Deputy Speaker, I conclude on this point: Variation No. 109 will allow, I believe, the process of redevelopment to occur in the inner north in a way which respects the amenity of existing residents and the integrity of the areas affected. I have met people from both sides of the fence who have lived in the area. I have met people in their sixties and seventies who have lived in some of these areas for a very long period of time. They are vehemently opposed to any form of redevelopment. Conversely, I have met residents in their sixties and seventies - one couple in particular who have lived in Braddon for 40 years and were there when Braddon was "the end of Canberra" - who are adamant that the uncertainty must be resolved and that they need to know what is going to happen in their suburb. They would like to see provisions that allow for some level of redevelopment in their suburb.

Variation No. 109 can achieve the mix, but only if it is implemented sensitively, only if it is implemented with adequate resources and only if the consultation processes at work in the inner north work in a way which are open and transparent to all concerned. The challenge is now with the Government. I hope that the Government will implement the recommendations that the committee has put forward. I am hopeful that we will see a resolution of some of the level of uncertainty that the city as a whole faces in these areas.

**MR RUGENDYKE (5.11):** I rise briefly to commend this fine report to the house. It is what I would consider to be a benchmark report for future development and an example of how the committee process works appropriately. I would also like to commend the work of the officers of PALM who did an excellent job throughout the hearings of this committee inquiry - Mr Calnan, Mr Collett and Ms Graham. As Mr Corbell mentioned, those three officers of PALM were more than helpful, bending over backwards to assist us in understanding the intricacies of what was required in this variation to the plan.

Mr Speaker, the other important aspect is that this committee report ratifies the urban housing code - a code that will prevent outrageous development; for example, developments that would cause residents concern with overshadowing. The urban housing code is something that the entire development industry can look to and work within. I am sure that that will happen with the assistance of PALM. Mr Speaker, it is a good report. Variation No. 109 is a good variation to the Territory Plan. I commend it to the house.

**MS TUCKER (5.13):** I would like to make a few comments on this report. I must say that it is with some frustration that I speak about the committee's report into draft variation No. 109. The existing provisions in the Territory Plan to allow three-storey urban consolidation in the Northbourne Avenue corridor, better known as the B1 zone, has been controversial ever since it was introduced by the former Labor Government. This planning debacle has dragged on for far too long. I am afraid that the Government's latest attempt to resolve this issue through plan variation No. 109 will hardly reduce the controversy.

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Let me remind members that I moved a motion back in 1996 calling on the Government to scrap the B1 zone and to institute a proper local area planning process to determine the most appropriate locations for medium-density housing in the inner north. Unfortunately, both Labor and the Liberals opposed my motion and so must share the blame for the continuing controversy over the poorly designed medium-density housing developments being proposed in Braddon and Turner. The Assembly is now being placed in a difficult situation in that it has been presented with a plan variation which is an improvement on the existing B1 zone provisions but certainly does not go as far as it could in setting up a better planning regime for the inner north to balance the valid demands for redevelopment against the desires of existing residents to preserve the urban amenity that they currently have.

The Greens have previously said that they do not oppose urban consolidation in principle because there are environmental and social benefits from reducing suburban sprawl, but the debate has always been over the question of how it is done. We have consistently said that we oppose the approach taken in the Territory Plan which encourages the monolithic development of three-storey blocks of flats over the maximum amount of land in the B1 areas, instead of encouraging a diversity of housing styles that preserve the essential characteristics of the existing housing and landscaping.

Variation No. 109 has at least reduced the density of the B1 zone by splitting the zone into the B11 three-storey areas near Northbourne Avenue and the B12 two-storey areas elsewhere, but there is still the assumption that the zone will be totally redeveloped eventually into medium-density housing, instead of allowing for some of the existing housing to remain.

The plan variation has introduced the concept of section master plans to overcome the problem identified in the past that redevelopments were being planned in isolation of other redevelopments close by. Unfortunately, the section master planning process falls well short of what we originally envisaged with local area planning. For example, there is still a need to look at the planning of a suburb as a whole and how all these section plans will interact with each other. I am concerned about whether PALM has sufficient resources to undertake this section planning adequately, and I am concerned about the poor consultation processes that have occurred with the first section plan completed. I recognise that this report has acknowledged those concerns and I can see a number of recommendations addressing them, particularly around consultation. I do hope that the Government will pick them up. Also, the resourcing issue is quite serious.

I am concerned about the demands placed on the LAPACs to provide comments on such plans when they are also underresourced. I noticed in the report that 13 more section plans are to be submitted to LAPACs. I would be concerned if they were put in in a rush or en masse. I think we need to be very respectful of what we are asking the LAPACs to do. It has been an ongoing problem. If I see them suddenly overloaded with 11 or 12 section plans, I will be expressing my concern about that in the Assembly, hoping that the Minister will take an approach which improves the situation for the LAPACs and not allow that to happen. It will be of no credit to the process if that actually happens.



I am glad that the new urban housing code in the draft variation has protected the solar access of existing blocks. A major problem with medium-density housing is overshadowing and careful design is required to overcome it. Unfortunately, we have not yet seen good examples in Canberra of medium-density housing using passive solar design principles because, by nature, adequate spacing between buildings and good orientation of units towards the north are required to stop overshadowing, which conflicts with the developer's traditional desire to cram as many units as possible onto a block. For the benefit of all residents in the inner north and to protect the garden city character of Canberra, we do need to tone down the demands of developers to maximise their developments. I do not think anyone wants to go back to the B1 zone; so, in the interim, it may be necessary to adopt this plan variation to provide a bit more certainty to residents and developers. However, the Government should not think of this as being the end of the story. There will still be arguments over specific development proposals in this area and I will certainly continue to monitor the situation to ensure that the existing residents are treated fairly and that the urban environment in this zone is not further degraded.

I have also had concerns expressed to me about whether section master plans can override the housing code. That is what I was talking to Mr Corbell about when it became my turn to speak. I am not quite sure what the committee said there, but I would want to have it on the record that that needs to be monitored very carefully. It is, obviously, useful to have some flexibility. I noticed in, I think, section 59 in Braddon that a different approach was taken in the section master plan from what the urban housing code would require because of the solar access consideration. Obviously, you cannot argue with that. On the other hand, if section master plans can override the urban housing code, we would have to wonder how much value there would be in having that as a guarantee for quality. Maybe the Minister can comment on that or another member of the committee can address it.

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

Leave granted.

**MR CORBELL:** Thank you, members. Mr Speaker, there was a comment which I did intend to make in my speech and which I neglected to make. I would just like to raise it briefly. It relates to the relationship between the section master planning process and the urban housing code. That is an issue that the committee considered quite closely, and the view of the committee is stated in the report. I will draw Ms Tucker's attention to it. It appears on page 8 of the report, at the bottom. I will read it out:

... in relation to the interaction of a section master plan and the Urban Housing Code, the committee views the latter as the benchmark for good design; and that the Code should only be overridden by a section master plan where the overall design outcome is of a higher standard than would otherwise be achieved by strict application of the Code.

I think that is a very important statement. It makes very clear the committee's contention and understanding in relation to section master plans and the urban housing code. We certainly had a lot of evidence put before us that there did need to be flexibility to

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encourage good design outcomes. I think the committee has accepted that view. A strict application of codes has actually resulted, on some occasions, in very poor outcomes, even though they have been precise applications of particular building codes.

Ms Tucker raised the issue of the section master plan in relation to section 59 of Braddon. Mr Speaker, there is there a proposal which is outside the provisions of the urban housing code. Instead of a setback of six metres for one building, there was a setback of 4½ metres. The reason for it, we were informed, was that if you actually applied a setback of six metres, as would be required under the urban housing code, it would result in the construction of a building which did not have adequate solar access, and that a change to the urban housing code in that regard actually provided for a building with decent solar access, which is an entirely appropriate measure. Obviously, these issues are going to be subjective. That is why we need good resourcing in PALM and a good level of highly qualified personnel in PALM to make the right assessment in the interests of the residents affected, proponents and the city overall. I thank the Assembly for its indulgence.

Question resolved in the affirmative.

**LAND (PLANNING AND ENVIRONMENT) ACT - VARIATION NO. 109 TO THE  
TERRITORY PLAN  
Papers and 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. 109 to the Territory Plan, relating to area specific policies B11 and B12, North Canberra, and appendix III.3 urban housing code. 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 directions or report required. I ask for leave to make a statement.

Leave granted.

**MR SMYTH:** Mr Speaker, draft variation No. 109 proposed dividing the existing B1 areas in North Canberra, excluding those immediately adjacent to Northbourne Avenue and Ainslie Avenue, into two distinct area-specific policies identified as the B11 urban housing area and the B12 urban housing area. The draft variation also introduces a new design code, to be known as the urban housing code, and a requirement for the preparation of section master plans. The B11 urban housing area will allow the maximum height of buildings to be 12 metres and no more than three storeys, and there will be a maximum plot ratio of 0.8. In the B12 urban housing area, the maximum height of buildings shall be 8.5 metres and no more than two storeys, with the maximum plot ratio being 0.65.

By way of background, the B1 policies in the Territory Plan form part of a series of higher density residential policies which aim to encourage housing diversity, contain urban expansion, conserve energy and resources and provide opportunities for increased dwelling density to reduce population losses in established areas. The B1 policy was first

mooted in 1991, with the release of the draft Territory Plan. Since that time, due to ongoing community involvement, the Territory Plan proposals for this area have been under constant review. The list is quite impressive. It lists the draft Territory Plan of October 1991, the Territory Plan of October 1993, the B1 guidelines, the Lansdown review in 1994, draft variation No. 33, draft variation No. 58, draft variation No. 82 and draft variation No. 109. Each of these have included draft proposals, community consultation, public meetings, revised proposals, reports to the ACT Executive and ongoing review of development projects. Changes have been occurring constantly. Whilst that process has undoubtedly led to an overall improvement to the planning policies for this area, it has also been very unrelenting and daunting for many of the residents.

Draft variation No. 109 and the urban housing code are the result of the above ongoing planning work in consultation with the community. Draft variation No. 109 and the urban housing code establish a planning framework which effectively balances the sometimes conflicting objectives of providing for both the redevelopment opportunities and the protection of amenity for those residents who wish to remain in their existing homes.

Draft variation No. 82, the precursor to draft variation No. 109, was considered by the former Legislative Assembly Standing Committee on Planning and Environment in October and November 1997. The committee reported in November 1997, not endorsing the draft variation and making a number of recommendations, which included the need for further community consultation and for the section master plan concept to be further developed. The report of the standing committee was considered by the Government and the recommended variation, No. 82, was returned to PALM by the ACT Executive, with a direction that there should be further consultation with relevant residential groups.

PALM subsequently reworked the proposals of the recommended variation, taking into account the standing committee's recommendation and the direction of the ACT Executive, and five meetings were then conducted with resident groups concerning the provisions of draft variation No. 109. Draft variation No. 109 was then released for public comment on 16 May 1998, with the closing date for comments being 29 June 1998. Some 30 written submissions were received in relation to draft variation No. 109, raising issues concerning uncertainty, demand and values, traffic and transport, development assessment processes, long-term planning, density, section master plans, minimum block size, mixed developments, and the urban housing code.

The comments are indicative of the varied opinion of residents about how their local area should develop. The purpose of public consultation in the planning process is to expose the range of views, so that all opinions can be considered and a balanced decision can be made. The proposed policy and code are seen as being the most appropriate means for providing opportunity for redevelopment and introducing a wider housing choice, whilst protecting the environmental qualities and the amenity of the area.

The concerns expressed by residents about uncertainty and their difficulty with making decisions about sales and/or investments in their properties is understood. It is also acknowledged that uncertainty can contribute to the degradation of an area. Draft

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variation No. 109 sets the building height and density for specific areas, the broad staging sequence, and also introduces a requirement for section master plans which set the context for individual developments.

The urban housing code addresses the issue of streetscape and landscape, building appearance and neighbourhood character, courtyard walls, site planning, street setbacks, building envelope and siting, privacy, on-site car parking and access, private open space, communal open space and landscaping, security, design for reduced resource and energy consumption, dwelling entry and interior, site facilities, and housing on traffic routes. The finalisation of the draft variation and the urban housing code will provide a higher level of certainty for all residents and allow individuals to decide whether they want to stay, invest in their properties, or be party to a redevelopment proposal.

The Standing Committee on Urban Services considered the draft variation on a number of occasions and, in report No. 23 of April 1999, endorsed the draft variation proposals. In addition to the endorsement, the committee made five other recommendations on which I would like to make a few comments. One was that appendix III.3, the urban housing code, be endorsed with the addition of the word “blocks” in element 6, “Building Envelope and Siting”, which would then read:

The applicant demonstrates through a series of shadow diagrams that the proposed development does not increase the overshadowing of adjacent detached residential dwelling blocks.

The Government supports this suggestion and the word “blocks” has been added to the relevant area in the urban housing code.

The second was that PALM prepare a document, to be freely available to the public, that sets out the manner in which it will handle the consultation process in relation to the section master plans. This is agreed and the document will be prepared by PALM and made publicly available. The committee also suggested that PALM be provided with extra resources to ensure that the additional work associated with the preparation and management of section master plans is performed quickly, efficiently and to a high planning standard, and by appropriately qualified and experienced personnel. That is a matter that we will consider partly in the budget context but also through the reallocation of resources. The development of section master plans will increasingly become more important, and we will need to ensure that this activity is appropriately resourced.

The next suggestion was that the Standing Committee on Urban Services be provided with regular updates by the Minister on the manner in which the proposed variation is implemented and that a fuller assessment be provided to the committee in six months, that is, November 1999. PALM will provide me with regular updates in relation to this variation and I will pass those on to the committee as I receive them. PALM has also undertaken to provide a detailed assessment of the implementation of the variation to both me and the committee by November 1999.

The final suggestion was that the Government ensure that relevant professional bodies, such as those covering the real estate agents, are reminded of the need to control and discipline their members, especially in relation to their behaviour in areas that might be experiencing pressure for some sort of redevelopment. The Government supports this recommendation. I have asked the executive director of PALM to send a letter to the Real Estate Institute alerting that body to this recommendation of the committee and suggesting that they in turn bring this matter to the attention of all their members.

Mr Speaker, in wrapping up, I would simply like to thank the three members of the committee for their work in helping to resolve what has been a longstanding matter. I believe that this is a good outcome for the future planning of the inner north. I would also like to take this opportunity to quote paragraph 35 of the committee's report and add my own comments. The committee has placed on record its appreciation of those officers of PALM that appeared before the committee and, in particular, stated:

The professionalism of these officers - Mr Calnan, Mr Collett and Ms Graham - was a credit to the Planning Authority and to the ACT public service.

I would like to add my own thanks in particular to Garrick, David and Shirley, but also more generally to all the officers of PALM for the high quality of work and the support that I receive as Minister.

I now table draft variation No. 109 to the Territory Plan for the area-specific policies B11 and B12 in North Canberra and appendix III.3, the urban housing code.

## ADJOURNMENT

Motion (by **Mr Smyth**) proposed:

That the Assembly do now adjourn.

## ACTEW - Statements by Chief Executive

**MR BERRY** (5.34): During the debate on the matter of public importance, Mr Humphries, as is his bent, tried to create the impression that I had done something in question time which misquoted the position of the chief executive of ACTEW, Mr Mackay. I have in front of me the article from the *Canberra Times* that I quoted of an interview with Mr Mackay. I will read the first paragraph:

ACTEW's new chief executive, John Mackay, has pledged himself to saving the organisation from a merger, which he said would be a crying shame.

In the second paragraph, he said:

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Certainly while I have any strength left in me, ACTEW will survive and prosper.

Those are statements which nobody from the Opposition benches could disagree with. Later in the article, he went on to say:

Our task becomes doubly challenging, I guess, in terms of countering the bids by competitors to move into our market.

It is clear that he understands those issues. It also appears in the articles that he had, to quote from the article, "absolutely no doubt" ACTEW could survive in its own right. They are all pretty clear statements to me. But here is the one to cap it off:

The people of the ACT have a direct interest in making sure that occurs.

That is an insightful, profound statement in respect of ACTEW and one which I would agree with quite happily. I have no doubts in my mind as to what Mr Mackay meant in his comments in relation to his then new future in ACTEW. I am buoyed further by the comments of the chairman of the board of ACTEW, Jim Service, as reported in the same article. The final paragraphs of the article read:

He, too, believed ACTEW could survive in its own right but said that, "The things that are going to happen in this new competitive world are unpredictable ...

"We are going to have some battles on our hands but we are going to be all right."

These are the people who, dare I say it, before the last election were singing the praises of ACTEW, but it seems that the Government's tune has changed somewhat because they did not want the people of the ACT to hear their tune before the last election. Mr Speaker, clearly Mr Mackay's position as reported in the paper is something which I tend to support and of which I have no particular criticism. For Mr Humphries to climb to his feet in this chamber to try to create the impression that I had somehow misquoted Mr Mackay's position is just typical.

### **Ms Roberta McRae**

**MR MOORE** (Minister for Health and Community Care) (5.37): Mr Speaker, I would like to use the adjournment debate tonight to comment on, amongst other things, the good work being done at the moment by your predecessor as Speaker, Ms Roberta McRae, who is the president of the Canberra Region Medical Foundation. I must say that I feel very proud of the fact that I appointed Ms McRae to that position. Just today that foundation received \$3,500 from a group of Telstra employees with an appropriate community spirit. In fact, the cheque was handed over today in a ceremony at the Canberra Hospital.

Mr Speaker, the Trauma Care Appeal is raising funds for equipment and services to improve the coordination and provision of trauma care to people in the ACT and southern New South Wales and the staff specialist concerned, Dr McMahon, has stressed that if we can have a rapid coordinated response to victims of life- or limb-threatening injuries we are going to do much better, and that is what this appeal is about. I must say, Mr Speaker, that it is nice to know that there are former members of the Assembly who continue to make contributions in a wide range of areas. Ms McRae is not the only one. Other former members are contributing in a range of ways, but I thought I would draw members' attention to this instance and, perhaps, to the notion that life goes on after politics.

Question resolved in the affirmative.

**Assembly adjourned at 5.38 pm**