



Debates

WEEKLY HANSARD

Legislative Assembly for the ACT

SIXTH ASSEMBLY

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Thursday, 24 August 2006

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Thursday, 24 August 2006

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

Petitions

The following petitions were lodged for presentation:

Schools—closures

By Dr Foskey, from 45 residents:

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

This petition of certain residents of the Australian Capital Territory draws to the attention of the Assembly that there is considerable disquiet with the ACT Government's proposal to close 39 schools and preschools, particularly as some are marked for closure at the end of this year.

School communities want the opportunity to explore other options.

Your petitioners therefore request the Assembly to pass ACT Greens MLA Deb Foskey's "Education (School Closures Moratorium) Amendment Bill 2006" in order to ensure that no schools are involuntarily closed until 2008, and that no school closures take effect from that date unless supported by a specific vote of the ACT Legislative Assembly.

Schools—closures

By Dr Foskey, from 110 residents:

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

This petition of certain residents of the Australia Capital Territory draws to the attention of the Assembly that local Government schools are vital to the economic and social wellbeing of many communities in the Australian Capital Territory.

Your petitioners therefore request the Assembly to ensure that:

- No Government school is closed nor amalgamated with any other school or schools before 1 January 2008.
- A comprehensive review of all local Government schools is undertaken.
- The residents of the Australian Capital Territory are to be fully included in this review.
- The review is not to be constrained to financial considerations only.
- The review is to identify the flow-on value of local Government schools to other local businesses.

- No Government school is closed nor amalgamated on or after 1 January 2008 unless the change is supported by a specific vote of the Legislative Assembly.

Housing—Narrabundah long-stay caravan park

By Dr Foskey, from 2,012 residents:

To the Speaker and members of the assembly for the Australian Capital Territory.

We the undersigned and residents of the Longstay Caravan Park, Narrabundah Lane, Symonston, call upon the Legislative Assembly to:

1. ensure that the proposed sale of the Longstay Caravan Park be abandoned, and
2. irrespective of whether a sale takes place, ensure the implementation of guarantees of:
 - a). long term residential renewable tenure of a 20 year period to include a sub-lease clause;
 - b). a reasonable rental fixed at current rate for the first 12 month period for a further increments subject to the same constraints as specified under the Residential Tenancies Act (1997); and
 - c). in the case of any closing down of the Longstay Caravan Park, or enforced removal of any individual tenant, the payment of compensation equal to the current insured policy value held by the tenant of the insurable value.

The Clerk having announced that the terms of the petitions would be recorded in Hansard and a copy of each petition referred to the appropriate minister, the petitions were received.

Revenue Legislation Amendment Bill 2006 (No 2)

Mr Stanhope, pursuant to notice, presented the bill, its explanatory statement and a Human Rights Act compatibility statement.

Title read by Clerk.

MR STANHOPE (Ginninderra—Chief Minister, Treasurer, Minister for Business and Economic Development, Minister for Indigenous Affairs and Minister for the Arts) (10.33): I move:

That this bill be agreed to in principle.

Mr Speaker, the Revenue Legislation Amendment Bill 2006 (No 2) amends the Duties Act and the Taxation Administration Act to facilitate the introduction of an electronic lodgment and payment service for certain duty transactions. The 2005-06 budget included an initiative to improve the services of the ACT Revenue Office by introducing electronic services, leading to the closure of its public shopfront.

The initiative will allow approved persons to process and pay for certain duty transactions online through a web interface. This will result in an improved level of service by providing faster turnaround times for transactions and reduce the need for

multiple visits to the ACT Revenue Office. It is envisaged that the new service will be used by solicitors and other professionals involved in multiple transactions on behalf of their clients, and approved persons will be able to process transactions and make payments outside normal business hours.

Other jurisdictions utilise various online or electronic service models to improve services. The online lodgment and payment service currently being developed by the ACT Revenue Office offers the ACT the opportunity to lead the way in the electronic authorisation of documents, with all duty transaction data being stored electronically and no requirements to lodge paperwork with the commissioner. The ACT online lodgment and payment service is also unique in that payment will be required for each transaction before it can proceed.

The new service is being developed after consultation with existing clients and with the cooperation of InTACT, the Land Titles Office and the ACT Planning and Land Authority. The electronic system will have the capacity to share data with key ACT government stakeholders. Although not initially available, there will be scope in the future to allow approved persons to pay some associated Land Titles Office fees online. Security procedures and protocols for the system and for client data and bank details are currently being developed. Privacy will be a paramount consideration to ensure all client data is secure.

Initially, the simpler, more common transactions will be processed and duty paid for online. These are the low risk, high volume transactions and they represent about 50 per cent of the duty transactions currently processed by the revenue office. They are residential conveyances, the grant of residential crown leases, declarations of trust over non-dutiable property, deeds that establish superannuation funds, and certain commercial leases. As the new electronic service is finetuned and both revenue office staff and clients become more familiar with the operations of the system, other transactions will be added to the service.

This bill makes amendments to current ACT legislation to allow for the electronic lodgment and stamping of duty transactions online. Before being able to access the system, clients will be required to be approved by the Commissioner for ACT Revenue and to provide details of a cleared funds bank account to enable the revenue office to debit the nominated financial institution account for each and every transaction. An online training component has been incorporated into the system which will guide clients through the processes.

The approval process will provide flexibility for both clients and the revenue office. The proposed Duties Act provisions will allow for the approval to be conditional. The conditions will be stated in each approval and will control the types of transactions available to each client and how payment must be made. Other conditions may be imposed as required and each approval can be amended by the commissioner to allow for changes without the client having to seek approval again. The approval can also be suspended or cancelled by the commissioner.

The Duties Act currently requires all documents to be lodged with the revenue office and to be physically stamped with a dye or device approved by the commissioner. The introduction of electronic processing, such as the online lodgment and payment service,

requires the expansion of these concepts and the Duties Act must be amended to accommodate them. A new provision in the Duties Act requires an approved person to request the commissioner to make an electronic assessment of the tax liability of a taxpayer, and then the instrument will be taken to have been lodged with the Commissioner for ACT Revenue for stamping. An instrument is stamped if it is endorsed by the commissioner or, when an electronic assessment is made, it is given a unique authorisation number. The requirement for an impressed stamp has therefore been removed.

To implement the online service, the Taxation Administration Act requires amendment in relation to the record-keeping requirements and cash payments. The current record-keeping requirements are imposed on the taxpayer. The bill extends this provision to require an approved person—that is, someone who acts on behalf of the taxpayer—to keep the appropriate records because they are responsible for inputting the taxpayer data to the online system, lodging and paying on behalf of the taxpayer, and maintaining the appropriate documentation for the taxpayer.

Mr Speaker, the final amendment is in relation to cash payments made at the ACT Revenue Office shopfront. Currently, the only cash payments accepted at the shopfront are for duty and they constitute less than one per cent of all duty transactions, with the majority of transactions being paid by bank cheque, money order or credit card. All other taxes are paid elsewhere; for example, at ACT government shopfronts, Canberra Connect and Australia Post, by BPAY and via mail. With the closure of the revenue office shopfront, cash payments can no longer be accepted and processed by counter staff. It is therefore necessary to amend the Taxation Administration Act to remove the requirement to accept cash payments at the office of the commissioner. The ACT Revenue Office will continue to cater for those clients who cannot access the online service or who are one-off users and not approved persons under the act.

A drop-off box displaying an expected turnaround time will be provided at a convenient location. Documents lodged at the drop-off box will be assessed by ACT Revenue Office staff and returned to the taxpayer. As applies under current processing via the ACT Revenue Office counter, it is the clients' responsibility to ensure that they allow sufficient time for documents to be processed. Clients will continue to have access to the customer service call centre and will be able to make appointments to speak to senior staff in relation to any issues that they may have in relation to their tax liability.

Testing of the new online lodgment and payment service is expected to commence in October. The final testing of the proposed system will involve a focus group of clients and revenue officers inputting live data associated with real transactions. These amendments therefore need to be in place prior to commencement of testing to alleviate the need for this data to be re-entered and documents physically lodged. I commend the Revenue Legislation Bill 2006 (No 2) to the Assembly.

Debate (on motion by **Mr Mulcahy**) adjourned to the next sitting.

Lapse of notice

Notice No 1, Assembly business, relating to the membership of the Standing Committee on Legal Affairs, having been called on and the member not being present, pursuant to standing order 127, was withdrawn from the notice paper.

Working Families in the Australian Capital Territory—Select Committee Amendment to resolution of appointment

Debate resumed from 11 May 2006, on motion by **Mrs Burke**:

That the resolution of the Assembly establishing the Select Committee on Working Families in the Australian Capital Territory, agreed to on 5 May 2005, be amended as follows:

Omit paragraph (3), substitute:

“(3) noting that the Committee has tabled an interim report which indicated at paragraph 5.12 that time and evidence are needed to reliably and validly determine the effects on working families in the ACT of reforms to the industrial relations system:

- (a) suspends the operation of the Committee from the date this motion is agreed to until March 2007; and
- (b) calls on the Assembly to amend the terms of reference in March 2007 in light of comments in the interim report; and”.

And on the amendment moved by **Mr Gentleman**:

Omit all words after “as follows:”, and substitute “in paragraph (3), omit ‘2006’, substitute ‘2007’”.

Motion (by **Mrs Burke**) agreed to:

That the question be now put.

Question put:

That **Mr Gentleman**’s amendment be agreed to.

The Assembly voted—

Ayes 9

Noes 8

Mr Barr	Mr Hargreaves	Mrs Burke	Mr Seselja
Mr Berry	Ms MacDonald	Mrs Dunne	Mr Smyth
Mr Corbell	Ms Porter	Dr Foskey	Mr Stefaniak
Ms Gallagher	Mr Stanhope	Mr Mulcahy	
Mr Gentleman		Mr Pratt	

Question so resolved in the affirmative.

Amendment agreed to.

Question put:

That the motion, as amended, be agreed to.

The Assembly voted—

Ayes 9		Noes 8	
Mr Barr	Mr Hargreaves	Mrs Burke	Mr Seselja
Mr Berry	Ms MacDonald	Mrs Dunne	Mr Smyth
Mr Corbell	Ms Porter	Dr Foskey	Mr Stefaniak
Ms Gallagher	Mr Stanhope	Mr Mulcahy	
Mr Gentleman		Mr Pratt	

Question so resolved in the affirmative.

Motion, as amended, agreed to.

Public Accounts—Standing Committee Report 6

MR MULCAHY (Molonglo) (10.46): I present the following report:

Public Accounts—Standing Committee—Report 6—*Review of Auditor-General's Review Report April 2005: Matters relevant to the Office of the Special Adviser, Council of Australian Governments and Intergovernmental Relations*, dated 10 August 2006, together with a copy of the extracts of the relevant minutes of proceedings.

I seek leave to move a motion authorising the report for publication.

Leave granted.

MR MULCAHY: I move:

That the report be authorised for publication.

Question resolved in the affirmative.

MR MULCAHY: I move:

That the report be noted.

Mr Speaker, I have tabled in the Assembly today report No 6 of the Standing Committee on Public Accounts, entitled *Review of Auditor-General's Review Report April 2005: Matters relevant to the Office of the Special Adviser, Council of Australian Governments*

and Intergovernmental Relations. The review report of the Auditor-General of April 2005 concerning matters relevant to the Office of the Special Adviser, Council of Australian Governments and Intergovernmental Relations, was prepared subsequent to an examination of issues regarding the creation of the Office of the Special Adviser, Council of Australian Governments and Intergovernmental Relations, and the appointment of the special adviser.

Issues pertaining to the creation of the OSA were raised during hearings of the Standing Committee on Public Accounts as well as in the Legislative Assembly. The Auditor-General conducted a review of the issues raised under the authority of section 10 (a) of the Auditor-General Act 1996 to promote public accountability in the public administration of the territory. In examining the issues raised, the Auditor-General conducted a review, not a performance audit. Primarily, the review was limited to discussions with relevant departmental staff, the identification of relevant legislation policy and an examination of correspondence and documents. The committee received a briefing from the Auditor-General on the review report and invited a government submission in relation to the conclusions of the review report. The government declined the invitation to provide a submission.

The committee resolved to inquire further into the review report because it considered the issues raised were of significant public interest and suggestive of the potential to improve public administration more broadly. In its inquiry the committee considered and assessed the conclusions raised by the review report within the context of effective accountability and public sector governance principles. Its report focuses on a selection of the conclusions raised. This focus includes matters pertaining to the OSA's administration, the economy of its outputs and its evaluation and performance.

The committee's report makes eight recommendations: that the government develop clear policy and guidelines for secondment arrangements; that the government prioritise the finalisation of its response to the Commissioner for Public Administration's *Report of the review of the Public Sector Management Act 1994*; that, to the extent that work is not already taking place, the government look at implementing recommendations 26 and 27 made in the *Report of the review of the Public Sector Management Act 1994*; that the Public Sector Management Act 1994 be revised to prescribe principles of procedural fairness for the early termination of a chief executive that balance the requirements of due process with a practical need for the early removal of a chief executive whose relationship with a minister has broken down, something I will speak a little more on in a moment; that decisions relating to secondment arrangements, particularly funding and accountability arrangements, are documented; that future secondment proposals should demonstrate the benefits of the proposed arrangements, particularly if the owning territory agency continues to meet the employee's salary and other expenses; that the Annual Reports (Government Agencies) Act 2004 and the Chief Minister's annual report directions be revised to ensure that an annual report is provided for any agency that existed during a reporting year; and that the Legislative Assembly note the conclusions of the review report.

In examining this report, I would draw members' attention particularly to elements contained on page 17. This report, whilst dealing with a particular instance on one occasion that was the principal motivator for the inquiry, required the public accounts committee to deal with broader issues relating to matters regarding the tenure of chief

executives within government agencies, a critical issue that would face any government, especially a government that has just won office and is faced with wanting to introduce its own approach to the style of government. The report states:

The Committee notes that the amendments in the Bill pertinent to this inquiry relate to new arrangements to facilitate executive mobility. The Chief Minister stated:

... that given the small size of the ACT public service it was vital that governments had greater flexibility to meet emerging challenges or changed work environments by redeploying its top executives across the service. The amendments ... would allow governments to transfer chief executives laterally, at level, or to transfer them to lower-level positions, while allowing them to retain their current remuneration for the term of their contract.

The report continues:

Further, the Chief Minister stated that the amendments to Chief Executive and Executive employment conditions were intermediate changes to address key issues identified in the PSM Review Report and marked the beginning of a Government response. Further, the Government was currently considering its response to the wider recommendations in the PSM Review Report.

The Committee notes that the PSM Review Report recommended that:

... there needs to be a clear framework to balance the requirements of due process with the practical need for the early removal of a chief executive when his or her relationship breaks down with a minister.

I would suggest that this is central to what this whole inquiry focused on, in that it is a matter that we would strongly suggest needs to be tackled by governments and will be a matter in which both sides of this house, I think, will take an interest and appreciate a measure of reform and improvement. The committee expressed the view that this issue had not been addressed in the bill previously introduced and that the division of responsibility as specified by the respective roles of ministers and chief executives does rely on a good working relationship and the maintenance of trust and confidence between ministers and chief executives. We also, as a committee, recognise that the relationship between a minister and a chief executive is unique. The relationship can break down for any number of reasons and, if it does, it will impact on the ability of government to implement its policies and on the agency's ability to operate and deliver services.

Members will note that in recommendation 4 of the report the committee has recommended that the Public Service Management Act 1994 be revised to prescribe principles of procedural fairness for the early termination of a chief executive that balance the requirements of due process with a practical need for early removal of a chief executive whose relationship with the minister has broken down.

Let me say that a report such as this one does not come to completion without the hard work and professionalism of many. I conclude by thanking my committee colleagues, Dr Deb Foskey and Ms Karin MacDonald, those who assisted the committee with its deliberations, and the committee secretary. I commend the report to the Assembly. My colleagues may wish to add further comment.

Question resolved in the affirmative.

Executive business—precedence

Ordered that executive business be called on forthwith.

Standing orders—suspension

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

That so much of the standing orders be suspended as would prevent orders of the day Nos 4 and 5, Assembly business, relating to the report of the Select Committee on Estimates 2006-2007 and the government response to that report, being called on in sequence immediately after the resolution of any question relating to the conclusion of consideration of order of the day No 1, executive business, relating to the Appropriation Bill 2006-2007.

Appropriation Bill 2006-2007

[Cognate papers:

Estimates 2006-2007—Select Committee report

Estimates 2006-2007—Select Committee—report—government response]

Detail stage

Schedule 1—Appropriations

Proposed expenditure—Part 1.4—Chief Minister's Department, \$36,418,000 (net cost of outputs), \$35,653,000 (capital injection), totalling \$72,071,000.

Debate resumed from 22 August 2006.

MR SPEAKER: I remind members that this is a cognate debate and, in debating order of the day No 1, executive business, they may also address their remarks to the relevant parts of orders of the day Nos 4 and 5, Assembly business, relating to the report of the Select Committee on Estimates 2006-2007 and the government's response to the report.

MR STEFANIAK (Ginninderra—Leader of the Opposition) (10.57): Obviously, the appropriation for the Chief Minister's Department is an important, if not huge, part of the budget because of what the Chief Minister's Department actually does. I will speak to a number of points, without trying to go too much over subjects other people have spoken about.

I will start with the problem with staffing levels. It would appear that the government had very little idea of the staffing levels. I was somewhat amazed to hear the Chief Minister say several months before the budget—it may have been said in answer to a question or it may have been said in debate—in relation to the size of the public service, which had gone up from 15,500 to around 18,000, “When I was first made aware or first realised the rate of growth of the ACT public service, I was somewhat alarmed.” And well he should be. I think that that is indicative of the way the government has

handled the finances of the territory over the last four or five years. If the Chief Minister did not have any idea of how big his public service was, how about his ministers? The same probably could be said of them.

I would think, in terms of the proper running of the territory, that one of the first things you would want to be abreast of, at least, as Chief Minister or, indeed, a minister would be how big your department was or how big, in the case of the Chief Minister, the general public service was. Indeed, that has caused some problems. One of the problems coming from it was the exponential rate of increase in the senior executive service, from fewer than 100 officers in 2001 to a high of 160, as we found out in the estimates process. I think the figure of 150 had been bandied about before that. I was trying to get a handle on that in the estimates meetings, as was Mr Smyth. We found out that as at 22 June 2006 there were 148 senior executives, still up from the 98 or 99 that there were in 2001.

The answers to questions about what the government is going to do to get the number down, what is going to happen now and how the government is going to overcome the situation were a bit vague. The answers indicated basically that there was every expectation that the number would drop in 2006-07, but the officials had no idea by how many. They did indicate that they had worked out a draft structure that would proceed, but were unable to say by exactly how many the number would drop. That is extraordinary. There has been basically a 50 per cent increase there and I think that therein lies part of the problem for the government.

I agree that there were certain areas where increases were necessary. Indeed, we would say that there is a need for more police. In terms of child protection workers and the kindergarten to year 2 initiative, which the current government extended to year 3, naturally you were going to get more people involved in the public service. But what of other areas? I have already mentioned and will not harp on whether, for example, so many are needed in the human rights area. Do you really need so many executives in some of the other departments? Health is being bandied about as having an excess to actual requirements. That is, I think, a very real problem for this government. If it looks at the exponential increase in the number of public servants it will see that therein lies the reason for the deficit.

That means that the government will have to make cutbacks, which brings me to the next lot of figures. The government indicated in this budget that some 500 positions would go. That will mean some redundancies. I am not quite sure if there are going to be people actually losing their jobs when they do not want to, but that is always a possibility. When you let the public service run away from you and you get this huge growth, some people are going to be affected. So ultimately it is not even fair to the public servants themselves.

The budget announcement was that 500 jobs would go in the public service. There seemed to be a bit more confusion there. There was a lot of discussion on this point, too, in the estimates process and it was indicated that only 318 positions would go. I am still not exactly sure if that is right or the figure of 500 is right. In fact, I think a figure of 499 was given as well. But it was indicated by the head of the Chief Minister's Department that 318 positions would go.

That, obviously, would have an impact on the budget's bottom line, because a loss of 318 positions as opposed to 500 would mean that we are probably looking at close to a \$20 million, certainly an \$18 million or \$19 million, shortfall in what the government is anticipating in its budget. So there are some very real questions there for the government if that figure is going to be spot-on in terms of where the government is going to find that additional \$18 million or so that it needs.

I do not think we will ever see the functional review report, which seems to have been the major determinant of the shape of the budget. I think it is somewhat outrageous that the public cannot have access to this key report. It has been shielded from scrutiny by running it through the cabinet processes and I doubt that we will ever see it. But, quite clearly, everything the government has done in this budget seems to have had its genesis in that functional review report which hit the deck in early April, ranging from what has happened in the Chief Minister's Department and what has happened across the public service generally through to what is happening now in our school system.

The water abstraction charge is an issue that one of my colleagues, Mrs Dunne, mentioned. There are some very real problems with that. It may not be that the problems alluded to in the High Court in *Bayside City Council & Ors v Telstra* and various Victorian and New South Wales councils versus Optus and Telstra will sink this proposal at the end of the day, but there are further issues that I recall Frank Pangallo, the mayor of Queanbeyan, discussing. He still seems hot to trot in that regard, which might cause some very real problems for the water abstraction charge. Those issues are around the question of its being an excise and commonwealth determinations and laws in about 1997 which caused some real problems.

This issue is one which apparently is going to cost Queanbeyan alone about \$24,000 or \$30,000, but it is one that the mayor there is going to take up. There are, I would suggest, some very real legal problems in relation to this charge which still have to be resolved. That again will have an impact on the government's bottom line, and that again indicates, perhaps, a hastily prepared part of the budget which goes back to a knee-jerk reaction to the functional review. There are some significant problems there, significant problems not only in terms of the government maybe having to find this extra money, but also of potential extra costs if there is any type of legal challenge or any legal action in relation to the water abstraction charge. If those challenges were to be successful, costing the government in terms of legal expenses, there would be an inability to levy that charge. At best, the government would have to come back with a very different scheme to enable it to get that particular amount of money. So there are potential holes for the government in this particular area.

Mr Mulcahy: Many holes.

MR STEFANIAK: Indeed. In communications, the government is spending quite a considerable amount of extra money. I think that members on this side of the chamber regard this as blatant self-promotion which the community cannot afford. When we were in government we were regularly criticised by the then opposition if we had a minister's picture in a glossy publication. The lot opposite were very quick to pick on anything that remotely smacked of promotion of ourselves. Indeed, if you compare what the previous government put out in the way of publications to what the lot opposite have been putting

out over the last five years, I think you will find that the lot opposite have gone in for a hell of a lot more blatant promotion than any previous government in the ACT. Quite clearly, that is unnecessary when you are asking people in Canberra to tighten their belts, as was the spending of, I think, \$57,000 on promoting the June budget, in terms of newsletter ads and a mail-out to the general population.

Mr Mulcahy: Propaganda.

MR STEFANIAK: It was propaganda. In light of the introduction of a very tight budget which will affect families, in many instances battling families, as they will have to pay at least \$400 more on their rates and taxes bills than they did the previous year, that was a profligate waste of money on self-promotion by the government. Those are some of the issues with which we have significant problems.

Obviously, because you have increased the public service by 2,500, you need to make sensible cuts there. There is one area in that regard where there are significant problems; that is, in economic development. It is an area in which, if you fund good businesses here, if you can encourage good businesses to come to Canberra, you can actually bring money into the territory, rather than taking money from the taxpayers here. In that regard there was a cut in staff from 54 to 21, 18 in the economic development area and three in the policy area. We wait with interest to see how that will work out. Perhaps that is one area where it was not wise to make the cuts you have. We have the normal words being used about refocusing business development initiative to enhance entrepreneurial and innovation capacity across the ACT business community—weasel words which mean doing more with less.

MR SMYTH (Brindabella) (11.07): The Chief Minister's line in the budget covers a multitude of areas and sets the tone for the entire budget. I just want to address a couple of higher-level issues that disturbed me in the whole budget and indeed in the Chief Minister's Department.

It is interesting that when the Chief Minister announced the structural changes on 18 January this year, he said they would reduce complexity and duplication and that the alignment of the ministry to include the new minister was to make it simpler for people to understand. Yet, when questioned in estimates about the arrangements and how many staff there were, the Chief Minister stated as follows:

The new administrative arrangements are very complex and quite difficult across the board, particularly with the reintegration of a number of statutory authorities and independent bodies into various government departments.

It is interesting that, just two or three months after he said things will be simpler, we get this admission that the arrangements are still very complex and quite difficult. That is the problem with the arrangements. This is almost like kids in a lolly shop: I want that bit, that bit and that bit. We do not care which department they are in, who the CEO is or how many ministers the CEO of the department has to report to; it is okay because we are all going to have what we want. That is not good governance; it is not simplification. I think the minister needs to come back and explain why he has put in place a very complex system of ministerial arrangements. Until you get that right, the rest of it is not going to work properly.

That leads to the staff changes. Is it 500 or is it 318? I notice that, in the government's response to the committee's report, it is now a net loss of 318. Suddenly the word "net" has appeared. When you read the Chief Minister's speech, quite clearly the process is to cut 500 staffers to make some savings. We find out later on that the Chief Minister still cannot detail them. Three out of the five ministers cannot detail the staff changes, and suddenly this word "net" has appeared. Yes, there are 500 changes, but they are offset by growth. This is disarray. The ministers cannot answer the questions as to why we should give them the money if they cannot tell us where that money will be spent.

It is interesting that when challenged over the growth in the public service, the Chief Minister said he was quite alarmed. He had not noticed it had grown 2,500 staff, and clearly he still cannot detail where that growth is. I asked some specific questions of the Chief Minister. When I asked him—and he has done it in question time again—"Where has the growth come from?" he said, "We had to make up from all your failings when you were in office. It is more police. It is more emergency service workers. It is child protection workers."

Again, I put questions on notice to the Chief Minister to detail this and he could not give me the answer. He said I had to go and ask other ministers. He is willing to use it as his defence for having 2,500 public servants, but he cannot detail it and he hides behind: "It is the responsibility of other ministers." Well, Chief Minister, no it is not. Ultimately it is your responsibility and you should be able to answer these questions. These are quite simple questions: how much did you spend on these so-called priority areas, and how many staff were involved? I can bet that it does not add up to the 2,500 staff the public service has grown by.

Again at the higher level is the complete lack of strategy to get this government out of the problems they have got themselves into. The Chief Minister makes great store out of the fact that he has had five surpluses in a row, that the economy is in boom time. He says in his speech a couple of times, "There is no crisis." Again, why the draconian measures? We get this chest-beating: I am the only one with the bottle or the courage to make the changes. Let us be honest about this: he is the only one with the numbers. For the first time, he has actually got the numbers and he has dug us, as a territory, the largest hole that we could ever have to try and escape from.

It is the lack of strategy: we are going to shut 39 schools out of about 160, but without rhyme or reason, and that cannot be justified; we are going to cut tourism, even though we know we get a dividend from tourism; we are going to cut business, even though we know that if we are going to wean ourselves off land sales, then we have to be looking for alternative sources of revenue. Yes, you can reduce expenditure, you can put the lid on services, you can charge more but, ultimately, if you want to be sustainable and viable you must find new sources of revenue. But the area where you are most likely to get those new sources of revenue are savaged in this budget by the Chief Minister. I think it is the abandonment of the business community, the abandonment of the economic white paper and the social plan.

I put questions on notice during estimates asking how the budget affects the actions listed in the economic white paper. I got an answer back firstly from the Deputy Chief Minister, acting for the Chief Minister, saying that the economic white paper has nothing

to do with the budget. I then got exactly the same answer back from the Chief Minister, saying it has nothing to do with the budget. Again, there is a contradiction. Yes, the economic white paper, the social plan and the Canberra plan are the underlying foundations of what this government is doing. But somehow they are sort of eerily detached from reality because they actually have no impact on the budget. It is quite interesting in that regard.

The Chief Minister said we have to wean ourselves off land sales. It is curious that he said that, in the longer term, we have an ever-decreasing proportion of revenue available from land sales. Yet the overwhelming revenue increases are all land based. They are land-based taxes and charges. They are on your property; they are on the value of the land you hold; all we are doing is transferring it. They say, "Gee, there is not going to be enough land to sell in the future to balance our budget, so we will just up the taxes." It is still land-based. It shows that there is no strategy in this at all. There is no way in which the government can say that they have a strategy here and that they are moving on with it.

The issue of the functional review is large in this. The functional review is the guiding document, yet the functional review is not there to be seen. The functional review could be a blank document, for all we know. There could be nothing in it or there could be lots in it. It could be erroneous—it could be wrong. None of us knows. All have been denied access to this holy grail, this font of wisdom that has dictated all these changes that have occurred. We do not know which recommendations the government has accepted and which they have not. We do not know why they accepted and why they did not. As others have made quite clear, the problem here is that, unless we can look at this budget in the context in which it was framed, then we have difficulties.

Again the communications unit has come up. It is interesting that the Chief Minister, before his election in 2001, promised no bread and circuses. He promised no media stunts. His was going to be a serious government, yet the communications unit just grows and grows. We are cutting 39 schools out of the budget, but we are going to give the Chief Minister's personal communications unit more resources to sell the message of the Chief Minister. If he is failing that badly to sell his message, then a little bit of extra money is not going to help. That money should go back into essential services, whether it be an extra police officer, an extra nurse, an extra teacher or some surgery that should occur.

I note that the government's response to many of the recommendations of the committee are in the main totally inadequate. The majority of them are simply not answered; about 30 are simply noted; 10 have no recommendations—so they are either an answer or a commentary—and some are agreed in part. The curious thing is the acknowledgment of the poor behaviour of Minister Hargreaves.

The first three recommendations are regarding the behaviour and responsibility of ministers, which in the main were aimed at Mr Hargreaves. The government has noted them. It has not defended them. It has not agreed to them. It has said: yes, fair cop. He did not do his job. He has not behaved. He has not explained. The Chief Minister needs to make sure that ministers are responsible for what they do.

We also asked that more information in the dissenting report be tabled, particularly about staff, and that has not been forthcoming. One of the government responses to a recommendation says: we will not know until the negotiation project with the unions has gone ahead and the restructures of the departments have gone ahead. We actually do not know whether we are going to achieve these savings. We do not know what the staff level is going to be. It will be some time before we can report back to the Assembly. That again says that you just cannot trust this document.

As we have shown, this document is so inaccurate in so many different areas that, if you took this as a business plan to the bank, the bank would turf you out on your ear. They would say: we cannot make sense of it. It does not add up. There are inaccuracies. There are contradictions. There are omissions. There are errors. It is up to the Chief Minister as Treasurer, which we will get to shortly, to make sure that these documents are as accurate as they can be. We all understand that things shift, but there is such a dramatic change from some sections of the budget to others that it is unacceptable that anyone would table this. The destruction of the business unit I think is a travesty. I will take up these discussions in other areas.

MR PRATT (Brindabella) (11.17): I rise to speak to this line item, both as a shadow minister and as a member of the estimates committee. I will be focusing on my experience through that process. The basis of the reforms in this year's ACT budget was the Costello report on the functional review of the ACT budget. The consequences of many of these changes supposedly initiated by the functional review are profound. Many people employed in the ACT public service will lose their jobs and other people will have their functions moved. This will cause those people to consider either relocating or finding alternative employment.

The Stanhope government is seeking substantial savings in expenditure as a result of the structural changes. The evidence of these savings is, at this point, problematic. The impact of the 2006-07 budget is such that we are not convinced that some members of the committee have conducted a sufficiently detailed examination of the approach being adopted by the Stanhope government.

Mr Smyth and I note that the terms of reference for the committee required, inter alia, "to examine the expenditure proposals contained in the Appropriation Bill 2006-2007". This means that the committee was supposed to examine all areas of expenditure proposed by the ACT government. If there are any areas of expenditure for which the committee has not received a satisfactory explanation, for whatever reason, the committee is entitled to recommend that the Assembly not approve relevant expenditure proposals until the government has provided a satisfactory explanation to the committee of the nature of the expenditure proposed.

Given that the functional review has had such an impact on the 2006-07 budget, it should have been willingly made available to the estimates committee by the Chief Minister. Instead we saw, both publicly in the media and in this Assembly, the minister's arrogant refusal to release such an important document. Because the estimates committee failed to agree on a recommendation to require the government to release that particular review, I and Mr Smyth had to come with our own recommendation in our dissenting report, which I quote. It says:

That the report of the functional review be tabled immediately by the government to ensure that a fully informed debate about the 2006 ACT budget can take place.

While we are talking about arrogance and obfuscation, let me just echo the points Mr Smyth has made—I will not repeat them ad nauseam; we do not have time for that today—about the shocking behaviour of the minister for TAMS in not cooperating with the committee, failing to come clean on the very important issues he was seeking to have funding appropriated for and treating, really, the committee process with contempt. I am confident that all of my committee colleagues would agree with that observation. There will be more said about that later.

The Chief Minister, Jon Stanhope, must publicly reveal what the recently completed Costello review has to say about the public service. How can we be confident that the funds we are appropriating today are being expended properly and legitimately, and even spent in accordance with the findings of the Costello review, if we have not been able to examine it for ourselves? It is not that we doubt the Chief Minister's word. We are about to appropriate hundreds of millions of taxpayers' dollars on behalf of the community, yet we do not have a clear enough picture of where this funding is going and why.

Given that the review was going to examine the full spectrum of public expenditure in the ACT, there must have at least been some discussion of the funding aspects, if not resourcing and staffing, in areas such as ACT Policing and ESA, included in the report. Why was there not transparent comment by ministers on at least those areas? Nobody expected a minister to say "Okay. Yes, I have 14 X staff allocated to this function. That is why we need to appropriate funding to fund those particular positions." If at least two of the ministers could have been more forthcoming in saying, "Look, we are fairly close to finalising. I can give you a 95 per cent answer," the committee would perhaps have been reasonably happy with that. But no, that did not occur either.

The ACT community expects the government to ensure the provisions of adequate policing numbers to manage the territory's policing needs. However, the government has failed dismally on that front so far. Yet we do not know what the functional review says on these sorts of things. Costello must have had a view on ACT Policing capability. The ACT effectively has less police than it did 20 years ago per head of population. This is despite a huge increase in population, an increase in federal government infrastructure and responsibilities, and increased security threats since that time.

It is not just the areas of policing and ESA that are of concern. We have school closures and teacher cuts looming on the horizon; we have shopfront services being cut; we have pay parking introduced at hospitals; we have a decline in ranger services in TAMS. In fact, if I can just focus on that for a second, over four years we have had a blowout in senior public servants and consultants, while concurrently we have seen a degradation of front line public service positions. Did the functional review address that imbalance? The Chief Minister might say so, but he has not demonstrated that under the scrutiny of estimates.

There are so many areas that are deeply affecting the community, yet the Chief Minister does not have the bottle to show the community why these things are necessary by releasing the functional review. Therefore, the Chief Minister must release that review

for public scrutiny. Given that this is taxpayers' money the Stanhope government is spending, they have a responsibility to ensure that the funding is well-targeted to ensure that the community is really getting the services it needs.

We have often seen the Chief Minister standing up here and saying, "You are complaining about the amount of money being spent on these services. What would you cut?" We are not necessarily saying "cut". We are saying that we want to see that money targeted. We want to see productivity increases in these functional areas. That is the point that is consistently missed by the Chief Minister when the opposition questions him on where this funding is going and why it is going to certain places.

It is not so much that we want to see funding cut. Yes, in some cases we want to see efficiencies, but primarily we want to see that funding targeted. Yes, you have increased expenditure to the Emergency Services Authority—well done—but we are concerned that you have wasted tens of millions of dollars of that increased funding. Perhaps I can use that as one example of the point I am making.

I will finish by raising the issue of Googong Dam and the management of the catchment area. In estimates I was not particularly happy that I was getting answers back about who runs the primary management of the catchment area. There are deep concerns that, for example, bushfire fuel reduction operations in the area are falling through the cracks, because the three, or possibly even four, agencies which have roles to play in the Googong catchment area are not being directed. Nobody is directing traffic.

If nobody is directing traffic, then fundamental tasks such as hazard reduction, which have a major impact on the quality of the catchment area, are falling through the cracks. Again we did not get any clear answer back on that. This government will certainly have to clarify the roles and responsibilities of various agencies in relation to each other, vis-a-vis overlapping responsibilities about how these things are managed. I am very concerned that, in this strategic area, we have had very little indication from the government on exactly how they are going to task their new organisational strengths to deliver the services this community needs.

MRS BURKE (Molonglo) (11.27): There are just a couple of things I would like to point out very briefly. The Chief Minister highlighted in this budget that instrumental changes will be made in relation to how the ACT government will take advice and in turn offer a democratically elected indigenous representative body, at a cost initially of almost \$400,000 to the ACT taxpayer—that runs from 2007-08 to 2009-10—to be administered through the Department of Disability, Housing and Community Services. I will talk about that a little bit later. It seems to me that here one department is now answerable, as clarified to me in the estimates committee, to three different ministers.

This may well be a body the ACT indigenous community wishes to have implemented in order to elevate areas of concern to the ACT government and to maintain a representative voice at a level that is placed higher than the current indigenous representative councils. I must point out, however, that the Chief Minister casually asserted to the Assembly that he felt the decision taken to fund the proposed elected indigenous body did not really require the assent or agreement of the cabinet. Some may say that it is not a significant amount of money that is proposed to establish the elected

body, but it should be noted that the funds are appropriated and allocated through the budgetary process.

Surely, one would say, some form of scrutiny and discussion should have been had at the cabinet level for the establishment of an apparently high-profile elected body in the ACT—or is the Chief Minister saying it was?—to represent our indigenous community at a level that, it is hoped, would elevate the needs and desires of indigenous people. The reason for mentioning this issue is that the Treasurer pointed out in the delivery of this budget that it would be his desire to see some of the administrative complexities removed.

My colleague Mr Smyth has again mentioned, and I have just reiterated, the complex ministerial responsibilities and arrangements that now exist with this government. It is almost like the smokescreens and mirrors. I am over here talking about policy. I will be the minister that stands up and takes the glory. I think I raised this point with Ms Gallagher. I notice she is now talking to the Chief Minister. I said, “Ms Gallagher, you are now going to be doing all the hard work and the Chief Minister will take all the glory.” She said, “I am used to it.” So there you go.

I find it quite interesting that, during the estimates process, the very complexities the Treasurer had hoped would be removed have resurfaced. Indigenous affairs are now predominantly administered through the Department of Disability, Housing and Community Services, yet ministerial responsibility remains with the Chief Minister. I think the answer I was given was, “Because he has a very strong interest in Aboriginal and Torres Strait Islander affairs.”

I would say Mr Smyth was quite right in saying—and I think other members have alluded to it as well—that far from having some sort of streamlined ministerial administration; we have disarray. The complexities have not been removed. They have become more complex. Again, this government is just reneging on its duty to the ACT community by simply not tabling the functional review so we know where the money is being spent and why it is being spent. This is why we have difficulty coming to terms with the things this government is actually saying about anything in the budget.

MR STEFANIAK (Ginninderra—Leader of the Opposition) (11.31): I will be very brief in closing because I do not want to take up too much time. I mentioned the water abstraction charge of \$37 million. Frank Pangallo apparently said it would cost his council \$27,000. The relevant matter I draw to the government’s attention is the 1997 High Court four to three decision to strike down the New South Wales tobacco fee, including the fact that states and territories had tried to re-establish the pre-Federation tax basis of the colonies.

However, in deciding whether a franchise scheme was in reality an excise, the court identified a high fee and a lack of regulation as among the telltale signs. The High Court decided there were minimal provisions controlling businesses selling tobacco and the fee was manifestly a revenue-raising tax. The majority decision relied on the ruling of Justice Dixon in 1949 that section 90 was intended to give the federal parliament exclusive power to control taxation commodities.

The point about the successful tobacco excise challenge to the New South Wales government in 1997 is that it highlighted the need for fundamental reform of the tax system, notably to the states and territories' indirect tax base. Before the introduction of the GST there was an argument that the state and territory spending responsibilities were not matched by their revenue-raising powers. Having received \$3.8 billion in GST receipts since it was introduced in mid-2000, which was \$80 million above expectations, a new tax on water amounts, we would say, to another attempt by the ACT government to double-dip here. Therein lies the problem.

The water fee, added to another water charge, could well amount to a tax on a tax. It is not linked to any regulatory process and amounts to a very big increase—an increase of 107 per cent. The relatively ad hoc nature of the water abstraction licence fees in the territory, unrelated to the costs of processing and enforcing licences, was noted by the National Competition Council in its 2004 assessment. Accordingly, there could be big problems there for the government. I just bring that to their attention.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.5—Department of Treasury, \$49,686,000 (net cost of outputs) and \$37,182,000 (payments on behalf of the territory), totalling \$86,868,000.

MR MULCAHY (Molonglo) (11.34): In relation to the Department of Treasury, as you have pointed out, Mr Deputy Speaker, the net cost of outputs is \$49.6 million, payments on behalf of the territory are \$37.1 million, and the total is \$87.8 million. Somebody once said to me, “Never be too hard on Treasury because you just never know your luck. You might get into government and have to rely on those people to support you.” I suppose I am therefore somewhat tempered with my views on Treasury. But I really believe that, at the end of the day, whilst cabinet make the political decisions as to what they will include or not include within the budget, it is the advice of Treasury, which we do not necessarily know about, that has to be considered in the context of the position in which the territory has found itself over the years.

I know specialists can put spin on numbers and try and paint a rosy picture along the way, but the fact of the matter is that the people of Canberra are now paying a horrific price for years of spending in excess of the capacity of the territory's income or earning ability. The rationale for that has been that people have high expectations. People may well have high expectations and may want everything known to mankind, but it is the task of the territory government to manage those resources within the revenues available to them and within a tax regime that is competitive and comparable to other states and the other territory.

I do not believe we have discharged our affairs in this territory particularly well. We have hung onto a form of account presentation until the point where it became really a scream from all parties to do something about it, including the credit rating agency people, so we eventually changed the system. I have heard the Chief Minister and Treasurer say, “Oh well, it was good enough for the Liberals.” A lot of things have changed from the way in which public expenditure was tackled in decades gone by. Of course things move on.

As I have said here in relation to the way the Assembly operates and the way in which we have managed our budgets, we should be the cutting edge in this territory. We ought to be an example of good government. We have intellectual firepower in this territory and I struggle to understand why we have been beset with so many problems. Whether Treasury's advice has just been constantly ignored or whether we are not up to the job with the personnel we have on board, I do not know. I have generally been impressed with the calibre of people I have met on those occasions when I have had briefings.

I acknowledge that the new Treasurer is a lot more reasonable about briefings than was his predecessor, who would not extend me even a single briefing when I became shadow Treasurer. I walked into this Assembly as shadow Treasurer and was denied the most reasonable briefings. All the knowledge I have acquired has been through my own endeavours, with little assistance from the government. I guess Treasury cannot do much about that if they are muzzled. But I believe Treasury must accept some responsibility for the position in which we find ourselves.

I do not think there is an appreciation of how much hurt this budget is going to inflict on people. I do not think anybody has sat down and done the numbers and added up all of these charges across the board such as the licences, the cars, the rates, the revaluations, the water charges—and on it goes. Anybody can rev up the tax regime, but this will inevitably have a set of flow-on consequences. It is the battlers, who I thought the government purported to have some affinity with in electoral terms, that I think are going to really be hurt under these arrangements. It is also going to be a lot about retired citizens who will be hammered. They may have indexed pensions and the like, or even superannuation, but it certainly will not be increasing at the rate the charges and household outgoings are going to experience.

We heard a lot of debate six years ago about GST and the impact it was going to have on those on fixed incomes, but the government is turning around and now, under the ACT taxing regime, hitting those who are disadvantaged without sensitivity to their position, purely on the grounds that we need to charge for services. There seems to be poor fiscal discipline since this government came to office. We first witnessed their Treasurer attempting to justify why a pre-output warning given by credit rating agency Standard & Poor's in December 2004 was not sounding alarm bells to Treasury in the lead-up to its delivery of the 2006-07 budget.

It defies belief that this government allowed its expenditure to get so out of whack with its revenue that it took a pre-outlook warning by Standard & Poor's to get it to take corrective measures. What also defies belief is the amount of money devoted to a functional review, the contents of which are still a mystery to everyone outside the cabinet with the exception of the authors and consultants, I imagine, who only serve to offer suggestions of where government might save money that could otherwise be saved through commonsense.

It was revealed through estimates that the Stanhope government chose to spend \$350,000 of taxpayers' money, none of which was used to compensate the leader of the review, Mr Michael Costello, for information that should have been obvious to a generously resourced department such as the ACT Treasury. That is the problem I have with this

budget. This is not a small amount of the Treasury's outlay, yet we are being told they have to go out and find other people to do the job.

They do not, apparently, have any real forecasting ability. They are relying on the commonwealth for that sort of information. Even that makes me somewhat uneasy. It is not that I am doubtful of the competence of the commonwealth, but I would like to see better economic forecasting capability within Treasury. I would have thought that, with the size of their budget, they could actually do some of these things rather than saying, "We need advice, let us go to an external consultant."

As a result of all of this economic muddling, that has attracted a pre-outlook warning from Standard & Poor's and produced, in my view, an extravagantly overpriced functional review, we have ended up with the only possible result when a government fails to adhere to sensible economic discipline for four years. We have a horror budget that is likely to be passed some time before sunrise tomorrow. It is a horror budget that introduces harsh revenue-raising measures and adopts an accounting system that fudges the numbers to cushion the real state of the territory's finances.

Over the last two years, as I look back through the debates, when I have kept saying, "We must really focus on the operational costs of the territory government," I would get this glossy report saying that they have had surplus budget after surplus budget. They have relied on things such as superannuation gains, knowing full well that improvements were not available, as a consequence of the stock market, to run the day-to-day operations of the territory government. When one looks down the list of increased taxes, inflated charges and newly created levies passed down in this year's budget, it makes difficult and indeed depressing reading.

The new fire and emergency services levy will cost ACT households an extra \$84 per year. The land use permit will cost households at the very least an additional \$15 a year. The 30c per kilolitre increase to the water abstraction charge that my leader Mr Stefaniak has focused on will cost households about another \$137 per year, notwithstanding grave doubt about the legal basis of that charge, compounded by the reluctance over the last couple of years to see the tabling of all of the legal advice that agencies such as ICRC and ACTEW and the ACT government and the cabinet itself have taken in relation to that charge.

We have seen land rates increase by six per cent. On top of that we have had revaluations. Then we are going to a WPI method of indexation. The real cost to households is going to be savage. Those increases can be anything from \$63 to \$403 per household. Putting that into perspective, if you look at people in my electorate such as those out at Oakes Estate—and in many cases there are socially disadvantaged people there—they are now going to pay \$915 in property charges. That is up from \$611 in 2005-06.

In the Chief Minister's own electorate, the people at Charnwood are now going to be paying \$1,021 through these various charges, which will be up from \$698. Folk in Banks will now be paying \$1,106, which will be up from \$762. There is a whopping increase for the new area of Harrison, where they will now pay \$1,234—up from \$752. There is no other area of our society where people have been hit with this level of increase. Even grocery items have definitely gone up well ahead of inflation in most instances.

Families are struggling each week or fortnight to fund the cost of food items in this country, thanks to the absence of a real competitive market in the major retailing area. We have put them to shame, because governments do not have competition in most areas and can impose these charges. I think many families will suffer. What happens when people do not have enough money to meet their costs?

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

MR MULCAHY: I would like to take my second 10 minutes.

MR DEPUTY SPEAKER: Proceed.

MR MULCAHY: When people do not have enough money to cover their costs they have to make do with less, so they look at the areas of discretionary spending. For example, their kids may have to do without some entertainment on the weekend. It might even be some sports that they have to drop, or they may look at other occasions. In an environment where many households now have two incomes, they might normally get together or have a takeaway meal once a week. Those things are potentially going to face the chop.

You might say, "That is not the end of the world." But the consequence of this is that households, by cutting back on their disposable income in those respects, may well find that there is further loss of employment. We have many young people in Canberra who are relying on employment in the fast food industry, hospitality, video stores, pubs and clubs around the territory. Indeed, there are many women who have managed to get employment that is child-friendly in the retail, hospitality and entertainment sectors. If we remove dollars from those areas and put them into the hands of government then, without a shadow of a doubt, people will suffer.

A federal politician I was talking to today said, "That is a good thing. It will slow down spending and keep inflation down." It may well do but, frankly, my main focus is ensuring that people in this territory have good government at a reasonable cost. I think the reasonable cost issue has gone out the door. There have been substantial increases in charges. For a home owner with all the things loaded on, that could be, in many cases, somewhere within the 40 to 60 per cent mark.

If that is not enough, if you want to contest your rates assessment, you are potentially going to pay a \$64 objection fee, unless it relates purely to land valuation, in which case a \$20 fee applies. As most of us know, if you seriously want to object to your land valuation you will need to spend a lot more than \$20 to get specialist advice. This punishment is guaranteed to be compounded in the coming years, courtesy of the government's move to index its fees, levies and charges by the wage price index, abandoning the consumer price index which has served all other Australian government jurisdictions for many years. It is an extraordinary measure.

As the Chief Minister acknowledged yesterday, and as the government acknowledged in its response to the estimates report, over the next four years we are going to see a situation where that will reap in another \$20 million from the Canberra taxpayer by a clever device—and that is all one can call it. It is a clever device to, in fact, bring up the

charges at a level that is designed to give the government more money. In fact, it is unfair and is not typical of the way in which people's incomes grow. To my knowledge, there would not be a government in Australia that would be game to do that. I have talked to federal colleagues about this. They think it is a grossly unfair initiative. They do not believe any political party should do this sort of thing. I think we will see a lot of people hurt.

As we go down the track, I will be looking at the rate at which default occurs in relation to territory charges. It is most significant in that regard that just a year ago—and that question is avoided—this territory had about \$15 million owing to it in relation to a whole range of fines, fees and the like. Here we are a year later and that is up to around \$22 million. There are only two, or there could be three, reasons why that would be happening.

First of all, the rate of fees has increased dramatically: well, it is just starting to increase now, so that is not a convincing argument for the value of that increase. The second reason would be that we have dropped the ball in Treasury, whose budget we are now debating, in relation to the effectiveness of their collections. That may be the case. I do not know. I remember asking Mr Quinlan in estimates whether the people responsible for the collection of outstanding fees and fines were going to be subject to the same cutbacks. He said no; that they were untouchable. They were off-limits because they bring money into the territory.

I am assuming that that area has not suffered the chop as other areas either have done or will do. I can only assume one other economic factor will come into play—that is, capacity to pay. I think that figure is going to blow out further. The Treasurer said in public comment that I was going to have everyone lined up against the wall for not bringing their library books back on time. The component of fines relating to library fees was in fact \$1 million last year out of the 15. So there is a lot more to it than people not bringing their books back to the libraries. Nevertheless, \$1 million is a lot to be owed. There is clearly a need for a better system to be put in place.

I am concerned that there is a lot of hurt in this. I raised the issue of WPI with a witness, Mr Craig Sloan, who is chairman of the Canberra Business Council as well as being a well-recognised accountant. I asked him if he was aware of any other jurisdiction—state, territory, local or federal—that uses WPI as a method of increasing charges. He answered as follows:

I have no idea why the WPI would be there. In the current climate, and as history would have it, there is no doubt that the WPI is by far a higher rate than the CPI. Obviously it loads up the rates, the income and revenue coming back to the ACT government, at a greater level than the CPI would do.

Chris Uhlmann of the *Canberra Times* believes that the switch to WPI means that a rates charge of \$1,000 this year will result in a cumulative difference of \$729 to a household over 10 years. That means that, under WPI, Canberrans will be \$729 worse off than under CPI. You have to realise that we are talking about net figures before tax. Depending on what position you are on in the tax regime, you may have to earn as much as almost double that figure to simply get, at best, what you have in services—probably less, but certainly no improvement in the level of services.

We will talk about the TAMS budget later, but you only have to drive down Adelaide Avenue, as I regularly do. Somebody said to me the other day: imagine you are a motorcyclist riding at night in this town. There are holes in that road now that are life threatening. If you live here and drive in daylight hours you know how to duck and weave, but imagine a tourist driving down Adelaide Avenue at night and not seeing those trenches that are appearing, that have been there for weeks. We are not even getting a high standard of service on our main arterial roads, yet we are being told: pay more and more—because you expect too much.

In conjunction with this exercise in revenue raising—highway robbery in my view—the Treasury department has, of course, as I have acknowledged, finally seen the sense and brought the ACT into line with the rest of Australia in its budget reporting. Well, has it? Sure, the accounting treatment is now being used out of GFS, but there are anomalies in the way GFS is presented in this year's budget. It still tilts the numbers in the government's favour. I believe that the projected realisation on superannuation gains, which are in fact not available to the territory for day-to-day operational costs, mask the true position. For that reason, I believe the true deficit for this year's budget is, in fact, in the order of \$147.5 million.

We have had much debate across here about the methods of presenting accounts. But, by any measure, the fact is that the territory is still spending more than it is earning and the problems are still inherent within the system. We are definitely not out of the woods. That is a scary thought, given the level of the charges being imposed on the people of the ACT. Mr Stanhope will have you believe that the ACT is booming and leading the way in economic prosperity. He will cast aside any suggestion that there is anything wrong.

The case may often seem convincing, with low unemployment, a rising number of newspaper ads, retail turnover and the like, but you have to look at the figures in context. We must remind Mr Stanhope that the ACT economy is part of a much larger and much more influential economy—the Australian economy. We cannot argue that the ACT broad territory figures for economic performance are not positive, but it is certainly not acceptable to say that this is an isolated effect caused by the expertise of the territory government. In fact, we owe the benefit of what has happened in this territory largely to the effective leadership of the Australian government and the economic management of the Howard government.

Mr Stanhope: No!

MR MULCAHY: Mr Stanhope dismisses that, but the *Financial Times* in London has published an editorial on this matter. I will read their words. It says:

What can you say about an economy that is a textbook case of good policies, well executed? That is the challenge facing the authors of the latest survey of Australia by the OECD, which struggles to find any serious blemishes in the country's recent performance ...

The list of achievements is impressive. After years of sustained growth, Australia enjoys higher living standards than all of the Group of Seven economies except the US. Unemployment is at a 30-year low ... the federal budget is solidly in surplus—

unlike the ACT—

and net government debt has been eliminated ...

It also makes the following observation:

The biggest potential threats to Australia's winning streak are political rather than economic.

In conclusion, we have never seen the federal government acknowledged for its contributions. Apparently it is all the work of the ACT government. It is certainly never acknowledged that the commonwealth has a role.

MR SPEAKER: The member's time has expired.

DR FOSKEY (Molonglo) (11.54): It is important that Treasury gives dispassionate apolitical advice and it is also important that that advice is heeded. When I wonder why the government felt it necessary to commission a separate analysis, which we now know as the fundamental review, I suppose I think of my own role as a mother. My own advice about wholesome diet and so on is not heeded. But when I send my daughter to a naturopath and the naturopath tells her the same thing, she is more likely to take that advice. That is the only metaphor that helps me understand why the Costello review was seen as necessary. Of course, it is important to remember that the Costello review was not dispassionately and objectively written. An insider wrote it, so to speak.

However, it is pleasing to see that the ACT government has adopted GFS reporting because this makes the government's accounts more transparent to public scrutiny. Mr Stanhope has said in this Assembly that under the GFS measure the territory budget will record considerable deficits. That is one of the reasons why no earlier government ever moved to GFS. He also says that the adoption of GFS is consistent with his government's strategy of reducing reliance on land sales and unexpected stock market windfalls. I think the Liberals and Greens agree with this move and are pleased that land sales will be recorded as asset sales, rather than operating revenues and gains, and that losses on superannuation investments are excluded from measures of revenue.

Given all this, it was confusing to hear the Treasurer's claims that the 2006-07 budget is in an estimated surplus position of around \$120.5 million and then the Liberals' claim, or counterclaim, that under Australian accounting standards we have a deficit of \$16.4 million and under GFS a deficit of \$80.3 million. For members of our community that are not fully aware of the different accounting systems operating, this makes it very difficult to assess what the real budgetary situation is. Of course that is what it is like out there in the community. Absolute confusion reigns.

It has been open to every government to make the transition to GFS, and I congratulate the Stanhope government on being the one that has taken this action. It was obviously a difficult nettle to grasp and I suppose it is understandable that the large surplus under the old accounting standard was too good an opportunity to let pass without at least one more press release.

Having said that, we must not lose sight of the fact that our superannuation investments and land sale revenues still represent bookable assets and are essential to painting a complete picture of ACT finances. In fact, I doubt that the Chief Minister's much cherished and hard-won AAA credit rating would have remained intact without their being on the books. Mind you, cuts to community spending programs always gladden the hearts of single bottom line bean counters and the swingeing cuts to the community sector in this budget were no doubt delivered partly for the benefit of Moody's and Standard & Poor's.

As the cliché goes, single bottom line bean counters know the price of everything and the value of nothing. They are so well versed in the black arts of neoliberal economics that they no longer see the value in indices of community health, standards of public education, environmental integrity, clean water, biodiversity, low crime rates, personal relationships, general public happiness, community cohesion and personal fulfilment. Virtually every other measure on which the rest of humanity bases wellbeing is eclipsed in the eyes of the single bottom liners by the all-powerful single bottom line of financial statements.

Not having undergone empathy and imagination bypass surgery myself, I beg to disagree with them. I know that some will brand me as naive or economically illiterate, but I consider the social and environmental dimensions and responsibilities of my life to be at least as valuable and important as the financial dimension. It has been shown that, beyond a certain level of income and the satisfaction of basic needs, the correlation between income and happiness breaks down. There are many studies that indicate that happiness and wellbeing are not merely products of higher incomes.

At the estimates hearings the Treasurer said that the continuation of an AAA credit rating is the very point of the budget. Call me crazy, but I think that one of our main tasks as politicians is to maximise community wellbeing. Given that increasing wellbeing is more important than merely increasing measures of GDP, I do not place such overwhelming importance on the maintenance of our AAA credit rating. Rather, I put it in perspective as only one of at least three good indices of good governance, the other two being measures of social and environmental wellbeing. I do not think that an AAA credit rating and the marginally lower interest rates it brings are worth sacrificing all those other things for. I am not sure that the one precludes the other, but this year it looks like it.

Historically, ACT governments do not borrow money to fund infrastructure spending. This being the case, I do not think that the marginal benefits of maintaining our credit rating are worth the negative impacts of the unfairly targeted spending cuts that will fall disproportionately on the weakest members of society. It has become abundantly clear to me that Mr Costello did not employ triple bottom line accounting principles in his review. This implies that his brief from the ACT government did not include a requirement to do so. It is sad to reflect on the fact that the government's commitment to triple bottom line reporting seems to have buckled as soon as the going got tough and, ironically, when it matters more than ever. Old habits die hard, and perhaps Bomber Beazley's ex chief of staff thought that a large increase in the Chief Minister's spin budget would take care of any social or environmental blowback caused by his economically rationalist prescriptions.

I am concerned that all the work on triple bottom line accounting of the previous Treasurer and any plans to use sustainability indicators seem to have been lost or put into cryogenic suspension. The government has paid much lip-service to the benefits of triple bottom line accounting practices and the importance of minimising greenhouse gas emissions, but, until it actually bases some concrete actions on the principles that underpin triple bottom line thinking, we will continue to see the continuation of business as usual. But business as usual is a large part of the problem. I urge the Treasurer to issue procurement guidelines that encourage the purchase of products based on environmentally responsible production, distribution and disposal practices. I believe that we could start with the many documents that come to us in this place in large fonts on single-sided paper.

The reality of climate change means that we all have to adjust our behaviour if we are going to minimise the adverse consequences of global warming and loss of biodiversity. Governments are big consumers in their own right, but they also have a role in setting the standards for their own and corporate procurement. Government policy shapes the consumption pattern of households. Since the signing of the US free trade agreement, I am not sure to what extent we are still permitted to base public procurement and spending decisions on social and environmental factors. But to the extent we are so permitted, I urge the government to set an example by buying responsible and buying smart, rather than merely buying cheap.

When the estimates committee asked about the progress towards a triple bottom line reporting model, we were told:

Establishing an effective evaluation framework is an important, ongoing project for Treasury with indicators being developed and refined for use by agencies and to assist the decision-making process within cabinet.

I have been trying for a while to work out what these words say. I have at least ascertained that they were cleverly designed to look impressive but really mean *manana*—maybe.

There is no need to wait until measures are developed and refined to fit into the performance indicators for public servants. It is not rocket science. The data is out there now. Longitudinal benchmarks are needed to measure such things as rates of suicide, domestic violence and sexual assault, demands for emergency housing and welfare services, mental health statistics, self-reported happiness surveys, standards of public health and education and environmental measures to gauge the health of ACT habitats, as well as water quality and surveys of ecosystem indicator species.

The raw data is available. It could be collated with minimal effort before the end of the current calendar year. It just takes commitment to do so. I urge you to stop procrastinating and prevaricating and to develop and refine your indicators in full public view and with full public consultation. We will end up with better indicators and better public acceptance of the behavioural changes that are required if we are to pass on a healthy planet to future generations. This goes for almost any area of public policy. Let the community into the decision-making process at a stage when the plans are in flux. May I take my second 10 minutes, please?

MR SPEAKER: Yes.

DR FOSKEY: Consultation is a farce when the government opens proceedings with two straw men, a paper tiger and a fait accompli. The sustainability legislation and the Office of Sustainability now fall within the portfolio of the Minister for Territory and Municipal Services. I think this is a mistake. The Office of Sustainability was established to ensure across-government understanding and education and to assist departments to achieve compliance with the principles of sustainability. This is best achieved in the central agency, and in the government that is the Chief Minister's Department. The Auditor-General's report on ecologically sustainable development made a number of extremely valuable recommendations that were endorsed, in part, by the Chief Minister, but it is obvious that her office's advice was basically disregarded in the drafting of this year's budget.

I urge the Treasurer to rekindle his enthusiasm for sustainability measures and I urge the Treasury to recruit and develop environmental and social expertise with which to evaluate the true state of the ACT's accounts. Natural capital is not worthless or less valuable merely because it cannot be traded. It can certainly be squandered. By way of example, the amount of soil which is currently being lost off government controlled areas of the Brindabellas should be accounted for somewhere in this budget. Food, unlike money, grows on trees. Trees need soil and it takes hundreds of thousands of years for natural processes to develop soil. So it should be treasured and not treated like dirt!

Many other jurisdictions use their superannuation investments to fund their public housing programs. I urge the Treasurer to examine their programs seriously with an eye to investing some of our own super funds in public housing for the ACT. The rate of return may not be as high as other parts of the market, but neither is the risk. I have never heard of banks and credit agencies turning up their nose at bricks-and-mortar investments. This is an area where it is not wise to listen to the squawking of the development lobby. Of course they want government out of the field of housing and of course they want access to all those inner-city government properties. I am aware that Treasury is probably putting pressure on ACT Housing to realise some of those properties. I urge the government not to cave in to them. Canberra has benefited from a century of social mix but many developers seem to consider it obscene that public housing is allowed to remain in Reid and Yarralumla.

There is presently a disturbing lack of consistency in the performance indicators used by various departments in their budget papers. There is no way that we, as budget readers, can be sure how various indicators have been used by different departments. It is important that performance indicators are consistent and capable of being compared across departments and through time.

It is possible that the functional review's recommendations to simplify administrative structures and to improve policy development and service delivery could improve outcomes in terms of whole-of-government use of sustainability indicators and better reporting practices. This simplification of administrative structures certainly presents the opportunity to implement holistic and comprehensive triple bottom line reporting practices. I urge Treasury officials to grasp this opportunity and to put into practice the current Treasurer's powerful endorsement of sustainability indicators at last year's

annual reports hearings. I was a member of the committee and I heard Mr Stanhope threatening agency heads concerning their performance agreements if they did not heed the Auditor-General's recommendations and use the global reporting indicators.

Last year, as part of its formal budget papers, the government released a supplementary paper entitled *Framework for future budget presentations: discussion paper*. The paper noted the government's commitment to sustainability and its intent to embed sustainability principles into government practice. What has happened? The opposite seems to have happened. The focus seems to have become even more fixated on standard economic performance measures.

I have spent a long time talking about triple bottom line practices, and that is because they seem to me to have gone missing in action and reappeared as the elephant in the room that no-one else is talking about. It is worrying that no-one else in this Assembly talks about this. It was very discouraging to find at the mid-term meeting of public accounts committees in April this year that only a few of the states knew what I was talking about when I talked about sustainability indicators and reporting on the triple bottom line. The delegates from the commonwealth public accounts committee certainly did not. The delegates from Western Australia did not even seem to know that their state has a commissioner of sustainability. Perhaps they do not know because they had a Costello review, too, didn't they!

As the May 2004 supplementary budget papers stated, a triple bottom line approach involves a multidimensional and holistic view of human activities and their impacts. I cannot emphasise enough the importance the Greens place on the opening up of policy development to public scrutiny and participation. Sustainability principles are one issue on which the public must be brought along. Governments cannot get too far ahead of a community on these issues. On the other hand, this one needs to catch up, despite the bright rhetoric. Sadly, it has become apparent that until it becomes electorally damaging to ignore social and environmental indicators, governments are unlikely to find the courage to stand up to the financial markets and ratings agencies.

The homelessness strategy, which was to be the pilot for the government's new poverty impact analysis, has effectively been abandoned. Hopefully, as the Costello reforms recede into history, this government and its successors will rediscover the value of community infrastructure building. If, as this budget makes more likely, the Greens recapture the balance of power in this place, it will not be a coincidence that community housing, triple bottom line accounting and environmental sustainability will return to much sharper focus.

The government's new measures to raise \$62.7 million in additional revenue raise concerns about their poverty impact. We are starting to hear about the negative impact they are having on low-income households that are not eligible for pensioner concessions. It does not seem that the government paid sufficient attention to the likely negative impact of these revenue measures when they are coupled with, and magnified by, the introduction of WorkChoices and the Welfare to Work program. The Community Inclusion Board's work on poverty-proofing the budget has not been given even token attention by the government this year. Indeed, it looks as though the board itself may be a victim of the government's austerity measures.

I am concerned that using the wage price index to calculate annual general rates rather than the consumer price index will further exacerbate the budget's negative impacts on the unemployed and on people with fixed incomes. These fixed incomes are typically indexed to the consumer price index, which historically lags behind the wage price index. Using the CPI also seems to fail to take into account the fact that the top income brackets are growing at a much faster rate than the bottom.

There are other issues I can touch on in my time allotment. Given that the ACT's reinsurance companies will not go near home birth indemnity insurance and given that it is a frequently expressed desire of women in the Australian Capital Territory to have access to home births and other midwife-led births, I urge the ACT government to lobby strongly at COAG and at other venues for a national scheme to put in place insurance indemnity cover for suitably qualified midwives. I suggest, too, that it work with the southern area health bodies to see if it is practical to develop a region wide scheme, potentially overcoming some of the obstacles presented by our small size. We go regional when it suits us. Why not for women who want home births?

I wonder if the insurance office was asked to comment when the government decided to include penalty provisions in the Gungahlin Drive extension construction contracts despite the clear and present danger the construction would be seriously delayed by well-founded court challenges.

MR SMYTH (Brindabella) (12.14): The Treasury is at the heart of the budget, and one of the big concerns that took away from the committee hearings was the failure of Treasury to answer many questions. I will just give one example. The Treasury was asked to give us their opinion of the government's business case on the prison. It is a large expenditure item amounting to \$128 million worth of capital works plus ongoing recurrent expenditure. They failed to answer that question and they refused to release the documents. The great shame is that, if the government's case was solid, then I bet those documents would have been released at the drop of a hat. All one can surmise from the failure of Treasury to answer questions and to release documents is that they actually have no confidence in the submissions that have been put forward by the government as to the viability of the prison. That then reflects on the whole budget.

There are a large number of assumptions in this budget. When you drill down on them they are certainly not viable in the long term. It is interesting to look at the government's own approach on page 8 of budget paper No 3 and how they get to a surplus. The document states:

The measures in the 2006-07 budget ensure that the budget will be balanced after land sales in 2007-08, and by 2008-09 the budget will be in surplus without relying on land sales receipts.

So what are we comparing? It is not just apples and oranges. Somebody has thrown in cumquats and mandarines. The Treasurer is not consistent in the way that he presents information to the public. That is disturbing. If we are going to have a different set of rules for last year, a new set of rules for this year, a set of rules for the year after that and a different set of rules for the year after that again just to make the Treasurer look good,

then I think we have problems. The problems are, firstly, ego and, secondly, that the people do not understand what their government is doing.

The Treasurer says we are not going to use the Australian Accounting Standards any more, except when it delivers a really big surplus, and then we are going to muddy the waters. Depending on the standard used, we have \$176 million for the year just finished as a surplus or a deficit of either \$92 million or \$123 million. So we can say, “Gee, which one will I choose?” It is very confusing for the public. They are told that there will be enormous rate increases, that we are moving to WPI because it is fairer, that we have got to have courage and guts and determination to change where we are going as a territory because we are broke, and then we record this record surplus. I think there needs to be some consistency of approach in what the Treasurer presents to the public. That leads then to the accuracy of the data. What is it that we are actually comparing, and how can we have confidence and faith in it? I refer again to budget paper No 3. It states:

An important element of the government’s strategy in the 2006-07 budget is to move the ACT away from its reliance on land sales revenue to finance the operating budget.

I would like the Treasurer, in his response to our comments, to tell us what percentage overall of the budget comes from land sales. I am interested to know what reliance we are moving away from, because the vast bulk of monies received actually come from the commonwealth and from other sources. Yes, revenue from land sales and conveyancing, as well as land tax and all those sorts of things, are important. But we have created this straw man that it is land that has been keeping us afloat.

Land sales are important but, as we move away from reliance on land sales, what are the options? What is the answer, the strategy? Where will the revenue come from in the future to provide the nurses, doctors, teachers and police officers on the street and the childcare protection workers and emergency services workers? Where is it going to come from? It will come from taxes on land. We are going to up the rates. We are going to put a land use utility permit on land. We are going to go back and tax you on the thing that we say we want to move away from.

The illogical nature of what the Treasurer proposes is exposed, and that further exposes the fact that they are bereft of ideas to broaden the actual tax base in the ACT. Let us go back three or four years and look at some of the ill-founded proposals that have floundered under this government. The 2003 rating policy did not go ahead. The bushfire tax from 2003 did not go ahead. The loan security duty of 2003 did not go ahead. The parking space tax of 2003 did not go ahead. The city heart tax of 2005 is still delayed because nobody can work out how to apply it, what to do with it and who is to run it. The motor vehicle tax of 2006, which would impose a tax on vehicles based on their list price rather than the actual price, went as well. Of course, there was the debacle of the homebuyer concession scheme in 2004.

The history of the reform of revenue raising under this government is an absolute disaster. The taxes and the revenue that we seek to raise this year will compound that disaster. I am very grateful that one of the few complete answers in the estimates process was in relation to WPI and what it will raise. For those that do not know, there is a lovely chart, table 1.1.2 on page 6 of budget paper No 3—it is included just about every year—

which has all the information you need to work out where the territory is going in the broad. It gives figures for state final demand, employment, unemployment, population, consumer price index, gross domestic product and ACT gross state product.

But this year's chart does not have the measure in it that will be used to determine how our rates are paid, and it is the WPI, the wage price index. The chart on page 9 of the Treasurer's response to the committee's report—and I thank the Treasurer for that—shows how much more money the WPI raises above the CPI. This year it will be 1.3 per cent, or \$1.8 million. In 2007-08, it is projected to be 2.5 per cent higher than the CPI, bringing \$3.7 million to the territory. In 2008-09, it is projected to be 3.8 per cent higher than the CPI, raising \$5.7 million. In 2009-10, it is projected to be 5.1 per cent higher than the CPI, raising \$7.9 million. As the shadow Treasurer pointed out yesterday, over the four years it will bring the territory almost an extra \$20 million. That is without any justification at all and without any acknowledgement of the impact it will have on some groups, particularly on concession holders, self-funded retirees and those who are on fixed incomes. All of these fixed incomes increase annually by the CPI.

This government talk about equity and about caring. This government want to look after the little guy. Yet, by moving to WPI, they will punish them in the most punitive manner. No other jurisdiction in the country uses the WPI. We should not be bound by the fact that nobody else does it and we should be free to try things, but the justification for the WPI is simply a grab for cash because this government is bereft of ideas on how to raise revenue. It is attacking the sector that gives it a return. It is business that provides employment and investment. It is business, particularly the tourism industry, that provides most of the land tax and other taxes. What does this budget do? It cuts the funding to those groups. The Treasurer's short-sighted, narrow interpretation shows his lack of understanding and his lack of engagement with the business community. This budget attacks the business community.

We want to move away from land-based revenue but we are going to tax the land base in a higher manner. We are going to apply the WPI and at the same time we are going to reduce the funding to business. The tourism minister called it business welfare. When he was asked to outline what he meant by business welfare, he could not. It was just a glib line to defend the indefensible.

There is an Access Economics report for the financial year 2003-04, delivered in 2004, that says that the government received something like \$107 million worth of tax from the tourism industry. At that stage we were investing, depending on how you account for it, somewhere between \$20 million and \$22 million in tourism. That is about a five to one return: for every dollar you spend, you get five back. That is not a bad investment. I wish that every time I spent a dollar, I got five back, and I am sure the government does.

What did we do? At a time when everyone else is increasing expenditure on tourism, indeed on business, we cut our expenditure. It will get harder and harder to get business to come to this jurisdiction. In the end it is business that employs and business that pays through the taxes that we impose upon them. It is business that provides the money that keeps the hospitals, schools and the police force operating. But this government attacks business. It has taken a short-sighted and narrow view. It has not engaged with the business community and it has not looked at how it will broaden the tax base. For three or four years now we have been saying to the government, "Broaden your tax base. Go

after new industries and make sure that you reduce the burden on everyone as a whole and spread it widely on as many as you can.” It is a shame that the government has taken that approach. A lack of strategy is apparent throughout the entire document.

Proposed expenditure agreed to.

MR SPEAKER: I welcome the adult migrant English group from the CIT, who are with us today.

Part 1.6—Central Financing Unit—\$214,000 (capital injection), \$11,943,000 (payments on behalf of the Territory), totalling \$12,157,000.

DR FOSKEY (Molonglo) (12.25): The estimates committee noted that the investment funds held by the Central Financing Unit were invested nationally to maximise financial return while minimising risk. It may be that the investment brief held by the Central Financing Unit and the advice given are too restrictive. The CFU should be under an obligation at least to examine the possibility of investing a percentage of its funds within the ACT. Even if the immediate returns to the CFU on those investments are slightly lower than comparable risk level investments elsewhere, the broader benefits to the ACT economy and community may far outweigh the slightly lower direct returns. If a CFU investment results in a business venture occurring in the ACT that otherwise would not have occurred, then the multiplier effect kicks in to amplify the benefits to the ACT economy.

But there are also benefits that are not so obvious if one employs a straight financial analysis. I am referring to quality of life issues that are revealed by triple bottom line thinking and accounting practices. Higher employment rates mean lower health costs, less welfare spending and generally happier people, with the caveat, of course, that it depends on the nature of that employment and conditions within it.

Investment in government housing adds to the ACT’s economic wealth and expands our ability to provide really affordable housing to a wider range of people. I also think that a portion of the CFU’s portfolio should be directed to ethical investments, preferably within the ACT. Demand driven initiatives to encourage ethical business practices are one way that this government could nudge the business community to be more attentive to the social and environmental impacts of their investment activities. Ideally, environmental and social impacts will become incorporated into institutional and procurement policies and decision-making practices. This will result in businesses positioning and marketing their products in terms of their relative environmental advantages, rather than mere price differentiations that ignore adverse environmental and, at the moment, social externalities.

MR MULCAHY (Molonglo) (12.27): I will be brief.

MR SPEAKER: Bear in mind that I will interrupt.

MR MULCAHY: Yes, I know. I do not plan to speak for any great length of time. I was prompted to speak by Dr Foskey’s views. I have to say that that Liberal opposition and, I suspect, the territory government, although they can speak for themselves, would really

struggle with the concept of discounting return on investment on the criteria that we are going to just spend the money in the ACT. The territory's—

Dr Foskey: A portion of.

MR MULCAHY: Well, even a proportion. I have seen this approach in other investment organisations I have been involved with where people rationalise on the basis that revenue may come out of a particular industry area and say, “We should lend the money back to people at cheaper rates.” The fact of the matter is that the territory's Treasury investment advisers have an obligation to manage those investments prudently to generate the best possible return for the ACT taxpayer. If they do, we can help people in a broader sense by reducing the pressures on the government to increase taxes and charges. We should not be artificially subsidising industry or business by investment activities that are not generating the best possible return to the taxpayer.

I believe the same criteria must apply with ethical investments. I have heard the view from sections of the environmental lobby that we should be willing to get a poorer return on investments so that we can back some particular cause. You cannot take that approach with the investment of public funds or trustee funds. You have to get the maximum prudent return. That does not mean putting it in a country that has 32 per cent returns and 80 per cent inflation. That is not being smart with your investments. You need balanced investment strategies. They need to be at the best return possible, while at the same time ensuring that the level of security and long-term position of those investments is protected. To make it very clear, the Liberal opposition, as long as I have the role of shadow Treasurer, will always advocate the approach that I have outlined.

Proposed expenditure agreed to.

Part 1.7—Home Loan Portfolio—Nil expenditure.

Debate interrupted in accordance with standing order 74 at the resumption of the debate made an order of the day for a later hour.

Sitting suspended from 12.29 to 2.30 pm.

Questions without notice

Planning—EpiCentre lease

MR STEFANIAK: My question is to the Minister for Planning and is in relation to the EpiCentre sale. Yesterday in the Assembly the minister tabled a letter from the Land Development Agency to ING. The letter was dated 6 October and referred to an inquiry the company had made over the EpiCentre site. The letter says:

The onus lies with the proponents to consider the provisions of the plan and to formulate their own conclusions.

In an email to a representative of Austexx on 17 November, ACTPLA said:

You also requested clarification that the 3,000m² limit could apply to a number of individual establishments within a larger Crown Lease for the site held by a single lessee. This is also correct.

Why are two different companies dealt with by two different government bodies and given two different answers?

MR CORBELL: The premise of Mr Stefaniak's question is wrong, because the two companies did not ask for the same advice at the same time, or even in a reasonably close period of time. ING, in its letter to the Planning and Land Authority in late September 2005, asked if a direct factory outlet was permitted on the site. The company was referred to the Land Development Agency. The reason for that was that the inquiry was substantively about the expressions of interest process that the Land Development Agency had responsibility for. In the reply given by the Land Development Agency, ING was advised that it needed to rely on the territory plan and rely on its own advice in relation to whether or not a direct factory outlet was permitted.

This is the same advice that was given to the company known as Austexx when Austexx asked the same question of Mr Savery, chief planning executive, in October and November of the same year. The advice given by officers of the Planning and Land Authority on 4 October last year was not in relation to questions asked about whether or not a direct factory outlet was permitted on the site. The inquiry that was made—and I refer Mr Stefaniak to the record of the discussion—was that the details of the proposal and the land use policy, that is, the issue under discussion, was for bulky goods retail and shops. It was not a discussion or a request about whether or not a direct factory outlet was permitted on the site.

When that question was asked by Austexx—and it was asked later than ING—it was given the same substantive answer that ING was given by the LDA. That was to rely on its own advice and to rely on its interpretations of the territory plan. I have no doubt that ACTPLA and the LDA have consistently and fairly treated all parties on this matter. I further add that any suggestions that ING did not proceed further through the auction process because of the allegations around this advice are also false. They are false because the Land Development Agency provided the full detailed lease and development conditions and the crown lease to all bidders, including ING, before the auction. ING was a registered bidder in the same ways that Austexx was a registered bidder, in the same way that a range of other companies and individuals were registered bidders.

It is quite clear to me that the advice that was given was consistent. The only thing that is not consistent is the fact that the opposition continues to cherry pick particular instances at particular points of time in this process without looking closely at exactly the questions that were being asked by the different bidders. Austexx did not ask the Planning and Land Authority in the 4 October meeting whether a direct factory outlet was permitted on the site. I challenge Mr Stefaniak to look at that document and see if there is any reference to whether or not a direct factory outlet is permitted on that site. The answer to that is no. It does not say that a direct factory outlet is permitted on this site. What it does say is what is in the territory plan. Planning and Land Authority officials say exactly what is in the territory plan, which is, of course, a public document. So any suggestion that ING did not receive the same advice as Austexx is wrong, and

any suggestions that the questions asked by Austexx in its 4 October 2005 meeting and the questions asked by ING in the later month are the same are also wrong.

MR STEFANIAK: I ask a supplementary question. Minister, do you believe that this differential treatment is satisfactory? Will you now seek to investigate any anomalies in the auction process?

MR CORBELL: I just indicated that there was no differential or preferential treatment. I again refer Mr Stefaniak to the document that I have. Where in this document does it state that Austexx asked ACTPLA, “Is a direct factory outlet permitted on the site?”? It does not. This is the official record of discussion between the planning and land authority and Austexx. At no point does this document indicate that Austexx asked, “Does this mean a direct factory outlet is permitted on the site?” It does not say that. The document says that the subject for discussion “was a bulky goods retail and shops site”. Then there are the items for discussion that quite clearly indicate what are the controls in the territory plan for the site. ING, in its letter to the planning and land authority, asked explicitly, “Was a direct factory outlet permitted on the site?”

Mrs Dunne: On a point of order, Mr Speaker: I seek your direction. I recall on one occasion when I was a staff member being asked to vacate the media gallery. Members of Mr Corbell’s staff are in the media gallery at the moment. I seek your direction on that issue.

MR SPEAKER: Order! There is nobody in the media gallery.

Mrs Dunne: They are, Mr Speaker. They are there in the doorway talking to the media. What is your direction, Mr Speaker?

MR SPEAKER: Ask them to close the door.

MR CORBELL: If members of the Liberal Party want to stop my staff from speaking to the media, that is a very interesting move on their part. Clearly, they are worried about this issue if they do not want my staff talking to journalists.

Returning to Mr Stefaniak’s supplementary question, the clear point that must be made is that the ING inquiry, which was replied to in early October—on 6 October—and the Austexx meeting on 4 October between ACTPLA and Austexx were not dealing with the same inquiries. So it is simply incorrect to suggest that conflicting or preferential advice was given. It shows that opposition members are not being forthright in the way in which they are taking certain incidents in this whole process. They are cherry picking them to suit their own ends without viewing them in context.

Planning—EpiCentre lease

MR GENTLEMAN: Mr Speaker, my question to the Minister for Planning is on the same subject. A number of questions asked this week about the EpiCentre lease have been based on selective quotes or references from documents released to the planning and environment committee and from Wednesday’s story on WIN Television. There are claims that one company received preferential treatment in the pre-auction process last year. Minister, can you advise the Assembly how the ACT Planning and Land Authority

and the Land Development Agency dealt with inquiries about land use and other matters from prospective bidders in the lead-up to the auction.

MR CORBELL: I thank Mr Gentleman for the question and I am pleased to give some further advice and information to the Assembly on this issue. A number of questions asked yesterday referred to a story that was run on WIN Television the previous night. The questions have taken points out of context and, given the significance of the issues raised, it is very important that they are clarified. The WIN reporter introduced the segment with the following question:

Just how much information did Austexx have prior to the auction of the EpiCentre site? That's the question being asked by Canberra developer, Terry Snow, who believes documents released as part of the Planning and Environment Committee, show it to be considerable.

Mr Speaker, I would like to go through this process in some detail on the basis of what Mr Snow raised on WIN TV on Wednesday night. In response to the reporter's comment that "Documents show Austexx had already drawn up site plans, and arranged a pre-application meeting to discuss uses on the site, a process that Terry Snow says is inappropriate during a public auction process," Mr Snow responded that "All the other bidders weren't notified with the information and site drawings until 17 November, one month later".

Mr Speaker, I would like to address the following points. The documents referred to, including the site plan, are not ACT government documents. They are Austexx documents, not documents issued by the LDA or ACTPLA. They were commercial-in-confidence until their release following a request by the planning and environment committee. The documents show that Austexx commissioned a company called Orion Communications to prepare site plan drawings. The Austexx fax note of 27 September clearly states this.

It is not unreasonable that bidding companies would proceed to look at the site that they are thinking about buying and to see whether what they want to build will actually fit on the site. This is part of a due diligence process, as I have indicated to members earlier. The so-called site plans were commissioned by Austexx based on information that was available to all interested parties. The location of the site was known and the dimensions of the site were known. It is no state secret where the corner of Newcastle Street and Canberra Avenue is. As I said, it would not be unreasonable to expect prospective bidders to map out the site to see if their proposed development would actually fit onto that site. They did not have to wait until 17 November to know where the site was and to do an indicative site drawing.

In fact, Mr Snow's company also undertook due diligence and asked ACTPLA very specific questions about car parking relating to what they considered a potential development on the site. On 1 December 2005, two weeks before the auction, Mr Tom Snow emailed ACTPLA and asked the following questions:

We are considering the purchase of Block 8 Section 48 Fyshwick from the LDA, and are considering land uses for this block. Of critical importance in determining these land uses are the parking provision requirements.

This is where it gets interesting, Mr Speaker. Mr Tom Snow went on to say:

In particular, our understanding from the ACT Parking and Vehicular Guidelines is that a factory outlet centre—

note that they have missed it, not ACPLA—

would be under the definition of “shop” in an industrial area, and hence would require 4 spaces/100m² GFA.

That is, four car spaces per 100 square metres of gross floor area. He went on:

Can you advise whether this interpretation is correct in your opinion, and will this be the requirement on the site for such a factory outlet centre?

This is on 1 December, two weeks before the auction. Mr Snow asked very explicitly: we are thinking about building a direct factory outlet. How many car parks do we have to provide on the site? He finishes by saying:

Also, can you advise whether such planning guidelines are flexible, and hence whether we (or another developer) could provide a lower car parking provision rate for a factory outlet centre.

Not only did Mr Snow know that a factory outlet was permissible; he wanted to know if he could get away with less car parking on the site. Mr Speaker, this puts a lie to the claim that people did not know a direct factory outlet was a permitted use. They know it, Mr Snow knows it and all users were treated equally throughout this process.

MR GENTLEMAN: Mr Speaker, I have a supplementary question. Minister, Mr Seselja has raised further matters relating to the different treatment of prospective bidders for the EpiCentre site.

Mrs Dunne: Preamble, Mr Speaker.

MR GENTLEMAN: Can you assure the Assembly that the appropriate process was followed in relation to the auction process?

MR SPEAKER: I remind members asking questions that preambles are not permitted in supplementary questions.

Mrs Dunne: Thank you, Mr Speaker.

MR CORBELL: Mr Seselja has referred to a letter from ING dated 23 September 2005 addressed to ACTPLA. Among the issues was the following: I will quote from the letter. It says:

We are concerned to note that the Permitted Use for the site, as stated in the EOI documents, no longer expressly includes Discount Outlet Retailing. This is notwithstanding numerous references to this use being acceptable, both in the Preliminary Assessment package dated January 2005 and in public statements from

the LDA and ACT government as recently as the public launch of 'EpiCentre' last week.

In our opinion, it is inappropriate that Discount Outlet Retailing should not now be nominated as a permitted use in the EOI documents at this late stage, given that the site has been exposed to the market on this basis for a considerable time.

The Austexx inquiry on 4 October, as I have said in reply to an earlier question, was not the same as the inquiry from ING on 23 September. The Austexx inquiry was with regard to the territory plan, whereas the ING inquiry was in respect of whether or not a direct factory outlet was a permissible use. When Austexx finally asked the same question as that of ING regarding a direct factory outlet it received similar advice to that provided to ING as contained in Mr Savery's letter dated 8 December 2005.

I want to emphasise that ING and Austexx were registered bidders in the process and received the same information in respect of lease and development conditions and sales documents, and had the opportunity to make further inquiries to their relevant agencies. The ING request for information was of a more general nature and one that ACTPLA and LDA felt would have been clarified by reference to the lease and development conditions which were due for issue by LDA, along with other sales documentation, and which were subsequently issued to all bidders, including ING, on 17 November 2005. It was LDA's assessment that reference to the territory plan and advice on the expected issues of the lease and development conditions would have adequately addressed ING's query.

By contrast, and as I have noted previously in my answer to Mr Stefaniak, the Austexx request for information was more specific in relating to Austexx's plans for the site and required greater detail to respond to appropriately. It could not be addressed by mere reference to the territory plan or the lease and development conditions, and indeed it was not the same question.

Mr Seselja's comments in the adjournment debate last night, which are similar to the questions he had asked earlier, also demand a response. ACTPLA was responding to specific inquiries by Austexx conducting their due diligence and based, presumably, on Austexx's analysis of the sales documentation. All of ING's inquiries were met, reflected in the fact that no further inquiries were made by ING after the LDA responded, given, and even though, they had every opportunity to do so at what was still a very early stage of the process. Inquiries were also made by the Capital Airport Group. They were responded to by ACTPLA appropriately.

I would like to finish by referring to the findings of Justice Connolly on this matter. Mr Seselja refers to a "context of significant confusion". This was not the opinion of Justice Connolly in Mr Snow's failed attempt to stymie the auction the day before it proceeded. Justice Connolly stated as follows:

It seems to me that it is abundantly clear that the kind of purchase at the auction is the right to acquire an ACT Crown Lease, which could be used for the purposes of the lease purpose clause. And the lease purpose clause is for: bulky goods, non-retail commercial, restaurant, and shop.

Justice Connolly also referred to the nature of the registered bidders when he said:

Persons, including corporate entities, who have achieved qualification for this sale will presumably be experienced individuals or commercial entities who have some understanding of the way land is made available in the ACT. And they will understand that they are purchasing not freehold property subject to local council planning controls, but an ACT commercial lease. They will understand that an ACT commercial lease means that you can only conduct the activity contained or approved in the lease. The activities in this lease, it seems to me are clear.

This only reinforces that all information was provided consistently and fairly throughout this process.

MR SPEAKER: The minister's time has expired.

Children—care and protection

MRS BURKE: My question is to Katy Gallagher as minister responsible for family services. Minister, earlier this week I asked you about the number of children in the ACT who had had contact with the Office for Children, Youth and Family Services as they were in at-risk situations and who had tragically died. This week we have seen press reports from Western Australia and yesterday there was another report—this time from Queensland in the *Courier-Mail*—outlining the number of children who had died and who had had contact with departmental case workers in those two jurisdictions.

Minister, you and your officials have now had two days notice to provide an answer on this matter. I am sure that you will agree that one death is one death too many. Minister, how many deaths have there been of children who have been in contact with the department in the past two years?

MS GALLAGHER: Mrs Burke is right; I have had two days. Of course, I had leave of absence from the Assembly yesterday, so I was not in a position to respond then. Today's question time is the first opportunity. I have an answer to give at the end of question time and I thank Mrs Burke for giving me the opportunity to talk now on this very important matter.

I begin by saying that I was very sad to see, following question time on Tuesday, that Mrs Burke had not waited for my answer to the question and had actually gone and done a media interview on this very tragic subject of the number of children who have died in the territory and had alleged that there had been nine infants over the past 18 months who had passed away and who were known to care and protection and that she knew that little was done to protect them. The decision that she made to use a tragic event like the death of a child to get her name on TV without waiting for the answer and the truth on this matter was absolutely appalling, and she is a disgrace to this Assembly for that reason alone.

The answer is not nine infants. Mrs Burke obviously dreamt up that number. The reference to nine infants over the last 18 months was incorrect and the statement that little was done to protect them was incorrect. I look forward to a media release from Mrs Burke clarifying that and apologising to the families of those children who have passed away for the pain that she has caused to those families by making that statement. It is the lowest of the low that I have seen in this Assembly.

Throughout the Vardon inquiry I stood here and answered questions time after time, and some of them got a bit low at times, but never have I had someone ask a question without notice of me as minister and taken it on notice specifically so that I could have the exact figure so that we did not have alarm bells ringing and media releases being put out, so that I could put the answer in context, and found that, instead of waiting for that, four hours later there was a claim on TV, as there was by Mrs Burke that there had been nine deaths of children over the last 18 months and nothing has been done to protect them by the child protection authorities. That is absolutely incorrect on every front, Mrs Burke. I have worked with you for a number of years, but I have never seen anything like that. As I said, it is an absolute disgrace.

There have been five children pass away in the past two years who had at some time in their life been reported to or known to care and protection services. All of those deaths have been reported to the coroner and investigated by the police. The police have laid charges concerning the death of one child and the matter is currently before the courts. In relation to the other cases, no charges have been laid. I would ask Mrs Burke—in fact, I would beg Mrs Burke—to use this information carefully, to try to restrain herself from making the outrageous, disturbing and incorrect claims which she has in the media and which, no doubt, have caused enormous distress to the families involved.

MRS BURKE: I have a supplementary question. Minister, why aren't you regularly briefed on issues of great concern, such as the death of children who have been in contact with your department? You were unable to give a full answer on Tuesday. Why aren't you regularly briefed?

Mr Corbell: You can't give an answer if you are not here.

MS GALLAGHER: Yes, I was not here yesterday. I am surprised that Mrs Burke knows what I am briefed about. I am briefed extensively across all of my portfolios. The reason I took the question on notice was to stop precisely what you went ahead and did, Mrs Burke. I knew of a number of children. I had been briefed on a number of children. There are 400 deaths of children in the territory every year. The figure covers the ages 0 to 18. Many of those are not known to care and protection. In fact, the majority of them are not known to care and protection. I took a responsible decision, instead of sitting here and saying, "I don't know. Maybe there were one or two that I can recall in the last two years. Maybe there were a few more a few years back."

On such an important issue which causes such distress to families, I took the decision that I would take the question on notice, as I said at the time, so that I could come back and give you the exact information and be careful with that information. I said it in my answer. I reflected on it when I looked at *Hansard* earlier today. I was very clear about why I was doing that—to stop precisely what happened, which was an outrageous claim being made by Mrs Burke in the media four hours later that nine infants had died and nothing had been done to protect them by care and protection.

That was done so that I could come back and say to Mrs Burke that five children had died in very tragic circumstance, one of them relating to a case which is currently before the courts and which many of us know about, as we have read about it in the paper, concerning a young child who was travelling through the ACT when she was tragically

killed. There have been another four for which there have not been any charges laid and which have been investigated by the police. But these are all subject to coronial processes which are under way. I do not want to pre-empt any of those, unlike what Mrs Burke has done, by declaring that care and protection have done nothing for these children who unfortunately have died, so that the proper processes will be allowed to be followed, that families will be shown respect during this very difficult time, and that the information which is on the public record is correct. That is why I took the question on notice.

I am briefed on every important issue that comes across my portfolio. At times that does involve being told about very tragic circumstances surrounding a child's death. I take this job very seriously. I find this area in particular to be a very difficult one in terms of some of the information that I see and conversations that I hear. I urge members to show restraint, please, on an issue like this one. If you want a briefing, come and ask me for one. I will always provide you with one, but please do not go to the media and shout off on a subject you do not know about, something that is incorrect and will cause enormous distress to families.

Schools—closures

DR FOSKEY: My question is to the minister for education. It concerns the assessment of submissions made by schools identified for closure or amalgamation. Members will be aware that the ACT P&C council has written to the minister asking him to consider an arms-length process to evaluate the school submissions. The concern is that the proposals in the *Towards 2020* document, which is a document of the education department, and much of the information that is used to justify the proposed closures and amalgamations are disputed by the school communities concerned. So it is understandable that many people from those communities are suspicious of the integrity of the process.

If the government sticks to its plan of announcing decisions by December this year, will the submissions be fairly reviewed and considered by an independent panel, and its advice and the information on which that is based publicly released? If not, how can the minister assure the Canberra community of the integrity and fairness of the process?

MR BARR: I thank Dr Foskey for the question. In relation to this issue, the government has put forward a consultation process. We have called for written submissions, and they close on 3 November. Schools, communities and individuals—a whole range of people—will put forward submissions. Some already have. As part of that submission process, organisations and individuals are being asked whether they would like their submission to be made public. They have that option. There is a cover sheet that is available to go on top of each submission. Organisations and individuals are given the option as to whether they would like their submission made public or kept private.

I have received a letter from the P&C in relation to the assessment of the submissions. My view is that the appropriate place for those submissions to go is the Department of Education and Training, to be assessed by the department. That is the role of the department in this consultation process. It will be an open and transparent process. Organisations have the opportunity to have their submissions made public. They are given the option, when submitting those submissions, of indicating whether they would like that to be the case, and that is a decision that they can make. Some organisations will

request that that information be made public; others will not. But in the end, the review of all those submissions is appropriately done by the Department of Education and Training.

DR FOSKEY: I ask a supplementary question. Will the department also accept, consider and respond to submissions that look more broadly at the *Towards 2020* plan's underlying analysis of and strategy for public education—in other words, not just schools but the broader view?

MR BARR: Yes, the department and the government welcome submissions across the broad range of issues. We look forward to receiving a whole range of interesting ideas and views on the future of public education.

Schools—closures

MS PORTER: My question is directed to the Minister for Education and Training. The government has put forward a proposal for renewing Canberra's public school system that tackles the difficult issues of school closures and improving our school infrastructure. Can the minister inform the Assembly of any alternative views?

MR BARR: The government has announced a major renewal of our schools. *Towards 2020: renewing our schools* is an important reform of our public education system that seeks to respond to significant challenges that must be addressed. Those challenges relate to demographic changes, to the drift out of the public system and into the private system, and the equitable distribution of resources within the education system.

Our goal is to ensure the equitable provision of those education resources across the territory and to seek to make public education the first choice for Canberra families. We need to meet the needs of students in the 21st century and maintain our world-class educational outcomes. The Stanhope Labor government has tackled this issue head-on and has put forward a proposal to renew and reform our public education system. That is in stark contrast to the policy vacuum from members across the chamber. Where are their education policies? Where are their ideas and proposals for meeting the challenges that exist in our public education system?

Mrs Dunne: What did you say about that before the election? You said, "We won't close any schools."

MR SPEAKER: Order! Members of the opposition will come to order.

MR BARR: Opposition members have no policies, they have no ideas and they have no coherent stance on these issues. The motions moved by Mrs Dunne and the Greens and the amendments they put forward to the Education Act have not been about how we can reform and renew our public education system to keep it the best in the country and to ensure its sustainability and viability into the future. They have not been about making sure that our students are learning in quality, modern learning environments. They have not been about making sure we have an education system that meets the needs of ACT students.

Members interjecting—

MR SPEAKER: Order! Members of the opposition will cease interjecting. If the minister stays with the subject matter of the question, opposition members might not then be so provoked.

MR BARR: Opposition members said they were not opposed to school closures. Today's *Canberra Times* quotes Mrs Dunne as saying that the Liberal Party understood the need to close some schools. I am sure the ACT community would be comforted by an alternative government that said, "Yes, we will also close schools, but we will do it differently. We cannot tell you how we would do it, though, because we do not know." In light of the lack of policies from members across the chamber we need to look at what they have said on the public record and what they have done. What else can we do when they do not have an education policy? In 1990 the Leader of the Opposition was a member of a Liberal government that was proposing to close schools. At the time he was in favour of that proposal. On 16 August 1990 he said in the Assembly:

No-one likes closing schools. It would be lovely if we could keep that system. We cannot, unfortunately.

Members interjecting—

MR SPEAKER: Order! Members of the opposition will cease interjecting. The minister will come to the subject matter of the question.

MR BARR: It is the subject matter of the question. I am quoting what the Leader of the Opposition said on 16 August 1990. He said:

No-one likes closing schools. It would be lovely if we could keep that system. We cannot, unfortunately. We are standing on our own two feet now ... some rationalisation has to take place...

I think Mr Humphries should be commended for the very hard, agonising and difficult decisions he has had to take—and, indeed, this Government has had to take.

I was also very interested in the newly released cabinet documents from 10 years ago. They show that, while the Liberal government of the day postured about not closing schools without the agreement of local communities, Mr Stefaniak proposed to put gravely endangered schools in an impossible position by removing vital additional resources, essentially engineering closure by stealth and starvation.

I am not sure what has changed since 1990. We can only assume that Mr Stefaniak's views have been changed by the lure of perhaps winning an election and becoming Chief Minister. What Mr Stefaniak will not say is that, if that day comes, if he becomes Chief Minister of this territory, he will not close any schools. He will not say that because he knows in his heart that this government is doing the right thing.

I think members opposite might also be interested in the comments Mr Humphries made in 1990 that were reported in the *Canberra Times*. The article states that Mr Humphries:

...remained convinced schools needed to close. That 10 per cent of the city's public schools had been closed in recent years was an acknowledgement that it had a significant problem with over-provision of student places—and still did.

Mr Humphries said the problem has been put off for another day.

That day is now. The problems put off by Mr Humphries and the Liberal government in the 1990s are now being confronted by this government, while the Liberals are still trying to put it off with motions and bills rather than engaging in substantive policy issues. This government has the vision and the leadership to take the decisions that will ensure the sustainability and quality of our public education system into the future. We have backed this up with record investment in public education. We would have hoped that, on such an important issue, the opposition and the Greens would have a substantive position.

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

Planning—EpiCentre lease

MR SESELJA: My question is to the Minister for Planning and relates to the EpiCentre auction. The minister stated in the Assembly this week that a meeting held between ACTPLA and Austexx could not have been a pre-application meeting despite the document being headed "pre app meeting". The document also references the number 200504369, which happens to be the development application number for the Austexx DA. What is the minister's explanation for this anomaly? Is it another misunderstanding or a mistake in record keeping?

MR CORBELL: There is no anomaly. I have indicated in a previous question time that one cannot lodge a development application until one owns the land. There is no getting away from that fact. Whatever the ACTPLA administrative processes might be about what number it calls a meeting and what number it calls a DA is completely irrelevant. The issue is that one cannot lodge a development application until one owns the land, and any suggestion that a process was in place that gave Austexx some favourable treatment is simply false. It is false because one cannot lodge a development application without owning the land, which it did not do until it purchased it at the auction in December.

Cycle lanes

MR PRATT: Mr Speaker, my question is to the Minister for the Territory and Municipal Services. Mr Hargreaves, it is on the public record that a Canberra magistrate commented recently that he believed that the change in road configuration to allow for a cycle lane had contributed to the death of a motorcyclist at the corner of Coulter Drive and Belconnen Way. Given those concerns, and given the concerns of the NRMA road safety trust and many others since the implementation of the on-road cycle lane system across Canberra, will you now be conducting a complete safety audit of this system and, if not, why not?

MR HARGREAVES: I thank Mr Pratt for the question. I think I have already answered it in the media but I am happy to do so again. Firstly, since the introduction of the cycle

lanes, an initiative of the Stanhope government on coming to office in 2001, there have not been any cyclists killed on our roads in those cycle lanes. We have had one accident involving a cyclist. In fact, that person was halfway through an intersection and not on the cycle lane. The on-road cycle lanes have given cyclists their own lane, instead of having them go down the middle of the road and dodge vehicles. They are considerably safer on the cycle lanes than they were previously.

Mr Pratt: No, they are not. You are operating in a fool's paradise.

MR HARGREAVES: Mr Pratt interjects that we are operating in a fool's paradise. Over the last few days I have had numerous emails to me personally congratulating the government on its cycle lane policy, whether it be cycle paths, shared paths or on-road cycle lanes. Not only is it a very successful one, I think it is so successful that I can undertake quite clearly now, and indicate to the Assembly quite clearly now, that it is now an integral part of our planning process. Whenever we do a new road, it is automatic that that will be included in it.

Mr Pratt interjecting—

MR HARGREAVES: Mr Speaker, Mr Pratt asked me a question and has not had the courtesy to be quiet and listen to the answer. Perhaps he would like to do that.

Opposition members interjecting—

MR HARGREAVES: Mr Speaker, I am quite happy to wait until they cease that, and I will try and answer the question. It is very difficult to do it over the top of them. As I have already indicated, Mr Pratt's question is multifaceted and I am answering the first bit first.

The slip lanes are now painted green, as we know. Cyclists are entitled to use the road under the same conditions as motorists. I have to caution motorists: they have to give way to oncoming traffic, and a cyclist on a road is a vehicle on that road. They are vehicles on the road. If in fact the scenario painted by Mr Pratt in the media recently was two vehicles—two cars—and not a cyclist and a car, then clearly the car on the outside would have been at fault. The fact that it happens to be a cyclist in the cyclist's own lane means nothing. The vehicles coming up the slip lane have to give way to cars coming along the road—and they will give way. Indeed, they have to give way to any vehicle coming along there, whether it be a car, a bicycle, a bus or a horse and carriage.

Mr Smyth: On a point of order, Mr Speaker: under standing order 118 (b) the minister cannot debate the subject. He was asked whether he would do a safety audit. He has not mentioned the word "audit".

MR SPEAKER: Mr Smyth, as you well know, the standing orders provide five minutes for the minister to answer the question. He has to remain relevant to the subject.

MR HARGREAVES: Thank you very much, Mr Speaker. I think I have debunked the position Mr Pratt put out to the media recently.

Mr Pratt: Have you debunked the magistrate?

MR HARGREAVES: I cannot answer the question any more than that.

MR PRATT: That being the case, Mr Speaker, I will ask a supplementary question. Minister, why will you not listen to the concerns of experts such as the NRMA trust as well as Canberra magistrates about the safety of these lanes? Why will you not listen?

MR HARGREAVES: Firstly, I have a great relationship with the NRMA road safety trust. I have had a great relationship with that trust for not only my period as Minister for Urban Services and now Minister for the Territory and Municipal Services but also as the shadow minister for those portfolios in a former Assembly. I listen to what they say. This government has been in more partnerships with that trust than anybody else that I can think of.

What Mr Pratt is insinuating is that the cycleways are a bad idea. They are going to abolish them; they are going to remove the paint off the roads; they are going to take away the safety factor for cyclists in this town. We have had an incredible increase in the number of commuting cyclists and recreational cyclists on our road network. Thanks to the initiatives of my colleague Mr Corbell we now have bike racks on the front of buses. We have an integrated part of our sustainable transport plan. Now we are finding that an increased number of people are contributing to a reduction in greenhouse gas emissions, a reduction in health costs and a reduction in the number of motor cars on the road, and they are doing so in absolute safety.

With respect to Mr Pratt's initial question and his babbling, the reason I had nothing to add was that I did not have the time to answer. His question was: are we going to have a review? The answer is yes, we are. We are going to review it, and I am hoping that the review will commence later on this year. It was always going to be thus. It was Mr Corbell who reintroduced cycle lanes after we took government in 2001. We said that we would have a look at it in four to five years, and that time is now. When we look at it we will talk to Pedal Power, we will talk to the NRMA road safety trust and we will talk to the community but we will not waste our time with that rabble across the way.

Schools—closures

MRS DUNNE: My question is to the Minister for Education and Training. Minister, in the last couple of days at least two Labor members have made statements suggesting that there is some sort of understanding amongst Labor members that some of the schools listed for closure in *Towards 2020* may obtain a reprieve. For instance, you yourself, Mr Speaker, said in the *Canberra Times*, and it was repeated on ABC radio this morning, that it was as plain as the nose on your face that not all the schools would close.

Ms MacDonald's staffer sent a letter to a constituent on her behalf. In it she said that she—Ms MacDonald—would continue to work closely with the community affected by proposed school closures and fight for schools and preschools in her electorate that should remain open. Minister, can you assure the people of the ACT that there is not a secret ALP sublist of the schools that will actually close?

MR BARR: I thank Mrs Dunne for the question. We have a consultation process. We began that on 6 June. It concludes on 6 December. Decisions will be made at that time.

MRS DUNNE: I ask a supplementary question. I presume I can take that as a yes. Therefore, minister—

MR SPEAKER: There will be no preamble, Mrs Dunne.

MRS DUNNE: That was not a preamble, Mr Speaker. That was just a comment. This is the question: Is Mr Berry's assertion made on ABC radio this morning that your policy is driving people to the non-government sector correct? If it is not correct, will you set him straight on this?

MR BARR: The only information available at this point on enrolments for 2007 is in the college sector. As I have indicated in the Assembly previously, I am very pleased to report that we have seen an increase in enrolments in the college sector that has largely been driven by students coming out of the private system into the government system. Our belief is that this is to access the new and fantastic program that has been run at the ANU secondary college. That we are able to attract enrolments out of the private sector back into the government system is a sign that the government system is able to innovate and to offer new opportunities in state-of-the-art education. I am very, very pleased that that has been the case. Obviously we will not have further data on enrolments in primary and secondary education until a little later in the year. At this point the applications for colleges are up, and I think that is a very good achievement for our public education system.

Taxation

MR MULCAHY: My question is to the Treasurer. The Treasurer stated in question time yesterday:

It has to be understood—the community, every business and every householder understands—that if we want a range of services delivered at a certain standard there is a cost.

Given that the Treasurer has consistently produced budget deficits in GFS terms for the past three years, how many more taxes will he heap on the ACT taxpayer so he can meet the costs of running his inefficient and poorly managed government?

MR STANHOPE: At this stage I can say quite honestly that this government has no intention of imposing any additional taxes.

MR MULCAHY: I ask a supplementary question of the Treasurer. Is it fair that all Canberrans, even pensioners and those on fixed incomes, should have to pay flat taxes, such as the \$84 fire and emergency services levy, and have their land rates indexed by the wage price index, just because he cannot control the spiralling costs of running his government?

Mr Corbell: On a point of order, Mr Speaker: Mr Mulcahy is asking for an expression of opinion. "Is it fair?" is clearly asking for an opinion and is out of order.

Mrs Dunne: On the point of order, Mr Speaker: if Mr Mulcahy asked the Treasurer something like “does he think it is fair?” that would be asking for an expression of opinion. The clear statement about whether WPI is fair is a reasonable question to ask the person who has imposed the tax.

Mr Corbell: On the point of order: asking “is it fair?” is clearly asking for an expression of opinion. Conversely, if Mr Mulcahy had asked, “Why has the government decided to introduce WPI?” or “Why is the government insisting on a flat tax base?” or whatever other emphasis is put on it, that would not be asking for an expression of opinion, but asking whether it is fair is clearly asking the Chief Minister to express an opinion.

MR SPEAKER Order! The question asks for an expression of opinion, so I rule it out of order.

Mr Mulcahy: All right, I will recast my supplementary question.

MR SPEAKER: No; I have ruled it out of order.

Hospitals—bypasses

MR SMYTH: My question is directed to the Minister for Health. In April this year the two ACT public hospitals were on bypass for a total of 17 hours. In May the period on bypass was 36 hours, in June the period on bypass was also 36 hours, and in July the period on bypass was 41 hours. In the *Canberra Times* of Tuesday, 30 May this year the minister said:

... the emergency department—

at the Canberra Hospital—

is certainly feeling like they’re making progress in dealing with things like access block.

Since the minister made that statement the incidence and extent of bypass have deteriorated. The Stanhope government has had three health ministers, five or six health reform plans and numerous health initiatives and still the ACT has escalating problems with bypass. Why are the ACT’s public hospitals continuing to experience serious bypass issues?

MS GALLAGHER: I thank Mr Smyth for giving me an opportunity to talk about the health portfolio for the first time in three or four sitting weeks. I appreciate the opportunity to do so. It is good to be able to talk about bypass or load-sharing issues. The word “bypass” is probably better understood in this place. That is the process through which hospitals go when their emergency departments are very busy and one category of patients, those who are categorised as less urgent patients, come into a hospital in an ambulance. If they can be seen faster at the other hospital they are diverted to that hospital.

My advice is that clinically it is the most responsible way of dealing with very busy times in accident and emergency departments. Not surprisingly, over the winter months Canberra Hospital has been experiencing higher than normal periods of bypass. Over the period 1 January to 31 July 2006 Canberra Hospital has had load-sharing arrangements in place on 58 occasions for a total of 146 hours and 25 minutes. That is around three per cent of the time that the emergency department is open at Canberra Hospital.

The figures are up on the figures for last year. At about the same time last year there were a total of 62 hours and 20 minutes. At the same time we also experienced a six per cent increase in emergency department presentations over figures for the previous year. There has also been an 11 per cent increase in more serious emergency department presentations, those in categories one, two and three. So at any time throughout the day when the emergency department gets busy, it has to divert less urgent ambulance patients to the other hospital, in this case, Calvary Hospital.

However, that does not affect any other category of patient, nor does it mean that the hospital is closed, which is the message I have been trying to get out. The hospital is always open. When Mr Smyth gets this table, which he receives on a daily or a weekly basis, outlining the bypasses—

Mr Smyth: Do you get the same table?

MS GALLAGHER: I have access to the same table but I do not get it emailed directly to me. When Mr Smyth gets the table and responds with a media release, I try to counter it by stating that that is a way of managing peak periods of demand within the hospital and that the hospital is always open. I have been given advice that at different times when this issue runs in the media patients, in particular elderly patients, think the hospital is shut and they do not present to it.

We have not had a bypass media alert from Mr Smyth for a while—I think we did earlier this week—as interestingly it stopped in July. It did not go into August because there were only eight hours of bypass in August, so that would not have gone well in a media release. The media release would have referred to 32 hours, 42 hours, 46 hours and then eight hours. That would not have looked so good.

Members interjecting—

MR SPEAKER: Order!

MS GALLAGHER: So the media release would have shown the truth, which is that bypass occurs during peak periods of demand. If Mr Smyth had taken the last table he received that contained that information, he would have been able to add that into his media release and it would have run 23 hours, 34 hours, 46 hours, and then eight hours. It would have shown that this is about managing the load that presents to the emergency department on any day. No-one can predict what that will be like.

When I walked past the emergency department yesterday only two people were in it. I know that two weeks ago that department saw 170 people on one day. We just cannot predict what will happen in an emergency department on any day of the week. From time

to time that means that less urgent patients coming in on an ambulance will need to go to Calvary Hospital or, if Calvary has peak period demand, it will send its less urgent ambulance patients to Canberra Hospital. I add that that is not a measure of performance on any hospital in any assessment anywhere in the country.

Mrs Dunne: Mr Speaker, I seek your direction. Mr Mulcahy asked a question that you said did not conform with the standing orders because it asked for an opinion. Standing order 117 (g) states:

The Speaker may direct that the language of a question be changed if, in the opinion of the Speaker, it is unbecoming or does not conform with the standing orders.

Mr Speaker, your usual practice is to allow for people—

MR SPEAKER: I have done that, Mrs Dunne, but I have also ruled that questions are out of order.

Ms MacDonald: Including from this side.

MR SPEAKER: I have ruled questions out of order on the government side. What do you want me to say?

Mrs Dunne: I am asking why you have ruled this way today when it is not always your practice?

MR SPEAKER: I exercised the prerogative provided to me under standing orders. I do not think you have much to complain about.

Mrs Dunne: I was just checking. Is it that you are cranky with us today?

MR SPEAKER: No, I am not cranky with you, Mrs Dunne.

MR SMYTH: I ask a supplementary question. Minister, as the trend shows that bypass is increasing, why has this government's reforms failed? What will the minister do to fix the problem of bypass in Canberra's public hospital system?

MS GALLAGHER: As I said, if Mr Smyth had put out a bypass media release for April he would have had to say, "Bypass time dramatically declines at Canberra Hospital." I feel like putting out a media release stating, "Where are Mr Smyth's August bypass figures? Why does he not release them?" I could then talk about how there are only eight hours so far in August. However, I thought that might be a bit cheeky.

Members interjecting—

MR SPEAKER: Order! I ask the minister to resume her seat. Pandemonium has broken out. Government members are contributing to interjections from the other side. We will have some order and allow the Minister for Health to continue with her response.

MS GALLAGHER: Sadly, we did not receive Mr Smyth's August figures. I am glad that I had an opportunity to give the Assembly the August figures. I do not accept that

the bypass hours are increasing; I think they fluctuate and move from time to time. From a perusal of the figures they show that there are peaks during the winter months. It has peaked for some time. If we go back over the years we find that winter has always been a period of stress compounding the fact that our emergency departments are busier than ever.

As I said, the figures are up by six per cent on the figures for last year, with almost 100,000 presentations to the emergency department compared to about 93,000 in 2004-05. So our emergency departments are getting bigger. I agree with Mr Smyth that measures have to be put in place to meet demand. We are putting those measures in place. We have additional beds, for which Mr Smyth is always calling. By the time the appropriation bills have been passed and the extra beds are delivered through this budget, this government will have funded 126 beds, with 50 in place now and the rest to follow in 2006-07.

The beds range from medical beds to intensive care, to sub-acute beds, to short stay beds, and to transitional aged care beds. Of course, that is the responsible thing to do because we have demands in different areas. We need to prioritise additional beds in areas where there is a demand; so we have put in place a range of measures. I would be happy to brief Mr Smyth on the access improvement program, if he is interested, which looks at ways of delivering efficiencies on the ground within the hospital. At the moment that is working in the emergency department in the aged care and mental health areas.

We are increasing the capacity of the hospital system to meet increasing demands. We are changing the way that things are being done. I can talk more about these issues with Mr Smyth if he would like me to do so. This government has put in place a range of measures. I do not think it matters what government is in office. On a daily basis at different times of the year there will be periods when one hospital will need to make a decision to go into a load-sharing or bypass arrangement with the other hospital, simply because we cannot predict what will be the demand on a daily basis.

Counter-terrorism planning

MS MacDONALD: My question is to the Minister for Police and Emergency Services. Minister, can you please advise the Assembly on the activities that will take place next week to test the ACT's counter-terrorism capability?

MR CORBELL: I thank Ms MacDonald for the question. Next week we will see a major three-day counter-terrorism training exercise occurring in the ACT. It will involve ACT government agencies, ACT Policing and our emergency services. A print, radio and television advertising awareness campaign will start this week to advise Canberrans of traffic and transport disruptions associated a major counter-terrorism exercise.

The exercise, called AUGUST ACT, is part of an ongoing, nationally coordinated program of regular counter-terrorism exercises designed to ensure that Australia has effective, coordinated systems in place to deal with potential terrorist situations. It is part of the National Counter-Terrorism Committee's exercise program involving all states and territories and the Australian government.

The number of people involved in the exercise will vary, but at its height we anticipate that, when we include police, emergency workers and volunteers, around 300 personnel will be involved. Television advertisements will appear on all three commercial stations from Sunday, 27 August, with radio and press advertisements appearing over the next few days. It is a federally funded exercise, being conducted in partnership between the ACT and federal governments. It is important to note that the ACT is well prepared in its counter-terrorism procedures. The territory is the seat of the federal government and is home to a number of federal agencies and the national offices of private and non-government organisations.

The exercise will occur over three days. On Monday, 28 August the exercise will commence with a number of intergovernmental committee meetings held to test strategic political management and decision-making. On Tuesday, 29 August there will be a simulated incident at the Belconnen bus interchange. This will involve police and emergency services responding to a scenario.

I want to reassure the Assembly and the broader community that this is only an exercise and although people will see a large number of police and emergency services personnel in the Belconnen area at that time, it is only an exercise and it is not a matter for concern. As part of the exercise, on Tuesday we will see a mass evacuation of almost 6,000 people. During this phase, emergency workers and volunteers will evacuate a large number of government departments in Belconnen. Westfield Belconnen, the shopping mall, will also test its evacuation procedures. It is very important to reassure the public that it is an exercise; it is not the real thing.

To prepare for this, 10,000 advisory notices explaining the changed traffic and transport conditions have already been printed. These will be issued to ACTION bus drivers and through Canberra Connect shopfronts over the next five days. On the day of the exercise parking inspectors and SES volunteers will also be handing out thousands of these notices to Belconnen residents, motorists and businesses.

The Belconnen bus interchange will temporarily be relocated from its permanent location to Lathlain Street for the duration of the exercise. This will not affect peak hour services in the morning or the afternoon, nor will it affect school services in the afternoon. They will be resuming from Belconnen bus interchange from 2.30.

Exercise AUGUST ACT will then continue on Wednesday, 30 August at the disused Ginninderra high school site. Information flyers will be sent to residents in those suburbs informing them of the event. There will be no disruption to residents in that area.

The exercise has been in the planning stages since April. In October last year we participated in a multijurisdictional exercise, along with Western Australia, New South Wales, South Australia and Victoria in the lead-up to the Commonwealth Games. But exercise AUGUST ACT will be the largest evacuation exercise ever conducted in the history of the ACT. It is a very significant step in ensuring the preparedness and responsiveness of our police and emergency services should we ever face a real incident of this nature.

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

Papers

Mr Barr presented the following paper:

ACT public education—budget proposals—letter from the Government Schools Education Council to the Minister for Education and Training, dated 23 June 2006.

Mr Corbell presented the following papers:

Petitions—out of order

Petitions which do not conform with the standing orders—

Cook primary school and Cook preschool—proposed closure—Dr Foskey (1,418 signatures).

Narrabundah Long Stay Caravan Park—Security of tenure for residents—Dr Foskey (685 signatures).

Subordinate legislation (including explanatory statements unless otherwise stated)

Legislation Act, pursuant to section 64—

Births, Deaths and Marriages Registration Act—Births, Deaths and Marriages Registration Amendment Regulation 2006 (No 1)—Subordinate Law SL2006-44 (LR, 14 August 2006).

Court Procedures Act—Court Procedures Amendment Rules 2006 (No 1)—Subordinate Law SL2006-43 (LR, 14 August 2006).

Canberra spatial plan and sustainable transport plan Ministerial statement

MR CORBELL (Molonglo—Attorney-General, Minister for Police and Emergency Services and Minister for Planning): I ask for leave to make a ministerial statement concerning the progress of the Canberra spatial plan and the sustainable transport plan.

Leave not granted.

Standing orders—suspension

MR CORBELL (Molonglo—Attorney-General, Minister for Police and Emergency Services and Minister for Planning) (3.42): I move:

That so much of the standing orders be suspended as would prevent Mr Corbell from making a ministerial statement.

The government advises the opposition parties when a ministerial statement is to take place. Unfortunately, Mrs Dunne and her staff did not attend the last government business meeting where this was raised. If they had attended they would have been told.

That is why it is quite appropriate to seek leave and quite churlish of the opposition to refuse it.

MRS DUNNE (Ginninderra) (3.43): The opposition does not propose to give leave on this occasion simply because the opposition was not advised.

Mr Corbell: You were not at the meeting.

MRS DUNNE: The opposition were not at the meeting last week. We sent in an apology. There were other things that we had on our agenda and we could not attend. There was no indication since then that this government wanted to make a ministerial statement. The usual courtesy, especially the courtesy in other places, is that the shadow minister in particular is advised. I know that none of the shadow ministers who have an interest in transport and the spatial plan were advised of this. They are often given opportunity to obtain a copy of the statement on an embargo basis beforehand so that they can comment on the ministerial statement. This is the practice in many other places.

Mr Corbell and I have had discussions about this on a number of occasions. This is not the practice in this place. The practice undertaken by the manager of government business was that, if there were to be a ministerial statement, we would at least be notified of it. There was no notification of it, not even in the final program that was circulated on Monday after the cabinet meeting. There has been no notification, and that is why we will not be giving leave.

DR FOSKEY (Molonglo) (3.45): Briefly, my concern is that it is going to take quite an amount of time to read this ministerial statement. I am concerned about the erosion of time we need to discuss the budget. That is my concern.

MR CORBELL (Molonglo—Attorney-General, Minister for Police and Emergency Services and Minister for Planning) (3.45), in reply: The opposition parties and the Greens should have drawn this to the government's attention when it was flagged at the last government business meeting. It is not my problem if Mrs Dunne, with all the resources the opposition have, is not able to send just one staff member to the government business meeting which is held for the courtesy of non-government parties. We hold a government business meeting to advise the non-government parties of the business of this place for the coming week.

If Mrs Dunne is too lazy to show up, that is her business. If all of the staff of the opposition and every other Liberal MLA are unable to attend the government business meeting to find out what is going to be on the agenda so that they know what is coming up, that is not the government's problem. Is Mrs Dunne seriously suggesting that, of the seven Liberal MLAs, not a single one of them could be bothered to come along to the government business meeting and were not available to attend or that every single member of their staff was unavailable to attend the government business meeting? If they had attended the government business meeting, I would have told them that it was on the agenda.

I always tell Mrs Dunne, particularly in regard to ministerial statements that I will be making because I know what is going on, directly that I am going to be making a ministerial statement. I have done it before. I would have extended the same courtesy to

her again if she had shown up. But she did not show up. Her staff did not remain for the meeting. No other representative of the opposition attended. It is not my problem if they cannot get their act together. The Greens attended the meeting. If they had concerns about this being on the agenda they could have raised it at that time.

It is quite reasonable for a minister to give a ministerial statement. Rather than waste further time, let us just get on with it, allow the statement to be given and then we can proceed with the rest of the business.

Question put:

That **Mr Corbell's** motion be agreed to.

The Assembly voted—

Ayes 9

Noes 8

Mr Barr
Mr Berry
Mr Corbell
Ms Gallagher
Mr Gentleman

Mr Hargreaves
Ms MacDonald
Ms Porter
Mr Stanhope

Mrs Burke
Mrs Dunne
Dr Foskey
Mr Mulcahy
Mr Pratt

Mr Seselja
Mr Smyth
Mr Stefaniak

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

Ministerial statement

MR CORBELL (Molonglo—Attorney-General, Minister for Police and Emergency Services and Minister for Planning): When I launched the Canberra spatial plan two years ago, I made it clear that planning in Canberra would be planning for people. This government was elected on a platform to give citizens direct involvement in planning their neighbourhoods, the centres where they live and work and the places where they play. It means giving voice to Canberrans' aspirations and implementing policies that balance development with the broader public interest. It has meant restoring the community's confidence in the planning system. I believe that we have achieved community confidence over the last four years, with a transparent and inclusive planning process.

Foremost in this confidence-building process has been the creation of a strategic plan for Canberra, the first such plan in 20 years since the metropolitan plan of 1984. The Canberra plan sets a strategic framework which has guided much priority work for the territory since its introduction two years ago. The three principal components of the Canberra plan have been the social plan, the economic white paper and the Canberra spatial plan. The sustainable transport plan was also prepared to complement the plans and is closely equated with its spatial cousin.

This government committed to a comprehensive planning exercise which systematically considered the relationships and interrelationships between transport, land use, population growth, employment location, land availability, retail and leisure activity, social and cultural issues, ecological factors, financial and economic considerations, as well as the needs and aspirations of our community. The Canberra spatial plan and the

sustainable transport plan were adopted in March and April 2004 respectively. This marked the end of a 2½-year process of research, consultation and development of a strategic direction for the sustainable future of the ACT.

I am pleased to report that both plans have received broad support from the Canberra community, businesses and industries and accolades from various local and national bodies. In 2004, both plans received awards for planning excellence by the ACT chapter of the Planning Institute of Australia under the categories of community-based planning and sustainable planning. The Canberra spatial plan also received a national certificate of merit from the Institute for Urban Planning Achievement. In addition, both plans have received commendations through the Keep Australia Beautiful awards for promoting sustainability.

The implementation process for both plans is now entrenched in the work of the ACT Planning and Land Authority and, indirectly, other government agencies. Monitoring has also been established to track those initiatives being implemented against the plans' goals and objectives. Whilst the plans have been in place for only two years, much has already been done to progress implementation of many of the key recommendations of the plans.

This is the first of the biennial reviews of the plans foreshadowed in the spatial plan to track progress. There will also be a major review every five years to ensure the continuing relevance of the plans' policy proposals, actions, indicators and implementation strategy. Today, I highlight the substantial role these plans have had in directing the territory's investment for the future.

Central to both plans is the concept of sustainability, and the core theme is to facilitate the development of a more compact city, one which reduces our per capita ecological footprint through reduced land take and travel demands. The plans identify and advocate opportunities for urban intensification and renewal in targeted areas such as our town centres and along transport corridors and seek to ensure that such locations are well served by public transport. The plans also work together to encourage the other more sustainable transport modes of walking and cycling.

While intensification is a critical goal, the plans recognise that there will continue to be demand for greenfield development but advocate that, if greenfield development is to occur, then it should be done as sustainably as possible. On this basis, the development of the Molonglo Valley as a new greenfield area was a key recommendation of the spatial plan.

Whilst some important woodland and grassland communities remain in the valley and parts of the valley are home to birds of prey and rare legless lizards, much of the valley is highly degraded through agricultural activities and the former softwood pine plantations. This substantial habitat modification, the valley's highly accessible location, being close to Belconnen, Woden, Weston Creek and the city, and its access to infrastructure and services mean that the Molonglo Valley provides a fantastic opportunity for a more sustainable urban settlement pattern for the territory, rather than allowing the city to sprawl further and further away from its centre to the north, west or south. By the use of contemporary planning and environmental practices it also provides an opportunity to

reduce the western fire threat to the city and to address the polluted urban stormwater currently flowing out of the Woden and Weston Creek catchments.

One of the first steps in progressing planning for the Molonglo Valley was the Molonglo Valley suitability study, undertaken jointly by the ACT Planning and Land Authority and the National Capital Authority. That study concluded that the Molonglo Valley was indeed suitable for urban development.

Further detailed studies to address key issues and test the viability of proceeding with urban development in the Molonglo Valley are currently under way. These include a stormwater management strategy and pond options study; roads, earthworks and non-hydraulic infrastructure study; various detailed environmental studies; and the Molonglo Valley structure planning study. A public consultation process in three stages has commenced in parallel with these studies, and this work will inform the preparation of a preliminary environmental assessment, a proposed amendment to the national capital plan and a variation to the territory plan. Successful completion of the policy changes to these two plans, the national capital plan and the territory plan, and investment in some capital works on ponds and roads infrastructure could see development in the valley commence within the next few years, with land releases anticipated in three or four years.

Development in the western broadacre area, which lies immediately north of Weston, may commence sooner, depending on the outcomes and timeliness of statutory planning processes. The anticipated dwelling yield in the eastern area of Molonglo, including the western broadacre area, is 25,000, accommodating 55,000 people; the central area, 9,000, accommodating 20,000 people; while the western area, which is exposed to higher fire risk and is more remote from facilities and services, will be recommended for broadacre rather than residential uses.

As well as facilitating urban intensification in the city and in the town centres, the spatial plan identified East Lake, located immediately east of Kingston Foreshore, as a major urban renewal site. Its central location on major transport routes provides a significant opportunity for residential intensification and could accommodate up to 6,000 new dwellings as well as some additional commercial development. Critical issues being addressed by this East Lake work include integration of the Causeway residential area, the future of the railway and the Australian Railway Historical Society, the interface with the important Jerrabomberra wetlands to the north and industrial areas of Fyshwick to the south, interpretation and integration of elements of the Griffin legacy, constraints imposed by electrical infrastructure and opportunities for this area to become a showcase for sustainability principles.

Three key studies have been completed for East Lake: the land capability and suitability study, the infrastructure and stormwater study and stage 1 of the contamination study. A study of the operations and possible rationalisation of land use at the Canberra railway is presently under way. Initial consultation has occurred with key stakeholders, including existing commercial lessees, ACT government agencies, New South Wales rail authorities, existing residents and community groups within the study area, the National Capital Authority and the commonwealth Department of Transport and Regional Services. The ACT Planning and Land Authority is currently preparing a structure plan

which will inform a draft variation to the territory plan and the possible need for an amendment to the national capital plan.

Following the strong recommendations of the OECD report into Canberra's urban renaissance in 2001, the Canberra plan and the spatial plan, in particular, place substantial emphasis on the need to strengthen City as the economic and cultural heart of Canberra. The spatial plan highlights that emphasis on City will lead to greater social, environmental and economic sustainability for the territory. As well as promoting City as a cultural and employment centre, the spatial plan advocates the provision of more opportunities for inner-city living, close to facilities and services, and thereby also reducing travel distances and the consumption of land, water and energy.

The Canberra central program was introduced to vitalise City through the coordination of policies, events, land releases, maintenance and capital works projects across all ACT government agencies and with the input and cooperation of the commonwealth government through the National Capital Authority. An experienced project director, Mr Magdy Youssef, was appointed to oversee the project.

The City West master plan was released by the authority in May 2004, and this highlighted the importance of the university in this precinct and the opportunity to develop the town/gown character. In order to activate City West and leverage off the ANU's significant potential for the city, the government entered into an agreement with the ANU for it to buy land from the government in order to enable the university to expand, commercialise and house more of its students. To initiate the physical upgrade of City West, funds have been allocated for detailed planning, forward design and construction of Childers Street. This \$6 million urban improvement program is now under way.

In response to market assessments and industry input, significant amounts of land have been sold for both commercial and residential development in the city. The large number of cranes on the city skyline reflects the major economic investment currently occurring in the city.

In addition, the Canberra central task force, overseeing the Canberra central program, was expanded to include industry and community leaders. The task force was specifically asked to provide advice on appropriate principles to inform the planning, design and financing approach for the future development of City Hill and its surrounds. This task force, under the independent chairmanship of Mr Jim Service, provided the government with a comprehensive report late last year, recommending the best approach to develop the City Hill precinct.

The expanded task force is continuing to meet on a monthly basis in order to monitor progress on the implementation of the current Canberra central program, which includes paving guidelines and street furniture palette; place management and maintenance review; spatial analysis of the city; the Childers Street arts precinct and public arts program; forward design, City West performing arts facility; improving safety in the city; improving signage, with new signage for the Canberra central area; city bus loop and bus interchange functions; the identification of real-time passenger information locations; traffic engineering investigation, traffic modelling and car parking strategy; the development of a single planning document for Canberra central; assessment and

recommendation of options for a city improvements fund; a Christmas in the city program, along with a calendar of events; and ongoing land releases.

As well as these three major initiatives, the spatial plan implementation over only two years has seen strategic land releases in town centres, the protection of future areas for conservation, the completion of bushfire guidelines, cross-border negotiations on water and settlement, the release of the draft water-sensitive urban design guidelines and a major program to overhaul the entire development assessment and planning system. Whilst planning system reform is not expressly mentioned in the recommended actions of the plans, it is nonetheless worthy of comment because of its implications for the efficient and effective delivery of the planning and development aspirations contained in the plans.

It has long been recognised that the ACT has a complex and cumbersome planning system, and the goal of the planning system reform project is to deliver simpler, faster and more effective planning outcomes for the territory. A range of discussions on reform proposals were prepared and subjected to a public consultation processes in mid-2005. The exposure draft of the new legislation and the structure of the new territory plan have already been released for public comment. In the meantime, significant inroads have been made into the performance of the planning system through short-term reforms to administrative processes and practices.

I now turn briefly to the issue of the sustainable transport plan and our progress on its implementation. The sustainable transport plan is consistent with the spatial plan and will help deliver the strategic direction for Canberra over the next 25 years. Both plans depend on each other for success. Achieving sustainable transport goals requires a more contained city with less need to travel and shorter travel distances. Replacing some of our car travel with walking, cycling and public transport trips will have major benefits for the environment and Canberra's liveability. It will also have real health benefits.

The sustainable transport plan sets clear targets to increase the percentage of more sustainable transport trips to work; that is, those trips to work taken by public transport, walking or cycling, from 13.1 per cent in 2001 to 30 per cent by 2026. The plan recommends a range of actions to increase the percentage of work trips taken by foot from 4.1 per cent to seven per cent; by cycling, from 2.3 per cent to seven per cent; and by public transport, from 6.7 per cent to 16 per cent.

One of the key priorities identified in the sustainable transport plan was the Belconnen to city transitway connecting major activities between Belconnen and City. The planning for this project is well advanced. A possible corridor was initially announced in January 2005, and since then the firms Brown Consulting and Purdon Associates have been appointed to review alternative corridors, identify a preferred route alignment and investigate the environmental, heritage, social, economic and operational impacts of the transitway.

On 9 March, I announced that two route options would be analysed in further detail as part of the preliminary assessment. Extensive community consultation has been undertaken throughout the study, including some 50 public or stakeholder meetings and three public displays. The preliminary assessment is now out for public consultation, and

the evaluation of the PA will assist government in selecting a preferred route which can be protected into the future until such time as a commitment to construction is made.

Improvements to transport in the Belconnen town centre to integrate with the future transitway are also well advanced. Preliminary sketch plans for the proposed roadway and public transport improvements have been completed, including the provision of on-street cycling lanes, developed with the assistance of Pedal Power. A further planning study for transport operations within the city centre is also under way.

Another key short-term priority of the sustainable transport plan was the introduction of Gungahlin to City bus priority measures. The firm Parsons Brinckerhoff was commissioned to undertake a planning study on bus priority along this corridor and has recommended staged improvements. Stage 1 has been constructed and provides a bus lane on Flemington Road. Stage 2 is to reinforce this corridor along Northbourne Avenue, and a feasibility study for the stage 2 works has also been completed. The installation of new bus shelters on all major transit routes will improve the comfort of people using public transport, and a new bus loop system in city will give better public transport access to more of City. The planning of this loop is currently under way.

The territory has also released a new cycling and walking map for Canberra and Queanbeyan, in a paper form. An electronic version is nearing completion. We have also continued to construct more cycle paths, introduced bicycle racks on buses, released draft bicycle parking guidelines to ensure adequate bike parking, showers and lockers are provided in all new developments and are in the process of reviewing parking guidelines for the territory and preparing a parking strategy for City and the town centres.

ACTION is upgrading its services, increasing the frequency of off-peak trunk services and introducing the flexibus services, and implementing the Xpresso commuter express. In addition, an underpass is to be constructed beneath Parkes Way as a joint project between the ACT government, the Department of Defence and the National Capital Authority. Its construction is scheduled for 2006-07 and 2007-08 and will provide safe pedestrian and cycle movement.

The feasibility of introducing real-time passenger information and associated bus priority triggers has also been considered. A real-time bus information system minimises the uncertainty of catching a bus for passengers by providing up-to-date information and displays at key bus stops. The system can provide accurate bus arrival information at the bus stops and can provide traffic-light priority for buses at traffic light intersections. The government has decided not to proceed with this project at this time due to a range of technical issues. However, I am hopeful that it will be considered in the context of future funding bids.

The work that has been done on the sustainable transport plan is also ongoing and part of it is focused on changing people's travel choices. Several TravelSmart programs are also under way and have begun to influence choice of travel and travel behaviour. The TravelSmart schools walking school bus program was rolled out across 17 schools and has been strongly supported by the YWCA. The TravelSmart households on the move pilot program was held in 2004 in preparation for the national travel behaviour change project and achieved a 4.5 per cent reduction in private vehicle travel. The TravelSmart workplaces pilot is being trialled in three workplaces. Two workplaces have completed

the trial, with the involvement of 800 staff, while the third is still under way and is encouraging over 6000 employees to consider walking, cycling or using public transport for some of their journeys.

Negotiations have already begun with the commonwealth Department of the Environment and Heritage for funding for a new TravelSmart program targeting school children and commuters to promote alternative transport modes among children, parents and commuters. Finally, our major national travel behaviour change project has commenced, which is targeting 11,000 ACT households, endeavouring to reduce vehicle travel by about 14 per cent, which is equivalent to reducing greenhouse gas emissions by 74,000 tonnes.

Time precludes me from going into any great detail about any of the initiatives I have described but, clearly, as members can see, the government and its agencies have undertaken an astonishing amount of work to implement the Canberra spatial plan and the sustainable transport plan in just two years. These excellent and award-winning documents have indeed set a clear strategic framework for guiding future growth and managing change within our city. The government will continue to commit to the implementation of the plans.

As I foreshadowed earlier, a biennial status report will be undertaken to monitor progress and a substantial review of the policy content of the plans will be undertaken five years after their introduction to ensure that the policy directions remain not only relevant but cutting edge. I commend the statement to the Assembly.

Supplementary answers to questions without notice

Children—care and protection

MS GALLAGHER: Mr Deputy Speaker, I think I said in my answer to Mrs Burke's question that there were 400 deaths a year in Canberra. I actually meant to say 400 deaths over a 10-year period. That information is contained in the review of ACT child deaths.

Further to that answer, the government takes Mrs Burke's behaviour on this matter very seriously. We should have censured her for this behaviour. I put her on notice that, if she engages in that sort of tactic again, the government will be moving a censure motion against her in the Assembly.

Planning—EpiCentre lease

MR CORBELL: Mr Deputy Speaker, I wish to provide an answer to a question that you asked during question time on 23 August in relation to planning for the EpiCentre site. You asked why, if inquiries were being referred to the LDA prior to the lease and development conditions being issued, ACTPLA had a meeting to discuss the issue with Austexx on 4 October and why Austexx was not referred to the Land Development Agency. I indicated that I would take the question on notice. I have sought advice and I refer you, Mr Deputy Speaker, to my answer to both Mr Gentleman and Mr Stefaniak as the answer to that question.

Appropriation Bill 2006-2007

[Cognate papers:

Estimates 2006-2007—Select Committee report

Estimates 2006-2007—Select Committee—report—government response]

Detail stage

Schedule 1—Appropriations

Proposed expenditure—Part 1.7—Home Loan Portfolio—nil expenditure.

Debate resumed.

MR MULCAHY (Molonglo) (4.14): I will be brief in relation to the home loan portfolio. Noteworthy in this regard is that the ACT home buyer lending plan ceased in 1996. There is nothing too significant within the budget elements here. There has been improvement. As noted in the budget papers, the unbudgeted other revenue of \$3.1 million in the 2005-06 estimated outcome is due to the downward revision of the provision for doubtful debts from \$12.5 million to \$9.4 million as a result of the overall reduction of outstanding loans. That is obviously a positive outcome.

In the context of lending, low-income people and so forth, there has been a comment in recent days that is worth putting on the record here. I refer to the comment of the Prime Minister on the weekend that the main cause of the high cost of housing in this country is the lack of supply of land. He went on to say,

Until this is faced, we're going to have this in a diminishing Australian dream for younger Australians. So the explanation is land and I hope that all state governments—

I am sure he includes territory governments—

take this to heart. They have got to stop using the development process as a means of raising revenue. They've got to release more land. It's a question of supply and demand. Nobody likes interest rate increases ...But the main cause of the unaffordability of housing for so many young people ... is the high cost of land.

Whilst we will have opportunities to revisit that issue at other stages in this debate, I think it is worth reminding ourselves that that is such a critical factor in terms of the cost to young people of entering the housing marketing here. It is interesting that in the same interview he noted that a survey only a week earlier had shown that the price of land in Sydney had risen over a 30-year period, between 1973 and 2003, by 700 per cent, yet the cost of the housing component of the package had only gone up by four per cent. Clearly, land is a crucial factor in terms of housing affordability. We are not advocating that we flood the market with wholesale releases of land in the ACT. Whilst a statement the other day showed some measure of improvement in terms of the availability, clearly this is an area which warrants the attention of governments to ensure our young people actually can have a future in Canberra and not be tenants for the rest of their lives.

DR FOSKEY (Molonglo) (4.17): It is wonderful to have the words of John Howard in the transcript of our debate today. I believe that his statements totally bypass the complexity of issues around affordable housing, but we will not waste our time on him today as we have more important matters to consider.

The home loan portfolio is a small item but, in light of the affordable housing crisis we are facing, it is worth mentioning the recommendation made by ACT Shelter in relation to last year's budget documents that the ACT home loans portfolio be reviewed annually rather than biennially and that available funds be released for public housing. That has happened in the past.

In support of this recommendation, ACT Shelter cited a KPMG recommendation that the performance of the home loan portfolio be closely monitored and indicated that there is potential for there to be \$2 million to \$5 million available annually for social housing stock. In the 2005-06 budget the increase in net assets was expected to be greater than \$2.5 million and in the 2006-07 budget it is expected to be greater than \$5million.

I believe that the ACT government still intends to review the portfolio biennially, but I would encourage it to give serious consideration to this proposal and to maintain the commitment to use those funds to grow the supply of social housing.

MR STANHOPE (Ginninderra—Chief Minister, Treasurer, Minister for Business and Economic Development, Minister for Indigenous Affairs and Minister for the Arts) (4.19): I will be brief in my response. It is certainly reasonable in the context of this item for one to draw attention to issues about home loan affordability, the availability of public housing, supported accommodation and the needs of those under some particular stress. Mr Mulcahy conjured up the visage of the Prime Minister in the context of a deliberate decision by the commonwealth government to deflect attention to the states and territories from its role in the second and what is about to be the third interest rate rise and, of course, its campaign promises prior to the last federal election in relation to interest rates.

I want to respond to the suggestion that all of a sudden issues around housing affordability are the responsibility of the states and territories and all their fault. The issue most in the minds of young home buyers and those seeking to enter the market today is interest rates. Let's not deflect attention from the commonwealth's role in relation to that and the importance of interest rates to affordability and to people's inclination to enter the housing market, as opposed to the so-called complicity of states and territories in relation to land supply.

The point needs to be made that in the territory at the moment there is in the hands of our developers, of our industry, land capable of producing 6,000 units of accommodation. That is what is currently out there in the market. The minister has responded in the last week to a jump or a spike in demand by releasing, I think, 300-plus blocks over and above what was earlier anticipated. To suggest that—

Mr Mulcahy: Why are they all moving over the border?

MR STANHOPE: They are not. That is something of a furphy. Indeed, as we now know, population growth in the ACT is higher than population growth in New South Wales for the first time for a couple of years. I do not want to belabour the point, but it does need to be responded to. I do not accept the notion now being put around very effectively by the Prime Minister, to disguise his previous utterances in relation to interest rates rises, that in some way the states and territories are to blame.

The commonwealth does not have a housing policy. It does not have a housing minister any more. There used to be one. It is some reflection of the significance or seriousness with which the commonwealth currently views the issue of housing that a government or a jurisdiction that used to proudly employ a minister for housing no longer has one, not even in a subsidiary or secondary ministerial role. Housing is a very moot and current issue. I have established a task force. I do not walk away from the essential point that housing is a major issue.

I think we do need to better understand the levers, but it is simplistic to say it is interest rates, it is simplistic to say it is land supply and it is simplistic to say it is stamp duties, it is simplistic simply to point at each of these variables, and suggest that if only we addressed land supply we would have addressed affordability or if only we had reduced stamp duty we would have addressed affordability. The issue is very complex and I do not think we do have as full an understanding as we require of it. I am seeking a better understanding of the levers in the territory that we might tug and push in relation to enhancing affordability.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.8—Shared Services Centre, \$13,092,000 (net cost of outputs) and \$10,225,000 (capital injection), totalling \$23,317,000.

MR MULCAHY (Molonglo) (4.24): There has been a deal of discussion through the estimates process and, I believe, in questions in this place in relation to the Shared Services Centre and, indeed, the appropriation that is spelt out here as part of the ACT government's plans for the new centre, including its ongoing funding of InTACT. It marks something of an ambitious new venture for this government, one that it hopes will assist in reining in the massive blow-out in costs since 2001 which seems only now to be being addressed in a serious way.

Before examining how this money is to be spent, let us remember that this cost-saving measure may be something of a gamble and may not have been necessary in the first place if there had been different approaches to management of the ACT budget. We have had over a long period bonanza windfall gains from land sales, stamp duty and the GST, resulting in the massive growth in public sector employment which is central to the problems that the ACT budget now faces. Constantly we are told that the issue is the expectation of taxpayers in terms of additional services, but I would contend that, with almost half of every dollar going out the door on wages and superannuation, it is a matter of having too many people being recruited by the territory and then suddenly realising what the impact will be.

It is worth noting, in addition, that over the four years to 2010 the ACT economy is expected to grow by 13 per cent, but government spending will grow by 19 per cent. That means for every one per cent growth in the economy there will be a 1.46 per cent increase in government spending. Regardless of these facts, we have before us the proposed Shared Services Centre. Let us look at how it will save government money and make the running of its administration more streamlined and efficient.

First of all, the centre has to be built. The sum of \$5 million has been allocated for the purpose. As Dr Paul Grimes, chief executive of ACT Treasury, stated in estimates:

In terms of set-up costs, there is a provision in the budget for \$5 million worth of costs for fit-out of office space. Obviously, in creating a new Shared Services Centre, it is going to be important to co-locate staff, ideally in one location, certainly for staff working on human resources and finance in the one location. There will obviously be costs there in fitting out that office space. There is provision made for that of about \$5 million.

It is a fairly shaky foundation on which this organisation that is meant to deliver major cost savings is being developed. The \$5 million estimate is rubbery at best, especially considering that proper site selection and more detailed planning have yet to be fully costed. Once this facility has been completed at whatever amount it ultimately ends up costing—no doubt it will exceed \$5 million—it will need to be staffed and fitted out with suitable IT systems and networks. Dr Grimes also made reference during estimates to the government's position regarding the meeting of these costs, stating:

There is also provision made for about \$1.5 million in other set-up costs. This is putting together a transition team ... There may be some additional costs over and above that \$1.5 million.

So we have the \$5 million estimate that is rubbery and the \$1.5 million estimate that may not be enough. He went on to say:

We don't expect them to be dramatically higher than that amount, but we do expect that there will be some further costs in integrating systems, bringing IT systems together and so forth.

So we are being softened up for the fact that the cost of this exercise—just the set-up costs, let alone the supposed savings it will realise—are reasonably elastic. That is an area of some concern. There is a measure of speculation in the government's approach to costing this centre. It is difficult to know how meaningful will be the cost savings that will be achieved when the going-in costs are so uncertain. How can the government pin its cost saving hopes on a venture for which it has only a vague idea of how much it will end up costing?

Mr Deputy Speaker, another area of concern which I flagged in estimates and which either your or Mr Smyth also identified is the government's use of contractors, both in the current operation of InTACT and in the proposed set-up for its new Shared Services Centre. Contractors can often be a costly means of carrying out tasks, as the government already knows through the \$350,000 in costs to it for the Costello functional review. Here we see them again being used for both the day-to-day operations of InTACT and

for the proposed transition team being planned for the Shared Services Centre. With InTACT, one of the ACT government's largest shared services providers, contractors appear to be being used to meet head count staffing limits. InTACT representatives have stated that it has 80 contractors currently engaged, which seems like an unusually high number to maintain at the expense of having these employees entitled to full-time benefits.

Dr Grimes also made the following statement in estimates regarding the likely staffing requirements of the new Shared Services Centre:

It is possible that we may need to draw on external expertise in the transition process. So we may need to rely on some consultants.

More costs. He went on to say:

I am not aware that any consultants have been engaged at this stage. The core of the transition team will be ACT government employees, but we may need some specialist advice around the integration of systems and so forth where we will be likely to draw on external consulting expertise.

Do we have any idea how much these external consultants are going to cost? Do we know how long these external consultants will need to be funded by the ACT taxpayer? These are questions that need to be honestly and directly answered because the answers could mean the difference between this endeavour coming in under budget or, at this stage the more likely scenario, the cost of it blowing out over time.

Mr Stanhope's government needs to have a long, hard look at the completely unrealistic estimates it seems to be using to justify the Shared Services Centre. There are simply too many variables at this stage to allow us to be confident in the benefits of such a scheme as advertised and promoted by the territory government. The current amount flagged for appropriation in this budget is a figure that may need closer scrutiny and further justification to the taxpayer before we potentially go down a painful and costly path that yet again delivers little or no benefit to the territory.

Finally, we have had great mileage made about the workplace relations laws coming in and what villains the Australian government were in that everybody would be put out of their job and made into contractors and would lose all their benefits and so on. I understand that there are occasions in governments and business where a consultant is needed to come in and do a particular task, but when I see the younger people that are on rotation in this building providing InTACT services and know that there is an army of 80 of them out there who are all being told that we have got to make them contractors as they are specialists and I am quite sure that many of those young people would prefer to have the benefits of permanent and full-time employment in the ACT public service, I cannot help but be extremely sceptical of the information provided to my questions in estimates that this whole business of bringing in so many contractors in one agency is not all about avoiding locking them in to permanent employment.

Given that the Labor Party has made such an issue in the past about young people having some future and being able to take out loans because they want to be sure that their income is guaranteed down the track, I do find that the practice seems to sit rather uncomfortably with the philosophical view that has been espoused by members opposite.

DR FOSKEY (Molonglo) (4.32): The government predicts substantial savings as a result of creating the Shared Services Centre. It is to be hoped that combining expertise in this centre will lead to better procurement processes and avoid repeats of such events as the large cost overruns associated with implementing the CHRIS21 human resources system.

Creating the Shared Services Centre will mean that staff will be uprooted from their existing workplaces. Many transferring staff will have to make different arrangements for their transport and for getting their kids to school or childcare. Some of them will choose to move house, rather than spending more time commuting. I hope that the government has committed resources to make their transition to a new work environment as stress free as practicable as I know that the government is very concerned about the impact of stress-related conditions on employees.

I hope that the government will take up the estimates committee's recommendation that the performance of the Shared Services Centre be reviewed after 12 months. Whilst that is not a very long time for the centre to have been operational, it should be long enough to give an indication of whether the projected savings are going to be realised and to identify potential problems with the shared services model.

Since the Shared Services Centre will be responsible for a large amount of government procurement, I hope that it will recruit and develop environmental expertise. It is important that the government develop comprehensive guidelines on sourcing environmentally friendly products and services wherever possible.

The ACT government is a large consumer of corporate products in the ACT and demand-driven initiatives which encourage environmentally responsible products and services are a good way for the government to send a market signal that minimising adverse environmental impacts is important. Ideally, where two or more competing products or services are roughly equally on cost, the environmental impacts of the entire product life cycle will become highly relevant factors for differentiating between them.

In some cases, choosing environmentally responsible products will result in direct financial savings over the long term, as landfill costs are minimised, water quality improves and adverse health impacts are reduced. In other cases, it will result in better outcomes for biodiversity, as demand for plantation-sourced timber products and recycled paper will slow the rate of destruction of our native forests.

The government has paid much lip-service to the benefits of triple bottom line accounting practices and the importance of minimising greenhouse gas emissions, but until it actually bases some concrete actions on the principles which underpin triple bottom line thinking, we will continue to see the continuation of business as usual. Business as usual is not going to address the environmental problems which we are bequeathing to our children and to most other species for which we have become the default custodians.

Knowing the problems that usually occur when IT services are centralised and corporate knowledge is lost from an organisation, I hope that the same tendencies are not about to be played out again in the human resources realm. I hope that some form of specialised

knowledge will be retained whereby human resources staff will be aware of what goes on within individual agencies and will be able to answer questions about real-time problems without sounding like they work in an offshore call centre.

I urge the government to accept the estimates committee's recommendation that InTACT's user charges should be measured against private sector industry standards in order to justify or not the value for money of the current IT arrangements. Hopefully, the consolidation of IT expertise in the Shared Services Centre will not result in IT officers being withdrawn from various agencies. It is important to maintain on site IT experts who have knowledge and experience of the IT environments of individual agencies.

MR SMYTH (Brindabella) (4.37): I guess people are asked by their governments to trust them, and we need to go back and look at the government's record in delivering major projects to work out whether or not we should trust them. Since coming to office, the major reforms that this government has put in place have been the establishment of the emergency services authority, the hospital, the schools program in front of us, the Gungahlin Drive extension, the link building, the prison, the glassworks and CHRIS 21. If we look just at that small microcosm of activity, the current Stanhope government has failed to deliver reforms in each area. They all cost more, ran over time and budget and either delivered less service or have not yet come into being.

The emergency services authority was going to be bigger and better. It blew its budget twice in a row and had to go to the Treasurer's Advance for almost \$5 million extra. The hospital reforms have cost us an enormous amount and are still not delivering. The schools reform, I suspect, will be the same. It will not save the sort of money the government thinks it is going to save and it really will not improve the system.

As we reported in the dissenting report, the cost of the Gungahlin Drive extension has continued to blow out. We understand it has blown out again recently with a dramatic underestimation of some numbers in the report, but we will get to that when we consider TAMS. The link building, which is being built outside this place even as we speak, was a project that we funded in 2001. Here we are in 2006. It is not completed yet and because of the delay it has cost a lot more than we estimated it would.

The same applies to the glassworks across the lake. The prison was going to cost \$110 million. Now it is \$128 million, but it will deliver less than was promised five years ago. CHRIS 21 is dealt with on page 45 of the committee's report, at paragraph 4.32. Having implemented this single piece of across-government software, the government found that it did not have the basic functionality to do rollovers of leave and long service leave at the end of the financial year, and that cost departments an extra \$1.897 million. For the government to stand up here and ask us to appropriate money for shared services on the basis that the system will be more effective, will need fewer staff, will cost less money and is going to be better is just a joke.

Where did they steal the model? Mr Costello dusted off his Western Australian report. He changed "WA" to "ACT" and, lo and behold, shared services unit. This reform was meant to commence in Western Australia in 2003-03. Now, in 2006-07, have they saved a single cent? No. Have they lived within their budget? No. Did they lose staff to become more efficient? No. Did they actually have to employ more staff to implement a program that was doomed to failure from the start because these systems do not work? Yes. Are

they following the folly of the ACT in the early 1990s when this was tried and it failed? Yes. Yet again the government here is saying, "Give us \$23 million to put forward something that we hope will work. Let's just all cross our fingers and feel good about it."

The savings listed in this document are overly ambitious. My prediction, and I will be happy to be proved wrong, is that when the parliamentary accounts committee does a review of shared services in 12 months—I hope there will be a review; the government has been non-committal in its response, simply saying that the suggestion that there be such a review is noted—we will find that the savings have been overly ambitious and that the set-up costs have been underestimated. I suspect that to implement shared services in the corporate fashion that we already have in the ACT will require more staff than are required currently.

Of course, the current system was implemented by a previous Liberal government in 1995, in response to the failure of the previous shared services body. It did not work then and there is nothing to suggest that it will work now. We already use standard platforms across the ACT. They are possibly modified inside various arms of the government, but they are still using the same standard software that can communicate and work together.

The numbers, as with so much of the estimates process, strike me as incredibly rubbery. We do not even know where this organisation will be set up. When we consider the current squeeze in the outside rental market, any building that the government gets that is outside existing buildings will come at a premium. If it is inside an existing government building, it may indeed need a refurb. I think the set-up costs are tremendously underestimated.

It is interesting that we ignore the corporate model that we have. This strikes me as more like change for change's sake, so that the Chief Minister can stand up and say, "I have set this up. Isn't it wonderful?" But I do not think we been given enough detail to give any of us in this place, or indeed out in the community, the confidence that we would like that it will work to the degree that the government are suggesting. On top of that, there will be more savings because they are going to reduce staff and costs inside the departments as well. So what we are doing is cutting to the bone the core of good management inside the public service.

The Chief Minister has admitted that he was alarmed when he discovered that his public service had grown by 2,500 people. I am not sure that the new systems will give him any more information. I am not sure that the new systems will give him any more control or better management of his public service. Therefore, we really do have to ask why we are doing this. The basis for this change, of course, is that the government do not have a real plan to get themselves out of the trouble they have created through their economic mismanagement and ministerial ineptitude. So all we do is simply lift a model from Western Australia and apply it to the ACT.

It has not worked in WA and it will not work to the degree that the Chief Minister is stating in the ACT. The problem really is that the genesis of this idea is in the fabled functional review. Does the functional review really exist? We have a report that tells us what to do, but no-one in the community except the valued few who have seen it actually have been able to scrutinise it and question the underlying basis of the savings recommended by the functional review. Again, the fact that the government will not

share that knowledge with the community so that we can have a reasonable debate highlights how little trust the government has in the community. We only have to look at some of the areas where information has been released by the functional review. The review has been soundly debunked by the community as being an inaccurate misrepresentation of the amount of spending on tourism in the territory. I am concerned that that is enough to cast enough doubt on the validity of the review.

In the 1992-93 budget, Rosemary Follett was saying, "We are going to have shared services. The bureau will work. It will be a great thing." Then, in 1993, Lou Westende was saying in the Assembly, "We warned you. It didn't work. You have not made the savings. It is a failure. It is delivering less service." When we get down to it, this sort of model has to be aimed at delivering more service. If we look at the Western Australian experience, it has led to a loss of knowledge and a loss of service. The big office over there or down there does not know how we operate in our part of the ACT public service. That knowledge, where you can go and see your personnel section or finance section or whatever and talk to the people who look after you about your needs, will be lost. The ability to manage staff appropriately not only for the benefit of the government but also for the benefit of the staff will be lost.

In Western Australia that benefit was lost, leading to a decrease in efficiency. It cost more staff and more time and did not deliver the dividend that they expected and they lost some of the effectiveness of having in-house services and interdepartmental services looking after the particular needs of the department. What will happen here is that the section that currently looks after foster carers in one department will be now lobbed together with the department that looks after the emergency services authority. They will all be in one big conglomeration. Needs will be different. This is not a case of one-size-fits-all. We need to make sure that we get effective management.

I hope that 12 months from now we actually do have the review. I hope it works. I would hate to see the taxpayers' money wasted in this way. But, based on what we have lifted from WA, based on the way the story kept changing as the Chief Minister was pursued over this whole issue, based on what has been presented in the papers and based on the fact that we have not been allowed to see the underlying premise of this functional review, my fear and my prediction are that it will not work. In fact, like the emergency services authority, the hospital, the schools, the Gungahlin Drive extension, the link building, the prison, the glassworks and CHRIS 21, this will all end up costing the ACT taxpayer more dollars.

MR PRATT (Brindabella) (4.47): In their dissenting report, Messrs Pratt and Smyth recommended that we not proceed with shared services—

Mrs Dunne: You are talking about yourself in the third person, Pratty. I would be worried.

MR PRATT: It is a bit like stepping out of your body, Mrs Dunne, or moving to a parallel universe—or even cross-dressing, but we will not go into that.

Mr Smyth and I recommended that we not proceed with this particular centre. We were not convinced there would be efficiencies and economies of scale developed by this concept of shared services. The government has said that the centre would combine the

staff from a number of different agencies, making a staff complement of approximately 900. They have said that they would be seeking to fill all of the new public service positions in that centre entirely from transfers. Some ministers said that and other ministers were not too clear about that, so there was some ambiguity during the estimates scrutiny of this particular operation.

Given that the members of the estimates committee were not provided with the report of the Costello review, we were unable to properly scrutinise the development of the Shared Services Centre and we are not comfortable with this proposal. If the Chief Minister is absolutely correct in this proposal and if we had seen the full details of the review, which might have indicated how the proposal was going to work, we might have been somewhat more comfortable. But we were not; therefore we must remain sceptical. One of the features of the proposed Shared Services Centre is that the management committee to administer the centre be composed of all departmental chief executive officers. That is something that we find particularly absurd. We believe that that concept will fail the test of time. I point out that the Follett government tried this concept in the early 1990s. That experiment failed. It was a costly failure, apart from the fact that it was not practical.

The emergency services authority will be required to hive off some of its administrative personnel to the centre. Again, that brings into question the operational independence of ESA headquarters. Apart from the fact that ESA headquarters now will move back in under the wings of a department, the Department of Justice and Community Safety, which will bring into question its ability to operate as an independent authority, the loss of key echelon staff will impact upon the independence of the commissioner to make operational priority decisions quickly. I am concerned that the loss of people to a centre will bring into question whether or not the ESA is able to continue to operate.

I was not convinced by the arguments of the Minister for the Territory and Municipal Services about the loss of staff from TAMS to shared services or whether he was quite happy that there would be a quid pro quo return of services to that department. The minister's answers were far from clear on that issue. I am still not convinced as we stand here today on the edge of voting on this appropriation that the Shared Services Centre will not be created with other than a gross addition of new public service positions, with a very significant additional cost to the overall running of governance or that those extra expenditures and extra staffing positions would offset any currently perceived inefficiencies. That is why I cannot support at all the establishment of a Shared Services Centre. Again, it raises the question whether that particular model is going to fly.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.9—Superannuation Unit, \$107,000,000 (capital injection) and \$17,280,000 (payments on behalf of the territory), totalling \$124,280,000.

MR SMYTH (Brindabella) (4.52): Last Friday the ACT community was treated to the appalling spectacle of how the superannuation unit works. Last Friday the ACT Treasurer made the most extraordinary and disturbing comment about the territory's superannuation assets. He said:

Superannuation receipts cannot be guaranteed. It is like betting on the horses. It is the way in which the stock market performs. We've got away with it over the last 10 years but we can't continue to expect to get away with it.

That is absolute rubbish! If that is the way the Treasurer believes the superannuation fund is managed, he should resign. All the staff in the superannuation fund ought to be appalled that they are being compared to a horse race. It is really not a joking matter, given that 18,500 public servants and those that have gone before them depend on this superannuation for their income. In case the Treasurer does not know, we have a properly developed asset allocation strategy that provides regular and sound income from dividends and regular and sound income from interest.

In addition, there are issues about movements in the valuation of the underlying assets in the different classes. It caused some concern two or three years ago when we had the fall in the Australian stock market, although dividends and interest were, or should have been, largely maintained even during that period, and indeed have been the basis of the five surpluses of which the Treasurer is so proud. On the one hand he says it is a horse race; on the other hand he says that it is working in our favour. Obviously, he has not been briefed about the extensive governance framework of the superannuation unit that protects the asset. There is the Territory Superannuation Provision Protection Act. There are guidelines made under the act. There is the Finance and Investment Advisory Board. There is an asset consultant and an actuary. There is absolutely no basis for the Treasurer's comments. They are grossly irresponsible.

Contained in the notes to the superannuation unit is an explanation of how the investments are to be made. The act provides for the investment of amounts in superannuation bank accounts and details where they can go. It does not say anything about Randwick, race No 3 on Saturday afternoon. It refers to having amounts on deposit with authorised deposit taking institutions in states, commonwealth or territory securities in any prescribed investment. To back that up is the Superannuation Management Guidelines 2002. Perhaps it is because Ted Quinlan signed them that the Treasurer has not actually read them. The guidelines deal with the ratings of units and defines prescribed investments. They even deal with how to use derivatives. There is clearly a framework, unless you are using the *Punter's Pal* or something to run your superannuation accounts.

The Treasurer just does not understand how this works. If he does not understand how it works, then he should not be the Treasurer. Clearly, Treasurer, you have got some reading to do. I suggest you read your own legislation and your own guidelines. If you are not happy with the guidelines that Ted Quinlan put in place, because I think he actually did understand this whole area, perhaps you should put your own in place. It would be interesting to see if what you come up with is an improvement.

MR MULCAHY (Molonglo) (4.56): There has been much debate recently on superannuation. Indeed, the opposition recently and reluctantly acknowledged that the government had little choice but to make its decision to reduce superannuation. The Chief Minister may well have been correct when he said the territory simply could not afford to continue to contribute 15.4 per cent to superannuation. Of course, what he

neglected to mention was that his government has caused that parlous budgetary position through poor management of the ACT budget since 2001.

It is worth noting, notwithstanding the fact that we have discussed this on another occasion, that the Australian Labor Party here in the ACT failed to support the reduction at their recent annual conference. Indeed, it is my understanding that no-one opposed the motion calling on the government to reverse its decision. Clearly, the party organisation and membership of the Labor Party and any MLAs present remained deathly silent on this issue. It is a sad indictment of the Labor Party's ability to be financially responsible and, I believe, it casts doubt on their and, by extension, the government's ability to effectively manage the budget.

We have a situation here where one man says we cannot afford to do it, and he is probably right, although for all the wrong reasons, none of which would be conceded. Then the whole party behind him says, "It is just dreadful what you are doing." Of course there are going to be terrible consequences. I suppose the world will not come to an end if it is less attractive for people to run from this place because they can not only get nine per cent super. I do not know if that will be the deciding factor for future candidates. But I think there will be bigger issues in terms of commonwealth competitive recruitment. People who choose to have a public sector career will say that the ACT government increasingly is moving towards becoming the second-class version of public sector employment.

It is a competitive environment. I think Treasury and other agencies federally show little regard for the impact of their entry level wages on the ACT community. There are extraordinary levels in some agencies, and I think it is very easy to just tick off on that and say, "If we make this a breakneck rate of starting salary, nobody can beat us to the punch." I do not think that is responsible behaviour by the commonwealth, and I have expressed that view in the presence of commonwealth ministers. I do not think it is helpful. There is little that I, or probably any of us, can do at this level to change that approach. I think if the territory winds its position back it will have problems in years to come in getting the quality of people that we need to get on top of the affairs of the ACT. That being said, I do agree with the Chief Minister that he probably had no choice but to make these reforms. During the estimates process, Dr Grimes, the CEO of Treasury, said:

The level of accumulation funding that is being provided from 1 July this year for new employees is nine per cent, or 10 per cent if an employee makes a contribution of three per cent. As a result of that, it will now be possible for the government to fund its superannuation liabilities over a shorter period.

We have got to continually take ourselves back to reports of recent times, certainly in the period since I have been in the Assembly, and I encourage members to note Auditor-General's report No 7 of 2005, *2004-05 Financial audits*, point 4.112, which states:

Although the new scheme is expected to reduce costs, the recent significant upward trend in unfunded superannuation liabilities raises a question as to whether government current strategies to manage this growing shortfall will be effective in preventing it from growing to the point where significant financial difficulties are experienced in the long term.

These are matters of concern. The report *2004-05 Financial audits* contains a qualified opinion, and that was partly to do with the treatment of various assets and liabilities in terms of accounting standards. But the report contained this more troubling observation:

There are insufficient investments set aside to meet superannuation liabilities. The ratio of investments to superannuation liabilities has continued to decline in recent years from \$0.65 in 2002 to \$0.59 in 2005 in investments for each dollar of superannuation liabilities.

The report continues:

The impact of the new Public Sector Superannuation Accumulation Plan ... for new employees on superannuation liabilities is to be assessed in coming years. As the PSSAP is fully funded, it should assist in limiting the future growth of superannuation liabilities.

The impact of wages and superannuation is obviously massive within the territory's \$3 billion budget. In the period ahead, with an ageing population that has greater needs in terms of health, aged care and the like, the capacity to generate revenue is not insignificant, and superannuation liability is an issue that will have to be watched closely. I understand from estimates that the officials are of the view that the date of achievement of funding our liability has improved quite significantly. Of course, in this regard events are not entirely within our control and market influences and the range of investments in which those funds are located can impact quite significantly on the territory's capacity to fund its employees as they move towards retirement. It is essential, obviously, that those superannuation liabilities not come to fruition on one day. Over time this Assembly needs to be very conscious that the territory will have sufficient investments to meet its superannuation liabilities and that unfunded superannuation liabilities do not continue to increase, as has happened in previous years.

DR FOSKEY (Molonglo) (5.03): Mr Stanhope's assertion that the ACT is not in competition with the commonwealth public service ignores reality. Of course we are in competition with the federal public service. How many of his CEOs have come from the commonwealth public service and how many of our middle management go there each year seeking new opportunities and better pay? How many teachers, park rangers and health workers move into commonwealth departments with matching but broader policy concerns? I do not know the figures, but I know it happens. Does the government keep figures?

The functional review, it appears, ignored the fact that we live in the shadow of the commonwealth public service that will continue to pay 15 per cent superannuation. The functional review author compared us instead to the public service in Western Australia and Tasmania. Those places are not commuting distance from the ACT. I am concerned that these changes will encourage our best and brightest to move to the commonwealth.

If the government was committed to remaining competitive in the ACT market, these cuts should have at least been announced in conjunction with announcements of improved working conditions and family friendly policies, childcare facilities for working parents, affordable housing initiatives, increasing commitment to work-life balance and healthier and more pleasant work environments. These are some of the non-

wage issues that play a large part in deciding whether to relocate oneself or one's family or whether to change jobs. I note the existing template certified agreement expires on 31 March next year and I hope that the ACT government will consider these factors in the negotiations for a new template.

It was disappointing to learn during estimates that this government has no commitment or desire to invest our superannuation funds in the local economy or in ethical projects. Mr Mulcahy made it clear before lunch that the opposition takes the predictable line also. There is an opportunity for the government to do both of these things by making legitimate borrowings to Housing ACT to increase the size of its stock. I must stress the words "legitimate borrowings", because we do not want the government to draw on its super investment in a way that compromises its security. Many other jurisdictions use a proportion of their superannuation funds to invest in public housing stock and there is no good reason why the ACT should not do so. What is the point of making one percentage point more profit in another jurisdiction or, worse, in another country and depriving ourselves of the multiplier effect that would be engendered by investing those funds in the ACT?

Ethical investment really is the super of the future. As corporations emerge as the dominant power brokers in a globalised world, it is consumers whose purchasing decisions support particular corporations and particular standards of corporate behaviour. Consumers have the power to change corporate behaviour by punishing and boycotting those companies that stray too far from community standards of ethics and social responsibility. As it is, many super funds actually invest in activities that are harmful to the interests of the people who contribute to those funds. During estimates I heard that the government does not really know where super funds are invested and did not seem to care; it was left entirely up to the brokers.

The World Trade Organisation and Australia's representatives at the commonwealth level fight hard to restrict the ability of people and governments to choose products on the basis of environmental and labour standards. There are serious restrictions on labelling laws that enable consumers to differentiate on non-price criteria. We do not expect any movement on human rights or environmentally based trade negotiations from our federal government, but the ACT super funds are large enough that, with concerted action, a proportion would be able to exert a significant influence for the better on investment funds and boardroom decision making. Again, triple bottom line accounting principles point the way forward to a better world by putting a value on those features of a healthy and happy life that are ignored by a fixation on the single bottom line of financial statements. I believe that human rights compatibility should be extended to consideration of how our super funds are invested.

The ACT government and various ministers have at different times made cautious but interested noises about using superannuation investment more strategically. If we need to consider more carefully how services are delivered in Canberra and how we develop this society and the impact that it has on the planet, then how we use our available resources—and superannuation investment is a big one—has to be part of that thinking.

MR STANHOPE (Ginninderra—Chief Minister, Treasurer, Minister for Business and Economic Development, Minister for Indigenous Affairs and Minister for the Arts) (5.08): I respond briefly to some of the comments that have been made on the

government's decision on superannuation. It certainly was a hard decision for this government to take. Of all the decisions reflected in this particular budget, this was perhaps one of the hardest and a decision, in an ideal world, that I would much prefer not to have made or not to be associated with.

It was and is, in my estimation, a decision that needed to be made, a decision that could not not be made and a decision that should have been made a decade or more ago, at a time when every other jurisdiction in Australia realised that it was simply not possible for states to maintain, consistent with their commitment to other priorities and other government services, a commitment to a superannuation rate of contribution of 15.4 per cent. It was a decision that was made by each of the states and the other territory government during the 1990s, except for Tasmania which was the last of the states to revert to a 9 per cent contribution. On that basis, that really should have been a decision that should have been made by the previous government.

Mr Mulcahy: It's Trevor's fault!

MR STANHOPE: A previous government. Every other government in Australia made this decision in the 1990s. Yet we felt, on the basis of the way in which we have always done business, that we somehow were that different that we could continue to contribute at a level which, in 20 years time, would have required the government of that day to find an additional \$300 million to fund our liability, an increase of 700 per cent over and above the annual contribution which we currently fund. Every government from 1989 to today has known that that was going to be the level of contribution that needed to be made within 20 years.

We are now down to five more Assemblies. In five Assemblies time, the then Treasurer and the then government would be required to find, at that time, in just five Assemblies time, an amount equivalent to the sum total, for instance, of the amount we currently spend on public education. That amount would have to be found.

We can argue a whole range of issues, Mr Mulcahy, but I need to respond to your attempt, quite understandably, of course, in the cut and thrust, to suggest that this issue is an issue that this government is making. It is not. This is an issue which every government, I know, in their cabinet deliberations has discussed. The Liberal Party was in government for seven years and delivered, I think, six budgets. The Liberal Party, I know, would have discussed this issue at every single one of its budget cabinets and said, "No, we will not go there. That is another decision that we will leave to another government for another day." You know that Mr Mulcahy, and I know it.

This government took the decision. It was a hard decision and a decision which a Labor government finds particularly hard, but it was unavoidable. In the context of the numbers we are talking about, it was a decision that simply could not continue to be put off. We could have put it off. I could have waited for another Assembly and another day, just as every other Assembly has done. I could have. I did not need to include it in this package of major reforms. I did not need to add to the injury and to the difficulty which government potentially faces. But then again communities want strong, rigorous leadership and integrity, and they are getting it. I know what the consequences of that will be at the next election.

I respond briefly to this suggestion that Dr Foskey makes that we are, in fact, in competition with the commonwealth and that this will have dire consequences on our capacity to recruit. I do not agree with that. I do not believe we are, for the vast majority of our employees, in competition with the commonwealth at all. It is not correct to suggest that we are and to say, “The states are different; the states could move to a 9 per cent government contribution because they are not in competition.” Sixty-five per cent of all commonwealth public servants work in the states. Only 35 per cent of the commonwealth’s public service is located within the ACT. Sixty-five per cent is located in Sydney, in Melbourne, in Perth, in Adelaide and in Hobart. Sixty-five per cent of the commonwealth public service is in competition with the states and the territories in the capital cities of Australia where they deliver their government services.

I do not intend to respond to the nonsense which Mr Smyth contributed to the debate, other than once again to ponder out aloud, “How is it that the Liberal Party persisted for as long as they did with this leader?” To the extent that I ever have moments of self-doubt, the self-doubt that I often reflect on is: how come our record margin at the last election was not greater than it was? I am sure you ponder that, too, Mr Mulcahy.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.10—ACT Health, \$592,119,000 (net cost of outputs), \$18,198,000 (capital injection) and \$4,865,000 (payments on behalf of the territory), totalling \$615,182,000.

MR MULCAHY (Molonglo) (5.14): I ponder how remarkably well we did considering the resources we as a party have compared to those from the trade union movement. But let us move to the most significant issue in many respects in the minds of most Canberrans, and that is the management of health and healthcare in this territory. It is quite extraordinary that, despite the additional appropriations in funding to ACT Health compared to last year, we cannot be sure that this extra money will be spent in a way that will either maximise the benefits to the ACT health system or improve its efficiency.

This is because the Stanhope government has proven time and time again that they do not possess the right approach to achieve meaningful progress or reform in key areas such as health. The estimates process revealed plenty to reinforce this. Ms Gallagher’s relative unfamiliarity with the new portfolio did not excuse the significant deficiencies that had existed within the department way before she became Minister for Health.

A few of these deficiencies were readily conceded by Dr Tony Sherbon, chief executive of ACT Health, now in the process of leaving, if he has not left already—of his own volition, I hasten to add—who said:

It is fair to say that we do not meet category 2 (surgery within 90 days) and 3 (surgery within 12 months) wait times ... As the minister said, category 2 is largely a problem with neurosurgical patients ... In category 3 we will be looking at ENT, ophthalmology, orthopaedics and, to a lesser extent, gynaecology.

Dr Sherbon went on to comment on some of the more basic faults in the current system, many of which should have been at least looked at for improvement some years ago. For instance, he stated:

The hours of opening (for operating theatres) are archaic and this minister took into the budget process a proposal to extend our hours of opening at theatre lists at Canberra Hospital from 8 till 4 to 8 till 5—

a radical improvement—

and that is now in effect from 1 July.

After these changes, he said:

... we would be up to more comparable opening hours with our jurisdictional partners right around the country. We recognise the 4 pm finish time was inappropriate.

You really wonder how long it has taken them to get that message. I have been here for only two years but that was evident to me from the first moment I started to discuss with those in the field of medicine the way in which the hospitals operate. From talking to specialists, any specialist in Canberra can tell you about the problems with the hours of the hospital. But the penny seems to have only just dropped. Whether it is because Ms Gallagher has picked up the ball from where Mr Corbell had run the place—and obviously he could not make these highly complicated decisions of extending by an hour—or not, I am not sure.

But it was not just opening hours for theatres and waiting lists for operations that were found wanting. An issue as basic to a properly run health system as sufficient numbers of hospital beds for its patients was found to be unsatisfactory, with the minister herself conceding:

Depending on—

and these are her words—

what report you read, we are under the national average per 1,000 population ... Whilst we will remain under the national average, we are making a pretty concerted effort to ensure that we are increasing beds to match demand in our hospital system.

I know the minister sometimes makes light of the fact that Mr Smyth has raised the issue of the number of beds that are needed, but this is critical and is impacting constantly through many stories that are relayed back to members of this place.

Looking at these quotes, one could easily believe that there is a lot of work to do in ACT Health to bring it up to speed with the rest of the country. But our new minister will have nothing of that. Her perspective reflects the basic denial that this government suffers in being able to acknowledge its faults and implement effective and sensible solutions. She stated:

I will not accept that the system is not working well. I will accept that there are pressures on the system and there is a range of measures in place to deal with those pressures.

They say perception is reality, and there is certainly, despite the minister's protestations, a very wide-held perception in our community that the health system in the ACT is not in great shape. Can all these people that raise it with us be wrong—these constituents who write in and tell members on both sides of the Assembly that things are not up to the mark? The criticism that was made earlier today about the fact that Mr Smyth publishes these statistics fails to respond to what the statistics in fact tell you: there are underlying and endemic problems within the health system in Canberra and a level of problems that should not be acceptable in this jurisdiction.

The minister mentioned a range of measures that have been put in place through the 2006-07 budget. Looking at these measures, however, one wonders whether they are serious enough to achieve the costs savings and performance improvements that the people of the ACT sorely need and quite rightly deserve. Dr Sherbon gave a frank assessment of where the key areas of focus are in this budget, stating:

We know that some of our costs are higher than they should be. Administrative costs are a problem for us.

I repeat that:

Administrative costs are a problem for us.

It is one of the biggest problems in ACT Health. He continued:

We know that we have a higher RN to EN ratio—registered nurse to enrolled nurse—than peer hospitals throughout the country ... We know that we could do better with the purchasing of consumables and medical supplies.

Why are they waiting until now to find out all these things? We have a government that has been in since 2001 and now we are starting to realise all these problems. The minister also expressed the need to increase staff numbers within the department, stating:

There is a range of new initiatives in this budget for which we are expecting a staffing component of around 91. Some of that is in cancer services—

commendable—

for example, the employment of an extra oncologist and some nurse coordinators—and there is an additional registered nurse in that initiative. In the mental health initiative, there is the employment of an additional mental health specialist. So yes, we are increasing the number of front-line services.

Ordinarily the issue of public service staffing is a sensitive one, particularly in the current environment of proposed staffing cuts to save money and recover some of the expenses that have been wasted on staffing by this government in the past. But in health,

staff are an essential part of its effectiveness. So this should not be as much a major concern as other areas of government responsibility.

What may be a major concern, however, is how these new staff will be managed in the context of ever-higher wage and superannuation costs, pressures which affect the entire ACT public service, not just health. Underlying the importance of handling these costs, Dr Sherbon mentioned that, of the total health savings achieved by the government in the 2006-07 budget:

Probably the most significant contribution is superannuation—

which we have just discussed—

We expect that a good 10 per cent of the 22 per cent is due to superannuation alone.

The minister, when she was commenting on ways in which the government intends to tackle ever-growing costs of ACT Health, said:

There is a range of work that needs to be done—

such as—

looking at management structures and looking at staff efficiencies, which we will discuss with the unions, of course. Wage restraint is going to be one of the obvious areas where we will need to either deliver a wage outcome similar to what we are offering in other areas of the public service or productivity savings for anything that is wanted above that.

We hear constantly—and I am told—that I am the scrooge of this Assembly and how miserable life would be under the Liberal Party if we were negotiating wages. But here we have got the minister basically forecasting that this is going to be a tough area. So it will be interesting to see whether that is managed as well as the education negotiations have been handled.

The minister's previous record of wage negotiations with unions has been less than impressive. The pay dispute between the government and teachers is still going strong, with rolling stoppages planned throughout this month, and one can only imagine the devastating effect these disruptions would have if we saw them reflected also in the ACT health system and the horrific thought of our healthcare services being disrupted.

I well recall, last year in estimates, hearing the minister explain that her way of achieving a trade-off for the public service agreement was to turn the lights off over Christmas-New Year. That was the recognised saving. We hope that the level of sophistication in industrial relations negotiation has improved beyond that time, but I am concerned.

It seems, by all accounts, the minister does not yet have a full grasp of the extent of problems in the health system; nor does she have the right solutions in place to get the system out of trouble. And why does it seem this way? Taking into account all of the issues the government currently faces in health as well as the somewhat token efforts that have been made in this budget to tackle them, we are still a very long way from either

reaching national benchmarks or paring back costs to an acceptable level. The minister conceded:

It is acknowledged that our costs here across health are 22 per cent higher than the national average ... But over the next five years we are bringing it down to within 10 per cent of the national average—still quite considerably higher than the national average.

But what is even more worrying is the apparent futility with which the new minister is approaching these challenges. How can the people of Canberra have faith in the ability of this government to deliver a cost-effective health system when the Minister for Health says about the current pressures of the system:

I do not know yet whether we can ever solve them.

That is a despairing comment which causes all sorts of concerns. If the government is not sure whether they can ever solve the current problems in the ACT health system, how can they ever hope to successfully tackle the longer-term pressures that are just around the corner such as childhood obesity, ever-longer life expectancies and an ageing population. Perhaps the minister can put these problems in the too-hard basket as well.

MR SPEAKER: The member's time has expired.

MR MULCAHY: Can I take my extra 10 minutes?

MR SPEAKER: Yes.

MR MULCAHY: In conclusion—and I will not labour any longer because I know Mr Smyth will have a range of things to say as well: can we say with confidence that the \$615 million being appropriated by the ACT government to meet the health challenges of this territory is money well spent? By looking at the critical state of the current system, particularly with regard to its exorbitant costs and failure to meet national benchmarks, along with the token solutions that have been offered in the 2006-07 budget, the real question will be: will they make any meaningful impact on these problems? I fear that the response will be in the negative.

Listening to the Minister for Health in her uninspiring approach to tackling the current problems and the rather despairing observations she has made about future obstacles in the system, one can look with a deal of apprehension to the future. I know my electors look on with apprehension. People I have called on and doorknocked have said to me time and time again, "I hope my health continues because I am terrified if in the future I have to rely on a deteriorating ACT health system."

DR FOSKEY (Molonglo) (5.26): The largest component of expenditure in the ACT budget is health. As the minister has pointed out many times, it is continuing to grow and the government needs to find long-term solutions to this problem. Such is the political nature of this portfolio that it has been exempt from the cuts made elsewhere in the budget.

However, this budget contains no innovation in cost-effectiveness. The only step taken has been to cut superannuation, but such a step provides little in the form of a long-term

solution. There is talk of increased efficiencies, but the estimates committee was concerned at the lack of detail of how the government intends to reduce the growth of health funding in this and subsequent budgets. The committee was also concerned about the number of discrepancies in different parts of the budget paper. Does ACT Health really know where it is going?

More money in this budget is going into acute rather than community-based services. There is projected growth of eight per cent in acute care service funding but only 2.5 per cent for community services and three per cent for public healthcare services. There is no net increase in the funding for early intervention and prevention strategies, but we all know that a greater focus on early intervention and prevention strategies would relieve the pressure on the emergency department, hospital beds and elective surgery waiting lists. As the chief health officer has said, disease prevention and health promotion activities are a mainstay for future health gain. A major way in which rapidly increasing health costs will be constrained will be through a greater focus on prevention and community education.

We must also consider recovery focus models in this debate. Evidence from around the world shows that improved support beyond acute episodes is better for the patient's recovery and cheaper in the long run. Maternity services and mental health are two clear examples where we can cut our costs for better outcomes.

Midwife-led care overall has better outcomes and costs less than obstetrics-led care. But the shortage of midwives is leading to fewer options for women and greater costs to the ACT budget. We already have the highest rate of surgical interventions and, unless something is soon done to assist women wanting natural childbirth, our health costs in this area will continue to grow.

The Canberra Birthing Centre is often unable to meet demand and, as the Minister for Health has pointed out, an expecting mother must book in before she is five weeks if she is to gain a place. Independent midwives are also unable to practise, due to the incredibly difficult insurance costs. Until now, the ACT government has refused to provide support for independent midwives, making home births more difficult to arrange. It has also rejected other key recommendations of *A pregnant pause*, the Assembly committee inquiry into maternity services, such as a more comprehensive and better coordinated approach to midwife-led birth. This is unfortunate, as midwife-led care is both preferred by many women and is much less expensive than the medical model, as the New Zealand experience shows.

I was certainly pleased to hear that the Minister for Health is going to take some action on these issues and that a working group has been established to provide her with advice. I hope that in next year's budget we will see a proposal by the minister on how to rearrange our services to assist the demand for natural childbirth and minimise our increasing health costs.

Dental health received no attention in this budget, yet it is a major issue for people on low incomes who have to wait up to a year for service. The growing waiting list for dental services is appalling. There is an urgent need for increased services to improve dental health. We all know now that poor dental health has strong links to general health

problems. There is increasing evidence of demonstrable links between oral health and long-term physical health.

While much of the blame for such a decline in public dental health services has to be attributed to the commonwealth, it is the ACT health system that ultimately bears the cost of this area of neglect, and improvements will ultimately benefit that same system. We are not saving any money in the long run by failing to provide adequate dental services. The cost will come back to us down the line.

I touch on the defunding of CAHMA and how the government handled the situation. I can understand the government's right to withdraw funding from an organisation, but I cannot understand the manner in which they tried to have CAHMA evicted from the Griffin Centre when CAHMA's name was on the lease. During the final week of CAHMA's funding, ACT Health, Directions and two lawyers apparently turned up at the Griffin Centre, instructing the centre to have CAHMA evicted so that Directions could take over the space. They were quickly rebuked by the centre's board, and quite rightly.

ACT Health's actions were inappropriate and damaging to its reputation, as were its behind-the-doors negotiations with Directions to take on the role of providing the one and only needle service exchange in Civic. Why did the government not do a legitimate tender for the service, rather than going straight to Directions? As a result of the government's action, Civic faces the threat of having no peer-provided needle exchange service and perhaps no primary needle exchange service at all.

The government can talk about the secondary and the tertiary outlets of pharmacies and vending machines, but these are not the face-to-face services that deal with the other complexities that drug injectors must deal with. I will continue to watch this area closely and certainly hope that we do not see a repeat of this approach.

It is also worth pointing out that drug and alcohol community organisations lack a peak body, and recent attempts to get funding for one have been unsuccessful. Apparently \$50,000 was earmarked for such a body, but ACT Health convened a meeting of CEOs of key drug and alcohol organisations, many of which do not provide drug and alcohol services as a core priority. This group decided that the funding should not be allocated and, even more alarmingly, told CADAC, the coalition of drug and alcohol community organisations, to close. But they could not make the coalition do this, as they had no authority to do so. Events such as these are a timely reminder of the difficulty working in this area and the need for the government to make concerted efforts to get it right.

While the ACT government's approach to improving dual diagnosis services remains questionable in this budget, I was very pleased to hear Dr Brown speak about her intentions to improve Mental Health ACT's dealings in this area. There remain a number of people within our community who cannot access mental health or drug and alcohol services because they present illnesses within both fields.

At the moment, there is only one person within Mental Health ACT who undertakes assessments for clients on their substance use, provides input to development of management plans with their case managers and up-skills staff on management issues for clients with dual diagnosis. But when 75 per cent of the services are provided by community health organisations, it is hard to know what leadership the government is

really providing in this area. I was pleased to hear that Dr Brown is looking to examine the need for further staff and potentially even a dual diagnosis team, which was a recommendation in the recent CAT review. I hope the government can find the means to support such a team.

I am concerned that the integration of Healthpact into the department might reduce its ability to act independently and reduce the resources it has to distribute. Unfortunately, this might mean that we will see less innovative projects funded. Again, we will be watching closely to see what impact this change has.

I am going to give some attention to mental health, which is a very important area to the Greens. Canberrans may be an educated population and a physically healthy population on the whole, but we are not a happy population. We are well above the national average when it comes to our rates of long-term mental and behavioural problems and experience higher than average levels of stress and depression.

Through the COAG agreement, the rest of Australia seems to be recognising the extent of the mental health problems in their jurisdictions and are providing record levels of investment; yet the ACT community has received only \$8 million over three years in new funding from its government. This may well be a record level of ACT government funding in mental health but the community was expecting more. While the government already provides about 75 per cent of its mental health funding to community-based services, these services are seriously underfunded.

MR SPEAKER: The member's time has expired.

DR FOSKEY: Can I take my second 10 minutes now?

MR SPEAKER: Dr Foskey, continuing.

DR FOSKEY: Mr Barry Petrovski of the Mental Health Consumer Coalition reported to the estimates committee:

In relation to the ACT 2006-07 budget, we were quite disappointed. An increase of \$8 million over three years will not go very far in addressing the lack of community-based service options in the ACT. In comparison to recent funding initiatives interstate, the ACT budget reveals no real investment in adult community-based mental health services, which are desperately needed and underfunded.

It appears the majority of the \$8 million will be allocated to building clinical capacity. Yes, these services are needed but they do not address the demand for sustainable community-based service options to assist people to overcome social exclusion, unemployment and poor housing and expand their recovery options which, in turn, reduces hospital admissions and reliance on clinical services.

We welcome the investment into developing a youth mental health service. The step-up, step-down facility is sorely needed for our young people. I am pleased to hear that a facility that caters for the specific needs of this age group is being developed.

We also support the broad objectives to improve consumer and carer participation, most especially the further development of early intervention prevention strategies. But I do not think they should have come at the expense of community-based services because this is where people recover. Unless we want a rotating system focused on crisis intervention where patients come in and out of acute care, we must invest in community-based strategies. In the current situation, where funding is tight, we need to find innovative ways to provide these services.

For this reason, I seek leave to table an ACT Greens discussion paper titled “Making our own boundaries, not living in your walls—is a model like Trieste an option for supporting people with mental illness in Canberra?”

Leave granted.

DR FOSKEY: I present the following paper:

Mental illness—“Making our own boundaries, not living in your walls”—Public discussion paper prepared by Fiona Tito Wheatland for the ACT Greens.

I want to make sure that Ms Gallagher and Mr Smyth, at least, receive a copy of that paper. This paper was written by Fiona Tito Wheatland, and I give great thanks to her for the unpaid time and effort she has put into it. Fiona was previously the Official Visitor for Mental Health in the ACT, chair of the Community and Health Rights Advisory Council and chair of the ATCOSS Health Policy Advisory Committee for five years. She is nationally recognised for her work on adverse events in hospitals and is currently completing her doctorate at the ANU on patient safety in healthcare. The paper is also being distributed for comment amongst a wide range of community mental health services, and we have been able to incorporate some of their comments.

We are committed to working with the mental health community to find innovative and cost-effective solutions to assist people with a mental health problem to recover and to remain healthy. Unless consumers and service providers work together, we will never get it right. We must realise that, as society changes, so will the needs of people living with a mental illness.

The ACT government has proposed to develop a new and larger acute mental care institution. I note that this proposal has been put off in this budget due to some disquiet amongst community organisations and the need for further consultation and negotiation. Community organisations are concerned that the new institution would be too much like the old PSU, leading to similar problems. I commend the government for listening to these concerns, although with a belt-tightening budget this could have been convenient.

During this debate it is worth questioning whether the ACT is moving in the right direction and is improving the rate at which its residents not only recover from a mental illness but also stay well. We must also question whether we are moving in a direction that is financially viable, given the growing health budget the ACT government is facing. For too long our models of care have been based on containment and control, an out-of-sight, out-of-mind approach. We have based our models of care on what the service providers wanted to provide rather than what the consumers needed to receive.

People with mental illnesses can live messy lives and do not fit neatly into the segmented programs of well-intentioned officials.

Our current models focus resources heavily on the time of crisis rather than on a long-term plan for maintaining mental health and providing resources for recovery. The approach taken during a time of crisis can also make recovery more difficult and reduce the trust that people with mental illness and their families have in the system. And because the system is illness focused, people often do not get help early enough.

The traditional way of working with people with mental illness did not include the idea of recovery, particularly in the case of illnesses which involve psychosis. However, in the 1990s, a broader discussion of recovery from mental illness commenced. The scope of a recovery focused system is much more holistic than much of the medical model. It covers not only physical and mental health and psychological wellbeing, such as self-esteem, hope, coping and confidence but also the social domains of life such as economic matters, social interrelationships, purposeful activities, leisure and housing. The aim of the system must be to stimulate recovery rather than encourage lifelong dependence on social services.

There are examples in the world where recovery focused models have been put in place, and these have shown promising results. The longest running example of this kind arose in Italy in the province of Trieste, which has a population of around 300,000, similar to Canberra. This model of care and treatment is one which relies strongly on the development of respectful and non-hierarchical relationships which focus on the person and not the sickness. It works towards recovery and maximising independence, while maintaining the supportive network of relationships, so people can pass through this service when they need its help without having to wait for crisis to develop.

As much as possible, they seek to maintain the person in their ordinary world and support them there, helping them to develop resilience through support in the community. Families and supporters are provided with specific assistance and often are put in touch with other families experiencing similar problems so that they have peer support. Access to secure and safe housing is a necessary basis of this model.

Importantly, there is no use of seclusion or restraint, and none of the community mental health services are locked. Bars are on the outside of the ground floor windows to keep burglars out, but the upper-storey windows are open to let in the sun and air. This should be contrasted with the frequency of use of seclusion in the ACT, 88 in the first three-quarters of 2005-06, and the status of the psychiatric services unit at the Canberra Hospital, which is a locked ward.

The use of involuntary treatment orders in Trieste is also rare—seven per 100,000 residents. This should be contrasted with the ACT where the Community Advocate reports 810 orders for voluntary detention of either three or seven days and 213 psychiatric treatment orders for 2004-05. Converting this to a comparison with Trieste, the ACT uses 341 orders per 100,000 residents, compared to seven.

Finally, Trieste has been found to be much more cost effective than our traditional models of mental healthcare. The paper does not go into the costs involved, but I would be happy to provide separate papers dealing with this issue if members are interested.

This paper is designed to start a discussion which is fundamentally important to our community. Many of us will become mentally ill at some time in our lives. Some of us will suffer or be touched by the lives of friends, family or neighbours who develop a serious mental illness. I look forward to Labor and Liberals reading the discussion paper and engaging in a tripartisan discussion that leads to more effective ways of providing mental health services through future budgets.

MR SMYTH (Brindabella) (5.45): I am so pleased that the Minister for Health is with us to enjoy the debate. I would like to start by pointing out to the minister, in case she has not read it, paragraph 4.6 on page 41 of the committee's report. The paragraph reads:

The Committee found it of great concern the majority of Ministers were unable to tell the Committee how many staff would be lost in the process. The two exceptions, Ministers Gallagher and Corbell, are to be congratulated for outlining concisely where the job losses would occur in ACT Health and in ACT Planning and Land Authority respectively. If these two Ministers were able to accurately inform the Committee of staff changes, then all Ministers should also be able to do so.

So, Minister Gallagher, do not say that I have never praised you. I managed to get that in there. I wanted a recommendation, but the committee would not come at it. But it is important, where ministers do a job properly, that they do get praise. It is a shame other ministers cannot. I am sure that we will take that up later in the night.

That does go to show how we should look at the numbers in these estimates documents because, although the minister was able to give us an accurate breakdown, the actual number printed in the document itself is incorrect. It is only out by a small margin, but if everything were out by a small margin it could well be disaster for the ACT, particularly in health. One of the disasters for ACT Health has been the Chief Minister, who, in his tabling speech, said:

The budget provides significant additional funding for health—\$41.7 million in 2006-07 ...

That is not true. The shame of it is that it is actually \$61 million. If you have provided \$61 million, you would think you would spruik it from the high heavens. The amount is \$61,230,000. The problem is that you cannot trust anything the Chief Minister says in regard to these numbers because he is always wrong.

The minister has come up with an explanation and I am sure that she will enlighten the rest of the Assembly as to why \$61 million can equal \$41 million. My concern is that the Chief Minister says there is an additional \$41 million in funding for health with a small "h"—so it is for applications, not for the department—but the additional funding is being soaked up by administration in the main. Most of it is not going to delivering extra health services. All it is doing is going to sustaining the current level of activity. For instance, the health insurance premiums went up by \$5.8 million, the revised employer superannuation contribution rate went up by \$16.2 million and the GPO went up by \$2.6 million. Of greater concern is that the government has had to revise down by \$10.8 million the revenue that it expected. About \$33 million of the \$41 million supposedly for additional health activity will not deliver a cent of additional health activity. It will not deliver an additional service of any kind. The problem is that this government is not making sure that the dollars go where they should.

Apart from the loss of some jobs—a decrease of about 32 actual jobs, seven coming from Healthpact, and 136 going out to the shared services—we have not had enunciated by the minister a clear plan on how the government is going to achieve its objective. The minister says that health expenditure grows by about 10 per cent per annum. My figures show, and I think I can prove them, that it has actually grown by about 13 per cent every year over the last three or four years—13 per cent. The government wants to bring it down to the national average, which it says is about eight per cent. So, depending on where you look, we are talking about a cut of somewhere between two and five per cent in the growth that we have seen in health.

Health has one of the largest CPI growths. I am glad they are not using the health WPI, because that would be even more disastrous. The health CPI still grows, but we do not get from the minister an indication of how we are likely to contain that expenditure. Given that the health budget has grown or blown out every year for the last four or five years, I have great concerns about the government having the resources to deliver until it fundamentally changes what it is doing and undoes the health reforms of the first Labor health minister of this government, Mr Stanhope, who failed. In the lead-up to the 2001 election it was a case of saying, “We will just put six million bucks in. Six million bucks will fix everything.” We are now talking about a 40 per cent increase in health funding over four or five years. The provision of \$6 million was a joke. It was a joke then, it is a joke now and Mr Stanhope’s performance was certainly laughable.

Let’s go to an independent arbiter to see where we stand in regard to health statistics. We have had most recently a damning report from the Australian Institute of Health and Welfare and the federal Department of Health and Ageing on the performance of the ACT’s public hospitals compared to others across Australia. The ACT has the lowest proportion of patients seen in emergency departments within the recommended time, the longest median waiting time in emergency departments, the lowest number of hospital beds on a per capita basis, the longest median waiting time for elective surgery and the second lowest proportion of people seen for elective surgery within the recommended time.

The minister had a shot at me in question time, fair enough, when she said—I am sure she did not mean to mislead the Assembly—that there were only eight hours of bypass. I had a phone call after question time and apparently the figure is now up to 10 hours, so she was out by 20 per cent on that one. I am sure it was just a time lapse thing. But that is not the point. We are arguing over the number, but the fact is that there should not be bypass in the ACT. I can remember the only time when we were in office that Michael Moore came in and told cabinet that the Canberra Hospital had gone on bypass. Mr Speaker, you might like to have a few short words and tell us your experience as health minister.

Bypass did not use to be an issue for the ACT public hospital system, but it is a significant issue now and is growing because fundamentally it points to a flaw in the system that shows that we do not have the capacity to look after ill, sick, injured Canberrans when they need it. It is doubly dangerous because you get it coming and going. For those on the elective surgery waiting list, there is more theatre time. The minister is to be congratulated on keeping the theatres open an extra hour a day. We have well-equipped theatres that are underutilised because of some arcane rules that have been

set in stone. But opening those theatres for an extra hour a day is just going to put more pressure upstairs.

You cannot have the surgery until you have a bed. If there is no bed, you cannot have the surgery. By having an extra hour of surgery a day—the minister can tell you how many theatres of the 16 that will apply to—there is the potential for greater throughput, but greater throughput would mean a greater need for beds. At the other end of the equation, we are saying that we have people coming into the emergency department and sitting there, according to the AIHW, for the longest waits in the country. They are sitting there for the longest waits in the country because, after they are diagnosed as needing to be admitted, a bed cannot be found for them. So the conflict goes on.

The problem is that we are dramatically under-represented in bed numbers. The ACT had 2.2 beds per 1,000 head of population in 2004-05 against the 2.7 beds it had in 1998-99 under the former Liberal government, according to the Department of Health and Ageing. So there has been a half a bed reduction, almost a fifth of the total number of beds, under this government: 2.7 under the former Liberal government and 2.2 under the ACT government now. In contrast, Queensland has 2.5 beds per 1,000 head of population, 20 per cent above what we have, and Peter Beattie is now out on the hustings saying that more beds are needed there to address elective surgery problems. If the minister does not want to listen to me, she might like to listen to her colleague Mr Beattie, who has recognised the fact that without the beds you cannot deliver.

That is the first point. The second is that we do not have a handle on what is going on in the system. The minister has said that they have spent \$13 million extra over the last couple of years on elective surgery. I can look through the papers and find \$38 million that has gone to elective surgery, so the government has actually pumped in a lot more money than the minister or the government is saying, with far less result. The problem is that we are not using it wisely.

Until we go back to focusing on those who deliver at the coalface—our excellent nurses, our doctors and our allied health professionals—instead of following the bureaucratic model which has seen created the monolith that is the department of health, married to the hospital and meshed, we are not going to get the service imperative that the people of the ACT and its surrounds deserve. We have to look at the model the government has set up. We have had three health ministers, four or five reforms and a couple of hundred million extra dollars put into the health budget. The dollars are welcome, but why aren't we getting a result? That is the question the minister has to answer.

The pay parking situation is nothing short of a fiasco. Again, the figures vary. Minister Corbell told us last year when the initiative first surfaced that it would raise between \$500,000 and \$800,000 for the hospital. Minister Gallagher told us it would be \$800,000 and then, because of concessions of 10 per cent, it went to \$720,000. Following a press release in which I said that it should not go ahead at all, she said that that would deny to the people of the ACT \$1 million a year worth of equipment. It cannot be \$500,000, \$800,000, \$720,000 and \$1 million all at the same time. That just shows the rubbery nature of the document that the government has presented to us and people have to question how much they should believe the document.

One of the recommendations is that all the documents relating to these calculations be made public. The government says that they have been made available to the appropriate people. Minister, why not bring them in here and table them so that we can see for ourselves whether the money is really there? The other thing is the illogical nature of saying, "We know there is a problem with parking at the hospital. Our answer is to put a fee on it, charge for it, change the arrangements, lose anywhere between 50 and 100 parking spots at the hospital because we have to put in barriers, bollards and gates and, by the way, it will cost more than \$1 million to build a new car park across the road."

Surely the logic of it would have been to put in place the new structure, the new car park, and the additional security that is required, because security is an issue at night, particularly for the staff going home, and then put in the arrangements if you still felt compelled to. But no, the government is going to exacerbate the problem first and then it is going to put in half a solution. Again, it is illogical to do that. I acknowledge that the minister has inherited this problem from Mr Corbell and that it is indicative of Mr Corbell's planning processes. I would implore the minister not to put in pay parking. Just put little covers back over the boxes and build a new car park. Maybe people would then think better of the government.

I can tell the minister that the whole issue of fees, whereby a nurse taking blood in the hospital does not pay for parking but a Red Cross nurse 200 or 300 metres from the end of the hospital does, has shown to the electorate the illogical nature of what the government has done. When that precinct was set up under the former government—indeed, Mr Speaker, you might have had a hand in it as well—and we put in the childcare facility, the Brindabella building and the Red Cross we did so in that way to get like located with like, allied health services close to the hospital. We are now treating them unfairly and unjustly and that really is biting with the public, because people just see it as naturally unfair.

The abolition of Healthpact is, I think, a retrograde step. These are false savings. In all of the inclusions that the government has made whereby it has dragged independent bodies back in, it has not cherished the independent nature of what those bodies do. I acknowledge the government's response to the estimates committee report that the government does have a commitment to early intervention. If we are genuinely going to get to early intervention, let Healthpact still lead on that because, if they are sucked into the department, I can assure you that the department's imperatives will overtake them, and that would be a very bad thing.

Another plus, another bouquet, for the minister is the provision of additional linear accelerators. Well done! They are overdue. I look forward to the third one arriving as well. We all know that they are necessary. The dilemma will be in getting the staff and keeping the staff, and that goes back to the sort of structure that we have, the bureaucracy that we have. The bureaucratic approach that we have to health in the ACT is not conducive to keeping staff.

Wagga have set up an oncology unit and have staffed it and kept it operational throughout the whole term of this government. They have never had any trouble getting or keeping staff. In fact, they take patients from the ACT because they are operational

when we are not. There has to be something about that model. It is not about the quality of the professionals, as they are excellent. It is about giving them the opportunity to do their job and do it properly, and that is the problem with the approach of this government.

In terms of mental health, I am a little disturbed at one of the answers from the minister in the government's response. She says that growth will be maintained in mental health at something like six per cent. Six per cent is not enough to maintain the situation. Overall, seven per cent is spent on mental health out of the existing health budget. If you are only increasing it by six per cent, it will decline, which would be a bad thing. I would ask the minister to review that. What you need to do very quickly is to get it up to somewhere between 11 per cent and 14 per cent. If you are genuinely interested in prevention and early intervention, the area to start in is mental health, because the effect that it has on the individual—on their physical health, on other illnesses that they then contract through things to do with dual diagnosis, whether they are using alcohol and drugs to self-medicate, and the effect on their families and their workplace—is enormous. I do not know anyone who does not understand that. If we are going to raise mental health funding only by six per cent per annum, we are going to lose, we are going to fall behind, and that would be a shame.

The minister has, I think, taken note of the suggestion of two of the groups that appeared before the committee, two community groups, that we genuinely need a mapping exercise. The government has agreed to the recommendation that the minister undertake a mapping exercise of existing services and need. That will be used to develop the mental health services plan in early 2007; so well done on that score. But overall, in all of these issues, I do not think that we have a genuine handle on what is going on.

At 6.00 pm, in accordance with standing order 34, the debate was interrupted. The adjournment of the Assembly having been put and negatived, the debate was resumed.

MR SMYTH: Mr Speaker, there is concern over the mental health issue. It will be interesting to see the results of the mapping exercise. I note Dr Foskey's concerns about the new facility. It is a shame that it has been put off. Again, I think that is being short-sighted. People in custody from the ACT deserve appropriate care, and those with mental health problems, I suspect, are a significant proportion of those in custody. The web site of the New South Wales corrections service says that something like 40 per cent of the people in the New South Wales system have mental health problems. Perhaps we should get our priorities right and actually build a new mental health facility before we build the prison. There are always competing needs on budgets. Let's not get caught up in personal icons. Let's get caught up in building what the people need.

The other interesting thing is the need for a time-out facility, which Dr Foskey called a step-up, step-down facility. There is an overwhelming need for a different approach; you are either in or out of the system. The PSU has a limited number of beds and people are regularly turned away. I would bring to the minister's attention a system put up by the Shepparton area health service. They have a number of units that operate as a time-out facility. They have reduced readmission to the mental health facilities and the local hospital by about 51 per cent. They are getting people early, stabilising them, feeding them, giving them intensive counselling and getting them back onto their medication regimes so that they do not have to go into the lock-up that is the PSU.

Those people do not go back into the community—to home, to mum or somewhere on their own—or to a lock-up such as the one at Belconnen; they actually get the treatment they want. I understand that that has saved the Shepparton area health service an enormous amount of money. That system has won awards because it is actually meeting the needs of those with the problem, the mental health client. It is a serious problem that is not going to go away and it really does deserve more attention than has been evidenced by what is in the government's response to the recommendations of the committee.

The committee asked for details of the incidence of bypass to be included in the health statistics report. I hope that the new minister will put down the cudgel and say, "Okay, Mr Smyth, you are FOI-ing them every month and we are giving them to you every month. Why don't we just go back to the civilised way of tabling in the Assembly all of the statistics that used to be tabled monthly and add bypass to the reports?" I get hold of them anyway. We all get hold of them. They are made public. The government collates them.

Ms Gallagher: You get more than I get!

MR SMYTH: I get them earlier and get more than the minister gets sometimes. I am quite happy to share them with the minister at any time. If she wants a briefing on how the hospital system is going, she should come around to my office and talk to me because they are telling me and I can tell her. We are having a laugh about it, which is a good thing, but underlying it is the seriousness of having access to this information. We of the Assembly deserve to see this information on a regular basis and I should not have to go through the farce of FOI-ing it. You know that an FOI is coming, as we have got them dated for the next 12 months. They are coming anyway and you are going to provide the information because you have to. Why don't we go back to the old system whereby they were tabled on the 21st or thereabouts of every month so that the population can actually know what is going on inside their health system?

The minister has an initiative in the budget for the charging of fees for some health services. I note that the minister has answered comments on that by saying that a discussion paper will be put out that will inform the process and be available. I am disturbed that we have that yet again from the government, like so many other initiatives in this budget. It is uninformed or ill-informed and it is there as some sort of kite. We saw it with the skills commission, which was going to answer the biggest problem facing business, but there was no detail. There is very little detail on this one and I think it is unfair to the public to be saying that you are going to start charging fees, because it does scare a lot of the older Canberrans and those others who use these services and do not know what is going to happen to the services that they rely on. Again, providing more detail would have alleviated more of the problems and I think it is a good thing to have such detail.

MRS BURKE (Molonglo) (6.05): I follow on in the same manner and style as Mr Smyth just did in relation to mental health. It is a very important issue and a very important component of the ACT health budget, but I think the Stanhope government is either not fully committed to funding or is simply unsure how to allocate the dollars—and I think that is perhaps more the case—that is, to fund either preventative measures to

combat all forms of mental illness or to pour funding into the system to cope with people who present to the health system with a mental illness. Hearing that, perhaps the forthcoming mapping exercise will give some clearer directions, as Mr Smyth has already alluded to.

It is disappointing to note that, after eulogising that additional funding for the delivery of mental health services in the territory was to become a real focus of the Stanhope government, the reality is that it has not been matched by real growth in funding allocation to meet the specified demand. The health minister may say that the government has increased funding for mental health services by around \$13 million since 2003-04. The trouble is that, relative to the overall funding commitment, analysis of the Stanhope government's funding commitment to mental health in relation to the overall funding of the health portfolio has remained relatively unchanged since 2003-04. In fact, as a percentage of funding for the health portfolio, funds allocated to mental health services between 2003-04 and 2006-07 have hovered at around seven per cent, disappointingly, with no signs of growth whatsoever. If the government identifies that there is a significant increase in the number of Canberrans presenting to the health system, with sometimes a multitude of mental illnesses, this government has not sought to increase the amount of funding directed to tackling such a serious social and health problem occurring in our community.

A point of differentiation exists between the Stanhope government and the Liberal opposition. We saw, before the 2004 election, a need to commit more funds to cope with the growing demand for and pressure placed upon mental health services in the ACT. During the lead-up to the last election, the ACT Liberal Party committed to boosting funding for mental health services over four years. That would see expenditure rise to a level of 11 per cent of the overall health budget. We recognised that a boost in funding was vital to work towards arresting the significant impact that mental illness can potentially have across a broad section of our community. In fact, in June this year the chief medical officer released a report reaffirming the significance of mental health disorders as the third leading burden of disease in Australia—depression being the most pressing issue.

It perhaps would be enlightening to hear whether or not the Stanhope government will consider boosting the proportion of funding in next year's budgetary process, specifically targeting real increases in support for the sector to cope with implementing further intervention strategies in the first instance to tackle mental health disorders. To use a well-worn cliché, prevention is better than cure. If we can detect and direct services at the beginning of a problem, then we do not have the compounding of that problem, thereby requiring more resources.

I add that, in recent contact with Winnunga Nimmityjah, I was shocked to hear that a significant proportion of clients presenting with any number of health concerns are also more likely to suffer a mental health illness that requires their significant and ongoing attention. Naturally, this absorbs an inordinate amount of resources of such a tightly run budget as Winnunga's, and this is probably worthy of more investigation. As I said, I am hopeful that the mapping exercise that has been talked about in this place this afternoon will be able to identify some of these areas and help the government to better target funding where it is needed.

I add also that further consideration must be given to monitoring and responding rapidly to any identified mental illness of young people who are either in contact with the justice system or are placed under the responsibility of the justice system and are serving a custodial sentence in the juvenile custodial system. I have felt it imperative, therefore, to offer such subjective input about mental illness during the deliberation on the appropriation bill, as it is often overlooked and given less consideration in the broader context of the budgetary process. With all the recent spotlight and media focus on mental health issues, and certainly those surrounding depression, I am sure that any future government in this jurisdiction, or any other for that matter, will certainly be placing far greater emphasis on and looking far more closely at budget allocation funding in the future.

MS GALLAGHER (Molonglo—Minister for Health, Minister for Disability and Community Services and Minister for Women) (6.10): We have got to me a bit earlier than I thought. I thank members for their comments on the health budget. It is a significant appropriation, over \$600 million. With other payments this year, the health budget will exceed three-quarters of a billion dollars for the first time. It is a significant amount of money and is worthy of all of our attention on how that is being spent.

This budget is about targeting pressure areas in health and emergency department waiting times and focusing on things such as access block and cancellation of elective surgery—all areas which put pressures on our hospital system. We have responded in this budget with additional acute care beds, additional critical care beds, additional money for mental health, additional money for elective surgery and, importantly, \$30 million for cancer services, of which around \$18 million is for the linear accelerator. There are extra staff for oncologists. There is a focus in this budget on early intervention and prevention—and I will go to some of Dr Foskey's comments on that—and, importantly, measures to address work force recruitment and retention areas.

This budget is important in the sense that, for the first time, the health budget's growth is being funded at an appropriate level. It is recognised that over the next four years the government will provide an additional \$200 million, recognising that, because of the forecast growth, it was underfunded. Everyone across the country knows the rate at which health costs are growing. This budget has recognised that. I am hopeful that that recognition—the fact that we have funded growth on average at 6.4 per cent across the four years—will prove us to be an attractive place for a new chief executive. They have certainty over their funding. More money is provided for growth, as I said, than any other jurisdiction is currently funding it at. That requires us to bring down some of our costs.

Mr Smyth quoted 13 per cent growth in his figures. I would like to see his figures, because my figures show me just under 10 per cent for the actual outcome each year. But this budget has recognised that, whilst we need to provide growth at around 6.4 per cent, our health budget has been growing at around 10 per cent. This budget is being funded at 8.9 per cent growth, but that will mean that we have to bring down our costs. We need to lower our unit costs to within 10 per cent of national peer group hospitals over the next five years. That is looking at savings of about two per cent on average a year.

We need to look at our administration and support services and our purchasing of services and, importantly, we need to look at our wage outcomes. Of course that is going to be an area. Anything above what is being funded for wage outcomes will need to be delivered through productivity savings. It is an important budget in that regard because it is a budget of reform. We are acknowledging that health is growing but that we need to be dealing with some of that growth and looking at better ways to manage the health system.

One of those areas that people talk about is the operating theatres. The operating theatres are operational after 9.00 pm but only for emergency surgery. Prior to that, as members have talked about, we are extending them to 8.00 till 5.00. My understanding is that is how operating theatres operate across the country. It has been a welcome change and I hope it continues to deliver increased procedures or allow surgeons to perform in a more flexible way. I know people say it is only one hour, but this year we will see how it goes.

I agree with Mr Mulcahy that increasing beds is a critical issue, which is why this budget has extra money for beds. There is \$4.98 million for critical care beds and \$12 million for acute care beds. That is on top of the beds that have been funded in previous budgets. Overall, we will have 126 extra beds across the system, making sure that we are keeping pace with some of those costs.

Dr Foskey spoke about early intervention and prevention, saying there was nothing in the budget this year for that. Obviously, she has not looked at the budget closely enough. There is \$8 million for mental health. A lot of that money will go to the community for early intervention and prevention activities and promotion of strategies to support people with a mental illness. A lot of that money will go to the community. A certain amount of that money is going for a step-up, step-down facility for young people, again to prevent their admission to the more acute end of mental health services.

We have funding for chronic disease management in the budget. There are avian influenza preparedness and food safety programs to make sure people are not getting ill. There are the radiation safety moneys to implement the legislation we passed last week and the bowel cancer screening program, which has almost \$800,000, to deal with the increases that potentially it will see from the bowel screening program that the commonwealth have introduced.

Members have said that the mental health money is not enough. We have had the commonwealth promoting around the country the \$1.9 billion that they are investing in mental health over five years. There was a view that COAG may have said that this needed to be matched by states and territories. We took our percentage of that funding. We thought a matching requirement would be around \$8 million and that the money that we provided in this budget would exceed any requirement by the commonwealth.

I have since found out that the commonwealth's money to the ACT will not be coming in terms of extra services and support; it will be delivered through the Medicare rebate. ACT residents who wish to access some of this \$1.9 billion from the commonwealth have to see a GP who refers you to a private psychologist. Then you go to the psychologist, have your consultation and then get your funding back through Medicare. In terms of whether we were going to get \$8 million to extend services here to focus on

early intervention and prevention, we will not be seeing any money from the commonwealth at all.

On maternity services, the Greens again have a go at us for not funding independent midwives in the territory. We have looked at this issue, and I am not going to accept that it is the ACT government's fault. We cannot purchase insurance. If we cannot purchase insurance, we cannot protect the independent midwives in the community. They cannot practise without insurance. We just cannot do it if we do not have insurance. For one claim of a negligent birth or an accident at birth, the payout is around \$10 million. It would be negligent of the government to encourage a practice that cannot be insured.

In fact, at health ministers meetings this was discussed. We are, as a group of ministers, committed to looking at this issue a lot closer to see what we do. We agree with the Greens. Midwives have fantastic results. Women at home giving birth have fantastic results. But in this day and age, in order to do that in a safe environment, you need insurance. We will commit to looking at what we can do. But if you cannot purchase insurance, you cannot purchase insurance and there is nothing further you can do about it.

Again, I am not going to cop that the problem with CAHMA is the government's fault. I sat here and listened to her saying that we were being heavy handed with that organisation. Dr Foskey accused us of turning up at the Griffin Centre with lawyers and trying to kick CAHMA out. That was not the case, Dr Foskey. The case was that the AIDS Action Council organised a meeting at the Griffin Centre as they were refusing to auspice CAHMA. Because of the difficulties they had had in auspicings the organisation, they did not want to auspice it any longer. They believed the lease arrangements were theirs. They turned up to speak at the Griffin Centre. They brought their own lawyers but they requested that the health department attend. The health department attended with them for that difficult meeting, but it certainly was not the government heavy-handing anybody.

I put on the record that we have increased mental health spending by \$25 million over our last five budgets. It has gone from \$27 million in 2001-02 to \$52 million this year. There has been significant investment. Can I take my next 10 minutes?

MR SPEAKER: Yes.

MS GALLAGHER: I will not take my full 10 minutes. The ALP, in fact, at our famous conference this year, committed to trying to spend 12 per cent of the health budget on mental health by 2012. We have made that commitment. I will work hard for that commitment to be delivered. It is an important one. I agree with speakers that the pressure in mental health is there. We need to look at how we are providing it and work with the community. The mental health services plan will assist us with that information, how we provide it and what we need to provide. We need to provide a new psychiatric unit. I am increasingly convinced that we need to look at step-up, step-down and time-out facilities.

I am interested in what Mr Smyth had to say and I will have a look at that. Pay parking is in place now. I do not think the introduction of pay parking is ever popular. I had the misfortune of having to visit the hospital a couple of times in the last week.

Mr Mulcahy: How do you know how long you will be there?

MS GALLAGHER: This is the thing.

Mr Mulcahy: You are the health minister; you probably have a fair idea.

MS GALLAGHER: No, I did not know how long I was going to be there. I was just your average citizen turning up to use the health—

Mr Mulcahy: An average run-of-the-mill minister.

MS GALLAGHER: No. I drove my car in, like anyone else. I do not have a special car park. I was dropping off Dave, who was going to see a doctor at the hospital. They did not even know who I was. When I walked in, they asked me my name and phone number. I thought, “This is great; this is how anonymous you are in the ACT.” There you are: you turn up at the hospital for an appointment for a member of your family and they say, “Who are you?” That was great. I turned up, parked the car and went and bought the ticket.

It was the first time you could get a car park close to the hospital. There were vacant car parks. This was at 9.00 o’clock. I returned at 1.00 o’clock. Again, there were parking spaces close to the hospital, for visitors. People understood the system. They were paying. A couple of them were saying, “This is great. We don’t have to walk a mile. We don’t have to be over the other side.” It is certainly managing the traffic problems at the hospital in terms of access to car parks. Visitor car parks at the hospital had only ever been for two hours. The argument that you do not know how long you are going to be there does not run. Even if you went there beforehand, you drove in, parked your car, went to A and E or wherever, and two hours later you had to leave and move your car; you could not keep it there. For \$5, you have got that car park for 24 hours.

There is also a regime in place which is very compassionate. If people are caught in difficult positions or situations, they merely write a letter. That is what they have been doing in the past. You could get booked at the hospital in the past. This is not the introduction of being fined at the hospital. If you exceeded two hours or if you parked in the wrong spot, you got fined. People have written letters, saying, “This is my situation.” They were treated appropriately. That regime will not change. What has changed is that visitors can get close parking to the hospital at any time of the day. The system we have put in place, particularly at the Canberra Hospital—we will wait to see what happens at Calvary—is working.

I go to the linear accelerator. Mr Smyth made some comments about keeping staff. One of the things about purchasing this new linear accelerator is that it will deliver a new machine which will attract staff. We will have more machines; they will be modern machines. In fact, we have already attracted staff, including Australian staff. I met a doctor who had returned from America to work here because of the cancer services, what they were offering and the fact that, now that we have a new linear accelerator, some research can be done on it. Progress is being made there.

Elective surgery waiting lists are coming down. They are trending down; procedures are up. There were 9,071 procedures in the last year. That is a record for the territory. We want to see that continue, which is why we are continuing to invest in it.

I am not convinced that reporting on bypass is going to help anything. It is not used as a performance indicator of any measure in any report done on the health system across the country. For the arguments I talked about in question time, I just do not see the point. Mr Smyth gets the table every morning, anyway. He is fully informed of the level of bypass—as I said, earlier than I am. Mr Smyth tells me it is 10 hours. I have no reason not to believe him, because his leaked information in the past has been very accurate. But I have not had that confirmed by the department of health. The latest advice to me, which I received on Monday, was that by 19 August there had been eight hours of bypass. I stick by that. Mr Smyth tells me it is 10 hours. He is probably right, but I have not received that advice from the department.

The government is committed to continuing the Healthpact grants program at the level they are. We are doing the work now on the process for those grants. I want to make sure that they remain with community representation. It is a big load of money. Mr Smyth is right. We do not necessarily have that expertise within the department. I need to be very transparent about that. I accept that. We have sought some savings in the administration of Healthpact. It would not have been a tough job, let me say, working in Healthpact. What a great job!

Mr Mulcahy: Are you saying they are bludgers?

MS GALLAGHER: No, I am not saying they are bludgers at all. I am just saying that we thought that some efficiencies could be found by returning it to the department to be delivered, because of the fact that we have staff in the department administering grants programs already.

Mr Mulcahy: That is one way to cut your costs: sack them all.

MS GALLAGHER: No, they did not. We have lost, I think, four. I think there were eight staff, including the chief executive officer, administering that program. I think we are going down to four. Whether they accept redeployment or whatever, we will reduce the administrative costs of that program through this way. There is a change there. I need to be transparent about that, and I will, like the money from pay parking. Again, we have promised that all of that money will be reinvested in the health system. I accept that people need to see that, and I will look at how I report against that. But this is an area of large expenditure for the government.

I take Mr Smyth's point on the community co-payments or eligibility. We probably could have handled that a bit better. It was not necessarily linked to the budget because there are no savings and no costs in there. It was a piece of work that we could have done, not linked it to the budget and, therefore, not had people concerned about it. That discussion paper will be coming out soon. I have not seen it yet. It has almost been finalised and will go out to the community—

Mr Smyth: Do you want to look at it?

MS GALLAGHER: You have got it, have you? I was going to say that it is getting a bit much if you have got it. I have not even seen that one yet. That will go out for extensive community consultation. It is not a new thing. The dental program already operates on restricted eligibility and co-payments. But this is about exploring the issue and looking at ways to generate further revenue for the health system. If it does not work, if it does not fly, then we will not go ahead with it. We may go ahead with access restriction but not co-payments, or it could be a mix of both. I cannot tell you; I cannot predict that work. But it is to be done this year. I will finish there. I said I would not take my full second 10 minutes. I thank members for their contribution.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.11—Department of Territory and Municipal Services, \$257,486,000 (net cost of outputs), \$100,359,000 (capital injection) and \$945,000 (payments on behalf of the Territory), totalling \$358,790,000.

Sitting suspended from 6.30 to 8.00 pm.

MR PRATT (Brindabella) (8.00): The government's appropriation of \$358,790,000 for 2006-07 for the Department of the Territory and Municipal Services—DTMS, or even notified as TAMS—should bring horror upon this place because of what we know about how this money is going to be spent once it is appropriated. During estimates hearings the TAMS minister, Mr Hargreaves, did not display the confidence that he even knew how this funding was to be expended in the course of the financial year. So how can we, on behalf of the community, have confidence that this appropriation of taxpayer's funds is going in the right direction?

Mr Hargreaves: You can trust me.

MR PRATT: "Trust me," he calls out. Instead, the minister's actions during the estimates hearings showed that there are many grey areas within the TAMS budget, and there are many areas where the government has not yet decided how they will structure the new integrated department. First, they would not release the functional review. Secondly, the minister would not cooperate fully during estimates hearings. Either they just do not really know what they are doing when it comes to providing essential urban services or they are not willing to share their plans for reform with either the community or the public.

In estimates hearings the minister, on behalf of his government, just could not explain exactly how much all these changes will cost, how many jobs will be cut, what services will be axed and how the funding will be distributed to cover all these changes. When the minister was challenged on these things he deflected the questioning, through his unacceptable and belligerent behaviour.

When Mr Hargreaves starts to throw insults around the room, that says to me and to people who view this behaviour that we have clearly hit a sore point with the minister on issues that he knows are potentially damaging to him and his government, or that he just does not have the knowledge to answer the questions—either/or, or all of the above. In fact the minister's behaviour was so bad during the hearings that the committee's report

based its first two recommendations on addressing the problem of such inappropriate public demonstrations by ministers appearing at future hearings.

I think it is appropriate at this juncture to talk a bit about this. It was such a poor display, in the five years I have been in this place, that it ought to be put on the record. While Mr Gentleman clearly does not believe that Mr Hargreaves behaved badly during the hearings, evidence from the transcripts contradicts his misguided view. You might like to take a note of this, Mr Gentleman. The minister's inappropriate comments about members of the committee included such phrases as: silly question from a silly person; Mr Smyth does not know anything; I am not going to answer any more questions from Mr Pratt on this subject; grow up, et cetera.

A further instance of completely inappropriate comments from this minister was when he said that an official was overseas "searching for some way of dealing sensibly with Mr Pratt". He went on to say, "Unfortunately, I think she has gone a long way to try to find out how to do that, I have to tell you." Minister Hargreaves also used some unparliamentary language later in the hearings. He attributed to a member of the committee the description of "dickhead comment of the week award". Subsequently, Minister Hargreaves commented to a member of the committee, "If you did that ... no-one would know you are deaf and a dill."

While I balk at further sullyng *Hansard* with examples of Hargreaves-speak, I think it is appropriate to pull all these examples out and package them as one, for the public record. This of course reflected his serial behaviour both in hearings and in this Assembly chamber generally. It was a very sad reflection because it really meant that the committee was unable to do its job properly—to properly scrutinise the operations of TAMS and the minister's proposals and plans for how he was going to spend the money he needed to appropriate to make that department work. We did not get anywhere near scrutinising and making comment about the operations of TAMS because of this minister's abhorrent behaviour. Estimates scrutiny provides the major opportunity for the Assembly to assess the performance of the government, the public service, and its administration of government policy and programs.

The estimates process is a wide-ranging examination of expenditure, and it has also evolved into an evaluation of performance. The overall effect of estimates is to keep executive government accountable and place a great deal of information on the public record, yet the TAMS minister consistently hampered the scrutiny process, contradictory to Mr Gentleman's assertions. Not only was a majority of the estimates committee not happy with the minister's behaviour, it also seems that employees and agencies within the TAMS department are not happy either, as recent media leaks detailing potential cuts to jobs and cuts to services have shown.

In this budget we see severe cuts to areas of essential services: shopfront losses, job losses, cuts to municipal services, lack of road funding, possible library closures, et cetera. At the same time we see massive increases in taxes and fees on the community, such as pay parking in hospitals. All of these essential areas that the government should make their first priority are being relegated to the back seat while the Stanhope government's massive and wasteful expenditure on ideological pet projects such as the arboretum, the Belconnen to city busway—which is still on the drawing board, by the way—and the prisons continues.

This government has once again got its priorities all wrong, increasing spending on luxuries during the lean times and cutting essentials during the lean times. It does not make sense. But then nothing much this government does any more makes sense, and the community is feeling the impact. Let us look at some of the areas where this government is showing a complete lack of commitment to the community through its lack of commitment to funding key areas of need in TAMS.

Turning now to roads, the Stanhope government has, through its incompetence, delayed and mismanaged the Gungahlin Drive extension project, creating a huge black hole into which any other funding for road projects has disappeared, with the exception perhaps of \$5 million. In budget paper No 4 at page 319, for example, we see the GDE budget blow out to \$116 million, a \$30 million increase on the previous year. This government's poor management of this project has seen millions of dollars in funding that was otherwise allocated for other important road projects, such as the Tharwa Drive upgrade and Sutton and Boboyan Road upgrades, sucked into the GDE and disappear into a black hole.

We also see the blatant omission in this year's budget of a five-year capital works road funding plan. While the Stanhope government have listed on page 120 of budget paper No 3 in the 2006-07 budget the previous five-year plan which the Liberals instigated and has now been completed, they have starkly contrasted this Liberal initiative by having no forward plan of their own.

During estimates hearings the minister also said that there could be no five-year road funding plan until the GDE was completed. He said, "Do not hold your breath." The potholes down Adelaide Avenue and along Mugga Way, the surface stripping off Mugga Way and up Hindmarsh Drive and the uneven surface along Northbourne Avenue—all four weeks or plus old—will be there for God knows how much longer.

In fact, I heard one of the ministers yesterday talking about the old coach way from Yass to Canberra, cutting across the back of Gungahlin. I would put it to you, Mr Speaker, that the old coach way is in better shape than the Gungahlin Drive extension and most of our arterial roads. I am sure they expect the GDE to blow out even further. So they will need to keep their options open until they complete that project, as they obviously cannot commit to anything else in the meantime.

Let us look at something really quite disgraceful—something as important as the Tharwa Bridge—which is causing severe problems for that community. There is no funding allocated for a future upgrade of this bridge, even though the minister admitted that it is a major problem. I suppose that if the Labor Party's plans come to fruition, they expect that, when they close the schools in Tharwa, no-one will want to live there anyway, so they will not need a bridge. Perhaps this is the minister's bridge too far. I turn now to schools maintenance.

Mr Hargreaves: What has that got to do with TAMS?

MR PRATT: It has a lot to do with TAMS. Put your seatbelt on, minister.

Mr Hargreaves: I have got it on.

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

MR PRATT: Mr Speaker, I request another 10 minutes.

MR SPEAKER: Mr Pratt is continuing on the question that the proposed expenditure be agreed to.

MR PRATT: Speaking of schools, the Stanhope government has overlooked, deliberately or otherwise, the prospect of school maintenance after the school closures. There is no funding allocated for this, despite the fact that some schools will close this December. At least that is my take-out from estimates. Under persistent questioning, the minister would not define the amount of funding added to his budget for the additional burden of maintaining and securing anywhere up to 39 schools. How peculiar. That could mean that nothing has been allocated in the 2006-07 budget for their upkeep. That is what the community thinks, despite the closures occurring this financial year.

If there is funding allocated, if there is contingency funding to beef up the TAMS budget to take care of this closed schools maintenance and security program, why are they being so coy? Why could they not tell me and my fellow members of the estimates committee what the bill is going to be to maintain and secure those closed schools? Is this one of the many signs that, in fact, the Stanhope government plans to sell these school sites straightaway, before any maintenance is required? Are they clearly not planning to do any maintenance at all? It is mighty peculiar. Let us ask the minister to spell out clearly in the next half hour how many extra dollars he has in his budget to maintain all those schools that they are going to close. What is the extra bag of gold, minister?

I turn now to urban infrastructure and rubbish. In this city we see that in many suburbs there is drainage, footpaths, lighting, et cetera, that are fast reaching their end of life. Again, we see that minimal funds from the best ever revenue windfalls have been banked to fund ongoing maintenance and replacement. In the good times very little was banked by this government to deal with what clearly is becoming a decades old problem with ageing infrastructure. Just like with roads, there is no outlined forward plan for urban infrastructure repairs and maintenance under this government, despite the obvious need for increased funding for the things the territory needs as it ages. Not only that, but for the spread, as the urban landscape grows with the building of new suburbs.

This government has an absolutely dismal record in keeping this place clean and tidy. One only has to look at the *Sunday Times*, which now runs the "Eyesore of the week" story. I am sure they have enough material to run an eyesore of the day under this government. Last Sunday's eyesore of the week, an underpass on Erindale Drive between Farrer Ridge and Mount Wanniasa, takes first prize. This underpass is littered with an old abandoned car shells, rusty pushbikes, planks of wood, wires, string, filth and other unsightly rubbish. I seek leave to table a photograph of this wonderful monument to the Stanhope government.

Leave granted.

MR PRATT: I table the following paper:

Eyesore of the week—copy of article from the *Sunday Times*—Sunday, 20 August 2006.

This rubbish must have taken months, if not years, to accumulate. Either the Stanhope government has not noticed—it does not have enough rangers to inspect the suburbs anyway—or it does not have the funds to commit to cleaning it up. Either way, it is disgraceful that this government does not have standards that it upholds when it comes to cleaning up these unsightly and dangerous rubbish dumps. I put it to you, Mr Speaker, that the front-line ranger force has been run down to such an abysmal level that they cannot even find this stuff, although the paper can.

Graffiti is still being plastered all over the place and remains in situ for months on end. This government does not have the money or the inspectors to ensure it is removed quickly. It does not have a strategy to even prevent the splashing of graffiti. It does not have enough rangers to conduct the sorts of operations that might need to be conducted to finally catch somebody in the process of graffitiing government property, let alone private property.

The drains near Phillip College, which are visible from the road, are a sad example of this neglect. Let us take for example the little Che Guevara graffiti on the kerb at the street crossing adjacent to the National Bank here on London Circuit. It has been there for six months at least. The department has probably got orders from Che Guevara soul mates in this government—his comrades—to let him be, to let him sit there. That is it. It is a good one. We ought to table that.

I turn now to front-line capability. Speaking of not having enough inspectors to keep an eye on the place, the Department of the Territory and Municipal Services is obviously going to see the continued erosion of front-line staff. The problem is that Mr Hargreaves could not, during budget estimates hearings, give a clear indication of how the restructuring of the department would affect front-line positions and jobs in general.

The minister could not define what would happen to the front-line capability—how many positions would be lost, how many positions might be transferred to shared services or to other areas. We can see there are going to be sweeping job cuts throughout the public sector as a result of this slash-and-burn budget. We will be sure to suffer the loss of front-line positions, which will translate to a decrease in service to the community. We cannot afford to let the state of our urban environment deteriorate any more than it already has under this government, but I think it can only get worse given the looming cuts.

Let us talk about urban service's responsibilities for hazard reduction. We asked the minister, again in estimates, how much money he will have set aside for this bushfire season and, in fact, for the pre-season and then the in-season hazard reduction and ongoing maintenance. He could not tell us. He could not define it. You would not have thought that after the lessons of last year, when we had a serious little bushfire at Yarralumla as a consequence of very poor urban edge planning and maintenance. Five houses were impacted, three were destroyed and two were severely damaged.

Yes, on the western and south-western edges of the Yarralumla brickworks they had cut a 30-metre firebreak. But behind Yarralumla brickworks they had not cleared the rubbish and they have not been able to prepare any more than a five metre wide firebreak along the residential fence line of Yarralumla. That is disgraceful. It is absolute neglect. They failed in the last bushfire season. At this rate, they are going to fail in this bushfire season as well. No money is set aside. There is no contingency to ensure that the urban edge—

Opposition members interjecting—

MR PRATT: Well, have a look at the photographs of Yarralumla from January 2006. Go and have a look. Go and measure the damn firebreak out there. It is five metres wide. It is absolute neglect.

MR SPEAKER: Order! Mr Pratt, sit down, please. Mr Hargreaves, cease your interjections. Mr Pratt, direct your comments through the chair, please.

MR PRATT: Thank you, Mr Speaker. This is why the Pratt-Smyth dissenting report recommended “that the Minister for the Territory and Municipal Services provide a detailed and accurate breakdown of job losses within his portfolio” to detail where these front-line positions are going to “before the budget debate resumes”. Obviously, this breakdown has not been provided to us; therefore, we cannot assess the financial impact on this budget. There are a number of areas. There is the maintenance of ovals and there is the recovery of Phillip oval. There are big questions about just how well this government is going to refurbish that terrible eyesore at Phillip. There are questions about whether there will be sufficient resources put in there to re-cover the surface, or are they simply going to build more car parks around Phillip Oval?

Mr Mulcahy: Graze sheep on it, maybe.

MR PRATT: No. It looks like they are going to build more car parks to raise more revenue. Raising revenue is far more important than maintaining the infrastructure. Turning now to speed cameras, when we look at other ways in which this cash-strapped government is trying to raise funds, we only have to look as far as the fixed and mobile speed cameras. This \$1.7 million revenue raiser is expected to raise \$4.5 million additional revenue per year, plus a 34 per cent increase in the projected fines. While the minister was unable to properly answer questions in estimates hearings about the departmental budget he is to administer for the coming year he is, nevertheless, willing to ask the Assembly to appropriate moneys for him to expand this department to the tune of \$358 million. We cannot and will not support this line item.

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

MR MULCAHY (8.21): The appropriation of some \$358.8 million for the Department of the Territory and Municipal Services represents a substantial growth as part of the ambitious introduction of a bulked-up and super-sized department with extra responsibilities and apparent newfound economies of scale. Indeed, the sentiments expressed by the minister reflect this brave new optimism. He boldly stated in estimates:

We are trying to combine all municipal services in the ACT into one entity. I want to ensure that that entity provides the best municipal services in the country at a cost-effective price to taxpayers.

He also said:

Having all those people in the same tent means there will be more coherent and consistent conversations regarding activity in each element.

That is all well and good, but how will these plans come out in reality? If we go on the past pattern of this government, it will probably be not all that well. Will the consolidated organisational structures, a reinvigorated work culture and proposed resourcing efficiencies result in actual cost savings and improved service provision for Canberrans? We certainly have not seen them to date. The early signs are not good.

Already the new department has suffered an embarrassing leak that revealed the fear and trepidation shared amongst its staff. The chief executive of TAMS, Mr Mike Zissler, has already had to threaten his staff with possible dismissal to keep them in line after it was revealed, through a leaked document, that environmental services were potentially to be cut by \$7.5 million. Further, the *Canberra Times* claimed that, according to other staff sources, Mr Zissler told his department that as many as 200 jobs could go in order to find \$20 million in savings across the department and that anyone could be tapped on the shoulder.

What an intimidating approach to take towards people who are employed in the service of this territory. We all acknowledge that efficiencies need to be found. But trying to achieve them in such a callous and opaque manner does not inspire confidence in the people having to serve the community on the front line. Nor does it necessarily mean that, once achieved, those efficiencies will enable the department to maintain, let alone improve, its service provision to Canberrans. You would think you would learn.

Thirty-two years ago we had a thing called the Coombes report on public administration. It identified what bureaucrats love doing. That is, when governments or parliaments say, "Let us cut back in these areas," the first thing they do is whack the poor souls at the bottom of the tree on the front line. Then, if the public squeal, hopefully they will get their empire back. Here we go again. The little people in the agency who are least able to stand up for themselves will be facing the chop, or certainly the threat of the chop. Another distinct example of the lack of transparency with which this government handles its affairs can be seen in the flippant responses made by Minister Hargreaves during the estimates process. Indeed, to a question on how the department plans to achieve reductions in public service costs, he had this to say:

We know that we have to bring public service delivery costs across the whole of the ACT back to the national benchmark. We know roughly how much we have to trim from our budget so we can go forward. This relates to a reduction of FTE positions in the budget. At this point I do not know how many there will be. I cannot be specific, nor should I try.

I know this government has an absolute majority, but it makes a mockery of the whole process of estimates and budget debate when the government and the Chief Minister

embark on this program and expect us all to understand these radical changes that are being applied in the territory's affairs. But the minister responsible for a major agency's hundreds of millions of dollars of taxpayers' funds under his control does not have a clue what the elements of change should be and does not believe he should have to. To another question on how the department plans to achieve its objective of no waste by 2010, Mr Hargreaves stated:

We are committed to getting it to what we can consider a no waste position ... By 2010 if we can, but I have to tell you ... as we go down the track, 2010 is an ambition ... But am I committed to it? Yes I am. Will I achieve it? We will see in 2010.

That is an absolute, casual disregard for the accountability one expects in this place. How is the estimates process supposed to critically evaluate the government's intended direction, as outlined in its 2006-07 budget, and communicate this to the people of the ACT when government ministers are providing evasive and, at times, combative answers to the committee? Sadly, this behaviour is symbolic of the arrogance with which this government has come to treat legitimate criticism and the contempt with which this government has come to treat the concerns of the people of Canberra.

In no other area in government do we receive more complaints than in the area of municipal services. It is imperative that, if there are to be changes in this area, they are fully established, made clear to the people and before this Assembly before we are expected to vote on an item of this consequence. So there are constantly examples of ideological stubbornness that cloud the economic decision making of this government. Nothing is greater than the dreaded arboretum, which now comes under the funding responsibility of TAMS.

Mrs Dunne: It is a much smaller arboretum than it used to be.

MR MULCAHY: A much smaller one indeed, as Mrs Dunne points out, but it is still there. It defies belief that, in the current fiscal environment of cost saving and budget discipline, this government has not abolished spending on such a frivolous exercise to shore up the provision of essential services such as health and education. It is the Chief Minister's pet project and his rule prevails at all times. According to Mr Zissler's statements in estimates, the intended works for continuing with the establishment of the arboretum in 2006-07 will consist of planting, shaping and realigning trees, as well as scraping dirt piles, all at a cost of \$1.3 million. Imagine all the things we could do with \$1.3 million in this territory. We could help the hospital, policing and education. Maybe we would have a little bit less of the cutbacks in Mr Barr's portfolio if this money were sensibly applied.

Mr Hargreaves: It is non-recurrent. You should know better.

MR MULCAHY: I understand about recurrent and capital, Mr Hargreaves, but the fact of the matter is that it all has to be ultimately found. That is the problem this government cannot come to terms with. How can this government justify spending \$1.3 million to plant trees and scrape dirt when there are so many other needs in this territory of greater priority? I need to also mention the revenue raising contribution TAMS is making to the budget. On top of the heavy-handed increases to taxis, levies and charges—

Mr Hargreaves: Taxis?

MR MULCAHY: Taxes, levies and charges—there is not much happening in the taxi department; I agree—that are making the lives of ACT householders much more difficult to sustain. TAMS is presiding over increases to ACTION bus fares, as of July this year. Okay, it may seem small when parents are told they have to find another couple of dollars a week for their children going off to school. But, across households, people are experiencing the impact of the Stanhope government's horror budget. All these things add up. The rates charges, the water abstraction charges, the utility charges and the bus fares and so on are going up. Mr Hargreaves explained the composition of these increases in estimates by stating:

... most of the six per cent increase has been applied to cash fares, with the adult fare going from \$2.50 to \$3—that is, a 20 per cent increase—while the cash fare for concessions increased from \$1.30 to \$1.50, which is just over 15 per cent, and all other ticket types had modest ... adjustments of about the CPI or lower, or minimal amounts of 10c.

Here we are again seeing increases well above the rate of inflation, and we are particularly slugging those who pay cash fares. I know this is a tried and true revenue-making effort that the London underground has worked out. But who are the people that pay cash fares? In a city like London it might be the tourists, but in a city like Canberra it is the people who probably do not have enough money to outlay for a ticket except on a short-term cash basis. So now, on top of the average household having to pay between \$63 and \$403 more in land rates, \$84 for the extra new fire and emergency services levy, \$137 more in the increased water extraction charge and \$15 more for a utility land use permit, they will have to cop fare increases of between 15 and 20 per cent to take public transport around Canberra if they pay cash.

Canberrans have not seen much value for money since this government came to power in 2001. Instead, they have witnessed an increasingly more expensive territory to live in, progressively worse service provision and an even more cavalier response by ministers to their concerns. We have been told that this new and improved Department of the Territory and Municipal Services can finally deliver on its promises of better cost allocation and better service provision because extra money is being allocated for this purpose, but it is coming at the expense of higher bus fares and higher taxes and charges for ACT households. This government's record in delivering on its promises in this regard has been far from impressive. I echo the sentiment of Mr Pratt about local restructure, the disgraceful state of Adelaide Avenue and the incredible situation of the surface at Mugga Way. These are areas I am constantly getting calls about, which should be addressed by this department.

DR FOSKEY (Molonglo) (8.32): What has happened to the environment portfolio? It seems to have been divvied up and spread across a number of portfolios. There is no point asking the minister for the environment—

Members interjecting—

MR SPEAKER: Order! Dr Foskey, resume your seat for the moment. We will just wait until the conversation stops across the floor.

DR FOSKEY: There is no point asking the minister for the environment because there is no such position. We are alone among Australian jurisdictions in not having a minister with portfolio responsibility for the environment. This would not be such a big issue if the ministers who now have responsibility for various components of the portfolio were keen, committed and had clout. Unfortunately, the environment portfolio is a little more than a rump within the Department of Territory and Municipal Services. This represents more than just a reorganisation. It represents a definite downgrading of the status and importance placed on the portfolio. Things like destroying morale and slashing staff numbers in the parks and conservation service, thereby increasing the damage done by feral pigs, feral four-wheel drivers and mountain bike riders, goats, cats, dogs and invasive plants and killing off the no waste strategy are issues that should be vigorously resisted by the minister responsible for the environment. If he does not champion those issues, who within cabinet will?

Instead, we heard the minister talk about building fire trails and reducing fuel loads for public safety purposes. The rationale behind those decisions and programs has nothing to do with environmental concerns. They are public safety concerns. They impact on the environment as they can result in increased soil erosion and fragmentation of habitats and gene pools for many small marsupials. Such programs do not really belong in the environment budget. To dress them up as environmental spending and evidence of environmental concern is misleading at best. The role of an environment minister and department should be to stand up for native species and ecological interests in forums where fire trail building and fuel load reduction burning are being discussed.

I know that ecological issues can get a bit blurry around the edges, but not at their roots. They are crystal clear. Air quality, water quality and biodiversity are at their core. The minister was obstructive and evasive at estimates hearings. That is his style. Unfortunately, voters, community groups, staff and MLAs are left to hunt through the detail of other portfolio programs looking for how this government will undertake its environmental responsibilities.

Yesterday the minister thanked me for mentioning Mulligans Flat nature reserve. I am not surprised. It is one of the few concrete environmental measures in this current budget. Do not get me wrong. I think it is great that the government has seen fit to commit some funding to fencing in the reserve to protect it from stray and feral cats and dogs. But when a fence around a city nature reserve becomes the showpiece of this territory's environmental program, you know that something has gone wrong. Where is the action to back up the Chief Minister's apparently heartfelt concern and embarrassment about Canberra's disproportionate ecological footprint?

Where are the solarisation initiatives? Where are the grey water subsidies, the rebates for water tanks used for human consumption, and the differential registration and sales tax incentives to encourage fuel-efficient cars? Where are the environmental purchasing guidelines for the Shared Services Centre staff? Where are the programs to use our superannuation to improve our quality life and minimise adverse environmental impacts? They are not here in this budget. Where are the commitments to improving and expanding public transport; to setting benchmarks for the health of the ACT's various ecosystems; to monitoring indicator species and to monitoring the levels of heavy metals and other contaminants in our urban lakes? There are no public recycling facilities in the

city centre, no public collection of recyclable waste in the CBD and no recycling facilities in many government housing complexes in Turner and Braddon.

If businesses want to do the right thing, they have got to pay for their own recycling collection over and above the rates that they already pay. The government's strategy for minimising waste and minimising greenhouse emissions in the CBD is to leave it to the largesse and ethical motivations of the business community. That is a disgrace and it is unlikely to be effective in the short term.

This might seem a small matter, but it is in response to a constituent's concern. We learn that it is no longer policy to pick up the carcasses of kangaroos, birds and other dead animals from roadsides. This is hardly the look for a national capital and it is not too good for public health, I would think.

I would like to briefly address the notion of an integrated transport plan. The budget plans for this department have failed to advance it. Canberra faces fairly major changes physically and socially. The consolidation of development around transport nodes will give us a base for an improved transport system. The growing universal understanding of the greenhouse gas challenges we face and the increasing cost of fuel will see non-personal transport grow in importance.

Members interjecting—

DR FOSKEY: Mr Speaker—perhaps you are listening—something needs to happen. While the light rail network can, and should, be a part of the plans for Canberra, we also need to create an integrated system which moves us beyond the taxi-bus divide and allows Canberra residents to move seamlessly from pick-up and drop-off at the door to a fast and frequent intertown mass transit system.

Mr Hargreaves intimated that 100 full-time equivalent jobs are likely to be lost under his stewardship. I have heard that parks and conservation staff are in the front line for job losses. Is this because legless lizards and red box, yellow box and red gums cannot vote? Many workers come to Canberra and stay here for many reasons, but high on their list of attractions are the green urban spaces, the clean air, the surrounding national park and the undeveloped hilltops. They treasure more natural places where they can go, perhaps with their children, and appreciate the Australian bush. They also appreciate on a philosophical level the protection that past ACT governments have provided for habitats and species that do not offer just good photo opportunities and sound grabs.

The minister admitted that he was new to the job of default environment minister and did not yet have a detailed understanding of the various issues and concepts involved. One would imagine that he would welcome sources of expertise and information that might help him to make informed decisions. Sadly, one of the whole-of-department, if not whole-of-government, initiatives of this budget is to abolish the bulk of its advisory groups and boards. In most cases this is a false saving, as these quasi volunteer groups are excellent sources of skilled labour and expertise that will not merely parrot the department's line and will not be restricted to thinking within the paradigms operating within the bureaucracy. Canberra is richly endowed with scientific and conservation expertise. Over the past few years we have benefited from the advice that those people have freely, and often literally for free, given. Clearly, there are costs associated with

operating such advisory groups, but I would like to see a cost-benefit analysis of their removal in terms of social environment impacts, as well as the basic dollar figure.

It would seem that most of the staff cuts in environment, apart from ranger positions, will be from policy areas. So we will have a minister who does not know a lot, without advisory groups to offer any of the incredible expertise with which Canberra is blessed, with diminishing policy support from the department.

It is difficult to arrive at a rational decision as to whether the budgetary proposals concerning the environment and the Department of Territory and Municipal Services are sensible and responsible and deserve support because we do not know what they are. We still do not really know what staff cuts are planned. We do not know where the 100 full-time equivalent staff numbers are going to come from, or even where they are planned to come from. I will take my next 10 minutes, if I may, Mr Speaker.

MR SPEAKER: Doctor Foskey continuing on the question that the proposed expenditure be agreed to.

DR FOSKEY: We do not know whether we can be confident that the functions entrusted to the new department have been adequately accounted for. When it comes to TAMS, we do not even know what expenditure proposals we are actually being asked to approve. We do not even know whether there are plans to close Canberra's public libraries. A review was mentioned, and I think pools are involved as well.

Is the government going to start its public consultation once it has made up its mind what it is going to do? Is it going to be a repeat of the schools closures fiasco? It does seem incredible that I am compelled to say this again, but here we go. Consultation does not mean telling someone what you are going to do and then listening to their reaction. There is a difference between a monologue and a dialogue. This is simple natural justice. An administrative decision is void if it can be shown to have been prejudged; that is, that it was made before consideration of the views of affected parties or without due regard to relevant considerations. The most basic rule of procedural fairness is to give an affected party the opportunity to give their side of the story before making a decision. I know that the government now has a majority in the Assembly, but it should not imagine that this means it is now omnipotent and the source of all wisdom.

Good governance requires good management information systems and good scrutiny to ensure sound policies and practices. The estimates committee is the body entrusted with the primary budget scrutiny role. It plays a similar role to that of an independent auditor. An independent auditor's report is widely accepted as being necessary and appropriate in private businesses, and auditors are given wide-ranging access to all relevant documents in order to properly perform their roles. What sort of audit report do you think would emerge from a process where the senior manager folded his arms, thought everything he said was far more interesting than anything that anyone else said, withheld documents, refused to answer, restrained his officials from answering questions and then said he was incapable of giving any detail about the nature of his spending programs?

It is obvious that the auditor would not be able to complete a report, and that is what happened here. While the Greens have voted against the budget in this place in the past, the Liberal Party has not and has said that it would not. Now the opposition has said it

will not support this budget. While I might normally have thought that they were merely playing politics, this time I am not so sure. The Liberal Party shares my view that the contents or, at the very least, the presumptions and the reasoning contained in the Costello report must be released.

We agree that in many areas there is insufficient detail in this budget bill or in subsequent releases of information to build an accurate understanding of exactly what it is we are being asked to support. We agree that there was inadequate answering of questions posed by the estimates committee in relation to this department. We agree that the government has not made out its case that this budget should be approved.

MR STEFANIAK (Ginninderra—Leader of the Opposition) (8.45): I support the comments of previous speakers in this debate. I want to reiterate some points that Mr Pratt raised about territory and municipal services. I too have noted the number of potholes in the roads. I have never seen so many problems, even in Civic, and that when we have had huge increase in rates and charges at a time when families are really struggling. Maybe people do not mind paying a little bit extra if they actually get a service. But I am now getting quite a lot of constituent complaints about increased rates. They are saying that, despite an increase of 40 per cent in rates, there are problems with footpaths and lights, basic municipal things. I recently went for a walk around Charnwood and Dunlop and saw a number of problems with footpaths and the bread and butter issues that people object to.

They certainly object to them if their rates go up, as they have in Charnwood, for example, by 46 per cent. Charnwood is an area of battlers. In 2005-06 they had to pay rates of \$698. This financial year they will be forking out \$1,021. Belconnen is not exactly well off, either. Their rates and charges have gone up by 42 per cent. Holt, apart from the golf course—that is a nice estate—is not exactly a blue chip area. Their rates will increase by 41 per cent, from \$793 to \$1,121. In Spence, another area in my electorate, rates will go from \$791 to \$1,131.

Mr Hargreaves: I raise a point of order, Mr Speaker. The Leader of the Opposition is referring to rate rises that are actually not part of my portfolio. I ask him to stick to the subject.

MR STEFANIAK: That is part of your portfolio.

Mr Hargreaves: Well, if you are going to do it, do it properly.

MR STEFANIAK: What is part of your portfolio, minister, is the fact that people expect something for their rates. They expect municipal services. I think Mr Pratt is absolutely spot-on when he says that the city is looking very untidy, the suburbs are looking very tacky and people are simply not getting the service they got even two or three years ago, let alone four, five or 10 years ago. The government is unable to provide the basics that people expect, and they are rates, roads and rubbish. There are not too many problems with collecting rubbish, but there certainly is a problem in terms of basic infrastructure.

I want to mention a number of other areas, and one of those is sport and recreation. I do not mind telling you—I will not do it now because I have only got about seven minutes to speak—how to make effective cuts. We did it before when we inherited a huge mess

left by an earlier Labor government. If we attain government in 2008, we will inherit another huge mess that we will have to fix up.

When you make cuts, target areas. There are some areas where it is rather stupid to cut because it actually ends up costing a lot more in dollars down the track. One of those areas is sport and recreation. I was horrified to see that the budget for sports grants is to be cut by \$300,000. These grants cover about 240 different activities providing modest sums of money to thousands of participants, many of them junior participants, engaged in healthy activities designed to stave off childhood obesity and other health problems. If we do not do something about these problems now, we will have to fund them down the track.

To save a few dollars—and they are few—you are making cuts. The general grant of \$2.4 million—in previous budgets you have not been keeping up with the CPI—is to be cut by \$300,000, down to \$2.1 million. I am now told that might be down to \$1.8 million. I will look at that with interest. To look at some old figures, in the 2001-02 budget, the grant was \$2,397,000. It is only about \$2.4 million now. Your budget will reduce it to \$2.1 million. That \$300,000 is very much a false economy that may well cost \$10 million, \$20 million, \$30 million, \$50 million or \$60 million in extra health costs down the track. On a lesser, although equally important, note—

Mr Hargreaves: Where did you get those figures?

Mr Barr: It is the Brendan Smyth multiplier effect.

MR STEFANIAK: It shows you have not got a clue. Equally important is the funding for teams in national competitions. That was initially \$600,000, but in past years a few teams dropped out, and in recent years it has been \$570,000. Whilst that is for elite athletes, there are thousands of kids in Canberra who look up to those elite athletes, who are their role models.

We should be providing extra money for women's sport and encouraging more young girls to participate. The Capitals might well be affected. That \$570,000 will be reduced to \$450,000, but \$200,000 is quarantined for the Brumbies and the Raiders. They have got agreements to 2009, and that is fine, but there are 12 other teams that exist on the smell of an oily rag and their funding will go from \$370,000 to \$250,000. We are talking minor sums here, but these are teams that do a lot in the community. They basically exist with very little assistance from government. They provide role models for thousands of Canberra kids and encourage young children to get into sport. Teams like the Capitals do a good job of encouraging teenage girls into sport.

Where are the cuts going to come from, minister? There is presently \$100,000 for the Capitals; \$30,000 for the Gunners—that is, men's basketball; \$45,000 for the Canberra Lakers; \$45,000 for the Strikers, the women's team; \$45,000 for the Eclipse; \$20,000 for the Comets; and \$10,000 for the ACT AFL Rams. That is interesting. I remember giving them \$20,000, so they have already been cut. The Canberra Dolphins, the men and women, have \$12,500 each. Men's and women's orienteering have \$20,000. Men's ice hockey and men's and women's volleyball have \$15,000 each.

There are 12 teams covering a variety of sports and, instead of \$370,000, it is going to be \$250,000. It is a minor sum in the sum total of things, but these teams have very little to back them up; they may well not be able to participate. There are some very worried groups out there in sport and recreation. For this very minor amount of money you are intending to save, you are going to cause all sorts of problems. You have got to be smart when you cut a budget. You have got to pick areas where you will actually make some real savings. The two per cent cuts across the board just do not work. You have to target areas. It can be done smartly, but you have not.

This brings me to my final point, and that is the tourism budget. I think even the Chief Minister would realise this, because it was bashed into him by the industry at the business breakfast that we all went to just after the budget: for a saving of \$3.5 million, there will be \$20 million less coming to government. That is not terribly smart economics. You will save \$3.5 million, but there will be \$20 million less coming in. That \$20 million is not money that would come from ACT ratepayers, the people that have been hit really hard by this budget, the battlers in Spence and Charnwood and Isabella Plains. It is money that would come from outside the territory, and that is surely an area that you would want money to come from.

We do not have primary industry in the ACT. Unlike Queensland or Western Australia, we do not have a mining industry. We have our people power and our knowledge, and we also have tourism, which is a very big money spinner. I was interested to hear some other stats in terms of that false economy to save \$3.5 million. There will be 1,200 fewer jobs in all the industries that look after tourism. Those jobs are held primarily by young people who are getting their start in life. That is false economy because 1,200 fewer jobs will mean that less money is spent by locals in our community. As a result of that false economy, over the course of the year there will be 200,000 fewer visitors to Canberra. Those are not my figures. They are from the industry and they have been around since you brought in this budget.

These cuts amount to false economy. You have got yourselves into a horrible state with this budget. You have 2,500 public servants—you did not quite know they existed—more than you need. You could easily justify cutting about 500. The other 2,000 comprise your deficit of \$200 million. Where did they come from? You still do not know. You have made blanket budget cuts across the board without any thought going into it. I have picked on just two areas where, to save a few dollars, you will lose a lot of dollars. You will forgo a lot of dollars from the tourism industry and at the end of the day the savings in sport and rec will cost you dollars elsewhere.

MRS DUNNE (Ginninderra) (8.56): I seem to recall that during the in-principle stage of the budget debate I quipped that the only thing environmental about this budget was the botanical photograph of the *wahlenbergia* on the front of the budget box. I think that the more that you look into it, the more it is the case that this budget is, in fact, a complete abrogation of environmentalism by the Stanhope government.

Remember those ads, Mr Speaker, during the last election campaign. They were pretty good ads, actually. I liked them. They said a lot about Jon Stanhope, the environmentalist. Let us look at the figures. Over the previous three years we have seen drastic reductions in spending on the environment. Specifically, and these are the things

that I am most concerned about, in 2005-06 funding for land management fell from \$26.5 million to \$17.7 million. I cannot actually tell how much money is in the budget for land management because there is no way of comparing like with like, year on, year out. I am looking forward over the years to tracking how much money is being spent on land management because land management is an area that I think is always undervalued.

Mr Barr interjecting—

MRS DUNNE: No, Mr Barr, I am not going to channel Dr Foskey. I am actually going to be an economic rationalist when it comes to the environment because, unlike many people who are involved in the environment movement, I think that it all comes down to economics. If you do not spend the money wisely, you will reap the trouble down the track.

This year's budget includes an apparent reduction in land management. Year after year we have seen the government's failure to address weeds. The suggestion by disgruntled members of Environment ACT that there may be cutbacks in the weed program does not make sense in economic terms. If we do not spend money year on year dealing with the weeds, the problem will escalate and eventually we will have to spend a lot more money to get us back to where we were. Year on year we have to be consistent and to keep our eye on the ball. We have to be wise with money and make a good investment in our land. This Stanhope government budget does not do these things.

I do have to give a few bouquets. I think that there is potential in the restructuring of what used to be called Environment ACT. The government should be congratulated on the fact that, for the first time—and this was a failing on our part when we were in government—all the land managers will be together in the one place. I congratulate the government on doing that. It is a very important thing to do, because weeds, for example, or pest animals are not observers of whether land is Canberra Urban Parks and Places land or whether it is Canberra Nature Park or Namadgi National Park.

There should be an integrated approach, and I congratulate the government on that. I think that there is the potential, in the long run, if they spent the money wisely, to make real inroads. The test of this minister for the environment is to do it smart, spend the money wisely and not be parsimonious about really important things. I suppose in many ways I would characterise myself as a brown environmentalist, rather than a green.

Mr Mulcahy: I thought you were an economic rationalist.

MRS DUNNE: I can be an environmentalist and an economic rationalist, Mr Mulcahy. You need to read the literature. There are many of us out there.

Mr Hargreaves: So not a Bob Brown environmentalist?

MRS DUNNE: No, not that sort of brown environmentalist. The more that I have thought about this and read about this and looked into it, I really do not believe in triple bottom line accounting. Triple bottom line accounting is nothing more than tightrope walking. If it does not make good economic sense, it will not end up being done. If we

cannot afford to do it or it does not give us a return, we will not make the investment. This is about using our investment dollars wisely.

I congratulate the government on elevating the no waste by 2010 project to be an actual environment program so that the management of this project is actually, for the first time, in a recognisable environmental area. However, I think that there are still considerable failures in the area. Each year the government opens up the relevant section and looks under “initiatives”. This year is it territory and municipal services and it says “no waste by 2010”.

I will keep Mr Hargreaves happy. Every year I hope that the initiative is something to do with putrescible waste and, again, it is not. Every year it is not about putrescible waste. It is always called an initiative, but actually it is \$300,000 or \$400,000 to account for the fact that there are more houses in the ACT. Every year it becomes an environment initiative, a no waste initiative. There is a supplementation because there are more houses to pick up garbage from. There are no new initiatives in the no waste by 2010 project. There has been a signal failing over five years of this government to do anything about putrescible waste, which is 15 per cent of the waste stream.

The potential uses of putrescible waste are enormous. If we were innovative enough to do it, it could be converted for cogeneration or turned into biofuels, ethanol and a whole range of products that could at some stage actually return a benefit for the territory. The people who make money out of the environment and make the environment pay for itself are those people who are financially innovative. I encourage the minister, as Dr Foskey did, to look further afield than the advices that he is currently getting, because I am afraid that the advice is not very good. Every year we see the contract extension as the initiative in the no waste by 2010 program. Every year we fail to see any sort of program in relation to 15 per cent of the waste stream that could actually be an earner for this territory. At least, if it is not an earner, we could recoup the cost of waste collection.

Although I have been, I think, fulsome in my praise of the consolidation of land management and no waste—

Mr Hargreaves: I would not say “fulsome”.

MRS DUNNE: Yes, it was fulsome. I have to echo the words of caution that were raised by the environmental groups, the national parks association and the conservation council about the chain of command in the new department. I am particularly concerned that in areas that were once stand-alone areas, where heads of organisations answered almost directly to the minister, that chain of command is now significantly attenuated. That is particularly the case in areas that I am concerned with, whatever Environment ACT is now being called, and ACTION buses.

I thought it was particularly poignant in estimates, especially when we were quizzing the minister over ACTION buses, to find that the now departed head of ACTION buses, whom over the years that I have been a member of estimates committees I found to be capable, able, on the ball and able to answer questions, suddenly was so attenuated in the chain of command that he was not given an opportunity to answer. Three or four other people between him and the minister were answering the questions. I thought to myself, “Here is an able person who has made some real improvements in ACTION buses. I do

not think he will last very long.” And he is gone. I think part of the reason that these people are going is that they have lost their relevance and they have lost the ear of the minister. Perhaps to some extent it is a status thing—and I do not mean that in a boo-hiss sense—but they have been effectively demoted and put away. I think that that is a real problem.

MADAM TEMPORARY DEPUTY SPEAKER (Mrs Burke): The member’s time has expired.

MRS DUNNE: I would like to take my next 10 minutes, Madam Temporary Deputy Speaker.

I think that is a real problem that this minister needs to get on top of or he will be losing much more expertise out of Environment ACT and important environment areas. I have jokingly said that the minister is a bit of a neophyte when it comes to the environment, and I am not going to give him too hard a time on that, but you have to be open and you have to make every post a winner. I think the minister’s performance indicates that he is not particularly comfortable in the area and he needs to get over that fairly soon and start scoring some goals in environmental areas.

The leak of a list of possible cuts in the past three or four weeks is a sign of the malaise in the organisation. Some of the things on that list were pretty preposterous. I do not think that, even in his most deranged moments early in the morning or late at night, this minister or any other minister would seriously contemplate handing Namadgi National Park over to the New South Wales government for management.

The leaking of that list tells us that this is an organisation in crisis. I have watched and worked with people from Environment ACT for a very long time. I was working for Minister Humphries as his environment adviser when Environment ACT was set up in roughly its present form. I have had nothing but professional service from these people. I might have disagreed with them on matters, there might have been points of difference, but they were always professional. This is an organisation that does not leak. When they start leaking you know that there is a huge problem with morale.

People are concerned about their future. They do not know when their jobs are going to be cut. They do not know whether they are going to be doing the job that they were trained to do. They are very committed people. We may disagree sometimes, but we have to remember that they are working for what they see as being in the best interests of something that they are passionate about. They train. Often they have very substantial scientific qualifications. They are committed to working in areas that in some ways are not particularly well remunerated, but they do it for the love of the job.

It seems to me that when they start to leak in the way that we have seen in the last few weeks, there is a serious problem that this minister needs to get on top of, and he needs to get on top of it in a hurry. Really, what it boils down to is that there is nothing environmental in this budget. We have seen a complete abdication of the environment. Yesterday Mr Hargreaves chided me because I had not talked about the \$350,000 cat fence or predator fence around Mulligans Flat. I just think it is a misplaced priority. If you are going to spend \$350,000 on land management, I could think of many better ways of doing it than building a cat fence. It is a can-have, rather than a must-have.

The other environmental initiative, which is making a virtue out of necessity, is that we have to spend \$100,000 on an artificial breeding environment for the corroboree frog because, on the previous environment minister's watch, we burnt down the national park. We did not so much destroy the sphagnum bogs as set them back so far that we put in even more danger one of the most endangered species in the country. The northern corroboree frog was on the brink of extinction because, on the watch of Jon Stanhope, we burnt down the national park. We jeopardised the future of the sphagnum bogs in the top of Namadgi National Park which not only provide the breeding ground for these endangered species but also are the sources of much of the high quality water that we have come to appreciate and value in the ACT. Here we are in this budget trumpeting the fact that we have to spend \$100,000 to create an artificial breeding environment because the sphagnum bogs are beggared for many years to come.

As I have said, the budget contains environment initiatives that show some potential. I think the idea of having the land managers together is a very good one. It means that if you do it smart, you will be able to do things like improving weed control and improving hazard reduction. Let us not have any of the pious claptrap that we hear from Dr Foskey. Hazard reduction, hazard reduction burning and fire trails are important. You will never get an argument from me as long as you do it smart, as long as you do it diligently and as long as you do not forget the lessons that we learnt in 2003, because for years before that—and it was a failing on our watch and on previous watches—there was not enough done about hazard reduction.

Part of that was because every time a fire trail was built the green organisations came out and bleated about it. There was no support from the Labor Party when they bleated about it. They still do it, but you will not get an argument from me. Fire trails are important. Hazard reduction is important. Whether it is raking things away, mowing things or burning strategically, these things all have to happen. But I doubt whether there is enough money in this budget to do those things, and, if we do not, we will pay the price of our negligence once again.

This is the most important message that this minister should take out of this speech: get it right. By all means coordinate your organisation and make it work smart and together, but do not skimp on the money. Do not skimp on the bread-and-butter basic programs. Forget about the frills. If you have to cut, do not build the blessed cat fence. Look after your fire trails, look after the weeds and manage that which you have. Make sure that you look after the pigs and the feral animals and things like that. I honestly wonder why we bothered to have a debate about a cat containment zone if you are going to go out and build a fence for the very purpose of protecting the thing that you put in the cat containment zone. It could be considered belt and braces; I consider it a waste.

MADAM TEMPORARY DEPUTY SPEAKER (Mrs Burke): I call Mr Smyth.

MR SMYTH (Brindabella) (9.13): Mr Temporary Deputy Speaker—

Mr Hargreaves: Mr Temporary Deputy Speaker!

MR SMYTH: Mrs Temporary Deputy Speaker—

Mr Hargreaves: Mrs Temporary Deputy Speaker!

MR SMYTH: Madam Temporary Deputy Speaker, it is interesting that we have got to this level, which is indicative of the behaviour of Mr Hargreaves during the estimates process. That sort of childish silliness led him, with very accurate telling from Mr Pratt, to be in the trouble that he was in, having to be disciplined for his behaviour.

Mr Hargreaves started his day with the estimates committee, oddly enough, by calling me silly. For a man who had just had to resign from the ministry because of his indiscretions, I think the silliest person in the room on that day was, in fact, the Minister for Territory and Municipal Services. That was probably the high point of his visit to the estimates committee. Despite the Chief Minister's statement that his government would be more honest, more open and more accountable, the least honest, least open and least accountable person appearing before the estimates committee was, of course, Mr Hargreaves. His behaviour has been widely reported on in both the committee's report and the dissenting report.

I want to bring to the attention of the Assembly something that happened when I asked a question of Mr Wallace, representing ACTION. I said:

Mr Wallace, do you have anything to say about that matter?"

Mr Hargreaves jumped in and said:

I will answer the question. Mr Wallace does not have anything to add.

One, it was rude to do that. Two, it says that the senior official from ACTION could not answer the question. Three, it says that the senior official from ACTION did not know the answer. If he did not know and he could not answer the questions, why is he running ACTION? The *Hansard* reads:

Mr Hargreaves: I will answer the question. Mr Wallace does not have anything to add.

MR SMYTH: Is the minister just going to shut down debate?

Mr Hargreaves: You have it in one, Mr Smyth.

MR SMYTH: The minister is avoiding public scrutiny yet again.

Mr Hargreaves: No, I am not, Mr Smyth.

To say, "Yes, I am shutting it down. No, I am not avoiding scrutiny" is illogical in the extreme, but that is just a glimpse of the standard behaviour of John Hargreaves at the recent estimates committee. It is about that attitude, the attitude over staffing and the attitude to certain questions asked of him about units transferring to his department. He would say, "I cannot answer that. I have not been briefed." Who is going to answer them? Is it the minister who has relinquished the units? That minister would not want to answer them and the minister who was about to receive them would not or could not answer them, saying, "I'm getting briefed on that next week."

There was a severe lack of organisation inside the government when ministers were appearing before the estimates committee and asking for hundreds of millions of dollars of ACT taxpayers' money. They had, apparently, absolutely no idea what they were going to spend it on and how the budget had been constructed because they had not had a briefing. Yet Mr Hargreaves obviously sat through the budget estimates process. Mr Hargreaves was there when the decisions were taken. He either voted for them or against them, but they got through. But no, he could not tell the estimates committee about them because he had not been briefed.

That is fundamentally the reason that this line of expenditure should not be passed. The minister has not displayed that he has the wherewithal to implement whatever he is asking for money to implement because he does not know anything about it. It is illogical in the extreme. The whole idea of the government was to have some reform and the interesting thing is that when we went to staffing Mr Hargreaves could not guarantee how many jobs would be lost. He spoke about 100 FTE, but he would not say what that meant in terms of people or jobs because he had not been briefed and they had not started the restructure process and it would only be after it had finished that he would be able to tell us whether certain jobs were being lost. That shows the illogical nature of the appearance of John Hargreaves before the estimates committee.

The point that really concerns me with this department—others have touched on areas of their responsibility—is the whole issue of libraries and the fact that the minister would not rule out any library closures. He is having a review and is not going to rule anything in or out. There is a recommendation that the same number of libraries remain in existence. The one at the bus interchange might close when the new link opens shortly, but we said that we did not want to see a reduction in the number of libraries. But no, the minister who has the library portfolio is not going to tell us what he is going to do: “I am not going to rule them in and I am not going to rule them out. We are going to have a review.” He should have been able to tell us, given the budget that he has, how many libraries he will be running at the end of the year, but he chose not to. It was that level of obfuscation that really put Mr Hargreaves in a class of his own when it comes to—

Mr Hargreaves: Thank you.

MR SMYTH: It is at the bottom of the class, John. I would not be too proud of it. I think you brought eternal shame upon yourself and the whole process by your behaviour. People are more than aware of that. And then we got onto something like the Gungahlin Drive extension and I was beginning to think that this government is the government for hospital passes. We had Mr Corbell dishing them out, with Katy Gallagher getting the hospital and John Hargreaves getting the Gungahlin Drive extension. You cannot blame John Hargreaves for all that is wrong with the Gungahlin Drive extension. I think that it is left to Mr Corbell in particular to carry that. With Mr Corbell having flick passed the hospital pass forgotten his promise of on time and on budget, Mr Hargreaves inherited the Gungahlin Drive extension project.

Rumours abound round town that the GDE budget is about to blow out again, because the process has not been done properly and there seems to be some problem with the amount of fill that is either going onto the site or coming off the site. I heard a couple of weeks ago that it was being trucked on and now I am hearing that it is being trucked off

because the government's calculations were all wrong. It would be really interesting if the minister actually told us when he stands up to respond whether it is true that tens of thousands of tonnes of fill are being taken off the Gungahlin Drive site and, if so, what that will add to the cost of the project. The debacle that Mr Corbell started just seems to continue. I remind people that the on time and on budget promise was made on, I think, 1 July 2005 and it is now well after 1 July 2006.

The department is an odd department now because it has a departmental head that is responsible to at least three ministers. Mr Stefaniak has already spoken about sport and recreation. There is the municipal side of it and Mr Barr, of course, has tourism. When the reforms were put in place the Chief Minister said that they would make life simpler, less complex, but we now know that it is more complex and more convoluted than ever. It was interesting to have the change of seat and have Mr Barr appear as the minister for tourism. The sad thing about that is that tourism actually makes money for the government but they do not understand that. They fundamentally do not understand that. Mr Barr said, "Yes, the experts tell me somewhere between \$4 and \$11 is the return for every dollar you invest." Spending a dollar and getting \$4 back would be pretty good for a government that is broke, \$123 million in deficit.

One of the ways you might make some money is by working on broadening your tax base and getting more visitors here, actually taking off visitors some of the money that they like to spend when they are on holidays and create jobs here, making sure that we as a community get the benefit from tourism that we should be entitled to. The industry is concerned about what is happening. Up to 1,200 jobs are now at risk and something like \$20 million worth of revenue may go begging.

The fact is that all of the other jurisdictions are putting more money into tourism, either maintaining or putting more money into events. A number of them have either just completed or are building new convention centres because they value them and they understand what they bring to their community in terms of investment, opportunity, the GST they get out of them, the payroll tax they get out of them, the jobs they get out of them and the turnover in the community with the multiplier effect, but not this government.

I have heard it said that tourism funding is a luxury. It is not. Tourism funding is about selling the message that your city is a place that is worthy of a visit. The nation's capital must be worth a visit, certainly by all Australians and by as many overseas tourists as we can get to come to this great city. But the government does not care. We are going to cut the funding and we are going to cut off our nose to spite our face, because we are going to lose jobs and we are going to lose revenue.

At a time when this government is so strapped for cash following its ineptitude and the ministerial mismanagement of the budget, you would have thought that it would be looking for any opportunity to get some extra revenue. But not this government. I think that the whole of this budget is encapsulated in just one small area, the tourism budget: "We know it is important to the city, we know it gives a return, we know it creates jobs and we know it creates investment, but we are going to cut it anyway." That just defies logic.

I note that the minister never said in estimates what his opinion was of the return. Instead, he threw up the term “business welfare”. But when you talk about business welfare and ask him to explain it, he is at a loss. I have heard from people in the industry that whenever he has been asked this question in public he has been at a loss to describe the welfare aspect of it. Why is it welfare?

Mr Barr: One million bucks in product and industry development.

MR SMYTH: If the minister wants to rebut that, perhaps he will stand up and say a few words about it as well.

Mr Barr: I am looking forward to it.

MR SMYTH: He says that he is looking forward to it. It will be interesting to see whether we get an answer because we did not get an answer in the estimates committee process; we did not get an answer at all. Successive governments have worked very hard to get tourism up and running and I think it is very sad that in a single budget the government is going to take \$4.5 million over two years out of tourism. I think that is symptomatic of this government and I think that it describes this budget to a tee.

MR HARGREAVES (Brindabella—Minister for the Territory and Municipal Services, Minister for Housing and Minister for Multicultural Affairs) (9.23): This is the first budget for the new Department of Territory and Municipal Services, which has brought together a broad range of functions, including sport and recreation, environment, sustainability, tourism and public transport. The government remains strongly committed to implementing its sustainability policy, *People Place Prosperity*. The work to promote and integrate sustainability principles into the business of government will continue, as will the development of a climate change strategy and a related energy policy.

We will continue to manage and protect our wildlife. The sum of \$100,000 has been allocated to the recovery programs for the brush-tailed rock wallaby and the northern corroboree frog. That was not recognised by the leader of the Greens party in this place, the leader of one and all. She is the leader, deputy leader and chief whip of the Greens. At the Tidbinbilla nature reserve, two artificial outdoor breeding pools and a public display will be built for the corroboree frog, adding to what we are already doing there, and the enclosures for the brush-tailed rock wallabies are to be upgraded. An additional \$137,000 will be spent over the next four years to support these programs. Clearly, that is news to Dr Foskey. In addition, to provide greater protection for the territory’s grassy woodlands endangered wildlife, \$350,000 has been provided to build a predator-free enclosure at Mulligans Flat nature reserve. We have spoken about that before.

The government has provided a major boost to the current road maintenance program with the injection of \$20 million over the next four years to maintain a safe and efficient road network, something not picked up by Mr Pratt. We will be injecting a further \$1.35 million in 2006-07 into road safety improvements on the Monaro Highway, another bit of news for Mr Pratt.

Mr Seselja: How many potholes?

MR HARGREAVES: The upgrading of Lanyon Drive will also commence with \$5 million sourced from the roads to recovery program, another one for Mr Pratt. Rest easy, Mr Seselja: I will get you a pothole. I will put a pothole outside your house. Mr Speaker, \$4.2 million has been committed to the construction of Harrison school access roads to meet future access needs to both the school and the oval. A further \$800,000 has been allocated to the Harrison neighbourhood oval. To reduce the risks to motorists using our rural roads network, \$600,000 has been allocated in both 2006-07 and 2007-08 for the continuing removal of a number of potentially dangerous trees adjacent to rural roads.

These roadworks are part of a large works program currently being undertaken by the government, such as the GDE, which is progressing well. Mr Speaker, \$3.55 million has been committed to the continuation of the neighbourhood improvements and roads and bridges programs. These funds will see the provision of new streetlights, residential street improvements, except the pothole that I promised to give to Mr Seselja, road barriers, traffic safety measures at schools, traffic calming measures, bridge strengthening and road pavement rehabilitation.

This government is committed to road safety. We will spend nearly \$2 million in 2006-07 on expanding the mobile speed camera network and \$2.4 million over the next four years on operating the cameras. This initiative will see the installation of two new mobile speed cameras, two fixed red light speed cameras and four fixed speed cameras at locations with a history of road crashes and speeding offences. Mr Pratt showed his ignorance of the road rules earlier when he talked about cycle lanes and that sort of stuff. I promise to get him the learner drivers booklet and an L plate so that he can stick it on his car and show everybody that he is still learning the rules of the road. I promise to deliver it to his office.

It is crucial that we have a safe and efficient wheelchair accessible taxi service in Canberra. To ensure continuation of this vital service, \$814,000 will be available over the next four years to improve taxi services for people in wheelchairs. This government is committed to improving taxi services in the ACT, as has been seen. We have already released 20 new general taxi licences. Ultimately, we expect 40 new licences to be issued. I will be doing something about that next year, because the legislation prevents me doing it straightaway.

The sum of \$1.866 million has been allocated over four years for the installation and operation of cameras on ACTION buses and around ACTION depots. In addition to this security upgrade, \$635,000 over four years has been provided for the installation of CCTV in strategic public locations across the ACT. The installation of these cameras will assist the government and ACT Policing to plan and manage major events.

Members are aware that the drought has had an adverse effect on community sporting programs. This budget includes \$3.6 million for improvements to and maintenance of our sportsgrounds. The sum of \$500,000 has been allocated to improve the condition of many drought-affected playing fields across Canberra. In addition to this rehabilitation work, funding of \$1.1 million has been provided for improvement to sports facilities, news to Mr Stefaniak. Lights will be installed at Jerrabomberra Oval in Narrabundah

and, for the benefit of Mr Mulcahy, Garran Oval. Ninety per cent of his constituent representation comes from Isaacs or Garran.

An investment of nearly \$5.5 million over the next four years will provide the necessary funds to complete bushfire fuel reduction works required by the territory and municipal services department bushfire operation plan, again something not mentioned by those opposite, and almost \$4 million over the next four years will be spent on upgrading and developing fire trails.

Before I address some of the comments of those opposite, I would like quite sincerely to thank Mrs Dunne, who, in criticising the budget and the government's performance, as is her job, actually had something positive to say about something the government has done about single land use management. She also recognised the appearance of no waste as an environmental measure. I received two ticks from Mrs Dunne and I appreciate that. I have taken a lot of her comments on board. She did make some positive contributions to this debate. She actually offered something. I have to say that that was missing from the contributions of all of her colleagues. That was most disappointing—not surprising; just disappointing.

Mrs Dunne talked about an organisation in crisis when she talked about the so-called leak about a proposed sale of Namadgi national park to New South Wales. We have already debunked that. Any reasonable person would know, firstly, that that is never going to ever happen and, secondly, that it was the product of some brainstorming. We are not afraid to have people put things on the table. There is no such thing as a bad idea. Bad implementation is what is bad about it.

Mr Seselja: So it was a good idea, was it?

MR HARGREAVES: Mr Seselja has just revealed a bit of Liberal Party policy coming up at the next election. He said that it is a good idea to flog Namadgi national park. Good on you! That is a good one. I will be happy to see you on the hustings.

Mr Pratt's contribution was absolutely typical. It was absolutely typical but most enjoyable, might I say. What did he do? He spent half of his time whingeing about me. Did he offer one single suggestion on what the opposition might do with a budget? No. Did he suggest one single thing that they would do differently? No. All we heard was him saying not to do this, that or something else. His colleague Mr Smyth offered absolutely nothing, either.

Mr Pratt talked about the GDE blowing out to \$116 million. Indeed, Mr Smyth referred to that as well. But Mr Pratt did not say anything about the other half, the other half being my comments about the contracts being fixed price contracts. As usual, this pair, the dynamic duo over there, tried their best to take things out of context, thinking that they could get away with it. I have news for them, Mr Speaker: they cannot get away with it. They build straw men and then try to tear them down. The only thing straw about it is their argument.

Mr Pratt revealed absolute ignorance when he talked about the five-year road program and said that there is nothing on page 120 of the budget papers about the five-year road program. I thought I would look it up while he was talking. He was dead right, absolutely

right, because on page 120 of BP4 there is a Department of Treasury statement about cash flows. You would not see it in there, would you? On page 120 of BP3 there is a chart on user charges. There is nothing in there, either. I congratulate Mr Pratt on being able to get to at least page 120 in either of those two documents.

Mr Pratt: Why didn't you mention it in estimates?

MR HARGREAVES: Mr Speaker, he has made a fool of himself, he has been sprung and now he is trying to shout his way out of it. Mr Pratt talked about there being nothing in the TAMS budget for school maintenance. Either he has not been listening or he refuses to accept the argument my colleague Mr Barr has been putting ad nauseam about there being a consultation process which will conclude in December and we have nothing to say about it in territory and municipal services.

We do not have one school, not one school, Mr Pratt. You have been sprung again because you do not know the process. That is dreadful. Mr Pratt continually shows his ignorance of the budgetary process. He says that there is no provision in the budget for picking up rubbish, whole-of-life matters, maintenance round the territory and that sort of stuff. It is in the base, Mr Speaker. This budget is not a zero-based budget; it is an incremental budget. I think that Mr Pratt ought to go and do budget 101. He would then know the difference between capital—

MR SPEAKER: Direct your comments through the chair.

MR HARGREAVES: I am suggesting to you, sir, that he ought to go and do budget 101 because he ought to find out the difference between capital and recurrent and between what is in a base and what is incremental, because he clearly does not know. What does he do, Mr Speaker? He pops up with a reference to the eyesore of the week. I am glad that he reads the paper and spotted that one. This underpass is not that far from his place, but cannot be seen from the road. Why? It is because it is under Erindale Drive. I accept that it is an eyesore for the people who walk through there. I accept that that stuff should not have been dumped there? But I do not know how many times we have been saying in the media that all people have to do is to call Canberra Connect—for Mr Pratt's benefit, because he does not know it, the number is 132281—and the stuff will be removed. It is as easy as that. Mr Pratt is not content with having a policeman at the bottom of every garden. He now wants to have a ranger at the bottom of every garden. I have news for you, Mr Pratt: bad luck, you are not getting that.

When Mr Pratt says that the government lacks a graffiti strategy, he does not acknowledge a number of things. The first one is that the examples that he uses are of buildings on private land. They are on private buildings, not our own. He knows the policy as well as anyone, because I have stood here and told him. Is he just so thick that he cannot figure it out?

Mr Pratt: What about Che Guevara?

MR HARGREAVES: Che Guevara is an honorary member of the Liberal Party. You ought to know that, Mr Pratt; you were sharing a cell with him. Mr Speaker, the government does not remove graffiti on private land.

Mrs Burke: I take a point of order, Mr Speaker. Personal imputations are not necessary.

MR HARGREAVES: Mr Speaker, they do not have an anti-graffiti strategy. They did have one until Mr Cornwell left. Mr Cornwell wanted to chop fingers off. Their only policy was to chop fingers off or put them in jail, although we could not put them in jail because they will not let us have one. I do not know what we are going to do with all of the people subject to your harsh fines because we have not got a jail.

Mr Pratt: Scrub walls.

MR HARGREAVES: Scrub walls! What do you think happens? Mr Pratt also talks about sweeping job cuts and slash and burn. He is just full of cliches. He has not offered one thing as an alternative to the budget. He has not said that the government should do this, that or something else. No, he just says, "Do not do this and do not do that." Members opposite are supposed to be part of a government in waiting, an alternative government, but all we get is opposition for opposition's sake. That is all it is: opposition for opposition's sake. You guys have dropped the quality of opposition in this place to an absolute low, a complete low.

Mr Pratt says that we were at fault for the fire at Yarralumla. Firstly, he pre-empts the coroner's finding, which is a bit iffy for this place to start with. Secondly, he says that there was a miserable fire break at the back of the houses of five metres, that is, 15 feet. He does not recognise the fact that that place was cleaned up only a matter of weeks earlier. He does not acknowledge the fact that the houses that burnt down had brush fences and pergolas at the back and that that was where the fire was. But he is not content, which is so typical of this man, to wait until the coroner delivers a finding. He has the impatience of youth. Talking about the impatience of youth, surely he would try the patience of St Peter. I congratulate Mr Pratt on one thing, that is, for revealing a piece of Liberal Party policy to us tonight. They are going to graze sheep on Phillip Oval. I think that is wonderful, really wonderful.

What did Mr Mulcahy say? He spoke of intimidating process and being callous and opaque. That was good; that upset me. He also revealed his own ignorance of the process when he accused the government of putting up bus fares by six per cent. Does he not realise that it is the Independent Pricing and Regulatory Commission that does that? It recommended a price increase of six per cent.

Mr Mulcahy: Blame them for everything. It is all their fault that the water has gone up and all their fault that the power has gone up.

MR HARGREAVES: Mr Mulcahy can bleat until the cows come home, Mr Speaker, but the simple fact is that there is an independent evaluation of any applications, as there is with taxi fares.

Dr Foskey said little of interest to me, I have to say, but she does not recognise the synergies that come out of putting environment in with single land use management and bringing that together with sustainability so that it is just part of our ordinary psyche. She does not recognise that. If she does, she does not say so. She went on to insult the people that work in environment by saying that they are little more than a rump. How insulting

is that, Mr Speaker? I just reject it. She also said that we were slashing numbers and increasing the amount of damage. She put it all down to an increase in pig damage and that sort of thing. Where was there one ounce of proof, Mr Speaker? There was not one ounce of proof. I would have expected better of Kerrie Tucker, but she has gone, which is a shame, too.

Mr Stefaniak spoke for five minutes and did not mention a thing about TAMS issues, really. All I have put down in my notes is that he did not say much more than Mr Pratt. Mr Smyth spent well over half of his allotted time just whingeing about me. Good on you!

Mr Smyth: Maybe it was only a quarter.

MR HARGREAVES: All you did was whinge about me. If I have tickled you up that much, Mr Smyth, I wear it as a badge of honour, because to tickle you up does two things. It makes me feel good and it puts your voice up, and I am very happy with that. Mr Speaker, I must have got to him. He was actually portraying the dissenting report as gospel, as though it was the actual estimates committee report. It was not, Mr Speaker. The dissenting report was the report of two members of the committee. In fact, I will have a little bit more to say about their dissenting report when we get to the housing portfolio. While I am on my feet, I ask them to look at page 13, paragraph 3.10, of their report. We will talk about that when we get to the housing portfolio.

MR BARR (Molonglo—Minister for Education and Training, Minister for Tourism, Sport and Recreation and Minister for Industrial Relations) (9.43): Mr Speaker, I wish to speak very briefly on those areas within territory and municipal services that fall within my responsibility as Minister for Tourism, Sport and Recreation. I would like to highlight a couple of issues. Firstly, I was very pleased to see in the budget money for restoring 40 hectares of sportsgrounds, for the provision of a neighbourhood oval in Harrison and for another initiative that I am sure all members will join me in welcoming, that is, the one about hosting the Pacific School Games in 2008, a nice confluence across my portfolio areas of education, sport and tourism. The benefits that will flow from hosting that event in 2008 will be considerable and it is a great thing that Canberra will be able to host it and the government is able to support such an event.

Turning to the tourism side of my portfolio, I am always interested in what members of the opposition have to say in relation to tourism matters. Given the criticism that there has been of the budget, particularly in relation to tourism, I thought that it would be worth looking more broadly at some of the research that has occurred in recent times. The Australian government, through Tourism Australia, recently completed an assessment of the Australian domestic tourism market. What did they find regarding the last 20 years? They found that domestic tourism activity was relatively flat, that 2005 was a particularly bad year across Australia, with visitor nights falling by 7.1 per cent and total trips by nearly six per cent, and that Australians overall are now travelling less.

It is interesting to note that the only jurisdiction in Australia to buck that national trend of a seven per cent reduction was the ACT, which saw a six per cent increase in 2005. Looking across the board, in the last 20 years tourism's share of household consumption has been in decline. In 2005, tourism contributed 14.3 per cent of total household consumption, down from 16.3 per cent only seven years earlier. Interestingly, at the same

time as this reduction has occurred, media marketing spending by tourism businesses has increased markedly—from \$270 million in 2003 to \$370 million in 2005.

Domestic tourism authorities have increased their expenditure. Travel agents, service and tour businesses, airlines and airports, and accommodation all increased their expenditure massively over that time, yet we have seen a reduction. So I do not think the research backs up the assertion that spending huge amounts of money on marketing, on all of those aspects, necessarily gives you a return. In fact, they found—

Mr Mulcahy: A little factor called terrorism had a slight impact.

MR BARR: No, over 20 years, Mr Mulcahy. That is one of the advantages of looking back a little, looking at it in the long run. A little bit of economic history is relevant here. Tourism Australia found, in fact, that really influencing domestic tourism and the decline are the changing nature of employment, busier lifestyles—

Mr Mulcahy: That is right, the WorkChoices legislation!

MR BARR: No, this is Tourism Australia's research, the commonwealth government's research. The changing nature of employment, busier lifestyles, changing attitudes to life and work amongst different generations, and competition from other activities. It is worth noting the expenditure on other consumables and other things that might be considered as discretionary spending by people. Spending on computing equipment is up nearly 50 per cent and on audiovisual equipment is up nearly 44 per cent, along with telecommunications services. Obviously there has been a shift in people's expenditure patterns. They are filling their houses with wide-screen televisions and a whole range of audiovisual and computer equipment.

Presumably, there comes a point when you do run out of room in your house, that you have a wide-screen television in virtually every room, and those consumption patterns change. There is some optimism that that may occur. However, the great concern of Tourism Australia is that, as employment structures have become more flexible and there is more casual and more part-time work, many workers are choosing or being pressured to work longer hours. Whilst it might make them financially richer, they are time poorer and that needs to be taken into account.

Research by Tourism Australia has shown that there is a stockpile of 70 million days of unused annual leave in Australia, that nearly 60 per cent of full-time workers do not use their full four weeks annual leave each year and have accrued more than eight weeks of annual leave, that one-third of full-time workers do not take any annual leave in a year, that Australians work the longest hours in the developed world and that around 40 per cent of respondents to the survey cited workplace issues as the most significant barriers to taking leave. This includes finding someone to cover for people on leave and increased workload before or after leave.

What conclusions do Tourism Australia reach? They concluded that the broad trends that are having a negative impact on the performance of domestic tourism are that Australians are making fewer trips per head of population, that they are spending a lower proportion of their income on tourist activity, and that the appeal of domestic travel is declining relative to overseas travel. They say that as lives get busier, leisure time is spent relaxing

at home and catching up on things which people do not regularly have time to do, that there are significant real and imagined impediments to people taking their leave entitlements and that people are spending more time doing holiday-type activities in their local areas instead of taking a holiday in order to attain break-type satisfaction.

Where does that leave us overall? It leaves us in a position where we need to be smarter with how we spend our tourism dollars. For once I would agree with those opposite who have been making all the accusations throughout this budget debate that it is about how you spend the money, but apparently not in tourism. In Tourism it is a very different story. It is just about providing massive amounts of money. It does not matter how you spend it. It makes no difference, does it, because you have the Brendan Smyth multiplier effect that you can spend it and they will come?

Against these trends and against these major influences in how our work and life balance is occurring across the country and how people are facing the fact that they have less leisure time and they are being more discerning in how they use it, clearly there is a range of economic factors that affect our region in relation to petrol prices and the absence of low-cost airlines like Jetstar flying into Canberra. There is a range of aspects that do make things more difficult for us in this region. However, we were able in the last financial year, when again there was a reduction in the allocation for tourism on the year previously, to achieve a six per cent increase, the only jurisdiction in the country to do so.

Overall, the facile argument from Mr Smyth that you just spend and spend and it will all give a return is rubbish. It is absolute rubbish. The bigger factor and the most important factor here is around the work and family balance, the work and life balance. Mr Speaker, some of these factors clearly go beyond the control of domestic tourism authorities, but we will look to use the money that is allocated to tourism effectively, as I would require across all of my departments. Members of the opposition are big on generality—yes, there is a need to show expenditure restraint and not to spend too much money willy-nilly—but they are specifically against every initiative that actually sees a reduction in expenditure.

Mr Mulcahy must be really worried about each of the shadow ministers. As the alternative Treasurer in this place and someone who certainly states his economic credentials loudly across the territory, he must be very worried deep down by the series of promises that come from that lot over there. It really must be of concern to him, because all we have seen so far in this budget debate has been, again, broad general statements about the Liberal Party's economic credibility and the rest of it. When they are actually asked to stand up for some prudent, sensible economic propositions that this government has put forward in this budget, all of a sudden they are all terrible and they specifically oppose everything. That is at the core of their economic credibility. We are seeing in this debate exactly why they will not be gracing this side of the chamber for some time.

MR SMYTH (Brindabella) (9.53): I am pleased that Mr Barr used that report, because it highlights his failures. It details the downturn in tourism in this country. But his answer to the downturn in tourism in this country is to do less. He portrays us as asking for massive increases in tourism. I would like him to point out anywhere where I have said, "Increase the tourism budget massively." "Massive" is the word. "Massive increases" on

this side! “Them, them, them, them, them. Massive.” You point out anywhere in *Hansard*, on the record, in a press release, any conversation I have had, any public utterance, any speech I have given where I have called for massive increases in tourism spending. You will not find it. We have said, “Maintain the current spending. Maintain the current tourism funding, because it is a good investment.”

It is interesting that Mr Barr chooses that report. His predecessor commissioned a report. It is a government report. I have got a copy of it, because somebody thought I should have a copy of the government’s report from Access Economics in 2004, which did an analysis of the tourism spend and the benefit that it brought to the territory. It said at that time, in 2002-03, for a spend of just over \$20 million, the government received \$107 million in taxation. There is the multiplier effect. Do not believe me. Access Economics did the report for the government, and the government hides the report.

What is the government’s answer to the downturn in tourism across the country? Cut the spending and get rid of the senior staff. That is logical; that is a good start to improve your spend. Get rid of the people that know and get rid of the money that they had to spend.

Mr Barr suffers from the fact that he has only been in this place for a short period of time. If he goes back to the years before, yes, there was an increase according to those figures, because we were coming off such a low base because of previous cuts to tourism budgets by your government. There was nowhere else for it to go but up. It had slumped so far it could only go up. That is the truth. If you want to be selective and talk about reports, you drag out any report you want, and I will talk to you about it. I know a little bit more about it than you do.

You cannot trust Mr Hargreaves. Mr Hargreaves gets up and makes statements about what Mr Pratt said. He said, “Go to page 120 of budget paper 3. It is not about the road program; it is a revenue chart.” On page 120 of budget paper 3 2006-07 there is a chart. If Mr Hargreaves thinks that is a revenue chart, then God help the ACT government. It is headed “Table 6.7—Traffic Congestion and Road Safety Improvement Program”. That is a revenue chart? Mr Hargreaves, you got it wrong. As Mr Pratt pointed out, except for Gungahlin Drive, in this chart, for the years 2006-07, 2007-08 or 2008-09, there is no expenditure. It is the big white bit.

Mr Hargreaves is using last year’s budget papers. That is the problem. Not only is he slow, he is also a year behind. Jon Stanhope has given this man charge of municipal services, territory services and the environment. There he is quoting from last year’s budget paper. I knew he was slow. He had the temerity to call me silly. Who is silly now, Mr Hargreaves? I will read it out again for Mr Hargreaves’s benefit. It is table 6.7. It is headed “Traffic Congestion and Road Safety Improvement Program”. If Mr Hargreaves would come forward into 2006-07 we might have some sensible argument here, but we are not going to ever get it from that minister. It goes to show that exactly what both the estimates committee report and the dissenting report said about Mr Hargreaves is true.

Question put:

That the proposed expenditure be agreed to.

The Assembly voted—

Ayes 9		Noes 8	
Mr Barr	Mr Hargreaves	Mrs Burke	Mr Seselja
Mr Berry	Ms MacDonald	Mrs Dunne	Mr Smyth
Mr Corbell	Ms Porter	Dr Foskey	Mr Stefaniak
Ms Gallagher	Mr Stanhope	Mr Mulcahy	
Mr Gentleman		Mr Pratt	

Question so resolved in the affirmative.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.12—ACT Planning and Land Authority, \$35,851,000 (net cost of outputs) and \$9,732,000 (capital injection), totalling \$45,583,000.

MR SESELJA (Molonglo) (10.01): I note that Mr Barr put out a challenge just before about our calling for some cuts in expenditure by the government. I will try to oblige him for at least a couple of lines before I get to some other issues. I focus on a couple of areas of expenditure, in particular the Land Development Agency. The Land Development Agency is an agency which we have had some concerns about for some time. The industry has had concerns about the growing size of the LDA. Look at all levels of expenditure. It is difficult to get a picture

Mr Corbell: On a point of order, Mr Speaker: the appropriation we are dealing with is the Planning and Land Authority. I know that in budget debates we try to be broad-ranging—and, as a matter of principle I agree with that—but this in no way is relevant to the ACT Planning and Land Authority. The Land Development Agency is not appropriated from this budget line; it receives no capital injection or payments on behalf of the territory or payments from net cost of outputs from this budget line. Mr Seselja should confine himself to matters relating to the ACT Planning and Land Authority line, as broad-ranging as those may be.

MR SESELJA: Mr Speaker, on the point of order: I note Mr Corbell was talking about wide ranging. This is a cognate debate. We had the LDA appearing at the estimates committee. In a cognate debate that discusses the estimates hearings as well as the lines of expenditure, surely we are allowed to discuss things that were examined by the estimates committee.

Mr Corbell: The question before the chair is the appropriation for this line.

MR SPEAKER: Mr Corbell, it is a cognate debate.

MR SESELJA: Thank you, Mr Speaker. I am sure Mr Corbell does not like talking about the LDA.

Mr Corbell: No, I do not mind talking about it at all.

MR SESELJA: Clearly you do, because you are trying to shut it down. Despite the usual wide-ranging debate, he does not want to talk about the LDA. We know why. For the benefit of Mr Corbell, I will not spend too much time on the LDA. I will move on to other issues.

Mr Barr asked about our calling for more spending. We call for less spending; we call for the government to cut back in areas. There are so many examples of waste. When we raise some of these issues, Mr Corbell says, "It is only \$50,000; it is only \$100,000." These all add up to a significant amount of money. I will highlight a few of them. The cost to build the temporary site office at Wells Station is one. It does not include the significant amounts of landscaping—\$123,000 versus an industry standard of about \$30,000. I note there is a unit for sale on All Homes today for \$123,000. You can get a unit for the same cost as you are getting a site office at Wells Station.

We heard last year in estimates from the LDA that they did not do branding. Yet we saw earlier this year that they had this cinema advertising which cost them \$115,000. It was not until the very end that they mentioned a couple of developments. The whole thing was an LDA branding exercise. They do not do branding, but they wasted \$115,000 branding the LDA. The advertisement was run 188 times, apparently. It certainly got to a lot of cinemagoers. They found out that, yes, we have an LDA.

The wage cost of the LDA is \$4.587 million. That does not take into account consultants. We are trying to get a picture of that. I note that, in the estimates report, which the government responded to, they said that they would table those figures at the next available sitting day. That was on Tuesday. I would have thought Wednesday would be the next day, but we await those with interest.

I pointed out the EpiCentre sign cost \$50,000. That is unbelievable—\$50,000 on a sign. When I highlighted that, the minister said, "We got millions of dollars for the site." I will go into EpiCentre later. Apparently, according to Mr Corbell, if they had not had that \$50,000 sign you never would have had those people bidding. Austexx must have been driving past one day and seen the sign for EpiCentre and that was why they bid. That must have been it.

We saw last year \$4 million for marketing of the LDA. That is a significant amount. These are some of the areas where the government should be cutting back. I do not think there is a return. Where you have got a monopoly land developer, you do not need to be branding yourself all the time. You do not need to have lavish expenditure on signs and site offices. It would be great if we could see some cutbacks in the LDA over time.

Moving on to the Planning and Land Authority: firstly, obviously the most significant thing out of the budget was the 41 staff being cut from ACTPLA. I have not criticised the minister for this. Provided he can show us—and he has not done so yet—

Mr Corbell: You have criticised me.

MR SESELJA: I have not criticised 41 staff cuts in ACTPLA. I raised questions about it. I said, "You need to be able to show productivity gains as part of these staff cuts."

Mr Corbell: No, that is not what you said.

MR SESELJA: That is what I said. I stand by that. I am not, per se, against cutting staff in ACTPLA. If you do not get productivity gains to match, then we could see the industry suffering. In principle, we should be looking at areas of government where we can do things better. If they are going to do that in ACTPLA, then I welcome and support that. But the minister needs to put up the case—and he did not do it in estimates—as to where the productivity savings are going to come and where the productivity gains will come.

We heard Mr Hargreaves before talking about how I am always negative. I take this opportunity to say that Neil Savery is improving the overall management of ACTPLA, and has done so for the last couple of years. Not all areas of his performance are perfect, but many industry insiders—not all of them—speak highly of him. He has done a pretty reasonable job. So credit where credit is due. There are some improvements in ACTPLA. I welcome that.

I welcome the planning system reform. We are looking very closely at it. The planning and environment committee is currently looking very closely at it. There are some issues that have come to light but the overall package, the overall idea, is a good one. It will take some time. This is a significant piece of legislation. We apparently are going to see it have only one month's scrutiny in the Assembly. We are getting a little more scrutiny in the P and E committee than we had anticipated or than the government wanted, which is a good thing. I welcome the overall planning system reform. It is long overdue. But we need to see the details. I have spoken about it for some time. Changing the legislation is one thing but the cultural change in ACTPLA is important. The LDA is the other part of that picture. That is perhaps where more significant cultural change is needed.

I need to highlight that in this budget we have seen increases in development application fees. In some cases the fee has doubled, up by about \$600. It is part of a general move for costs to be shifted more and more to first homebuyers in particular. We saw that with some of the new guidelines. Some of the water saving measures, where you basically either have to have a water tank or grey water recycling, add a lot to the cost. I know that relatives of mine just purchased their first house and paid \$12,000 in stamp duty. There are significant costs there. We have seen the scaling-back of the stamp duty concessions for first homebuyers. We heard the Chief Minister talking the other day in this place about it being a significant issue and it is difficult for first homebuyers. Often when we add to these costs, whether they be in regulations or otherwise, it is first homebuyers who cop it and who have higher mortgages as a result or are kept out of the home market.

I want to say something very quickly about the busway, which we asked some questions about in estimates. Clearly, this is not going to go ahead. We have seen \$3 million already spent. We are going to see another \$3 million spent. We have heard Mr Hargreaves say not in his lifetime. It is time that we put this one to bed. It has been another area where there has been a waste of money. For a potential spend of \$150 million we are looking at a three-minute saving between Civic and Belconnen. It is an obscene waste of money.

I do not think that will ever go ahead—and I certainly hope that it will not—but the \$6 million that will have been spent at the end of the planning process is money that has been essentially wasted. That is another \$6 million that could have been put into much more important areas such as health, education and other important infrastructure such as roads. There are all sorts of examples such as that. Mr Speaker, I will take my extra 10 minutes if I can.

MR SPEAKER: Yes.

MR SESELJA: I turn now to some of the EpiCentre issues which we certainly dealt with in the estimates process. We had the planning minister get up in this place, I think it was on Tuesday or perhaps it was last week, and accuse me of misleading on the EpiCentre issue. He has not been able to point to any areas where I have misled. That is clearly not the case. If he could point to the areas, then that would be wonderful.

I highlight some areas of concern, some discrepancies in some of the answers that I have been given in estimates both from Mr Corbell and some of his officials. In the estimates process on 21 June, Ms Skewes said:

All the parties get access to the information that Austexx and all the other bidders for the site got.

Mr Corbell said:

My understanding of the LDA's processes is that, where advice is sought by one party, it is provided to all parties.

Yet we have proof in the documentation that ACTPLA encouraged the LDA to write back to ING but no evidence that the advice they gave was provided to any other party. We have another instance. In estimates on 21 June, I asked:

... have you received any correspondence, or has the LDA received any correspondence from either the NCA or ACTPLA raising concerns about this development and how it complies with the territory plan ...

Ms Skewes said:

I am not aware ...

I said:

Any correspondence from the NCA or ACTPLA?

Ms Skewes said no. Yet we know that ACTPLA cc'd the LDA in correspondence which dealt specifically with concerns over compliance with the territory plan. Emails from departmental officials clearly show that they were cc'd to Anne Skewes and state "respond to the key issues raised by ING" and "discount retailing not included in the lease purpose". These were clearly issues about the territory plan, and we got answers that did not reflect that at the time. We certainly were not to know at the time. Mr Corbell was defending the process. He said:

Secondly, shopping centres have large components of food retailing—for example, food courts and so on. These are also explicitly excluded from this site. So the comparison with a shopping centre is a false one, a misleading one.

No, it is not, because the DA, which had been approved in principle by the LDA before it had gone to ACTPLA, has a food court. Once again, it is a discrepancy; it is a discrepancy between what was said by Mr Corbell and what the facts bear out. Then we have had it said in the community, through the media. On ABC news on 9 August, Mr Corbell said:

The issue, nevertheless, is unchanged in that the builders were clearly advised that retail uses were permitted uses.

Mr Corbell said in estimates on 21 June:

They knew what they were buying and it was clear to all parties what the potential uses were for the site.

It clearly was not clear. We had Austexx asking on five separate occasions what were the permitted uses on the site. It was not clear to the parties by any means, and anyone who claims that, having looked at the documentation, is clearly wrong. It was not clear.

Mr Corbell: Have you not ever heard of due diligence?

MR SESELJA: I have heard of it. It was not clear. Why did they have to ask five times if it was so clear? ING wrote:

We formally request that you please confirm whether or not discount outlet retailing is to be a permitted use under the territory plan.

That is another example. On 16 August I asked the minister:

Minister, did the CEO or any senior representative of ACTPLA write to the CEO ... of the LDA prior to the auction expressing concern over any aspects of the pre-auction process?

Mr Corbell replied:

Not that I am aware of ...

The next day, 17 August, I asked him:

Minister, yesterday you stated that you were not aware of a letter from ACTPLA to the LDA regarding potential pre-auction issues ... Minister, have you investigated the existence of the letter? If not, will you investigate if such correspondence exists and table it in the Assembly? If not, why not?

Mr Corbell responded:

If I recall correctly ... I think Mr Seselja's question yesterday was: was I aware of any correspondence raising concerns or criticisms of the process. The answer to that question was no. That remains my position.

The answer was not "no". The answer was, in effect, "I will take it on notice." He still has not come back to us and answered that question. I do not know whether the second answer was the answer or whether the first one was. It was clearly designed to not answer the question over two days. In a media interview on 22 August the minister said that nobody had a pre-application meeting, when referring to Austexx's meeting with ACTPLA. Yet an ACTPLA document of 4 October is clearly marked at the top of the page as being a pre-application meeting. The minister has made a statement that runs completely contrary to the evidence at hand. The minister in the same media interview said:

They, I am clear, were quite rightly referred back to the Land Development Agency because the lease and development conditions had not yet been revealed.

At least one bidder had contacted ACTPLA and was having meetings. The pre-application meeting documents clearly show that Austexx and ACTPLA were meeting to discuss the territory plan while ING was being referred to the LDA. Clearly, the timing was not the reason they were referred; it was some other reason.

The answer that the minister gave was not correct. While Mr Corbell throws out allegations of misleading by me, he is not able to back that up with any evidence. We have numerous examples in both the media and in the Assembly of the minister giving answers which provide discrepancies. It is incumbent upon the minister to come back as soon as possible and correct the record on all of these issues that I have raised.

The EpiCentre issue is an important one and is important to this budget because the fundamental question goes to whether or not the people of the ACT got maximum value for money through this process. The process needed to be a good one and needed to be a clear one for us to get maximum value. It is clear, from all the correspondence, from all the documents that we have, that it was not clear and that it was not a process that was conducted in the best possible way, which would have sought maximum value.

The fundamental question which the minister has not yet answered is: why did not the LDA focus, in all of their advertising, on the fact that you could have lots of small retail, up to 3,000 square metres? The minister responds, "It was clear in the territory plan." We know it was not clear, because all the bidders were so confused that they had to keep asking. Regardless of that, why would not the LDA, in selling this site, make it clear that you could have lots of small retail, up to 3,000 square metres? We know from the documents that they knew—certainly by September, their interpretation was clear—that you could have lots of small retail, up to 3,000 square metres.

The question is: why would they not make that clear? Why would they not shout that from the rooftops prior to the auction and say, "You can do all sorts of things on this site. It is not just bulky goods. You can also do lots and lots of small retail, up to 3,000 square metres per sublease, and you can do as much as you want on that site according to the new interpretation of ACTPLA"? Why would you not be making that as clear as possible and publicly state it?

The minister was asked about this in the media. He said, “It is no different from a real estate agent emphasising one aspect of a property over another.” I do not know what kind of real estate agent he was referring to. It is like a real estate agent who has got a beautiful house with a million dollar view, but he brings the people in the back and does not show them the view. He says, “Look at this 3 x 3 lounge room,” or “Look at this single garage.” Why would you emphasise the bit that is worth less? Why would you emphasise the bit that is going to make the site sell for less? That is the question. The minister will come back and say, “We got a great price.” Did we get a great price? That is the fundamental question. That is what we have been trying to get to the bottom of.

If it was absolutely clear, if it was clear to the world at large, to the business community at large, what you could do on this site—and ACTPLA and the LDA clearly knew beforehand or had an interpretation of what you could do on this site—how much would it have sold for? I do not know; I am not a valuer. But there has been industry comment about certainly \$60-plus million. We are talking, conservatively, \$20 million more than we got for it. That is the fundamental question. Mr Corbell will get up and say, “It was clear in the lease and development conditions. It is in the territory plan.” No-one understood what was in it, and it was incumbent upon the government to make it clear so that they could get the maximum value back for the taxpayer.

Mr Barr asked us for examples of where they could get more money or where they could cut expenditure. This is an example. I have shown examples of where the LDA could cut expenditure. I have shown examples that, if the LDA ran a better process, they may well have got more money. Would not that have been a wonderful thing for the taxpayer? But there has been no clear answer given by the minister or the officials why they would choose to emphasise what is clearly the less lucrative aspect. That is why all of the bidders were asking about it; that is why they were all wanting to get to the bottom of it. They could not. It was not clear, except, it would seem, for some bidders. Why weren't they giving the same messages to all of the bidders and, in fact, to the world at large? We may well have seen much more money coming in for this site.

There are still many questions to be answered on this process, and we will continue to ask them. The minister's pat answers and the minister's evasion on this issue have not helped and have not done him a service and they certainly have not done a service for the taxpayers of the ACT.

MR TEMPORARY DEPUTY SPEAKER (Mr Gentleman): The member's time has expired.

DR FOSKEY (Molonglo) (10.22): Mr Seselja has done quite a devastating analysis of the EpiCentre issue and has kept that up since estimates. I will not say anything more about that issue—it has been well covered—except to say that I share the concern that, in a budget that was trying to claw back money from so many areas, it was of concern and an issue that I became more concerned about as evidence appeared. I wrote to the Auditor-General and asked her to look into it. She has written back. She wants to see various processes conclude before she starts that investigation. That is where the investigation belongs, and that is where I will leave that tonight.

ACTPLA is an agency that considers itself to be proudly independent. While the extent of its independence is a bit questionable, given the steady flow of regulatory instruments coming out of the government and the minister's overuse of his call-in powers and his rarely used but ever-present direction-giving powers, it is clearly not merely another arm of executive government. While that independence removes some of the conflict of interest problems that beset local governments and councils around Australia, it has created resentment among constituents and community groups who believe that the leading planning agency is not committed to working with them, nor answerable or responsive to them. Increasingly, we see appeal rights and legal standing to challenge ACTPLA decisions being stripped away.

The key priority for the authority this year is to deliver the final instalments of the planning system reform. I have already raised concerns about this new regime. It is modelled on the Australia-wide development assessment forum which is being driven by the federal government and the property council. I do not consider that either of these bodies has the best interests of most people at heart or that either of them has any meaningful commitment to the common good. Consequently, I do not find it reassuring that the ACT government is so proud that we are following, indeed leading, in the implementation of this plan.

These reforms are aimed at simplifying the relevant process. That is not a bad thing. Community consultation and appeal rights in neighbourhood planning are all seen as irrelevant distractions from the main game. That is not a good thing. The only role for residents and the only way they can exercise any influence over the shape and character of their neighbourhoods, it would seem, is primarily as voters.

I do not understand why ACTPLA has abandoned neighbourhood planning. It had seemed to develop an acceptable, fine-grained approach to suburban redevelopment. I understand that neighbourhood planning processes are somewhat labour intensive, but the benefits of these intensive consultation processes surely outweigh the additional resources involved in these education, information gathering and consensus building exercises.

One of the benefits that seem to be receiving short shrift from this government is the community's understanding of development proposals and its acceptance of those developments. I could understand it if government blamed a tight fiscal position that necessitated the cuts in this budget, but ACTPLA and this government had given up on neighbourhood planning long before the budgetary position became obvious.

Why have the government and the proudly independent ACTPLA withdrawn in unison from the field of community consultation on planning matters? Is it because it is just too hard to balance the demands of developers and community interests in such a way as to bring the community along with them in the time frames demanded by developers? The latest development in this process was to remove third-party appeal rights in various urban areas. Apparently, this was delivered to remove the burden of litigious competitors, but it also did away with community appeal rights. How convenient!

ACTPLA has also shown itself to be unwilling to go the extra yard when it comes to developments that are predictably going to be contentious. Despite the minister's

protestations to the contrary, the Goodwin Homes expansion in Ainslie was not well managed and was not well publicised. The public consultation was woefully inadequate. If you honestly disagree with my contention that the development was not well notified, then come for a walk through Ainslie with me and we will do a vox pop of random residents and see what they think of the process. ACTPLA only notified households directly abutting the block on which the development was occurring. Even properties that were going to be impacted by the shadow cast by the development were not considered to be affected by the development to the extent necessary to trigger the compulsory notification provisions of the planning laws.

The minister has responded to criticism on this issue by retreating to a defence based on strict legal obligations, but such a defence is disingenuous and mean-spirited. The legislative obligation to consult is extremely narrowly drafted. I do not believe that it is meant to be exclusive. Rather, it sets a base level below which it would void the decision because of failure to consider relevant considerations such as the views of those with legitimate expectations that their interests will not be adversely impacted without their views being heard. Ask yourself: if your house or favourite park, for that matter, were going to be overshadowed by a proposed development, would you not want to have an opportunity to comment on it? Of course you would.

Ms MacDonald said the other day that she, like many others, would not even have noticed the 3G towers going up until they actually went up. There are people who do not see the notices put on lampposts and even sometimes in their letterbox, especially if it is mixed up with a lot of junk mail. So we need post-fact consultation.

It has often been said that ACTPLA is only now rebuilding from a loss of quality urban planners and that too many resources were lost following self-government and then through the 1990s. I have also become aware that recently retired ACTPLA planners are popping up around town with successful development applications that push the scope of what has been considered acceptable in the past. The recent development in Red Hill was an example. Residents object or appeal developments are often viewed as self-centred, vexatious and/or disruptive. They seem to have been written out of planning reform.

I question whether there are enough social planners or cultural planners or, more to the point, whether social and cultural planning has enough status in the planning regime, particularly when other issues such as community organisations, Legislative Assembly committees and specialist advisory groups such as the Planning and Land Council have been stripped away. More and more it is becoming the world according to the minister and ACTPLA. I believe we would have better long-term outcomes if there were room for more inputs, even though in some cases some parts of the process would slow down.

I have spoken quite often of the kind of city that Canberra might be in another 20 or 30 years and made reference to a shift back towards a neighbourhood model for planning, which is enjoying a resurgence in other places. In other debates I have reminded the Assembly of some of the more innovative public transport options that have developed in cities similar in size and density to Canberra.

This is a budget supposedly about making hard choices. But in terms of planning, those hard choices are really about developing an integrated public transport plan and looking to ensure that local development supports neighbourhood centres. This budget fails to

tackle these truly difficult issues, issues that require real leadership and far-sighted action.

Right now those factors might not impact significantly on people's lifestyles. But if we keep seeing local shops and schools downgraded or abandoned, while private car transport remains the prime consideration for our town planners and major residential developments avoid the challenge of minimising our ecological footprint, the Canberra of the future will turn out to be a city of the past and 2020 will find us with a failed urban infrastructure and a serious lack of community cohesion. We may find that we continue to add to the problems of the world rather than contribute to their resolution. The 2020 equivalent, not to be confused with the plan for schools, of the Costello report may well tell us we have to endure severe austerity measures in order to fund a public transport system that does not rely on fossil fuels and to fund new community centres where our schools used to be.

Canberra is primarily a two-industry town. One is the federal government that has its own interests in the future planning and development of Canberra. Its disdain for planning coordination and lack of commitment to the interests of the Canberra community are evident in its grab for cash from airport developments.

MR TEMPORARY DEPUTY SPEAKER (Mr Gentleman): The member's time has expired.

DR FOSKEY: Could I take an extra few minutes, please?

MR TEMPORARY DEPUTY SPEAKER: You can, Dr Foskey, an extra 10 minutes.

DR FOSKEY: With a bit of luck, the High Court challenge to the legality of massive developments which are outside state planning regimes will succeed. There is a lot of merit in their arguments, but I am not holding my breath. Until the balance of power changes in the Senate and is held by senators with an informed interest in an environmentally sustainable development, there is not much we can do about the federal government.

The other key industry appears to be development. We can see a volume of that going up in Canberra city. Mr Corbell has mentioned several times, including today, the thrill he gets from counting cranes rising above Civic. All sorts of creations are going up at the airport. The airport is answerable to no-one. The Griffin legacy development promises to deliver massive development along Constitution Avenue. There are new suburbs going in the north and south of Canberra, infilling Woden and from the lake to Fyshwick.

There seems to be, either in government or ACTPLA, a belief that developers pay the piper. I am concerned, however, that resulting developments do not necessarily serve communities' best interest. The massive development of QIC in the city is a case in point. As I understand it, the government allowed an expansion of that development in order to accommodate a commonwealth department. Another expansion was to incorporate shopping bridges to link all the retail spaces, therefore focusing all the retail activity inside that development, with a flow-on impact in other parts of the city. It looks like we are ending up with one giant office and retail facility, with perhaps residential

accommodation, that will put large parts of our outdoor public places in shadow and bury the new but inadequate community centre between larger office blocks.

The answer to most of the questions that this budget raises about planning are answered by planning reform—those two words. That is the next chapter: pioneering legislation, we are told. That is the next space to look for.

MR MULCAHY (Molonglo) (10.34): In relation to this element of the appropriation the area of planning has obviously undergone some major changes of late, with the Minister for Planning recently releasing draft legislation for a new planning and development bill. In anticipation of this bill, the government has outlined an appropriation of \$45.6 million in the 2006-07 budget to fund not only existing planning functions but also the new initiatives as outlined in the new bill.

On the face of it, we see that Mr Corbell's planning portfolio has experienced changes in funding arrangements which relate primarily to the area of capital expenditure. They also appear to be more concerned with movements between the different agencies. No matter which way you cut it or on which departmental bottom line these items appear, capital works—and probably unnecessary capital works—have been one of the hallmarks of this government. The Minister for Planning has nevertheless demonstrated a keen enthusiasm for his new bill, which he explained in estimates. He said:

This is a major reform. Key elements of the reform include streamlining the development and assessment process.

Further on, he said:

Overall, I think everyone acknowledges that the package is a major step forward, a major reform that provides clarity and certainty for all parties.

We will see. The proof will be in the final performance, as to whether those outcomes are in fact delivered by this minister. Indeed, it is widely known that ACTPLA has faced considerable challenges in providing adequate planning services to the people of Canberra. There have been calls both from members of this Assembly and members of the public at large for the department to seriously address issues related to the cumbersome and inconsistent processes that are currently in place for approvals of planning decisions, the varying levels of professionalism, technical expertise and legislative knowledge the front-line staff and planners possess, and how the skills shortage that exists within the planning profession is adversely impacting on the quality of service delivery to the public. At different times we have talked about that issue, which I acknowledge is one of the challenges facing planning agencies throughout Australia.

From what I suppose is called the bigger end of town, I am reminded of a number of complaints by developers regarding the difficulties they have experienced while having their proposals reassessed. It seems that a recurrent theme amongst complaints is criticism of the quality of service that has been received. This has been seen both in a lack of consistency in advice provided by ACTPLA representatives and the disconnect between the early and later stages of the development approval process. I was disappointed to learn that valuable time and money have been wasted in revising

proposals that had previously been deemed appropriate by someone else within the organisation. I have heard this on too many occasions, both immediately prior to my election and since being elected. It has been raised by quite a disparate group of individuals involved in the development area.

On a smaller scale as well, from time to time individuals have been known to contact my office regarding difficulties they have had in contesting ACTPLA decisions. Most of the complaints in this regard were based around the costly process of legal fees and other costs in appealing a negative decision, or the undue complexity the successful appeal usually contains, discouraging their pursuit by inexperienced or first-time development applications.

With these broad-ranging concerns in mind, it is with great anticipation that we herald Mr Corbell's much needed reforms. The question must be asked: will the newly streamlined ACTPLA be able to meet its obligations to the ACT through its key outputs and performance indicators, particularly as it may be operating with fewer staff? Mr Neil Savery, chief planning executive for ACTPLA, indicated that one of the ways the department will be seeking to cope with its performance benchmarks will be simply to reduce them. He said in estimates:

We have also sought a modest reduction in output measures to reflect some of those changes.

It would seem that the government's approach to meeting its performance obligations for service provision to the Canberra community is to reduce them so they eliminate the gap between what they are currently doing and what they are supposed to be doing. Mr Savery admitted as much in estimates, saying:

We haven't been able to achieve the 90 per cent figure—

that is, the target for single dwelling applications—

consistently across 12 months ... It might be that there will be changes that impact through the budget process on other parts of government that will affect their referral capacity.

It is a sad reflection on the performance of this government that its planning agency feels it necessary to reduce its performance commitments to the taxpayer because the 2006-07 budget may reduce its ability to do its job properly. This is not meaningful reform, nor is it streamlining for productivity gain. It is irrational and desperate cost cutting to make up for past mistakes, which is further degrading the capacity of departments to deliver essential services to our citizens. Real reform is about finding more efficient ways to do a better job but not crippling your capacity to do your job in the first place just so you can say you have saved a dollar or two here and there.

Time and time again, this government appears to have demonstrated an utter failure to understand this basic concept. The proof is in the performance of the economy and the management of the budget by Mr Stanhope and his cabinet. Instead of the increased productivity and streamlined service provision we would expect, we have seen a blow-out in public service staffing numbers, a blow-out in the wage and superannuation

costs and of course, as an inevitable consequence, a blow-out in the ACT's finances, of which this budget is the inevitable and painful end result.

Interestingly, when asked about another obvious area, apart from ill-conceived spending cuts in which this government could engage in another desperate grab for cash, we heard a noteworthy answer. Such an answer is worth being repeated for the record. In response to a question on the potential sale of school sites that will be the eventual casualties of this government's draconian school closures, Mr Corbell stated:

On the issue of surplus school sites, just to make it very clear, just as there is no money in the budget for planning studies, there is no money in the budget for realisation of those sites either; that is, for sale. There is not a single cent in the budget for any sale of those sites.

So what happened? Upon being asked whether he could categorically rule out the sale of any of these sites, Mr Corbell replied:

No, I am not. I am just saying that it is not factored into the budget.

We will talk a little bit later about education, but we could read a couple of things into those statements. I am sure he has picked his words very carefully. We could say that, with the closure of 39 schools around the ACT, the government will simply leave them to rot and not sell them for some other meaningful purpose. Or we could say that the government will factor the sale of these school sites into future budgets, which I suspect they will, keeping alive their scheme of short-term land sales to neutralise the impact of massive deficits and poor budget management coming their way in the outyears. There is a measure of ineptness, unfortunately, in the economic management of this territory. The government has not thought through its funding responsibilities. It is the people of Canberra who suffer from this approach.

Finally, I share the concern that has been raised by Mr Seselja. I think there is a growing level of disquiet amongst many of the members—and I suspect even in the government ranks, but I do not know that—and the community at large about the whole EpiCentre fiasco. We have seen the minister taking questions on notice. We have seen these very carefully structured replies. One has the sense that the whole situation continues to beg more questions. The true picture is yet to fully emerge, but one cannot help but reach the view that, on the best interpretation, the process has not been handled with a very high degree of efficiency or a very high regard for ensuring the maximum possible return for the people of Canberra in relation to this transaction.

There seem to be mixed messages. There seem to be clever sorts of ways in which explanations are provided for the different types of advice being given out. As Mr Seselja said, we have a situation where some prospective purchasers were almost talked down in relation to the uses of the site. This certainly raises questions as to why this happened. Was it ineptitude? Was it poor communication? What was the process here that led to taxpayers potentially not getting the full benefit that could have been available to them through the realisation of the site in a valuable area of commerce with a product that, at the end of the day, is finite: our land. I have nothing further to say at this point on the ACTPLA matter, but I think there are areas of concern.

MRS DUNNE (Ginninderra) (10.44): I think it is important that we comment on some of the areas in relation to land development and planning in the ACT. I thought it was cute that the planning minister was so sensitive on these issues that he attempted to close down the debate. Of course, we cannot reasonably talk about the LDA anywhere except under this line. As Mr Seselja rightly said, this is a cognate debate. There are many issues that were raised in the estimates process and across the budget in relation to the Land Development Agency which have been widely and appropriately covered by Mr Seselja.

It needs to be put on the record that the establishment of the Land Development Agency was vigorously opposed by this opposition. I think our opposition to its existence remains and is probably more steadfast than it was when it was first proposed back in 2002. The creation of this organisation sent mixed messages. There is a lot of crossover in the description of what it does and what the ACT Planning and Land Authority should be doing, and that causes problems.

Mr Seselja: There is more confusion now that the Chief Minister has some of it.

MRS DUNNE: As Mr Seselja rightly says, there is even more confusion because of some of the land development responsibilities now going to the Chief Minister. Nowhere have we seen that confusion more than in the EpiCentre fiasco. I dare not call it “Epigate”, but one day we may call it “Epigate”. We know just how sensitive the government have become on this when they start putting together dorothy dixers to try and justify their position. We saw it today. After two sitting weeks of this minister taking questions on notice, putting forward highly equivocal answers and contradicting himself, he attempted to put the record straight by way of a dorothy dixer today. It was a very poor effort indeed. It was a very poor defence of a pretty indefensible position.

Mr Seselja has done a splendid job of highlighting the inaccuracies and inconsistencies in the process and doing a lot to chivvy out something that is being hidden. And we are still not entirely sure what is being hidden. The concern, or the real problem, I have in all of this process—and I do not think there is a big conspiracy or anything like that; I always go for the stuff-up rather than the conspiracy—is what this process is doing to the reputation of Canberra as a place to do business, especially for people who look at Canberra and think, “Perhaps we will test our arm in this place.”

What is evolving in this fiasco is that people, wittingly or not, play favourites. They give preferential advice to some people over others. There is no way this minister can put it together in any other way. Some people, whether they held their mouth the right way, crossed their fingers the right way or whatever, got different advice. This is a problem for this minister and for the reputation of this city. It is not the first time he has had this problem. For those of us who have a long memory, we saw him preside over the fiasco of Harrison stage 1—the auction, the fiddling around and the eventual re-auctioning—that cost people in this town considerable amounts of money and ruined reputations. I think there are people who have not recovered from it. You would have thought he might have learnt something by then and by this process. He took a million dollars from that man, which has never gone back to him.

Mr Corbell: Yes, because that was his deposit. He did not pay for it, so he lost his deposit. It is as simple as that.

MRS DUNNE: If the government had done due diligence, it would never have allowed this person to become a preferred bidder in the first place. He does not have a very good record at auction.

Mr Corbell: He lost his deposit because he did not pay for the land.

MRS DUNNE: He lost a large amount of money that he was encouraged to put down as a deposit by officials of the Gungahlin Development Authority. This minister ruined the reputation of this territory as a place to do business, just as he is doing again here. Will he not learn the lessons of Harrison stage 1? We will again reap the benefits because, whatever happens in relation to EpiCentre, I predict that it will end in the courts. Someone will take this matter to the courts. It will be taken to court principally because of the mishandling of this whole process by bureaucrats in the Land Development Agency and the ACT Planning and Land Authority. It will cost us dearly in our reputation as a place to do business.

When we come to the appropriate way of doing things, I think we should also dance lightly across the treatment of people in the Molonglo Valley. There have been three substantive debates in this place in relation to the Molonglo Valley. It is now nearly a year since the leases expired and there is no resolution to those matters. There are lessees in possession of three separate leases there.

Most of the lessees are fairly elderly. They cannot get a resolution to these matters. At the moment, they are being held up because they are attempting to make FOI requests in relation to documents that relate to their own leases. These matters are being held up by the territory and they have been put through the court system. It is entirely unreasonable for a government which flaunts its openness and accountability to use the FOI act to prevent lessees from obtaining information about their own leases. The fact that these people are being put through the wringer yet again by this government is entirely inappropriate.

Mr Corbell: Mr Speaker, I wish to raise a point of order. Mrs Dunne should be aware that the commonwealth government was also a party to that AAT dispute. The Howard government took the same position as the ACT government.

MRS DUNNE: He can close the debate and he can say anything he likes. But, of course, he really finds it inconvenient because this minister's treatment of the people who live in the Molonglo Valley is a watchword in shame. I would like to turn to some of the comments made by Dr Foskey in relation to land development and development reform.

I can never get over the improbability of the Greens, who spend their time saying, "What we want in this world is affordable housing. But we are opposed to infill. We are opposed to greenfield development. We cannot have urban sprawl. We cannot have high rise. Every man and his dog should be allowed to appeal against everything." What will happen is that no-one will have a house that they can afford to live in—a high-standard

house. The Greens' approach to affordable housing will be substandard thirties housing with inappropriate heating, simply because we cannot build anything else.

If Dr Foskey and her predecessors ever got in charge of the planning system in this town, or in any other place, woe betide the rest of us. We would never be able to build a decent house that would provide for those people in need of housing and for everybody who wants to buy a house. I think it is highly ironic that, after years and years of work, we have Dr Foskey coming in here tonight bemoaning the fact that the planning reforms put forward by this government follow the policies of the development forum.

Initiatives have been put forward in the development forum over five, six or seven years—seven years of work. But suddenly the Greens come in here and say, “No, it is not good enough. No, we need to have more appeal rights. We need to do whatever we can to get in the way of development.” Dr Foskey talks about many other things. We have to have recycling for this and water catchments for this. All these things put together make it much more expensive to build a house. I am very critical of many of the so-called water efficiency initiatives. Mr Speaker, I would like to use my second 10 minutes.

MR SPEAKER: Mrs Dunne's time has expired. She wishes to use her next 10 minutes.

Standing order 76—suspension

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

That standing order 76 be suspended for the remainder of this sitting.

MRS DUNNE: Turning now to the initiatives put forward by Mr Corbell's department in relation to water saving, I am particularly concerned about them because of the cost. Many of the elements in the think water, act water"proposal, particularly the more recent ones put forward by the planning authority, cause considerable concern and fail to take into account the initiatives that have been in place in this territory for a very long time. The ACT is a spectacular reuser of recycled water. In fact, 50 per cent of the water we extract for use in the territory is recycled. That is called the lower Molonglo water quality control scheme.

With the approach by this government, which is to some extent backed up by the Greens, we have an imposition on individual householders. We have a whole range of tiny, itty-bitty water saving initiatives: “Recycle here. You must do this; you must do that.” It adds \$5,000, \$10,000 or \$15,000 to the cost of a home. It is a particular impost on home buyers. What we are doing, and what we will be doing, by this is shifting the cost from the community at large to individuals in particular, but often those individuals cannot bear those costs. As a result of that, we will be driving up the cost of housing.

Mr Corbell: Are you going to remove those measures? There is silence on that issue.

MRS DUNNE: It is your policy we are talking about.

MR SMYTH (Brindabella) (10.56): There are a number of firsts in this budget estimates process and none of them shine on the honour of the minister. Indeed, for the first time

ever, the extraordinary step was taken—and I am told not just in the ACT but probably in the country—where an estimates committee held an in-camera hearing. It really revolves around the minister and his officers being able to answer very basic questions about the territory plan and their failure to do so. So it is quite a record. The EpiCentre matter has been covered very well by Mr Seselja, so there is no need to traverse that ground again.

There is a second matter of concern involving the behaviour of the minister. That is with regard to Dr Harrison and his report. In that case the minister used his position as a minister, and the privilege of the parliament, to say things that, according to Dr Harrison, are blatantly untrue. The extraordinary step was taken of allowing Dr Harrison to have his objections recorded in the *Hansard*. Just as we see a pattern forming here, we see it repeated in the corrections area. We will get to that later in the evening. I think this throws into doubt much of what the minister says about EpiCentre.

I think members need to be aware of the processes we have and how Mr Corbell is always coming foul of them in the EpiCentre process. One area I want to touch on is the number of staff that actually work in the LDA. There was a recommendation from the committee that the Minister for Planning table in the Assembly a breakdown of employment within the Land Development Agency, breaking it down to full-time, part-time and contractors who work for the LDA. The government's response was that it was agreed in principle and that the Minister for Planning would table in the Legislative Assembly the breakdown of staff employed within the LDA on the next available sitting day.

That was tabled on Tuesday. Wednesday was the next available sitting day and we did not see the report. We still have not seen it today. I wonder when the minister is going to honour the commitment made by the Chief Minister when he tabled the government's response to the estimates committee report. It is important that the government honour their commitments. The minister has clearly not done that. In his closing remarks he might be able to tell the Assembly when exactly he will table the breakdown of employees.

The number of people in the LDA has been discussed at several meetings publicly in this city recently. At a Labor Party fundraiser where businesses paid to talk to ministers, Minister Gallagher spoke to the business community. She made statements—I understand quite gleefully—that the staff of the LDA would be halved; that that was a recommendation inside the functional review and was indeed a cabinet budget recommendation.

The Chief Minister took some exception to this when I raised it in the estimates process. He got very hot under the collar. The easy way out of this is to table the recommendations and let us see what is in the functional review. But of course we will not see that, because the whole basis of this budget is flawed. It is flawed because of the functional review upon which it is based. That is why the government is afraid to table the functional review. The story continues that he was able to argue not to have cuts to the LDA by saying, "We will just sell some more land; that will make up the shortfall."

If that is how we are going to fund the ACT, then we have serious management woes on the government benches at this stage. If you have to make savings, you do not make them by selling something; you only sell it once. If the functional review did suggest

that, as I have had relayed to me by the business community, it would be interesting to know why that was ignored. If the budget cabinet decision was that that should go ahead and it has been ignored it would be interesting to hear from the minister as well. And it would be interesting to know whether they do intend to sell more land to make up for the shortfall in the projected savings.

It was a very interesting estimates process. The minister has run foul of estimates before, which led to censure in this place. I think the minister should stand and apologise for some of his behaviour, particularly with regard to the EpiCentre and also with regard to Dr Harrison. Both are highlighted by the extraordinary response of the committee—firstly, the allowing of an in-camera hearing and, secondly, the inclusion of Dr Harrison's comments in the transcript of the whole estimates report. I think they are there to the shame of the minister. It would be interesting if the minister had the courage to stand and apologise for his behaviour.

MR CORBELL (Molonglo—Attorney-General, Minister for Police and Emergency Services and Minister for Planning) (11.02): The appropriation for the ACT Planning and Land Authority is a significant one. The Planning and Land Authority performs an important role in facilitating economic activity in our city, guiding development to meet the community's broader social, environmental and economic objectives and seeking to achieve a more sustainable community overall. I address a range of issues that have been raised by members in the debate this evening. The first issue I turn to front and centre is the issue of the role of the Land Development Agency.

Mr Seselja: You don't want to talk about them.

MR CORBELL: I am always very happy to talk about public sector land development because I am a strong believer in it. The question that needs to be asked in the debate is: why are the Liberals opposed to public sector land development? Fundamentally, what does public sector land development do? Fundamentally, instead of the improved value of the land being transferred from the public to the private-for-profit sector, the public sector retains that profit.

Let us remember—and it is not a difficult concept to understand—if you sell a raw block of wood to someone who makes tables and that person turns it into a table, you are going to be able to sell the table for more than you sell the block of wood for because it is improved. It is an improved product. It is the same issue with land. If the territory sells a block of land raw, yes, we get the money upfront. But if you sell a block of land that has been serviced so that a builder can go in and build a house on it, do you get more money than you get for selling it raw? The simple answer to that is yes, you do.

What is the real issue here? The real issue is: why should the territory, why should the community, which is the owner of the land, choose to sell it at a lesser value and allow a private individual to reap that improved benefit, rather than retain it for itself whilst still delivering the land to the broader community to use for housing and other purposes? That is fundamentally what public sector land development is all about.

It is little wonder that the Liberals and many individuals in the private development sector hate the idea. Of course they hate the idea. They hate the idea because it means they cannot make as much money. That is why they hate the idea. There is nothing high

mindful and altruistic about this. It is simply that it is all about their self-interest. They want to be able to reap the improved benefit from selling a developed parcel of land rather than the community.

No, this government says the community owns the land. The community should ensure that it gets a full and proper return on that land, whilst still delivering it at an affordable price to the broader community. That is why the Land Development Agency has been established. The challenge for those opposite is: how will they address the issues of reduced land revenues if they move back to a situation where they simply sell land in globo or raw? How will they address the massive shortfall in land revenues that will come following that? That is the issue that the Liberal Party simply cannot address to date.

Leaving aside that broad philosophical issue about why you have public sector land development, I move to Mr Seselja's so-called suggestion that the government could save some money by reducing staffing at the LDA. I do not know whether he has read the budget papers, but in the budget papers he will see, if he did read them—

Mr Seselja: Is that the right budget paper you have got there? Before, he had the wrong one. Have you got this year's?

MR CORBELL: Indeed it is, Mr Seselja. Look, there you go: 2006. I am right. If you look at the budget papers, you will see that there is no capital funding, there is no appropriation given to the Land Development Agency by the government. We will not in, all of this budget, vote to appropriate any money to the LDA.

Mr Seselja: You give them lots of land.

MR CORBELL: They pay us for the land under this new arrangement. They pay the territory for the land that is given to them. It is sold to them. That is how it is accounted for. Mr Seselja identified a saving that cannot go to the budget bottom line. That is exactly the sort of saving the Liberals want in this budget, because they will not support any measure that improves efficiency.

I also turn to the issue Mr Seselja raised about signage and advertising. The LDA has set standards which are consistent with market standards, and that is that around two to three per cent of land sales revenue is used in advertising and marketing activities. That is an industry benchmark—two to three per cent of land sales revenue goes towards marketing and advertising. The LDA, in the coming financial year, has set itself a target of two per cent, which is below the industry benchmark.

In relation to the issues that Mr Seselja has raised about EpiCentre, I first of all say one thing very clearly: I have full confidence in the work of the planning authority and the Land Development Agency on this matter. I have reviewed the processes closely. I have examined carefully all of the work they have undertaken on this process. I have no doubt as to the probity and the clear and unequivocal advice that those agencies gave to all potential bidders for the auction of land at the EpiCentre site at Fyshwick.

Mr Seselja can continue to pick whatever particular instance he wants to out of context for as long as he likes, but it will not ignore the simple fact that two things occurred.

First of all, all bidders were aware of what the land could be used for. As Justice Connolly ruled, when he dismissed the injunction from Terry Snow to stop the auction on the very grounds that Mr Seselja now argues, it was very clear what uses were permitted on the site. He spelt them out in his judgment and went on to say that any company, particularly companies of the size of Mr Snow's and others, were well aware of how the leasehold system and the territory plan interacted in this town. Connolly J ruled very, very clearly that bidders knew what the land could be used for.

Secondly, did the territory taxpayer get value for money for this land? Yes, they did. What is the reason for that? The reason for that is: No 1, the territory got a record price for any land auction, \$39 million. The price was well in excess of the value of two independent valuations received by the Land Development Agency for the uses of the site. Those valuations were based on the lease and development conditions. We all know that the development industry is a competitive process and that, particularly in relation to the site, there is significant commercial competition involved.

It is interesting that every critique that we hear from the Liberal opposition seems to echo almost precisely the media releases and comments that have occurred on a day-by-day basis from Mr Terry Snow. I would suggest to you, Mr Speaker, that the Liberal Party and Mr Seselja on this matter are no more than a voice piece for Mr Snow. Mr Snow is a commercial rival of the proposed proponents of the DFO at Fyshwick. He has a direct commercial interest in seeing their development fail and his succeed. He has a direct commercial interest in seeing as much criticism and confusion laid over this development proposal as he can, because he knows that the longer that development can be stopped, prevented, held up or delayed—

MR SPEAKER: The member's time has expired.

MR CORBELL: I will continue, Mr Speaker, with my second 10 minutes. As long as he can halt, delay or defer that development, the more he can get from having been in a monopoly position of providing that type of retail activity in this city. Mr Snow's criticisms are not in the public interest; they are in his self-interest. Mr Seselja simply perpetrates and continues Mr Snow's agenda.

I now turn to a range of other issues that have been raised by Mr Seselja and others during the debate. First of all, I certainly welcome Mr Seselja's comments on the reform agenda and his complimentary comments in relation to Mr Savery. I am very proud of the work Neil Savery has done as chief planning executive. He is well respected in this city. His commitment to proper planning processes is without question. Under his leadership, as its first permanent chief planning executive, we have seen, since this government established ACTPLA, a considerable increase in public and business confidence in the operations of the Planning and Land Authority.

Mr Seselja raised the issue of development application fees. The government has put development application fees on a par with those in similar sized cities to Canberra. For example, we have looked at development application fees in Wollongong, Wagga Wagga and a range of other cities that have similar population sizes and similar urban areas. We basically put them on the same level—nothing more or nothing less than that.

Given the level of development activity that continues to occur in the city, it does not appear to be having a huge impost. Let us reflect on it: less than a two per cent vacancy rate in this city at the moment. Building and office building is a very considerable investment but one that can be undertaken with a high degree of certainty at the moment because of that vacancy rate. I am sure that those development companies can afford a reasonable level of development application fee.

Mr Seselja also dealt with the busway. This is where the government is damned if it does and damned if it does not. We had Mr Seselja saying, "What a waste of money." Then we had Dr Foskey saying, "The government has got to do more to plan for more public transport in this city." We had them coming from both angles—too much and not enough. That suggests to me that the government has got a clear agenda and that it is continuing to work on the busway. The transit way is an important project.

The reality is that our city will continue to have to respond to the issue of rising petrol prices, the decline of that essential energy source and the need to build and future-proof the city for a future where reliance on communal transport modes will become more and more necessary. The transit way is about confirming the corridor for that future public transport link. Whether it is a light rail link, a heavy rail link, an O-bahn-type system or a busway, it does not really matter what the technology is. What does matter is that we have got the corridor confirmed. Cities that fail to make this provision, set the land aside and have clear corridors in place, with the detailed planning work done, will be left behind when it comes to the need to put in place effective rapid transit for their citizens.

This is the challenge we face from global warming and the challenge we face from the peak oil phenomenon. It is something which we must face. I will continue to advocate the importance of investing in public transport. Globally competitive cities have high-quality public transport. It is not just an environmental agenda; it is an economic and social agenda as well. Cities that ignore that fact will be cities that are left behind in the development of the global economy, the development of the sustainable economy, and the development of an economy of a society which takes its environmental responsibilities seriously.

Dr Foskey raised a range of issues on public consultation. Public consultation is not an area where ACTPLA is withdrawing from. Dr Foskey is wrong to suggest that. Public consultation remains a central part of informing good planning policy. Where Dr Foskey and I disagree is where and when that public consultation should take place. The government's view is: public consultation is most important when it takes place in informing planning policy—what can go where, what type of development can happen, where it can happen, where it cannot happen—but you do not use public consultation processes to justify revisiting policy debates again and again and again, once the policy has been set and once someone has tried to put in place a development consistent with that policy. That is where we disagree. The government is right to say the community should be involved up front in setting the rules. Once the rules are set, if someone plays by the rules, they should be able to work through that process in an efficient way.

There are a range of other issues that members have raised in the debate today. I do not have time, regrettably, to go through them all, but I say in conclusion that members have not, in my view, fully addressed the full range of issues which the Planning and Land

Authority has responsibility for and for which this government has provided funding. In particular, members have not addressed the fact that, since the establishment of the Planning and Land Authority and the Land Development Agency, we have seen one of the most significant development phases this city has faced since self-government, and we have seen two agencies respond to one of the broadest range of agendas that this city has ever put in place on planning and development.

We have changed the metropolitan plan. We have a new urban development area in Molonglo, a complete change to the way the metropolitan structure of this city has been put in place since the 1950s. We have put in place, for the first time, targets on shifting transport activity from private motorcar to the public transport and sustainable transport sector—the first time any government has done that. We have put in place a complete rewrite of the Land Act, a complete reform of the underlying legislation of government planning and development in the city—the first time that has been done since self-government.

We have put in place measures to bring in public sector land development. We have put in place measures to grow better looking, more liveable, more effective neighbourhoods in those greenfields areas. We have put in place measures to reduce water use in developments. We have put in place measures to increase the energy efficiency of dwellings. We have done this on a broad scale, on a comprehensive scale and on a scale that is unprecedented in the history of self-government, and we have done it in a way where we now have people saying that ACTPLA is a progressive and an effective planning authority which is responding to the challenges that it faces and is engaged in and talking with industry and the community. I congratulate the staff from ACTPLA and LDA for the work they are doing, and I commend the budget for ACTPLA to the Assembly.

MR SPEAKER: The minister's time has expired.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.13—Department of Disability, Housing and Community Services, \$173,241,000 (net cost of outputs), \$21,758,000 (capital injection) and \$28,297,000 (payments on behalf of the territory), totalling \$223,296,000.

MRS BURKE (Molonglo) (11.22): The disability housing and community services portfolio is certainly responsible for a broad range of human services and the policies and programs that accompany such services. Disability services, the Assembly would be aware, is an area with a constant need for review of funding levels and exactly how the services need to be refined, adjusted and, most definitely, remain centred on the client as a priority.

I was particularly interested in the recent decision taken to conduct a trial on the delivery of disability group home services in the ACT. The Gallop report made this recommendation:

The Disability Program should not continue to be responsible as landlord for providing accommodation for its clients. Instead, disabled people should have the

same rights and entitlements to enter into accommodation agreements with housing providers, both government or private, as is available in the general community.

No-one would deny any member of the community the right to be empowered to take up an accommodation option of their choosing, but I argue that Canberrans who currently access the disability group homes and who require particular care needs will, if they choose to, move into alternative supported housing options. It is the Liberal opposition's belief that the government has a duty to offer essential services that are adequately funded in order to meet the specific need.

It is hoped that sufficient numbers of staff are still maintained by Disability ACT to continue operating disability group homes in the ACT. It is well known that community sector support workers tend to be highly motivated, well trained, focused on the task at hand and seemingly tend to remain in the sector for sustained periods of time. I say this as it would be interesting to compare the levels of support offered to community sector support workers by their organisation, as opposed to the training and support offered to disability support workers operating in government-owned group homes.

I acknowledge the previous minister's statement that they have no intention of closing group homes. Ms Gallagher, as minister responsible, has also said that group homes will not be closing. I simply hope that this is not going to be an issue that will see group homes closed—if I can use the words—“by stealth” so that, when a person moves out of a group home and a space becomes available, we do not fill the space and eventually homes close. I am going to be watching that very carefully. I know that the minister knows I will be watching carefully, too. It really is important that we leave as many options as we can in our community for those people with a disability to be able to access.

In turn, it would be interesting to see a breakdown of any efficiency savings that Disability ACT may well extract from a greater involvement of the community sector in the delivery of accommodation services for people with a disability. It is hoped that, in no way, will the service experience a downturn as a result of any devolution of responsibility for the operation of a disability group home model from government to the community sector.

I turn to the decision, rather premature I believe, to cut overmatching funding for the supported accommodation assistance program, or SAAP. No doubt it will be felt throughout the crisis accommodation and community services sectors. It is still difficult to digest the words the minister put forth during the estimates process when asked just how the sector would cope with the reduction in the ACT's contribution to SAAP services. I was astounded that, in essence, the government has to seek efficiency gains in this area and that the sector would cope with the funding reduction. This section of our community is under inordinate pressure. I am going to be waiting and watching, as is the sector, who are still reeling, I have to say, from the announcement, to see how they cope. It will be very interesting.

ACTCOSS reported in the estimates process that it was concerned over the “reductions to the level of SAAP funding and the implications of these changes for the ACT homelessness strategy”. Again, it is disappointing, because a lot of work was put into that strategy by the sector and by the former minister Bill Wood. Is this going to be

another glossy document that will be trashed? Are we going to simply toss that out like we did with education 2010 and went to 2020? It seems we are wasting so much money putting up good strategies and then not carrying them through.

Shelter ACT were also quoted as reacting with “disquiet over the decision by the ACT government to reduce the level of overmatched expenditure allocated against the housing and SAAP funding agreements with the commonwealth”. It is interesting to note that it was almost this childlike response: “We do not have to pay that money; so we are not going to.” The thing is that the sector, from what I can gather, has lived up to that mark and is expectant of that money being available in the sector. The minister would argue that there are people who are well and truly overfunded. It would all depend on when information is gathered—and I will talk about that in a moment—on the level of funding being provided.

It is hoped that this government will review its decision and reconsider a reinstatement of the overmatching of funds for SAAP services. It is certainly hoped that the government will reconsider this during next year’s budgetary process. Naturally, the housing and community services sector would appreciate any reinstatement of funding so desperately needed to accommodate perceived need.

Month after month, I turn up to meetings and have reports back from the sector that we simply have not got the places. I give the government the benefit of the doubt. Whilst it is a bit difficult for me to do that, with people still telling me that they are experiencing problems or they cannot find accommodation for people, I have to obviously be wise and give the government the opportunity to work through that. Again, there is a lot of tentativeness out there in the sector. Perhaps the government will take some interest in this and look into this for me and for the sector.

I also ask that the government consider investigating just how data is collected and collated under the national data collection service, as I have said, to establish the level of SAAP funding. I ask that we ensure our service providers are providing the correct level of data. Again, I am not au fait with what is involved in the collection of data, but it appears that there may be some problems that ultimately place providers of such services in the ACT in a dubious position. The example I use is this: is the data being collected on a Friday or on a Monday? In some of the emergency accommodation sectors, that would have a huge impact on how the funding is appropriated or apportioned.

Again, anything that the minister can do to look into that area would be appreciated. I know it is a problem in the sector. Comparable to other states and territories, it does not seem as though we are matching funding. I would appreciate somebody giving me a briefing on that. Perhaps we can work through that together. I am happy to help if I can. Finally, cognisant of the time, I finish by noting that, quite frankly, the sector is reeling. This sector, already stretched to capacity, is now having to pay the price, sadly, for the Stanhope government’s abysmal financial mismanagement.

DR FOSKEY (Molonglo) (11.31): A number of the community organisation budget submissions in the lead-up to this budget recognised that it would be a difficult budget, but warned the ACT government not to make any cuts in housing or homelessness funding, yet the government’s cuts to SAAP funds have been dramatic and harsh and have caused much angst amongst housing providers in the community sector. Many

emergency housing providers have said that they feel these cuts personally. It is so difficult to understand why the government would act in this way, attacking organisations and the many disadvantaged people they support.

SAAP has been the main strategy against homelessness provided by the federal and ACT governments, yet both are fighting about their contributions and cutting them back. Because the federal government made cuts, the ACT said it has to do the same and it does not want to put in more money than the federal government. May I remind ministers that, while they are caught up in politics and conflicts, there are people out there in crisis situations and their actions are doing nothing to help them.

SAAP cuts are being made on the basis that some houses are not operating at full capacity but are being paid at that rate, yet we have had plenty of calls from community workers citing houses that are often empty and have not received any cuts, and houses that are operating at maximum capacity and have received cuts. Although the sector is already feeling the pain of this budget, it does not yet know what the full impact will be. Organisations feel unsafe, they are not talking, and they are being played off against each other.

There has also been talk about housing providers having to change their models of service delivery, but nobody really knows yet what this means. There will be job losses, but people do not know yet where they will be. The sector is operating in the dark. ACTCOSS have requested that a joint reference group be established to deal with these problems and future impacts. They have also asked that a breakdown of the cuts be provided, but they are yet to receive this information. We want to know the extent of these cuts as a whole and how the government will work with the sector to implement them and resolve the problems they cause.

What is even scarier is the impact that these changes might have on core pricing principles for the community sector. The government has not convened the community sector funding group for quite some time to discuss the community sector funding policy, and there is doubt that they will ever meet again. I hope that ministers Stanhope, Gallagher and Hargreaves—I think I will have to add Mr Barr to that—realise the full impact of this budget. I hope you understand the pain that you have caused this community, and I do not mean pain in some sort of metaphorical sense but pain as in people crying about the loss of their jobs and their schools, the fact that their clients will be worse off, and the fear they have for the future. This budget has done enormous damage to the sector and the disadvantaged people that it supports and it will take a long time to repair it. Vale, social plan!

To move beyond SAAP and look at the bigger housing picture, a lot of the government's strategies seem to be based on the assumption that there are exit points for consumers, places for them to move on to once their lives have been somewhat stabilised, but there are not. Indeed, the changes to the eligibility criteria for accessing public housing make people who have managed to make a success of their life ineligible. The YWCA has reported that it has in medium-term SAAP accommodation two families who are stabilised and have jobs, but that makes them ineligible for public housing.

Many people in SAAP accommodation no longer fit into public housing's highest priority list because of the changes in eligibility criteria. They will have to stay in SAAP

accommodation until they can afford a private rental dwelling, but the chances of that are slim. So are we going to see SAAP filling up as well? The only other place they might be able to go is community housing, but that is also at capacity and has received no additional funding in this budget.

Representatives of DHCS commented in the estimates hearings that they recognise that this is a big problem and are trying to reform the SAAP service system to deal with it. I will watch these changes with great interest, but, until the government recognises that our whole housing system cannot be based on the assumption that there is affordable private rental accommodation out there, I wonder how successful such reforms will be.

A number of ACT government commitments to the community sector have gone to ground in this budget, including the community funding policy, the social compact and the standard funding agreement. As I have previously outlined when talking about SAAP services, organisations are in fear of the future. They do not know what future pricing principles will look like and, if they are anything like the SAAP changes, they will make the sector even more unviable. That is not a future that they look forward to.

The government thought it had to slash funding, but it took no time to think about the implications of cuts for social services. In this way, it is not a budget for the future, because of its negative impact on the social wellbeing of many Canberra residents living in disadvantage. The situation will still be there in years to come. All we can do is hope that a future government will engage in actions and budgets that provide security for the government's financial situation and for the social wellbeing of our residents. Of course, that could be this government in future years.

One of the things that the community sector was pleased to hear about was the centralised grants portal. Whilst the estimates process was unable to shed light on how it will operate, there are high hopes that it will cut duplication of effort and thus save the precious administrative time of community service organisations and, assumedly, the department, given the large amount of time that they spend on grant applications and reporting. It should be easy to find out what is available from the government and how to access it. The real concern here is how well the government can manage the portal behind the single face it presents. There are complexities to be considered and it will be a real test of the department's coordination skills. We will be watching what impact staff cuts have on the government's ability to have enough skilled funding managers to handle this work.

I note that rationalisation of boards and committees also fits somewhat into this process, with \$875,000 expected to be saved over four years. It is amazing to see the number of consultation mechanisms the government is cutting back on, given its wonderful community engagement protocol. We will also be watching these changes closely, as little detail has been provided on this action to date. I will remain sceptical until I see the results of those changes.

It must be difficult for the public servants sitting within the community engagement unit; they must be frustrated and wondering why they are there. This government often goes out to the community under the pseudonym of public consultation but ignores the community engagement strategy when it does so. If by chance the community engagement unit is asked for advice, it is often not followed. Ironically, under the

previous government there was a clear consultation protocol that members of the public and the Assembly could follow, but the excellent engagement strategy that now exists is voluntary and non-prescriptive and is not followed by government often enough.

In relation to disability, we are very pleased with the increased funding of home and community care programs that will enable people to continue to live in the community. We are pleased that the ACT government has matched commonwealth funding to reduce the number of younger people with disabilities in aged care facilities. That is a major advance for one of the most marginalised and isolated groups of people with disabilities in the community.

There is, however, a continuing high level of unmet need for ISPs and other general support for people with disabilities to engage in the broader community. We must also keep a watch on how the welfare to work proposal impacts on ACT government services for people with a disability, because there may be an increase in demand. I note that DHCS is doing some work in this area and I look forward to hearing about its findings and recommended initiatives.

Turning to childcare, the Greens have been calling in recent months for the government to investigate the level of demand for childcare across the community, to consider co-locating childcare centres with primary schools, and to develop a childcare strategy. We have seen movement on these requests, even though the government knocked back my motion at the time. It has undertaken a mapping exercise and preliminary results have revealed a shortage of places for babies and young infants in many parts of Canberra. It is also considering providing extra space at Lyons primary school for childcare. However, I still call on the ACT government to develop a childcare strategy, given the large number of preschools proposed for closure and unmet demand concerning babies and young infants.

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

DR FOSKEY: I wish to take advantage of the opportunity to speak for a further 10 minutes. This budget has provided very few youth-specific initiatives through this section of the department, despite the ACT having the highest proportion of young people in Australia. There are, however, a number of budget initiatives that relate to young people and I will make mention of them here. Initiatives that will have a positive impact on children and young people include the 3.7 per cent indexation for youth and community services, increased access to short and long-term 24-hour residential supported accommodation and day support for young people with mental illnesses, and increased funding for mental health promotion, prevention and early intervention initiatives, particularly in regard to training for youth workers through the children of parents with a mental illness initiative and community mental health education.

However, there are some initiatives that will have a negative impact. These include the proposed closure of 39 schools; lack of clarity regarding the Commissioner for Children and Young People; tightening of eligibility criteria for public housing; cutting SAAP funding for homelessness services and the closure of some refuge accommodation, recognising that young people probably make up the greater proportion of clients in those areas; removal of \$70,000 from the renew community infrastructure and facilities grant; lack of commitment to funding new initiatives in the alcohol and other drugs

sector; and no training or sector development funding for the youth sector to support young people who are presenting with increasingly complex issues, such as dual diagnosis of mental health, and alcohol and other drug issues. When you compare the positive with the negative, it looks like our young people are worse off.

I have a few concerns about Quamby. The first is Mental Health ACT's removal of the two on-site psychologists due to occupational health and safety issues. Although Quamby has now fixed the problems, the psychologists are not back on site. According to an estimates question on notice, there were six incidents of self-harm in 2005-06. Given that and the difficulty that young people, especially ones in Quamby, have in opening up and asking for help, the government needs to return the on-site psychologists immediately.

My second concern is in regard to the human rights audit of Quamby. It was a major project that delivered important recommendations. I note that some recommendations that could be implemented at this stage, regarding food and the demountables, have been implemented, but others have not. The fact that the cage is still operating at Quamby is disgraceful and I call on the government to take immediate action to remedy this human rights infringement.

I am also concerned that the government claims that it cannot implement all of the human rights recommendations, such as segregating remandees and offenders, due to economies of scale, but at the same time it has rejected our call to give the new youth detention facility a regional, rather than ACT, focus to overcome economies of scale. It would be much more conducive to rehabilitation if young people from places such as Yass and Queanbeyan were sent to the ACT rather than Wollongong and if young remandees could be therefore separated from convicted offenders.

Turning to multicultural affairs, we are concerned that the ACT government's commitment to multiculturalism and consultation has petered out under Minister Hargreaves. During estimates, the minister said that multicultural affairs did not need to be prioritised in Canberra because we do not suffer from racial riots like those in Cronulla. The minister thinks he knows more about the community than the community does. I am told by young people that the text messages regarding Cronulla were reaching Canberra and that some young people in Canberra were responding to the calls. We are not isolated.

The fact that in the estimates hearings the minister could name only two activities run by the Office of Multicultural Affairs is also a sad reflection of his commitment to the portfolio. Mr Hargreaves also denied the need for a peak multicultural body or secure funding for such a body. Whilst I recognise that we currently have two peak bodies, we have to find a way to provide secure funding to peak organisations in the long run. At the moment, both organisations can only look to the short term and that will have a major impact on the work they are able to conduct.

The disbandment of the Ministerial Advisory Council on Multicultural Affairs leaves the minister with diminished community representation and community advice. Whilst I appreciate the value of his multicultural forums, I still do not see that they replace MACMA. There should not be any need to choose between MACMA and forums as he could have both, but apparently he does not want that.

The multicultural strategy that the minister will deliver later this year will have to be exceptional if it is to make up for the negative impact that he has had on his portfolio and worrying racial incidents that have occurred over the past year. On a positive note, however, I was really pleased to hear that the minister has ensured that women and young people will be represented in the Muslim advisory group. This is an issue that I have been concerned about for some time and raised several times in the Assembly, so I am really pleased progress has been made.

Turning to indigenous issues, the Greens are very supportive of the progress being made in regard to the ATSI representative body and the consultation that has been conducted. However, I note that there will be no funding to develop this initiative until 2007-08 and that \$390,000 will then be provided over four years. I look forward to seeing the recommendations regarding this body and hearing the government's response.

We are also supportive of the integrated indigenous service delivery, which takes a holistic approach and looks at the education, health and wellbeing of indigenous children and young people. We are especially pleased given the poorer educational outcomes and the saddening overrepresentation of indigenous young people in the care and protection and juvenile justice systems. A child's transition between different levels of schooling can be very stressful and we need to make sure that at-risk children do not drop out of the system in the process. Many indigenous children will lose their schools if the 2020 strategy goes ahead and I am not sure that all of them will be happily relocated. In other words, gaps will open up that they may well fall through. We need a much clearer explanation of how this initiative will work.

Finally, I think that we were all quite alarmed to hear that ACTCOSS was to lose its only indigenous officers due to a cut in SAAP funding. I think the government quickly realised the extent of its mistake and how reliant it is upon those officers to provide advice to government and provide bridges between different indigenous groups. I was very pleased to hear that the government will be providing \$90,000 to keep these officers in ACTCOSS. That, of course, is not enough to maintain the two positions, but ACTCOSS considers them so important that it will find the extra funds from somewhere.

In conclusion, despite my criticisms here of the government and of the minister, I want to pay my respects to everybody who works in this area of the department because it is, I believe, where the hard work of government is done of facing people in need, not always with the resources and the support that are required. My hat goes off to those people in multicultural affairs, community engagement, and disability, housing and community services.

MR PRATT (Brindabella) (11.50): In speaking to the DHCS portfolio, I am going to focus on multicultural affairs. In the 2006-07 budget there is no specific funding identified for multicultural affairs programs and initiatives. The lack of funding or the relatively small amount of funding for this area of the community is starkly evident. In addition to the lack of initiatives in the 2006-07 budget, we have recently heard talk of major cutbacks in government support for Canberra's multicultural festival and multicultural fringe festival, although there have been some comments made that those activities have been adjusted. We look forward to seeing the results of those adjustments.

The government has tried to dispel these rumours and the multicultural affairs minister has said that he will maintain funding for the coming year. We will have to wait and see whether he puts his money where his mouth is. Any funding cuts to these areas could not be justified, if that is going to be the case, especially if the Stanhope government is serious about its commitment to encouraging a vibrant and active community. Whilst there may well be the usual series of smaller community grants funded programs for the multicultural community, there is little else in the 2006-07 budget that shows any real commitment to cultural diversity under this government. The 2006-07 budget is extremely disappointing in that regard.

It seems that the only major funding commitment the Stanhope government has each year now is through the multicultural festival and associated activities, but we still had the recent scare that the multicultural festival might be cut back from two weeks of celebrations to a single weekend and that the fringe festival might be cut completely. I have heard on the grapevine that the integrity of the festival will be retained, but I have not seen the delivery of that in dollars, I have not seen it in hard copy and I do not think we got clear answers to the questions about that in estimates. Watch this space!

Mr Speaker, there are concerns about a shortage of funding for some of the ethnic community activities. It is important that these communities are funded to at least the levels they have been in the past. There are contributing members of our ethnic community who have put a lot of time and effort into organising multicultural events. I am going to talk about one of those shortly. These people deserve to know exactly where they stand in relation to this government's plans for managing its finances this year. Some of them are not yet clear about that.

Whilst there may well be a series of smaller community grants funding programs for the multicultural community, there is little that shows any real commitment to diversity. Take, for example, the Australian-Indian Mandir society and the broader Hindu community which last week ran a friendship festival, culminating in a very large event at the racecourse, a major Canberran event which cost that community about \$40,000. They tell me that they did not get a single razoo out of this government to contribute to the running of that freedom festival. It cost a lot of money and this community, which is a major ethnic community in Canberra, did not get a single razoo from the government, according to members of the committee when I spoke to them on Sunday afternoon.

If the government has given the community something since Sunday, I would like to hear about it. If the government has not, I would like to know why. Perhaps the minister, in summing up on this line item, will explain why that has been the case and why other like-minded groups would not get a single dollar either. I am concerned that the Stanhope government has not put sufficient funding into those groups and I am concerned that questions remain over the continued funding of core multicultural activities. Not enough funding has been allocated for ethnic group activities and for community education and information.

With respect to education and information, it is important that the government enhance communication with ethnic communities, particularly given the political and security environment in which both this territory and the country find themselves. The relatively small amount of funding provided calls into question this government's commitment to

multicultural affairs in the territory. That is evident when you read the government's response to this year's estimates committee report.

The estimates committee report noted several concerns coming out of the estimates hearings. These concerns include the scrapping of the multicultural affairs advisory council, the fact that funding for multicultural affairs is not separately identified in the budget but included in community engagement, and the lack of specified funding for multicultural programs in the ACT. In its response to these concerns, the Stanhope government has refused to provide a breakdown of funds for multicultural affairs in future budgets and has refused to reinstate MACMA or a similar representative body, even a new gaggle of people. I echo the concerns expressed by Dr Foskey. We firmly believe that there should be a ministerial-level advisory body of some sort.

The government's excuse for not reinstating a body such as MACMA is that it reckons it is engaging in consultation by holding various consultative forums. The opposition believes that that is no substitute for receiving ministerial-level advice and direction from a ministerial forum, council, body or cooperative which has been purpose formed and is across and aware of the issues more than those who provide more casual advice may be. We think that the best answer is to have both.

We know that the minister has been getting good advice and has been active in talking to a wide range of community groups, but we think that he ought to be doing both. He ought to be able to continue with that engagement, but he still needs a body of people who are well-qualified, well-experienced and well-respected by the range of community groups to be the anchor point for ongoing and continued ministerial advice. The government does not believe that this balance is needed, which is quite a shame. Why is that? Are they concerned that they might be compelled to take advice from an advisory council or forum? That should not worry this government because it does not take advice from anybody unless it suits the government.

The government also said in its response to the estimates committee's report that it had formed a Muslim advisory council to supplement community consultation. So we have gone from having no multicultural advisory council to having only a Muslim advisory council. Whilst having a Muslim advisory council is extremely useful in the current difficult political environment internationally and some special attention is needed to support our Muslim community, what has happened to the government's commitment to the rest of the multicultural community? Why would the government seek advice from an advisory council from one section of the multicultural community and not others? The multicultural community, if we count families with at least one parent born overseas, constitutes about 25 per cent of the broader Canberran community.

Mr Hargreaves: It would be more than that.

MR PRATT: At least that. Perhaps you are right; perhaps it is more. Any government and, I might add, any opposition, any MLA in this place, ignores at their peril the fact that the multicultural community is a very large segment of the Canberran landscape, and we should never forget that. Mr Speaker, this is an extremely disappointing budget from the multicultural community's point of view. This government does not appear to be serious about supporting the multicultural communities in their diversity and entirety across the scope of the ACT.

Friday, 25 August 2006

MR HARGREAVES (Brindabella—Minister for the Territory and Municipal Services, Minister for Housing and Minister for Multicultural Affairs) (12.00): Firstly, I thank Mr Pratt for his contribution to this debate. I think Dr Foskey's contribution was abysmal. It was based on a position of weakness and absolute rank ignorance. I have to say, for the record, that I have had the pleasure of Mr Pratt's company on many an occasion out there in the multicultural community.

From time to time we have to pay credit to our counterparts on the other benches for their commitment to multiculturalism, and I do. But I would like to ask Mr Pratt probably the most challenging question of his life so far. When was the last time you saw Dr Foskey at a multicultural event? I will keep going because Mr Pratt is going to take an awfully long time to actually try and figure that one out. The answer to that, Mr Speaker, is that it rarely happens. We never see her anywhere, and there is usually a pretty good reason for that. She is never invited to anything.

Mr Pratt: I have seen her at a significant number of them.

MR HARGREAVES: Well, I have not. Let me tell you, I walk with the community very, very significantly and I have not seen her at any of them. Why is that? It is because, in fact, she is irrelevant to the process. One day those opposite will form government and they will have the destiny of the multicultural community in their hands. At the moment we have, but the Greens will never ever have the reins of power. They will never have the ability to actually change a thing. That is why the people in the multicultural community, who are actually politically aware and astute, ignore her, as I intend to do.

I will say this, Mr Deputy Speaker. In her diatribe Dr Foskey said, "You did not give money to this person. You did not give money to this organisation. You did not give money to this. You should give money to this other activity. You should give money to ACTCOSS." Did she say who was going to miss out so that those organisations could get that money? No, she did not. From the beginning of this debate she has not said which part of the community is going to suffer because another part of the community gets something. I think that is irresponsible on her part.

I just remind the good doctor of what happened in the Weimar Republic in 1927, I think it was, when people used to take a wheelbarrow to work to get their pay. The people in the Weimar Republic continually printed money. That is what she wants us to do—continually print money and hand it out. Well, it does not work that way. We have a sizable cake of resources and they have to go as fairly as we can distribute them.

Mr Deputy Speaker, you asked about the Ministerial Advisory Council for Multicultural Affairs and why it was not needed. There were two reasons, as I have articulated before to you and to the Assembly. One is that I do not believe that a globally appointed body can truly represent the smaller and emerging communities. It cannot. I challenge people to think about how one would go about appointing people to such a council. Is it ministerial favour, like the Prime Minister's Muslim Advisory Council? That is not acceptable. There were awful difficulties with that.

Just the other day I had another ministerial forum with the Europeans. As I mentioned in this place, there were 35 different groups and 45 different people at the forum. It is not just ordinary people that come to these forums; the community leaders also come. The forums are meant to build on the previous forums that we had last year and the summit and to give us feedback.

Curiously, what came out of that—and I was actually very pleased about this—was that the smaller and emerging communities called upon us to address certain issues: young people's issues, women's issues, elderly people's issues, access and equity, those sorts of issues. They will be in the draft strategy that I am about to release. Those issues emerged from that forum and the summit.

The Ministerial Advisory Council for Multicultural Affairs worked fairly well for six months and the government received some advice. It was alive for about two years. It spent the second six months fighting amongst itself. It spent the next 12 months bitterly fighting amongst itself. It provided the government with not one piece of paper, not one phone call or conversation around multicultural issues. So you have to ask yourself, Mr Deputy Speaker: why on earth you would continue with that group?

These are the very same people who have been regarded, supposedly, as leaders of the multicultural community. In fact, their membership is spread throughout the membership of the ACT Multicultural Council Inc and the new multicultural forum. It is the same people. I have to say to you, Mr Deputy Speaker, that for the minute I do not need to sponsor a group that wants to fight amongst themselves. I am not interested in doing it.

I would rather walk amongst the people myself and do it. I would rather go to activities that you and I pop up at all the time and speak to the ordinary people about these things because actually it is working. How do we know it is working? It is because the document *The way forward* is out there, warts and all, for everybody to see. We have a draft strategy coming up and we have young people knocking our doors down to be involved.

It has been said that there is not enough money for multicultural issues in the budget. There has not been a reduction. I have gone on TV publicly and said that \$276,000 for the government's contribution to the Multicultural Festival is guaranteed. What a lot of people do not understand about the Multicultural Festival, of course, is that it exists in cash and in kind. For example, last year \$100,000 came from the tradies. Typically, the CFMEU, working for the benefit of people's families and family life, used some of the money they get from the tradies club. That was a fantastic contribution. The Hellenic Club threw in a couple of quid. Some embassies brought in stuff. The Chinese embassy was brilliant. It sent the China Disabled People's Performing Arts Troupe last time. It was great.

We need to understand the context of the festival. It is not just the government putting it on for the people of Canberra. It is, in fact, the multicultural people of Canberra putting it on with assistance from the government. That is the truth of it all. The Multicultural Fringe Festival is going to be in Civic Square, right here. I understand that moving the fringe festival to here—I might not have the numbers exactly right—saved the production \$27,000.

That is the level of commitment that Dominic Mico and his band of people have to this multicultural festival. If Dominic Mico has one failing, it is that he loves his community more than he loves himself. He is often stressing out and having strokes and heart attacks. I can tell you that, thanks to Dominic Mico, we are going to get a great festival this year.

The creation of the Muslim Advisory Council confirms that it is that particular community that is under attack at the moment. May I take my second 10 minutes, Mr Deputy Speaker? I will be as brief as I can.

MR DEPUTY SPEAKER: Go ahead, Mr Hargreaves.

MR HARGREAVES: I want to take a quick look at the history of multiculturalism in this country. Of course, indigenous Australians have been badly dealt with, but I will debate that at another time. In the gold rush era of the 1850s it was the Chinese people's turn. Not too far from here, at Young, then known as Lambing Flat, the Chinese massacre took place. That was their turn. In the 1960s it was the southern Europeans. When the Snowy hydro was being built, Cooma was the most multicultural place in the country.

But let me tell you, at about the same time, in Perth, the Slavs were getting a flogging. The Italians and the Greeks were getting "wog" floggings in Melbourne. When I was a kid in Melbourne in the 1960s, racism was rife. Let me tell you, it was not only white people having a go at everybody else. The Greeks and the Turks sitting next to each other on Sydney Road hated each other because of race. They do not do that in this town.

But at the moment it is the turn of the Muslims, and we have to stand up. We have actually woken the sleeping giant of multiculturalism in this town. Now is an opportunity for we leaders in this place, we people of courage in this place to stand up with a vulnerable group of our community and say, "We will not put up with this." I am sure, Mr Deputy Speaker, that you join absolutely and wholeheartedly with me in standing up for these folks.

We need to make sure that we have tabs on what is happening at the political level within the Muslim community, as well as with their ordinary folks. We can tap into the Maltese and we can tap into the Cypriots. But at the moment, as you well know, the Muslim community is not exactly a unified exercise in its own right. For the next 12 months or so we need advice from the Muslim leaders, from the Muslims from Pakistan, from Afghanistan, from Iran, from Iraq and wherever we can get them from. We know, for example, that the Muslim community from Fiji think differently and have a different approach from the Muslim community from Pakistan. We know that those issues are being played out in the mosques of Australia, as well as of Canberra. So we need to keep a tab on that, and that is why I need to have a particularly close conversation.

On the national scale, things are not really good either. The national action plan that is being forced on the states by the federal government has a little piece in it. Let me say that a lot of it I love, but there are a couple of little pieces in there that I have problems with—for instance, the insistence that Muslim clerics be taught about Australian values and Australian cultures. But there is no insistence that fundamentalist Christians—for

example, the southern Baptist preachers from America—be taught about Australian values.

I am sure members will remember the Vietnam War era, when Buddhist monks were self-immolating. That is not exactly part of Australian culture, but do not insist that Buddhist monks that come into Australia receive this education. The Muslims are being singled out, and I have a problem with that. Right now we need the Muslim Advisory Council. I am hoping that, in a year or so, we will not need it any more because everything will be sweet. I am hoping. Call me an optimist if you like.

In your speech, Mr Deputy Speaker, you referred to the Mandir temple. The Mandir temple did not receive any support because we only give support during the grant rounds, whether they are for multicultural radio, multicultural grants or ethnic school grants. There is a process and each of the communities competes in that process. It is as simple as that. In fact, it was probably the worst time of the year for someone to apply for these funds. I put out a press release earlier today—to be sure that I was here before I take some leave—calling for applications for grants under the ethnic grants program, the radio programs, et cetera. It will be in the paper either tomorrow or on the weekend or whenever. Now is the time for those communities to be talking to the Office of Multicultural Affairs about what largesse they can get their hands on.

I want to talk about funding for the ACT Multicultural Council and why I did not give it to the multicultural forum. As far as I was concerned the ACT Multicultural Council did not adhere to the conditions of their grant. They did not deliver the goods that they were asked to deliver. We had to get an Auditor-General's report into their activities. It would have been irresponsible of me to hand over \$67,000 to an organisation like that. No-one knew what we were getting for our money.

It would also have been inappropriate for me to pick a brand new organisation with absolutely no runs on the board, do exactly the same thing and leave them to their fate. This year I decided to take the results out of the summit, get the major things people wanted to know about and project fund it. So we will do seven different projects this coming year to do with women, young people, access and equity and language. There are a couple more that escape me at the moment, and I apologise for that.

This is the responsible thing to do in the multicultural community. We will go out there and give the money to the community itself. We will get the multicultural community to bid for that money and to tell us exactly what they want. I will not allow a select bunch of people, politically appointed, either by me or by numbers that they have been able to crunch themselves, to hijack that resource for the multicultural community. I am not talking about Labor versus Liberal here. If anybody suggests that, they are wrong. What we are talking about is the politics of self-interest, and I will not have that in a multicultural community because that is a divisive way of doing things. It is not a uniting way of doing things.

If, on the other hand, over the next year or so we find that either or both of the communities seem to get their acts together, the government will revisit how it is going to deal with those funds. But at the moment I have no confidence in one, and the other has not quite made it yet for us to go down that track. I do know what the community wants because the community told me. They told me at the forums and they told me at

the summit. When the strategy comes out, people will be able to see it on the web. It is a warts and all thing, hiding nothing; it is out there. We have not reduced the funding.

In respect of disability housing and community services, the intention is to do the administration. There is an organisation out there—and I will not name them; they know who they are—that was receiving overmatching funding for housing. By their own admission to me in my office, they added 30 per cent for administration. There was no consultation, something that Dr Foskey would not know about. Governance by committee is rubbish! We had to bring them in and have a chat to them. I have looked into their eyes and seen their pain. These people were charging 30 per cent for administration when six per cent is appropriate. That additional 24 per cent funding has been withdrawn, not the funding at their service delivery end.

I am applying the same sort of yardstick to my own departments. It is about systems and processes. It is about three small organisations having three photocopiers and three people doing photocopying. You do not need that. You put the three of them together so that their specialist service deliverers can operate. You do not need all that extra administration. I am applying that same strategy to my own departments and I am applying that to the amounts of money we give out to the community. We will probably save just a little bit on that during the housing bid in the next session.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.14—ACT Housing, \$22,384,000 (net cost of outputs) and \$11,353,000 (capital injection), totalling \$33,737,000

MRS BURKE (Molonglo) (12.20 am): Housing ACT has finally been granted an election commitment of a \$30 million capital injection. But one would probably have to ask at what cost? The cutting of funds from service delivery to aid in funding the construction of just 90 more dwellings seems all too apparent as the department is required to find, I understand, in each of the next three years \$6 million in efficiency savings to contribute to funding the seemingly unattainable Stanhope election commitment from 2004.

ACT Shelter and the tenants union both made reference to this commitment during the estimates process. ACT Shelter made a point that it is suitably unclear just how Housing ACT will achieve efficiencies in its service delivery to contribute its \$6 million contribution of the \$10 million contribution each year for the next three years.

The Liberal opposition echoes another point made by ACT Shelter on just how any efficiency gains would, in turn, impact on the appropriate management of housing stock, keeping in mind the targeting of the housing assistance program to those most in need. In addition, it is interesting that the Tenants Union ACT also found it difficult to ascertain specific detail. Surprise, surprise on that note! I am left wondering also just exactly how Housing ACT could continue to offer and sustain a reasonable level of service to its clients if it was taking funds from service delivery in order to pay for capital works.

Again, failure to make public the functional review makes it all but impossible not only for the members in this place and for me, but indeed for the whole community to agree to the Stanhope government's budget. It is making it very difficult, and I think Dr Foskey

has made this point as well, for the sector to understand how the government have reached the figures that they have and how these organisations are going to move forward from this point.

Further to this, even the estimates committee noted in its report to the Assembly that it was concerned as to how these efficiencies will be delivered, I would like to point out that there are a few other areas that could receive further scrutiny, one being the amassing of revenue from the collection of rent. The committee was informed that around 63 per cent of Housing ACT's revenue comes from rent. Of this, around 15 per cent is accrued from renters paying full market rent, and I know that the minister himself admitted in the past that he expects the number of full market rentals to decline over time as the housing assistance program is primarily focused on assisting Canberrans most in need.

This, I believe, will become a policy issue that the Stanhope government will be grappling with in the near future. Do they continue to offer security of tenure, for example, discounting the need to comply with the commonwealth-state housing Agreement that clearly states that housing assistance programs should be offered to those most in need for the duration of need or do they consider innovative ways to assist high income earners who can clearly seek out alternative housing options to move through the system and free up more properties for Canberrans in need?

Until recently debt management appeared to be an area of neglect in this portfolio. It is simply not coming down, and the minister indicated to me in recent correspondence that, as of 7 August 2006, the total amount owing by tenants to Housing ACT is \$2.102 million. That includes rental arrears and sundry debts.

What is puzzling about the debt carried by Housing ACT is that it should be coming down due to the new policy of enforcing a repayment scheme by tenants who fall into arrears of \$500 or more, and of course I am very much in support of that. With every right comes a corresponding responsibility. We have a right to a roof over our heads, but there is also a responsibility. Those of us who are buying our own homes have to pay our mortgages on time.

However, I would ask the minister to consider lowering the threshold and that Housing ACT install a repayment scheme far earlier than \$500. In fact, why not make it \$100? Maybe the minister can explain why they chose the figure of \$500. I believe that we are allowing people to spiral out of debt too quickly. To me, a debt of \$50 is too much for some of the people that we both deal with. Let us pare that back even further; let us catch these people earlier, give them the support that they need and help them to manage and work their way through. \$500 is a huge amount of money to people in this situation. Efficiency gains will remain the catchcry for some time to come, particularly for Housing ACT. There are some very simple areas, I believe, where savings might be achieved, such as debt management and targeting the service to those most in need.

Finally, I look forward to hearing from the minister about whatever happened to the now long-awaited outcomes of his much hailed housing forum. It was held, I think, about six months ago. Those who were involved and the community at large have heard absolutely nothing to date. Sadly, I suspect there will not now be enough money in the kitty to implement too many of the ideas.

I did hear the minister making a comment about the multicultural summit. The details of that have been made public. Is there a chance that you will do the same for all the collated information from the housing summit and the housing forum? I do not see why not. A lot of those people have come to me and said, "We put in all this effort and time. It was a great day. We did have a good get together. But what now?" There has been nothing. They have not seen the fruit of their labours, and to actually float ideas might be a good way for the minister and the government to get even further ideas.

In closing, I look forward to continuing to work with the minister. I could go on and say a lot more, but due to time constraints, I will not. I will continue to give praise where it is due and I will energetically lobby the minister and the Stanhope government when I believe they are failing the community.

DR FOSKEY (Molonglo) (12.27 am): On Thursday, 22 June, a number of community organisations and members of the public rallied against the ACT government's severe cuts to housing and homelessness services in the budget. A number of community organisations had been informed that their services would have funding cuts or be abolished altogether. The cuts included \$1.7 million from existing SAAP services, changes in funding to the community-housing sector and the halving of funding to Canberra housing peak bodies ACT Shelter and the Coalition of Community Housing Organisations of the ACT. In addition, \$7.3 million has been cut from the operating budget of ACT Housing, with eligibility criteria for public housing cut by up to 37 per cent of gross income.

ACTCOSS wanted the government to understand that these actions will increase poverty and disadvantage in the ACT and that the community sector would not tolerate these actions. Prior to this budget, ACTCOSS and other community organisations went to great lengths to let the government know that homelessness services should be quarantined from cuts. If you must cut community services, leave housing alone was the theme of many submissions. In this context SAAP cuts are appalling. They are an attack on the provision of social housing to the ACT community.

Meanwhile, as the government makes drastic cuts in housing services, the availability of affordable housing continues to decline and low income earners are pushed even further from renting and purchasing housing through the private market. The government has not publicly acknowledged the connection between a lack of affordable private rental accommodation and difficulties attracting skilled workers, as the UK and other countries have.

These cuts may see the government make short-term savings, but the long-term sustainability of these actions will see the government under greater pressure in the years to come. The government needs to create long-term financing solutions for the housing portfolio as it creeps further into the red. While the increasing debt can be partly attributed to the diminishing level of commonwealth funding through the CSHA, it can also be attributed to the lack of strategic direction provided to ACT Housing. This is a matter of priorities.

The only strategic direction Mr Hargreaves has provided is a cut in eligibility criteria. On 6 June he took steps to ensure that public housing is more directed at welfare recipients,

which may be a short-term solution to the incredible demand but does little to secure the long-term financial viability of ACT housing as rent receipts fall or sustainable housing solutions for low income earners in housing stress that no longer meet the eligibility criteria.

This move may well see some of the most disadvantaged in our community provided with public housing after a wait, but for those that were once eligible it might see them struggling even further, to the point where they eventually become eligible or they have to choose between a house or a job. If they earn a bit more than the cut-off mark and have great difficulty in accessing affordable and secure housing, surely there is incentive there for them to reduce their wage until they get in. Unfortunately, that will also reduce their capacity to become independent of government assistance. The message is: do not help yourself; stay dependent if you want government housing.

Rent receipts make up 63 per cent of total revenue coming into housing, and market renters alone make up 15 per cent at around \$20 million. In 2001 market renters made up 22 per cent. This percentage has been steadily falling as people move and then houses sell. I was somewhat pleased to hear Mr Hargreaves admit in the estimates hearings that if the ACT government got rid of market renters it would lose the \$20 million and that it currently has no way of finding the funds to replace it. This makes it obvious that we need market renters in the ACT housing system to provide a secure revenue source. Shortly after that I heard that Mr Hargreaves was behind a motion at the recent ALP conference that called for market renters to be relocated. I believe the ALP did not support the motion.

Unfortunately, community housing got very little or no increase in funding. The sector has previously expressed an interest in undertaking a greater role in the provision of affordable housing and the 2002 affordable housing taskforce recommended that the supply of affordable housing be increased partly through an expansion of the community-housing sector.

Increasing the size of community housing over time would also lead to economies of scale and efficiencies for the sector as a whole and for individual organisations. Community housing tenants have extremely high satisfaction levels, higher than for public housing, and it is certainly cheaper than public housing PPPs. I find it hard to understand why the government is not pursuing this cost effective option further.

The minister's recent attack on community organisations that provide expert advice for the government on housing issues was embarrassing and unbecoming of a minister. He made imputations about the quality of work some organisations performed, their need for government funding and the government's need for their expert advice. He has even gone as far as defunding some of these organisations by up to 50 per cent. I am coming to the conclusion that Mr Hargreaves has taken these steps not because he does not need their advice, but because he cannot handle their advice. He does not like the fact that they repeatedly call him to account and point out the areas in which his portfolio needs drastic improvement.

Cutting funding from community organisations, though small in the scheme of things, will do little to assist the ACT government's intention to supply 90 new houses at a cost of \$30 million. Rather, this move will diminish the capacity of the ACT community to

provide free and frank advice to the minister about housing. Does the government prefer to pay big dollars to consultants because they will toe the line?

To move on to the funding dedicated to asset management and the purchase of new stock, the ACT government is claiming that it is going to provide \$30 million to increase the size of public housing stock by some 90 residences. But I think many will doubt this figure, as some \$18 million will be delivered through ACT Housing efficiencies. This begs such questions as: what is to be cut; what happens if the efficiencies are not achieved; how does it mix with the 500 houses Housing ACT is considering selling and will this result in net loss or net gain of properties? Unfortunately, the minister was unable, or unwilling, to answer this final question during estimates. We are left wondering.

Finally, we have learnt since the budget was delivered that ACT Housing shopfronts are to close. What will this do to improve the access of already disadvantaged residents to necessary government services? The budget was very light on this detail.

There are several ways in which the ACT government can improve the long-term viability of its housing portfolio and I am very glad to see it is starting to do something via its new taskforce. The Chief Minister has indicated his intention to set up an affordable housing task force within CMD. It is my impression that the task force will not focus on public housing but rather the manner in which the ACT government can encourage the supply of affordable housing in the private market. If it can achieve this, it will make a big difference in relieving the high demand for public housing, not just home ownership.

The real question is whether or not this task force can deliver something that actually changes the situation we face. We need an implementation plan with targets and timelines. We need innovative solutions that engage with the private market. We need a minister that will take responsibility, listen to advice and criticism and provide leadership.

MR HARGREAVES (Brindabella—Minister for the Territory and Municipal Services, Minister for Housing and Minister for Multicultural Affairs) (12.36 am): I wanted to start by drawing a bit of a comparison here. Mrs Burke questioned whether we were going to get the 90 properties for the \$30 million and whether in fact that is enough. She questioned our intentions around the 500 homes, saying, “It is not enough.” We agree with her in a way; that is why we have these other strategies in place. But this contrasts, I have to tell you, Mr Deputy Speaker, with the dissenting report put in by your good self and Mr Smyth. I will read from page 13 of the dissenting report, at paragraph 3.10. I will leave out little bits which are irrelevant. You can look for yourself. It says:

Indeed, the analysis by the *Canberra Times*—amongst other commentators—asks why the Stanhope Government chose to retain a number of questionable spending decisions, such as ... retaining the quantum of public housing stock ...

I imagine that, because that article has been quoted in your dissenting report, there is a suggestion by the two Liberal members of the estimates committee that retaining the quantum of public housing stock is in fact a questionable spending decision. That contrasts with what Mrs Burke has just told us, in my view. I do not quite know whom to

believe. She talked about amassing rent. Heavens! Eighty six per cent of tenants in public housing are receiving a rebate. That sounds to me like an amassing amount going out, not an amassing amount of rent. She talks about the massive number of market renters. I think we get about \$18 million or \$19 million of return for that. That goes to cross-subsidise those people who cannot afford it. Mrs Burke would have us eliminate the market renters, but she does not tell us where we are going to get the \$19 million from. I do not know where we are going to get it from.

It is also important to note that, whilst there are those percentages, a lot of the people in the rebate area are right on the cusp of it all. We sell government homes to people on the cusp and otherwise. She says we have not done anything about debt. She has only quoted half of the figures I gave her. She said it is now at \$2.127 million. I think that was the figure. It is in that order, anyway. In fact, it has gone down to \$1.96 million, but she did not tell us about that.

Mrs Burke also said, "What about the results from the housing forum?" There is stuff on the web about that. I can also advise the chamber that a cabinet submission which is almost complete will go forward to talk about the government's policy as a result of that forum. In terms of the forum, I can tell the chamber that I have had conversations with housing providers, developers, finance institutions and people who are paying rent.

What are the results, Mr Temporary Deputy Speaker? Mrs Burke may very well have had people come to her and say that nothing has come out of the housing forum. I do not doubt that for a moment. It just means that those people are not aware of what has gone on. I can assure the house right now that I have had conversations with banking institutions around shared equity schemes. I have had conversations with developers about low-cost affordable housing pitched at around the \$250,000, \$260,000 or \$270,000 mark. To say that nothing has happened is not quite right.

Dr Foskey's usual diatribe here is: "You are not giving enough money out to people. You are not listening to people. You are really giving them a hard time and making them cry a lot." The reduction to community housing providers was the overmatching funds which are over and above those required under the commonwealth-state housing agreement. This government has been as much as 20 per cent over in the national benchmark expenditures in some areas—some as low as six per cent and some as high as 70 per cent.

The value of the overmatching funds for housing was \$450,000. That was going out to providers and to peak bodies. It could not continue. It had to go—and it went. It was not just "goodbye; you have had it". We have had conversations with these providers and the peak bodies. We are working with them. We have transitional funding of about \$250,000 to work our way through the changes in administrative systems. If people do not have access to computers or they do not have access to training, Housing ACT will assist them in that process.

As I alluded to earlier, there is one organisation out there that has an administrative percentage of 30 per cent of costs. Nobody in their right mind would agree that 30 per cent is a reasonable figure. One dollar in every three going out of the government into this organisation was going on administrative support and management systems. That is ludicrous. We are requiring at least a drop to six per cent or thereabouts. It was

10 per cent some time ago but, now that technology has arrived, we can drop it down to six per cent. That is a reasonable figure.

Of course you have to change systems; you do not just sack people. The systems cost money. We have a couple of small housing providers who have decided they want to join up, and they have. We are assisting them in that process. We are creating consistent systems. When they are finished they will not have three different sets of personal computers, they will not have three different types of systems where one is on Access and another is on Excel. They will have one. They will have one support service provider. That is where the cost savings are going to be made: not in people but in those systems. The same thing will happen in ACT Housing.

Dr Foskey accused me of cutting funding to some peak bodies. Indeed, we did, but not for the reason she is intimating. She is saying, "You did not like their advice, so you cut their funding." That is absolutely ludicrous. That is insulting to both of us. We cut them because they were receiving funding in the overmatching funds, over and above the commonwealth-state housing agreement. The money was not there. Also, the costs of the administrative systems they were using were too high, the same as those of the community housing providers. We have said to them, "We understand the difficulties you are in. We will work with you to overcome those difficulties." But the simple fact is that we cannot afford it. As with a lot of these budgets over the national benchmark, we are not saying, "Let us get right down to the national benchmark," we are saying, "Let us get a heck of a long way down towards it."

Dr Foskey criticises the cuts from housing but, as I have said, it is the back-end services. There will be no cuts to people in our support services like debt counselling, anger management and all that stuff. But we will be changing the way in which we do business. She accuses us of closing the shopfronts. I have not had one complaint about the closure of those shopfronts. Do you know why? Because the people were not going there in the first place. In one of those shopfronts there was not one person. The staff had been absorbed into the system. We do not have the rent of three of those shopfronts. There is an instant saving. Those services are being provided elsewhere. I need to address the issue of the \$30 million promise. I will keep this as brief as I can.

MR SPEAKER: The member's time has expired. Mr Hargreaves to go on.

MR HARGREAVES: On and on. Thank you very much, Mr Speaker. This needs to be put on the record: when the Stanhope government came to office it promised \$30 million worth of housing, and it has delivered \$30 million worth of housing. How we get it is immaterial to the process. It will deliver. When I say 90 properties, it is only roughly 90 properties. It depends on the configuration, because it is based on need now. To that degree, I will turn to the changes to public rental housing assistance program called PRHAP. Dr Foskey has made criticisms on this particular one.

The Stanhope government is about helping people in need. The previous public housing waiting list was a time-based system. If you waited long enough you got a house or a two-bedroom apartment, as long as your income was below a certain level—which you could artificially manage. Now we are saying that you have to satisfy more stringent criteria to go down there. It has to be based on need: women fleeing domestic violence, people with dual personality diagnosis and complex needs, people facing imminent

homelessness or actual homelessness. Those are the sorts of people we will help. Prior to this we were able to help people get a house in 12 months. We are going to be able to do it in three months—12 weeks. It is dropping to 12 weeks. It is need-based.

Dr Foskey is saying, “What about those people who have just been bounced off the list?” Firstly, they are already housed. They are not sleeping under a bush; they are not sleeping rough. If they were, they would be in the group that we are going to be satisfying the needs for. They are already housed, even though it is tough. I would bet you pounds to whatever else you like that they are in receipt of commonwealth rental assistance if their income is below a certain level. We reverse it. What is the word I am searching for, where the commonwealth usually nick our money, now it is going back the other way?

Mr Gentleman: The expenditure flow.

MR HARGREAVES: Yes; that will do. But we are saying now that the Stanhope government will look after the people in real need. As for the people who can look after themselves, we will encourage them to do just that. We have been accused about the 500 houses. People have not listened. It says in this year’s budget that we will investigate the sale of 500 homes—to do what? To buy more stock—to buy more stock to be more relevant.

The people on the housing list at the moment do not wish to have a three-bedroom house in the suburbs. They have voiced a preference for two-bedroom apartment style living. Just imagine—this is where the investigation is headed but it is not there yet—what will happen if we sell the 500 homes for \$300,000 each. We will have ourselves a fair bit of money. We can buy an enormous number of two-bedroom apartments for that money. The money we realise from this will be ploughed into additional stock.

I have said that a number of times. Let us hope that is the last time I have to say it: we are not about reducing the stock. We are about the appropriateness of the stock. We have some properties out there that have been empty for too long, because there are people on the list who do not want them. They want a two-bedroom apartment. So we prepare them for sale, sell them off and buy or build two-bedroom apartments—not in blocks like the ABC flats but in smaller ones in and around the town centres.

It is all about the appropriateness of the stock we have available. Of course, the services that go with them are unique to this particular service. You do not get that kind of service in the private sector. If you go down to Kimberley Gardens at Wanniasa—and Mrs Burke knows Kimberley Gardens—if there is a bloke kicking up a fuss in one of the units there, the police are called and he gets a good telling off. In the government housing system, if that happens, the neighbours ring housing and say, “Come down and sort it out.” You do not get that service in the private sector, but we provide it.

We intend to provide all of the things that we do within the money we get, but we have to reduce the expenditure, as much as we can, to national benchmarks. And we are going to do it. I am not going to take a blind bit of notice of Dr Foskey, who says, “Just add some extra money into the system. Do not tell me how we are going to get it or who is going to miss out if we have it.” As I said to one of the people who came into my office who has had a funding cut, I haven’t got the money; it has gone. If I am to give them

supplementary funding, I am going to have to take it from somebody. Would they like to tell me who that person is? I make the same offer to Dr Foskey. If she reckons she wants me to give more money to ACT Shelter or to ACTCOSS, then she can stand up in this house and tell me which one of the housing providers I am going to take that money from.

I have a distinct amount of money. This Assembly appropriates it for that line. I have no more money than that. I cannot spend money that is not appropriated. It has to come from within that line. Dr Foskey can stand up here and tell me who is going to miss out for me to give out the money. Until she does that, we are going to continue on our merry way.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.15—Department of Justice and Community Safety—\$159,335,000 (net cost of outputs) \$103,143,000 (capital injection), \$101,331,000 (payments on behalf of the territory), totalling \$363,809,000.

MR STEFANIAK (Ginninderra—Leader of the Opposition) (12.53 am): I move amendment No 2 circulated in my name [*see schedule 1 at page 2828*].

I will speak firstly in relation to JACS and then about the amendment. I will start with a couple of areas of congratulations to the government which it is only fair to mention. The first is that, after much evidence that the office of the Director of Public Prosecutions was understaffed, some action has been taken. An extra half million dollars was allocated there, which will see several additional staff. That will greatly help that office, which has been understaffed. It is having some real problems with a lot of complex court matters, including having to deal now with the totally unnecessary Human Rights Act and things like that. I note that the extra staffing there is a positive move.

My colleague Mr Pratt will have more to say in relation to police. I congratulate him on his great efforts over the last 2½ years or so in pointing out to the government how badly understaffed our police service is. I am pleased to see some improvement there—not as much as we, the AFP or the AFPA would wish for but at least an improvement. Mr Pratt can take a lot of credit for forcing the government into that. If anyone in the government had the sense to back that, good on them as well.

There are, however, a number of concerns in relation to the JACS budget. Sadly, the greatest concern is in relation to the prison. I must say that in recent months I have found very few people indeed who want to see this prison built, certainly at this point in time. In fact up until today, when I went to a colleague's farewell at lunchtime, briefly—and there were a number of lawyers there—I do not think I found anyone, even including police, whom I spoke to, who thought a prison should be built at this time. There were a couple of lawyers I talked to today who still thought it was not a bad idea. But no-one in the community, apart from them, in about the last six weeks has said that this is a good idea. There are other pressures in the ACT budget—obviously, pressures the government has largely brought on itself but pressures nonetheless. Those pressures are, of course, in such areas as education in particular. There is, I think, substantial doubt about the case for an ACT prison. It is certainly one of the largest, if not the largest, capital works projects in the history of ACT self-government.

In response to a question on notice the department has advised that there were a little over 100 prisoners sentenced in the ACT as at 1 June 2006. Of those, only 62 per cent were Australian citizens resident in the ACT prior to sentencing, yet the Alexander Maconochie Centre will hold 374 people. There may well be now, it seems, a substantial number of surplus beds. Indeed, if it were a school Mr Barr would be seriously looking at closing it. The average number of prisoners in the last year or so has been around the 120 to 125 mark and the average number of remandees around the 60 mark. You are looking at 180 to about 200 people and building a prison for 374. If you are going to go ahead and build it, I can accept that as a number. But there is probably serious doubt as to whether it will in fact have enough people in it.

I note the government has absolutely no arrangements with New South Wales to take prisoners from New South Wales. When the prison was mooted by the previous government and a lot of work was done in committee on it, one of the ideas was that we would be paid some money by New South Wales to take some of their prisoners. That clearly is not going to happen. The government has also made it clear that \$128 million is the final budget. During estimates, the Attorney-General said:

The government's intention is that we will provide the full range of remand and correctional settings. That is obviously for both higher security and lower security prisoners—men and women—and remandees. The issue will be about the scale of that provision. As the Chief Minister indicated, there is scope for having lesser provision in each of those areas, but there will still be provision in each of those areas.

As part of this process the government is looking at mixing remandees with convicted prisoners.

Mr Corbell: No, we are not mixing them.

MR STEFANIAK: You have some real problems there.

Mr Corbell: They will be in the same complex. They will not be in the same areas.

MR STEFANIAK: I think you have indicated that there are significant problems, perhaps with your own Human Rights Act, where an accused person has to be segregated from convicted people, except in exceptional circumstances. Also we heard that Dr Mark Harrison of Consultecon prepared a report on the ACT prison called *An ACT prison—cons and pros* in March 2003. That report found that 45 per cent of prisoners serving ACT sentences in New South Wales jails were in fact from New South Wales. Dr Harrison sent a letter to the committee claiming to have been misrepresented by Mr Corbell. A *Canberra Times* article had cited a figure in his report that 45 per cent of prisoners serving ACT sentences in New South Wales prisons from 1997-98 to 2000-01 were from New South Wales. It continues:

My figure can be confirmed by downloading the May 2002 ACT Government submission to the Grants Commission, at the web address ... The final page of chapter 23 shows that the number of New South Wales residents serving ACT sentences in New South Wales Prisons from 1997-98 to 2000-01 was 229 out of 513 prisoners, or 45 percent. The 45 per cent figure, which Mr Corbell disputes, was

confirmed in an ACT Government presentation to the Grants Commission in November 2002, entitled *State of Origin of ACT Prisoners*, available at ... The present Executive Director of Corrective Services, James Ryan, was one of the presenters at that session and Eddie Issa attended the session ...

There are serious concerns about whether an ACT prison represents value for money, given the doubts raised about the origin of our prisoners and the perilous state of the territory economy. Indeed, officials from ACT Treasury also failed to express confidence in the business case for the prison. There were some questions in estimates in relation to that as well.

Turning now to some of the questions about prisons and some of the facts, that is all the government intends to spend. I can understand that, but whether we are actually going to get the prison the government has trumpeted is another problem. There are doubts now as to exactly how much of a prison we are going to get, whether it is going to be staffed at the full level, whether there is sufficient money for the proper training of staff and how much the recurrent costs of the prison will be. I know the idea is that we spend about \$10 million a year on our prisoners in New South Wales and that that will all come back to the territory.

You are going to have other costs too. You are going to have costs of professional people in the prison. You are going to have costs of extra staff. You are going to have costs of programs. From various hearings of the legal affairs committee and also at estimates, it would seem that there will be—and there has to be—an increased recurrent factor that the government is turning a blind eye to. It will be more than just the \$10 million that comes back. The government's own figures show that, just in staffing the prison there have to be about another 100 people in corrections. That would take up that \$10 million. As well as that, you have the professionals and a lot of other on-costs. You would have to say there will be at least several million dollars extra a year just in recurrent costs. This is a lot of money at a time when the territory is facing a significant financial problem. It is a hell of a lot of money.

That is the reason why the opposition is moving this amendment. It would take out the moneys appropriated for this financial year in the budget for the prison. We do not do that lightly. Obviously, it is going to be defeated by the government—we realise that—but I think it is important to indicate that at this time there is very little support in the ACT community for this project to go ahead. There is very little support at a time when schools are closing, when rates, taxes and charges are going up by up to 40 per cent or more for suburban properties and even up to 60 per cent for business properties. At such a time of financial difficulty for the territory and the territory budget, to spend this amount of money on a prison, which is very much a can-have rather than a must-have, is something the government needs to take into account. It needs to take into account the views of the community. It should not proceed with it at this time.

MR SPEAKER: The member's time has expired.

MR STEFANIAK: If I may, I will take the extra 10 minutes.

MR SPEAKER: Yes.

MR STEFANIAK: Thank you, Mr Speaker. The government should take that fact into account. If there were a great community clamour and support for a prison—

Mr Stanhope: Whenever has a community clamoured for a prison?

MR STEFANIAK: They were pretty keen to have one in Junee and they were pretty keen to get the one back in Cooma, but I have not heard too much of it here. As I have said today, I have talked with two people who thought it was a good idea. I have talked to a swag of people over the six weeks who do not think you should have it at this point in time.

Mr Corbell: That sounds like a very scientific survey.

MR STEFANIAK: It is called listening to the community, Mr Corbell. I know you are very remote and arrogant and tend not to do that these days but, if you get out there and talk to people—

Mr Mulcahy: He is above the community.

MR STEFANIAK: He might be above the community. If you get out there and talk to people, I think you need to listen. I have gone on the record before as saying that I have always been a believer in the fact that the ACT should have a prison. But I really cannot see at this point in time any justification for going ahead with it. You have already spent a bit of money on the works there. You can stop now. It is going to be too late a few months down the track, I think. You have got yourself into this financial mess. You can put that project on hold until such time as the territory's finances get back into a state where you can do that.

That would be what the community expects you to do, instead of going ahead with this project in such a way, it would seem, that you may not be able to put in place exactly what you want to see happen with your model prison. You might end up with a sort of half-baked prison. Surely it makes more sense at this time to say, "All right, we have a financial problem here in the territory. We have a lot of other competing demands. This is a can-have; it is not a must-have. This is something—we might not like doing it—we can put on hold. When the territory's finances are better, we can go ahead with it." Even though it might be highly desirable to have a prison here for 90 or 100 years, people have been going from the Australian Capital Territory to New South Wales. Whilst that might not be an ideal situation, our financial state is not in an ideal situation at present either. Accordingly, I commend the amendment to the Assembly, which would delete the appropriations for the prison from this part of the budget.

MR STANHOPE (Ginninderra—Chief Minister, Treasurer, Minister for Business and Economic Development, Minister for Indigenous Affairs and Minister for the Arts) (1.06 am): I hesitate to rise because of the lateness of the hour, but the fact is that it is, I must say, regrettable that at this stage of this particular debate we are still responding to what is an unadulterated stunt by the Liberal Party on the prison—a stunt that says a lot about the Liberal Party's attitude to issues on corrections and prisoners, the nature and status of corrections and prisoners, people who offend. It is also a complete misunderstanding of the territory's finances.

Inherent in this is exactly the same debate as was run by the Liberal Party during the last election campaign: “Close the prison and spend the money on health. Provide an additional hundred beds at the hospital with the moneys that are currently being utilised for a prison. Vote as if your life depended on it.” And they did. The people of Canberra saw through the nonsense of suggesting that you could stop work on a capital project and somehow magically convert capital into recurrent expenditure and fund beds and the staff required to manage, operate and introduce those beds.

Mr Stefaniak: Read the policy.

MR STANHOPE: No, Mr Stefaniak, this is what you did during the election campaign. The people of Canberra did not fall for it. You ran a campaign of closing the prison on the basis that you could invest all that money into the provision of additional services in health. The people of Canberra looked at your policy and at the nonsense and said, “You cannot do that.” Here we have again the suggestion that we should not build a prison; we should apply the capital devoted to the prison to some higher order, priority or need. What, precisely? What capital project? What about the cash position?

Mr Stefaniak: How much capital are we spending on schools, Jon?

MR STANHOPE: We are spending \$190 million in this budget on schools. There is more than that in cash available. You misunderstand. You are out there talking about—I heard it now in the speech—the parlous cash position. It is a lie. The cash position as represented in this budget is sound. You did not mention the cash position at all. You did not mention the fact that in the financial year 2008-09 available cash builds to over \$300 million.

Mr Corbell: Recurrent and capital.

MR STANHOPE: Yes, it is different. There is a difference between capital and recurrent. The cash position in this budget—open the papers and have a look—reflects the fact that in 2008-09 cash will build to over \$300 million. And here you are saying, “Stop the prison. We need the \$120 million.” What for? It is nonsense. It is crap. There are hundreds of millions of dollars of cash available for these other projects.

Mr Stefaniak: Why did you increase our rates?

MR STANHOPE: Because there is a difference, Mr Stefaniak, between capital and recurrent. The recurrent costs of the prison are already essentially met in the running of the remand centre and in the payments made to New South Wales.

Mr Stefaniak: Are you are sure about that?

MR STANHOPE: Yes, I am. I am quite sure about that. There is a differential between the cost of running the prison recurrently and the costs of staffing the remand centre and of providing our annual payment to New South Wales for the maintenance of ACT prisoners. The present costs are essentially the same as the recurrent costs for managing the prison. This project is supported by the chamber of commerce, the Business Council

of the ACT and the Master Builders Association. This project is supported because of business capacity to broaden the base to provide employment.

It is remarkable in the extreme that the Liberal Party would think it appropriate not to attract into the ACT the employment inherent in running our own prison. It is remarkable that on this particular proposal the Liberal Party ignore the state and the status of the remand centre. The remand centre is simply not fit for its purpose. It simply cannot be maintained. If we did not build the prison, we would, at least, have to build a new remand centre.

We are building a new juvenile detention facility at a cost of around \$40 million. A new remand centre, for the 100 or so remandees that we have at any one time, would have cost half of the cost of the prison. What do you propose to do about the remand centre after you withdraw funding for the prison? What did you intend to do on the remand centre? The remand centre cannot continue. Have you visited it recently? Have you seen it? It is a disgrace. It cannot be allowed to persist or continue.

To replace it, for at least the 100 remandees that we have at any one time, would cost a minimum, I am sure, on the basis of the cost of the prison and the basis of the cost of the juvenile detention facility, of somewhere between, we know, \$40 million and \$60 million. On the basis of a juvenile detention facility and its current cost of \$40 million, a remand centre would cost \$60 million plus. We cannot possibly continue to utilise the Belconnen Remand Centre. It is unconscionable. What do you propose to do about the Belconnen Remand Centre and its replacement? Ignore it? You do not think it is necessary for us to replace that obsolete, dangerous facility?

There is the first half of the cost of the prison. It must be replaced. You said it in government 10 years ago. We are now doing it. There is the first half. And there is the first half of your recurrent cost. Half of the recurrent cost of corrections is in the staffing and management of the remand centre—moneys we already pay. The second half of the cost of the staffing and management of the prison is incorporated in the payments we make to New South Wales to manage the 150 or so prisoners of ours that are housed in New South Wales. This is a capital project. The recurrent costs are already met in the wages bill for the remand centre and for payments to New South Wales.

Our cash position is solid. You might say whatever you wish to say about other aspects, but our cash position is solid. It builds over the next three years to over \$300 million. To suggest that there is a scarcity of capital or cash is simply to misunderstand the entire budgetary position of the territory, which is obviously what you do. You simply do not understand what you are talking about.

This amendment for the funding for the prison to be removed is nothing but a stunt. It is an odious stunt because it is a reflection by you of your attitude to prisons, convicted people and remandees. It is part of the painting by people of your ilk of people who are incarcerated as subhuman.

Mrs Dunne: Who, someone who does not agree with you?

MR STANHOPE: No, this is part of that scarifying of a group of people within society that you regard as not worthy of participation in the life of the community at any stage. It

is demonisation, and you know it. Who is going to stand up and defend prisoners? Who is going to stand up and defend those that put themselves outside the boundaries of society? Not you. Mr Stefaniak says, "There is not much support in the community for a prison." There never is support in the community for prisoners or prisons—never—but it is a fundamental responsibility of a civilised society. There are decisions that need to be taken, and these are policies that need to be implemented.

You completely misunderstand. It is nothing but an appalling stunt being pursued by you for political purposes and political advantage at the expense of one of the most marginalised groups of people within our community. It completely misunderstands the budget and our cash position. To suggest that we need to—shock-horror—stop work on the prison, despite the fact that we have already spent \$10 million on it, on the basis of our cash position, is absolutely ludicrous, and you display your ignorance.

MR PRATT (Brindabella) (1.17 am): The allocation of \$128.7 million in budget paper 4, page 248, is an unnecessary impost and a waste of good capital and recurrent expenditure on the jail project, the prison project. Mr Stefaniak has addressed this issue in detail, so I will only say one thing: regardless of what you will say about the differential between this project and that which must be spent on the remand centre, it is very questionable that you will break even, on the numbers that you are talking about.

There will be money saved if the prison project does not go ahead. For God's sake, we have got a five-year road plan of capital expenditure that has been neglected and that could very well do with \$30 million, \$40 million or \$50 million more, Mr Stanhope. Mr Stefaniak's amendment will save the territory a significant amount of money that could be better channelled into those essential services that we believe this government has neglected.

Mr Stanhope's comments about how members on this side want to belittle and attack prisoners are entirely disingenuous. That was a disgusting attack. That is not the position of the opposition. It is rich coming from a Chief Minister who does not give a toss about protecting rights and about his first duty-of-care responsibilities for the broader ACT community. It is a chip-on-the-shoulder attitude by a 1950s, lockstep, socialist defender of the underdog. What a lot of rubbish! What a load of rubbish!

Let us get onto forensics, if I may, Simon. The DPP has said that the capacity that he has is reasonable but indicated that more resources would be handy. While the DPP does not seem overly concerned, magistrates have continually complained that court cases are slow due to a lack of forensics. As well as civilian forensic services, the police need their own dedicated forensic capability. Otherwise, they are subject to national priorities, which take away from their priorities.

Mr Corbell: I will let the DPP know.

MR PRATT: Keep on burbling, Simon. Nobody is listening. This government claim to provide an intelligence-based police service, yet they do not ensure that the police have enough resources to collect that intelligence. Without a uniform forensic capability, that is impacted upon.

Let us have a look at counterterrorist laws and the counterterrorist capability. There is clearly insufficient funding in the 2006-07 budget to undertake preventative policing work of both a domestic and a counterterrorist nature. This lack of concern represents the Stanhope civil liberties priorities, of which we have just had a massive demonstration. He trembles at the thought of offending community minorities but seems to take a perverse enjoyment out of neglecting the safety of the broader community. Are we paying our penances, boys and girls, for the sins of our fathers, perhaps? What drives this Chief Minister in terms of his priorities? Mr Stanhope still does not care to ban offensive, inflammatory and dangerous materials that are aimed at killing his own community.

The London train bombings spurred Australians into action. The bombings of last year stirred governments and people across this country into toughening this country's counterterrorist laws. But not Jon Stanhope! Jon Stanhope alone has still not bedded down what should have been sensible laws. We are now many, many months away from a wake-up call and still do not have in place sensible laws to protect this community.

I will talk briefly about police numbers. We will support this line item because we are grateful that at least 60 new police, added to the 20 already in the pipeline, will be added to the force. In this year's budget, identified in budget paper No 3, page 89, we see that the Stanhope government have allocated \$30 million over four years for an additional 60. That effectively adds to the other 20, and they say that that means this will be an effective additional 80 police by 2008-09. That is good. Mr Corbell, well done; you have finally achieved what your predecessor refused to attempt to achieve for about four years.

However, we have a number of questions. This figure would seem impressive but for the fact that we need twice, possibly three times now, as many police to have adequate police resources. Perhaps twice as many more are all that we can afford over another four or five years. Maybe if the Stanhope government did not build that white elephant of a prison, we would be able to fund some of the infrastructure or the capital costs that might be needed to better support an increase in police services. This increase in actual police numbers will occur over a number of years. One hundred and eighty-six is the actual shortfall now, according to expert reports in the AFPA. One hundred and eighty-six is something that we can dream about. Perhaps we cannot afford that for some time to come, but that is the benchmark that expert commentators have put up as the gap that this community one day is going to have to breach to be able to provide for the full needs that the community requires in community policing.

There are serious doubts about new recruitments not being neutralised by wastage, although the police minister has denied that this will be a problem. This is something that we would like to monitor very, very closely. Feedback from the AFPA, from other police federation associated groups, from current police and from ex-police is that retention over the last four years has not been keeping pace with recruitments. For the last four years, particularly in respect of retaining experienced front-line constables and patrol sergeants, the wastage rates have not been kept abreast of by recruitments. The minister said in estimates that that is no longer a problem. The opposition will watch very closely to see whether that capability is going to be rebuilt.

In relation to effective accounting for police numbers, the dependence on the FTE measuring factor for police capability is too loose, too flexible and inaccurate, especially in getting a comprehensive picture of the number and the type of police available—for example, speciality and experience. A more effective means of accounting for ACT Policing strength is to lock into the police agreement a fundamental benchmark reflecting a proper establishment headcount model of accounting for our police strength.

What is the impact of all this? What has been the impact of this running down of the police service and the understrength police force that we currently have? I want to produce a couple of snapshots of that impact on the community. We have problems with dangerous driving, including burnouts in Summerland Circuit, Kambah; Gilmore; Chisholm; Theodore; and La Perouse Street in Griffith. The worst cases reported occurred in suburban streets of Gilmore and Chisholm. A quote from Chisholm residents' emails says:

Chisholm looks like a New York ghetto with the burnout marks and the number of houses with bomby old commodores and falcons parked in their front yards—it looks like a wrecking yard in places ... I can hear more hooning in surrounding streets as I write this.

I might not agree with that graphic account. Chisholm is a much nicer looking place than that. Perhaps this poor man is frustrated in terms of the calls to police and the lack of response. I seek leave to table photographs of the burnouts at Chisholm shops.

Leave granted.

MR PRATT: I present the following papers:

Burnouts in streets around Canberra—photographs (5).

These photographs are fairly fresh. They demonstrate that nobody is attending to this problem in that particular area.

We have seen particular problems of shop crime in Charnwood, Red Hill, Erindale, Richardson, Monash, Calwell and the Tuggeranong Hyperdome. I have had numerous complaints of break-ins, theft and harassment at Canberra shopping centres. Most offences are happening on a regular basis, with repeat offenders and details known to shopkeepers. One of the most recent reports included a drunken rampage involving a group of young men that harassed shopkeepers and passers-by in broad daylight on a Sunday afternoon at Charnwood shops recently, with some offenders dropping their trousers. Mr Speaker, I wish to take my second 10 minutes.

MR SPEAKER: A continuance, yes.

MR PRATT: Thank you, Mr Speaker. I pick up at this point: they were urinating all over walls.

Dr Foskey: God, do not go on. Where will it end?

MR PRATT: Dr Foskey, bear with me. They were urinating all over shopfront walls. That is quite a serious issue. These guys were desecrating this shopping centre. In that particular incident the police were called, but for some reason they did not take action. I find that deeply disappointing, as do the shopkeepers and the residents of Charnwood—quite seriously.

Pockets of suburbia are under fairly regular criminal attack from repeat offenders who are known to the victims. The most recent case brought to me, as recently as last Saturday, was in Crichton Crescent in Kambah where, over a period of three months, 21 letterboxes have been either stolen, destroyed or repeatedly destroyed. There has been mail theft and pipe bombs going off in the parkland just behind that particular crescent. I have witnessed what appears to be a bullet hole in the roof of a residence in that place. Again, the disappointing thing is that police have only been able to respond twice to what would appear to be about 26 or 27 calls for assistance.

I have written to the minister about that. I await his response. I have nothing more to say about that, except that it is important to illustrate here tonight that that is the sort of issue that residents are bringing to our attention. They are concerned that the police capacity simply is not there to be able to respond and round up the young men involved. They just seem to be powerless to speak to them and perhaps intervene and stop these things escalating. There are many more examples, but time prohibits me raising them. I am sure that Dr Foskey and others will be happy to hear that. Quite seriously, we can now move to a higher plane, perhaps.

The joint policing study shows up what the opposition, the AFPA and concerned police, ex-police and residents have been saying for about four years: our police are seriously understrength and their capability has been run down. The government sat on this study, despite it being completed in June 2005. It seems that they were fearful of being caught out, having perhaps cooked the numbers on exactly what the effective police strength was and the numbers facing them. Now they have had to release that study. At least that study forms a good basis for the government to now do something about this capability. I suggest it also forms a good basis for carrying out perhaps a higher level capability study, one that takes a very broad look at the entire ACT community policing needs—not just a look at the functional issues that the joint study has examined but a more strategic-level look at what the ACT police establishment really needs to be for the future. I hope the government does that.

I now talk briefly about the police agreement. The police agreement is extremely late but, thank God, it is here. Again, the opposition believes that the police agreement is a loose and too flexible instrument. It needs to be task oriented rather than contain the rather fleshy outcomes that it does. We believe the ACT community deserves to better know what service it is buying for its money. When this minister goes to the AFP, he needs to have a more concrete police agreement that allows him to purchase a much more concrete service so that his community gets the service that they deserve and that they need.

On experience levels, police station sergeants have been unhappy for three or more years that their police station teams and patrols are overmanned by probationary constables and that experienced constables are too thin on the ground. On RBT and RDT, we need

to re-establish the benchmark of 108,000 RBTs per annum. This is truly a community policing presence, yet in this budget we do not see how the government can ensure that this level of testing is resourced to that level. Minister Hargreaves, the previous police minister, seems to have allowed the number of RBTs to run down dramatically.

The government also has its head in the sand over the extent of the drug-driving problem. When questioned about this issue in estimates hearings the minister did not give an indication that he was committed to introducing RDT at all. While CPO Fagan said that she would look at it possibly in the future, the police clearly do not have the full support of the government in introducing a random roadside drug-testing regime. Across the country, in every jurisdiction, governments are finding that a very significant number of drivers involved in fatal crashes have been drug affected. The evidence is there. Most state governments are either now trialling or moving to a formal program, but the ACT government refuses to do anything about that.

I move on to the Emergency Services Authority. I have said before that the transfer of the Emergency Services Authority to the department of JACS is a complete travesty. This goes completely against commonsense and completely against the spirit of the McLeod inquiry and the Auditor-General's recommendations of May 2003. This government spent millions of dollars establishing the ESA as a separate agency and is now going to throw all that investment away by transferring the ESA back into a public service management arrangement.

The minister has said in estimates that he believes that its operational independence is guaranteed. I do not see how he has been able to demonstrate that in estimates, but we will take him at face value and will watch very closely and monitor that the ESA is going to be as operationally responsible as the way McLeod recommended that it should be. If that independence is degraded by the fact that it is moving back in under JACS, minister, we will come back to you and very strongly recommend that you restore its independence.

On community fire units, the government failed in 2006-07 to provide urgent funding for programs such as the stalled community fire units program. While there is some funding in this budget for front-line equipment, there certainly is a huge lack of commitment on what is really needed to ensure that the ESA is able to function to full capacity without bureaucratic hindrance. We believe that 80 community fire units are needed along the ACT urban edge or the frontier, if you like, but we only have 28 in place.

On communications capabilities and programs, we have seen in the Treasurer's Advance again, for a second consecutive year, about \$5 million to pay for delayed and blown-out programs and budgets generally. The minister, during estimates hearings, could not give a proper explanation of what the advance was for. The overriding concern is that major communications programs, to which some \$26-odd million was appropriated in previous budgets, are two or more years late in being completely introduced to service and signed off on.

I am speaking about the digital data communications program, Firelink, and the primary radio net program, TRN. We have seen Firelink blow its budget by 25 per cent, and we now know that it is two years beyond introduction to service. We have talked before about our concern that this was a single-service tender because it needed to be rushed

into service. There are a lot of questions about that. With the trunk radio network, we continue to see the old VHF network still being used. I think the minister is saying that the TRN is near to being fully operational. We hope he is right. We want to see that up and running as soon as possible. We deeply suspect that there has been a significant wastage in the communications area.

We think that in ESA a lot of good money is being wasted on consultancies, too many toy-boy projects and the failure to maintain simplicity and reliability. There is definitely the need for an inquiry into communications programs expenditure in the ESA. I hope the minister expedites that sooner or later. I think the minister has said that he certainly is interested to examine how those issues are being managed. We will watch, minister, what you do about that.

I have talked today in the TAMS debate about resources for bushfire hazard reduction along the urban edge and further out. I will not repeat that here now, but we remain deeply concerned about that, as we are about the lack of a concrete, strategic bushfire management plan and BOPs for all vulnerable areas, not just a couple of generic ones. We are concerned that ESA and police budgets need to be ramped up.

MR MULCAHY (Molonglo) (1.37 am): I am sensitive to the hour and have avoided speaking on a few items, but I make a few comments on this appropriation for justice. I focus on a couple of areas of interest. As Mr Pratt and Mr Stefaniak have pointed out, we see, in relation to these ongoing reorganisations, the profound observation by the CEO of the department of justice who prophesised:

... since funding and efficiencies needed to be looked at across the whole of government it was important to ensure that the public service is also using public funding as efficiently as possible.

We would have liked to have seen that happen many years ago. If we did, we may not be now facing the tax charges we are all going to have to wear.

In relation to information technology services, I noticed that JACS is to save about \$1.241 million this year and progressively greater amounts each year into the future. We are told these savings will be achieved by “working with InTACT to consolidate and more efficiently use IT systems and services”. But it will be interesting to see whether those efficiencies are, in fact, generated as we go forward.

I also focus on another issue with JACS which has already been signalled tonight, and that is the matter of funding for the Director of Public Prosecutions to allow for the recruitment of additional quality staff to cope with demand for prosecutions and allow for the smooth operation of the court system. The Attorney-General said during estimates:

We ... know that there are challenges in terms of recruitment and retaining staff of a sufficient level of expertise and experience to prosecute cases. So the government wants to ensure the DPP has an improved level of resourcing to meet these challenges.

This is a problem I have been aware of for quite some time. It has been raised in the context of other inquiries and discussions. Although the government in this budget has

provided additional funding to allow for the recruitment of staff, it is worth noting that this follows a cut last year. In 2005-06, the budget was \$5.8 million, down from \$6.6 million in 2004-05. The government increase this year is simply returning to those levels of two years ago. Whilst one-off, complicated matters, as the government has argued, may have caused the higher levels of two years ago, my colleague Mr Stefaniak was correct when he said during the estimates process that complicated matters requiring expertise will always arise and that funding levels should be maintained and improved upon to cope with them.

I believe that it is important to recognise this increase in funding, welcome as it may be to a return to the levels of two years ago, may not solve all the problems of recruiting and retaining prosecutors in the DPP. The difficulties of attracting senior lawyers capable of handling complicated cases efficiently remains. Given the continued criticism about the efficiency of the ACT court system, the government must continue to address this problem and achieve a better state of affairs.

I would be remiss if I did not use this opportunity to comment on the government's commitment to a new jail. I am pleased to support Mr Stefaniak's amendment in this regard. There are two issues in this particular matter. There is the cost of the jail and then how much the current government is prepared to pay to fulfil its social goals or, indeed, how much they expect the people of Canberra to do so. The minister said during the estimates process:

We have said very clearly that the budget is the budget and there is no varying from that amount. So \$128.7 million—

which was, I think, \$110 million when the campaign was on—

is the amount of money that is available to build the prison; we won't be appropriating any more.

Given that the budget is already forecast to be in deficit to the tune of \$147.5 million, I hope that the government will not be forking out more on its best-practice prison.

One has to recognise that this government has been under financial pressure. Given the government's track record of failing to contain costs in other areas, I need to re-emphasise that we, as the opposition, with Mr Stefaniak as our leader, will be leading the monitoring of the progress on the construction of the new jail and the costs. It has also been pointed out that there are concerns about the future cost associated with the prison. The Attorney-General, during the estimates process in relation to the cost per prisoner with the new jail, said:

The overall cost will remain the same. So the issue for us as a community is the decision to spend the capital amount on building the new facility and what outcomes we will achieve from doing that.

I do not know that the Attorney-General is right in saying "us as a community". Certainly I echo what Mr Stefaniak said, in that much of the anecdotal feedback I am getting from constituents is that the community is more concerned about schools and the health system than having the best prison for human rights in the whole of Australia. The

prison does not appear to be necessary at this point in our history. It will not reduce the costs of remanding prisoners in the ACT.

Indeed, there are questions as to whether, in the search for better social development opportunities for prisoners, it will, in fact, cost more per prisoner. It will, however, without doubt cost the ACT taxpayers a significant amount of money to achieve the social goals of an ideologically driven government. I do not deny that social goals can be an important part of governance. However, I and many in the community and the opposition believe that there are greater issues of importance for the wider society that must take precedence at this time.

It is unfortunate the government has, as the Attorney-General said during estimates, decided to make the investment in the new facility. It is now important to minimise the cost of the government's social policies for prisoners and ensure they do not have a negative effect on the rest of Canberra society by ensuring that both the construction of the new prison and its subsequent administration is handled efficiently if we are unsuccessful in deleting this item.

DR FOSKEY (Molonglo) (1.43 am): In April of this year, when the ministerial reshuffle occurred, Mr Corbell was given the potentially contradictory roles of Attorney-General and minister for police, an inappropriate combination, I believe, as in those roles he is overseeing both the safeguarding and the potential erosion of our civil liberties. This budget is the first test of how well he is juggling these responsibilities.

I have said before that I was interested to see in the review of the Human Rights Act comments about compatibility statements, which are really the primary way in which we see our Human Rights Act in action. I have asked many times and the scrutiny of bills committee has asked for the opportunity to see the reasoning that goes beyond those compatibility statements. That is something I will be following up from the review. If we are having a dialogue system of human rights, we need to have that dialogue. At the moment, the compatibility statements are black boxes.

The changes to the human rights commission are quite a disappointment and a reneging by the government on its promises. There has been a \$1.6 million reduction in funding for the commission which is resulting, among other things, in a reduction in the number of commissioners from five to three. It looks like the health complaints commission is being relocated back to ACT Health and that the roles of the disability and community services commissioner and the children and young people's commissioner have been combined.

It is disappointing that these changes have been made to the roles of both commissioners, particularly the children and young people's commissioner, whose appointment was an election promise, was funded in the 2005-06 budget and was a recommendation of the *Territory as parent* report, as well as an ongoing recommendation of the Youth Coalition. I do think that this throws into doubt the government's commitment to human right in practice as distinct from in theory.

Turning to gay, lesbian, bisexual, transgender and intersex issues, while the civil unions debate was progressing the Greens and two other groups, Good Process and A Gender Agenda, were highly concerned that this legislative process would end with the civil

unions issue. We are now very concerned that it might not even start with the civil unions issue, which, obviously, is the government's priority, as it should be, because it is an important battle not only in terms of rights for gay and lesbian people, but also for the ACT government to maintain its ability to legislate.

There was discussion by the estimates committee about the amount of taxes, fees and fines owed to the ACT government and more than 128 days overdue as at 31 May 2006, a total of \$21.8 million, which did not include amounts owing on rates and land tax. The estimates committee recommended that a more effective program be embarked upon to reclaim this money. I draw the attention of the Assembly to a program that I suggested earlier this year in requesting that courts be able to convert a fine to community service hours, as that would benefit the defaulter, the community and the government.

Whilst the Attorney-General agreed with the principle behind my amendments to the Sentencing Legislation Amendment Bill, he had problems with seeing it made into a reality due to what he believed our system could currently cope with. In the last financial year 50 people were imprisoned for failing to account for their fines and this year 48 people will be imprisoned. Whilst the problem is complex, I hope that the government will work over the next year towards finding a viable alternative by which fines can be converted to community service hours, because imprisonment costs us money.

The Greens support the development of an ACT prison. We recognise that ACT offenders are often housed in inhumane and counterproductive conditions within the New South Wales prison system, conditions over which we have no control. I congratulate the government on attempting to develop a human rights compliant facility and I acknowledge the need, at the very least, to replace the Belconnen Remand Centre. I am concerned about the Liberals bringing up a proposal tonight to withdraw the prison after years of public consultation, years of planning and up to, as we have heard tonight, \$10 million of expenditure. It is more than anything a hollow political gesture and one that suits their constituency.

I, too, have heard people say that we should not build a prison, that we should put that money into schools and so on, but those statements are not based on the information that we have here. Therefore, I think it is mischievous even to bring that up. Also, there are all kinds of reasons that I do not think it would be cost effective. I have not heard the Liberals suggest that we withdraw the proposed expenditure of \$8 million on a dragway, but there again they are really more concerned about satisfying their constituency than saving a lot of money, I believe.

In estimates I asked about the health plan for the prison. Apparently, there is a battle over funding and what corrective services will allow health services to provide on the basis of security. The health plan would be integral to the design of the prison, especially a human rights compliant one. It is important to maximise efforts to keep prisoners healthy in a mental as well as a physical sense and I was pleased to see a hopeful response by the government to the estimates committee's report.

Issues were raised in the estimates committee hearings about the number of ACT prisoners in New South Wales prisons. I do not believe that that was adequately resolved, but I do believe that the government's staged development of the prison, which it has explained to us, is a logical response to the issues of both numbers and dollars.

The public accounts committee is currently inquiring into administrative arrangements for law courts and tribunals and that is all I will say about that.

I welcome the additional \$3.7 million for an additional 60 police officers. I am hoping that that staffing will bolster their ability to conduct the community policing that Mr Pratt often talks about here, stop people urinating on shops, and forge strong relationships with the public.

I am also extremely pleased that the joint ACT government-ACT Policing study finally has been released, something for which I have been calling for a year. It is a shame that it took over a year to do that and it was not provided in time for the estimates committee to consider its implications or for the annual reports committee, for that matter.

Although the new purchasing agreement gives ACT Policing more money and greater power, it does not appear that efficiencies will have to be gained within ACT Policing, as they will across ACT departments. We do not seem to be able to hold the AFP to account when they do not meet the key performance indicators set out in the purchasing agreement, but then again the key performance indicators are blurred. Likewise, JACS does not seem to analyse the reports that the AFP provides and ensure that they are up to standard.

There are claims that the AFP's accountability has increased, especially given the ministerial directions, but real accountability comes not only in what they are told to do but also in the manner in which they report to the public. Last year's annual report featured an unacceptably high level of political and media spin and did not sufficiently account for either internal or public complaints against police. I am very pleased that a unit is to be established within JACS to oversee the purchasing agreement and reporting requirements. It is quite hard to believe that we do not already have such a unit.

On another matter, I urge the ACT government, especially Mr Gentleman, who is so interested in this matter, to do all it can to ensure that the AFP does not use AWAs when signing on the 60 new police officers. If officers' wages and conditions can be affected by their preparedness to report or act in particular ways, there is potential to legitimise and foster an insidious form of corruption. AWAs give superintendents greater control over the pay, conditions and dismissal of their police and intelligence officers. They will do nothing to enhance the high ethical standards required of our police force.

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

DR FOSKEY: I wish to continue for a few minutes, Mr Speaker. Turning finally to emergency services, the ESA's move into JACS is a complex matter. On the one hand, it was a key recommendation of the McLeod report that the ESA be independent and on the other hand the ESA has shown poor standards of financial governance since its inception. That might be one of the reasons that it has been moved into JACS. The minister did give assurances that the operational independence of the authority would be maintained, but I do not know how it is going to be maintained, given that JACS will be in charge of its administration and its finances. Therefore, I support the estimates committee's recommendation that the ACT government put in place a protocol that

clearly establishes where the lines of responsibility fall with respect to the management of emergencies in the ACT.

MR SESELJA (Molonglo) (1.55 am): I am also mindful of the time, but I wish to make a few quick points about the proposed ACT prison. As has been raised, certainly by Mr Stefaniak and Mr Mulcahy, we are looking at expenditure of \$128.6 million. The minister has said that that will be the maximum amount spent. The concern of members on this side of the chamber is that we have heard that before. We have heard it on the GDE and we have heard it on all sorts of other major capital expenditure and they have not come in under budget. Our concern is that we will get something that costs a lot more than \$128 million or perhaps that we will get something that is nowhere near as human rights compliant as the Stanhope government would have us believe. Either of those, obviously, would be of some concern. It is incumbent upon the government to demonstrate how it is going to stay within those costs.

Another important issue in relation to costs is that we have not seen a proper demonstration of how the government is going to keep the recurrent expenditure at or below the level that we currently pay, which I believe is around \$19.8 million if you combine the costs of the Belconnen Remand Centre and the costs of keeping ACT prisoners in New South Wales prisons.

One of the reasons I say that is that the cost of prisoners in New South Wales is, I believe, \$202 per day but, of course, the New South Wales prison system is very large and has massive economies of scale. If you look, for instance, at Western Australia, I think you will find that the cost goes up to about \$259 per prisoner per day. If the ACT, a much smaller jurisdiction, is looking at having the most human rights compliant prison in the country, you would certainly expect the cost to be much more than \$260 a day. If you get well above \$260 a day, you start pushing well above the \$20 million a year figure in total for recurrent expenditure. It is of significant concern not only that we will have a capital outlay which may well be much larger than the \$128 million that the government has said it is going to be, but also that it may well be, and we would expect it to be, much more than the \$20 million recurrent expenditure that the government is claiming that it will keep it under.

We are going to face significant issues and challenges when this prison goes ahead just on the basis of our size, just on the basis that we will have only one prison in the system. We do need to hear from the government about how it is going to find qualified guards during the skills crisis, how they are going to be trained, what will be the cost of setting up that infrastructure and the extra corrective services infrastructure that we will need to service the prison and, an important one, how we are going to guarantee, with such a small jurisdiction and with such small prison numbers compared to other jurisdictions, that we will be able to provide for the variables of prisoner make-up. If, in such a small jurisdiction, we have a slightly higher proportion of, say, maximum-security prisoners, that will push the average cost per day per prisoner up significantly.

The question is: how, within those cost parameters, will we keep all of the different levels of prisoners? Of course, we would need a prison that caters for maximum security prisoners, for minimum security prisoners and for medium security prisoners, that caters for both men and women, and that caters for prisoners on remand. So we are going to be

faced with some real challenges for one small jurisdiction with one relatively small prison to deal with them.

How we separate gang members and those sorts of issues obviously are able to be taken into account by larger jurisdictions, such as New South Wales. I am looking forward to hearing from the minister as to how that will be done. The Acacia prison services agreement points to some of the challenges we might have. I understand that staffing has been a major problem there in Western Australia and that the prison has found it difficult to attract administrative and specialist staff. The minister does need to say in the context of the skills crisis that we have, in the context of the difficulty we find in all sorts of areas to recruit people, how we are going to be able to recruit sufficiently qualified prison guards and corrective services officials to do the job and do it in a manner that ensures the safety of both the prisoners and the staff in this facility.

Mr Speaker, we do have significant concerns. I am particularly sceptical that the figure of \$20 million a year for recurrent expenditure will be able to be achieved. I expect that it will be much more. I expect that that will be borne out in the coming years. New South Wales has programs for drug-addicted prisoners, for female prisoners, for indigenous prisoners, for all sorts of variables. The ACT might have only a handful of female prisoners, a handful of indigenous prisoners or a handful of those other groups that need to be catered for. How much will it cost to service those kinds of programs, or will those kinds of programs simply not be provided and, if so, what would that mean for the prison population?

We need also to look at the issue of recidivism. That, obviously, will be the key. If we are to believe what the government is saying about having the most human rights friendly prison in the country, we would expect the rates of recidivism amongst ACT prisoners to go down significantly. I was concerned to find during the estimates process when we had a look at the new youth detention facility that the targets for recidivism will not change at all after the new facility is built, so I do have to question whether the government is going to put in place programs that will see fewer offenders coming out and reoffending in the community. Obviously, that is going to be a key component of what the community would expect as a result of having this prison.

During the estimates process there was significant confusion about the number of prisoners that actually come from the ACT and the number of ACT-sentenced prisoners that come from other jurisdictions. We had dispute over the figures that had previously been used by the ACT government in its submission to the grants commission where it said that 45 per cent of the prisoners came from outside the ACT. I received an answer to a question on notice which said that those figures were wrong and that we are dealing with only about 16 or 15 per cent.

I do not know which figures are right. I can only take it that the figures we are now provided with are correct, but you do have to cast some doubt on them as only a couple of years ago there was a submission from the ACT government to the grants commission which apparently was so wrong and so far out. It would be interesting if the minister, when he gets up, could explain that anomaly. That is important because it does go to the case for a prison if 45 per cent of our sentenced prisoners are coming from outside the ACT or if it is a high proportion. Why should we be building a prison for significant numbers of non-ACT residents who are committing offences in the ACT?

Those figures need to be sorted out. They have not been to date. I think it is quite a massive anomaly that there was a grants commission submission only a couple of years ago which apparently, if we are to believe the answers we have received to questions on notice, were so wrong. The minister might want to answer that. We are certainly putting further questions on notice about the percentage at the time of arrest. I think there might be some changes in the figures if you look at pre-sentencing versus pre-arrest as people's postcodes and addresses might change sometimes in the significant time it takes from arrest to conviction.

Mr Speaker, we have concerns about the projections for recurrent expenditure, we have concerns about the government's ability to stay within its \$128 million budget and we certainly have concerns about some of the figures that have been put forward. It is incumbent upon the government to clarify that now and let us know why we apparently had such flawed figures going to the grants commission only a couple of years ago.

MR CORBELL (Molonglo—Attorney-General, Minister for Police and Emergency Services and Minister for Planning) (2.04 am): Mr Speaker, I would hate to see what happens when Mr Seselja does not have regard to the time.

Mr Seselja: I did not take my extra 10 minutes.

MR CORBELL: No, indeed you did not. Thank goodness for that. Mr Speaker, very quickly, the government will not be supporting the amendment. The Chief Minister has outlined the reasons for that. I will only add one thing to that argument; that is, that the issue of where prisoners reside prior to being charged or convicted of an offence in the ACT is really a furphy because when someone is convicted of an offence in the ACT they are our prisoner. They are sentenced subsequent to having been convicted of an offence against the law of the ACT.

That is no different from what happens if an ACT resident is charged with and convicted of an offence in Queensland. They do not get sent back to the ACT automatically. They go into a Queensland prison. I can name a number of ACT residents who have been charged and sentenced for offences in the Northern Territory and Queensland and who are currently residing in Northern Territory and Queensland prisons. So to suggest that where they were residing prior to their offence somehow diminishes the role or requirement for the prison is simply wrong. That aside, the government has clarified the figures and the figures provided to the Assembly committee are accurate.

I welcome the opposition's support for the provision of additional police. We commissioned a joint study. The joint study was a joint process between the AFP, ACT Policing, and the ACT government. It concluded that 107 additional police officers were required. We have provided funding since 2004 to provide that full figure. That, I think, is the appropriate response to an issue important to the ACT community. I note that members of the opposition are now saying that they do not believe 107 is enough. That would seem to suggest that they do not believe the joint study and, indeed, the work that the AFP and the ACT government did on that, but that is probably all down to Mr Pratt's preference that you can never have enough police.

Turning to the issues in relation to the DPP, we are very pleased to be funding additional staffing for the DPP. We do need those additional staff to improve the capacity and the overall capability of the DPP to successfully prosecute. There is no doubt in my mind that it is an important public policy imperative that people who are charged with offences are able to be effectively prosecuted to ensure that justice is done. That is what we are attempting to do through that process.

The only other point I would make in conclusion is that I note that members of the opposition are still failing to address the remand centre issue. Clearly they need to go and look at the remand centre and see exactly the condition of that facility. It is not an acceptable facility in anyone's imagination. There are probably better facilities in some Third World countries, to be quite frank. It is not acceptable for a jurisdiction such as the ACT, when it takes responsibility for the custody of somebody who has been deprived of their liberty, to put them in such a facility. Mr Speaker, this is an important budget line item and we certainly will not be supporting the amendment moved by Mr Stefaniak.

Question put:

That **Mr Stefaniak's** amendment be agreed to.

The Assembly voted—

Ayes 6

Noes 9

Mrs Burke
Mrs Dunne
Mr Mulcahy
Mr Seselja
Mr Smyth

Mr Stefaniak

Mr Barr
Mr Berry
Mr Corbell
Dr Foskey
Mr Gentleman

Mr Hargreaves
Ms MacDonald
Ms Porter
Mr Stanhope

Question so resolved in the negative.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.16—Department of Education and Training, \$409,115,000 (net cost of outputs), \$59,884,000 (capital injection) and \$166,028,000 (payments on behalf of the Territory), totalling \$635,017,000.

MRS DUNNE (Ginninderra) (2.13 am): I move the amendment circulated in my name.

MR SPEAKER: Order! Standing order 201 states that a member other than a minister may not move an amendment to a money proposal. You have moved it in the wrong place, Mrs Dunne, anyway.

MRS DUNNE: Yes, I have. I am sorry, Mr Speaker. The Liberal opposition is opposing this line of the budget on the now well-publicised basis that the central plank of this government's education budget relates to a proposal to close 39 schools and to amalgamate and make changes to almost every other school in the ACT. When you go through the list of schools, by the time you add together the closures, the amalgamations, the reconfigurings of every possible complexion, by my calculations about 10 per cent of

the 90-odd schools in the ACT will be unaffected by this, and even those schools, Mr Speaker, will be affected.

The sheer enormity of the proposals put forward in *Towards 2020* has not really dawned on the breadth of the ACT education community. That is because at the moment everyone is preoccupied with the issues of school closures and the other broader, perhaps even more far-reaching, proposals in relation to the reconfiguring of schools, the introduction of new age-group combinations and things like that, some of which are experimental and some of which are unprecedented in the ACT, have not really been explored by the ACT community.

This goes to the heart of the ACT Liberal party's objection to the *Towards 2020* policy. There are some problems. Ms Porter says that the place is in the doldrums and parents are abandoning the school system as though it were a sinking ship. There are undoubtedly some problems that need to be addressed. We must do something about the education system in the ACT, we must do something about the drift from the government education system to the non-government education system, and *Towards 2020* is something, therefore we must do this.

I think the community is quite open to the discussion about the future of education in the ACT. The previous minister for education got it just about right when, on 13 April this year, she signed off on the education 2010 proposal and annotated, "I like education 2010; it's great." Education 2010 would have gone part of the way to mapping out a future for the people in the ACT, until Michael Costello came along and threw a grenade into the process. It was an all right effort. The proposal put forward by Mr Stefaniak for a wide-ranging commission of inquiry like we saw back in the 1970s is preferable. But the approach taken by Ms Gallagher was an all right approach and it may have led to further community discussion about the best way forward.

We see some remaining elements of the education 2010 proposal in the series of public lectures and seminars that have commenced, discreetly hidden away in a nice building off the public transport routes in Stirling. It is a nicely refurbished part of Stirling college which is nicely painted and carpeted and heated, while the young mothers and their children and CCCares are on vinyl tiles with no carpet and not very much painting out the back of Stirling college. The education bureaucrats have got the centre for teaching and learning up the front, and that is where these seminars are taking place. I hope that they are well attended. I did not have an opportunity to go to the one last Thursday night but I will make every effort to attend as many as possible. I am still waiting for the paper that was delivered last week so that I can keep up to date with what is going on.

We see the semblance, a few remaining tatters, of Education 2010, but superimposed over that are the most radical and un-discussed changes that this education system has ever seen. It is not that I am afraid of change but I am concerned, as is everyone else in this community, except for Andrew Barr and a few people across the way here, about the ramifications and the fact that we are going into this with our eyes closed.

Andrew Barr has taken over the reins of the education system and decided he is going to change the whole lot in the first week. That is potentially a disaster for the territory, which is why we are opposed to the *Towards 2020* proposal as outlined in the budget. There are things that hang off this. The huge number of staff cuts to the education

department are a real problem for the delivery of any change. You cannot be a maker of change, a change agent, when you are actually reorganising yourself. You have to have stability, you have to have esprit de corps and you have to have high morale before you start if you are going to effectively implement changes that have huge ramifications.

I am glad to see that Mr Barr is here tonight wearing his Adam Smith tie to demonstrate his economic rationalist credentials. In a sense, being an “eco rat” is a bit 1990s. He has only the merest gloss of an “eco rat”. He is looking at the accounts and saying, “Gee, I can save a few million here and a few million there. In the outyears I can save \$8 million, \$10 million or \$12 million dollars. If I am really, really lucky, in year 5 I might be able to save \$14 million out of a budget of \$600 million by the time you put everything into it. If you just consider the government inputs for services, it is still in excess of \$400 million.”

So \$14 million—let us call it what it is—is chump change. The savings that this minister proposes to make and the problems that he is going to put forward for every aspect of the education department are not warranted by the savings. It is just not good enough. I took the time this morning to attend the AEU rally outside in relation to the industrial relations laws. I was moved by the comments made by Michael Hall from Lanyon high school. I did ask him for his permission to quote him here tonight. He said, “If we were to run our schools the way this government is running the department we would be in huge strife. We cannot run our schools without certainty and we cannot run our education system without certainty.”

I suppose to some extent there is some certainty about this, because what the Stanhope Labor government is doing with Andrew Barr at the helm of the education department is certainly driving the good ship “ACT government schools” into the shoals. If the good ship is in the doldrums, there will be no wind to take it off; it will certainly founder. We will see more and more people leaving the government school system. Mr Speaker was correct on ABC radio this morning when he said, “It is certain to drive people into the government school system.” I talk to people every day who are saying that they are looking further afield. I talk to school principals in the non-government system who talk about the number of people who have made inquiries about enrolling their children next year in non-government schools.

The people who really want certainty for their children will go somewhere else. They know, as the principal of Lanyon high school knows, that the most important ingredient in a vital education system is certainty. This is the 1968 element that we have to have change at all costs and we have to have upheaval. To see Andrew Barr characterising himself as some sort of soixante-huitard is just amazing. I will take my extra time, if I can, Mr Deputy Speaker.

MR DEPUTY SPEAKER: Carry on, Mrs Dunne.

MRS DUNNE: He, who proudly claims that he is an economic rationalist, has no rational approach to education in this town. We are seeing huge teacher losses—160 teacher losses by the time you take into account the itinerate teachers who work in the department of education, in the vicinity of 90 staff out of central office, plus the 120-odd staff who will go to the Shared Services Unit, and 22 staff such as bursars, principals and so on—as a direct result of closing schools.

That is the real reason why everyone in the ACT must understand why the ACT Liberal Party is opposing this line of the budget and the principal reason why we will be opposing this budget in its entirety. We need to make a stand. We need to tell the people of the ACT that what is being proposed by this government is not good enough. It is the worst possible solution. You have got some problems. I am not going to say, "It ain't broke; don't fix it." There are things that need to be done in the ACT education system to make it better and to ensure that it continues to be the best education system in the ACT.

We have to do something, but Andrew Barr's something is the wrong something. If Andrew Barr was serious when he came in here on his first day and said, "I want to talk to the community about how to make the education system really work," he could have been a hero rather than being pilloried around the town as he is at the moment. He could actually have made a difference, but what he is doing is gutting the education system. He is gutting school after school.

I predict that if parents who contribute to the P&C, to the life of their school in Giralang, in Gilmore, in Kambah, et cetera, are forced to move their children somewhere else they will basically give up. They are not going to make the same contribution to the school that they are forced to move to. They will say, "We work hard, make a contribution, raise the funds, run the fetes, buy the electronic whiteboards and then this government says, 'It's not good enough; we do not appreciate what you do; move along.'" They will not make that contribution the next time around and we will lose half a generation of parents who will just give up on the system. This will be the legacy of Andrew Barr, minister for education 2006.

Let us look at some of the other elements in the education budget. I think the best one is on page 373 of BP 4 when you get to the department of education. You have a whole lot of priorities for the Department of Education and Training. There is not one training priority in the list of priorities. The minister brushed that off by saying, "But we have got CIT and that is separate." In the department down there in Manning Clark House there are people whose job it is to provide training services in schools and create pathways between schools and other training institutions. They do not get a look in. Do you know why it is? It because the government do not care. This minister is presiding over the gutting of the VET sections in the department of Education to the tune of more than 25 per cent.

More than 25 per cent of the staff are being moved out, are losing their jobs and are not having their contract renewed in an area where we have a skills shortage. Everyone is beating their breast about how we need to do more to increase employment in the ACT to fill the jobs that are becoming vacant. And if we can fill the jobs that are becoming vacant we might do something about the crisis in your revenue base, Chief Minister, Mr Treasurer. But what do we have? We have a minister who is presiding over the gutting of education and training services in his department.

There is nothing in this education budget except a little sop: some money—\$1.58 million, I think—to be spent over the next few years on the Pacific games. In all of this, the only thing we have is some money for a one-off sporting activity and everything else is a gutting of the system. That is why we have to oppose this line in the budget. We

can talk about the fripperies—\$90 million sounds impressive—but remember that we are going to build car parks with that so that we can encourage kids to drive to school.

If you truly wanted to increase and improve the fabric of the ACT education system, on the basis of the money that is being spent on new schools at Harrison and proposed to be spent at Ginninderra district high school and on new schools, the \$90 million is severe underfunding. The government cannot do what they propose to do with the \$90 million, but we are prepared to throw away \$65-odd million in capital write-offs of schools that we already have. Instead of increasing and improving the fabric of the schools we have, we are going to write it off. If we are being so economically responsible, why are we writing off and writing down \$65-odd million worth of school property? It is so that the government can sell it.

You are losing \$65-odd million out of your balance sheet. Instead of building the fabric of the school, you are breaking it down. You are not going to be using the schools anymore, so you have to write them down. We understand accounting treatments. But part of the cost—your \$191 million—that you say that you are spending on education is a \$65 million write-down of an asset. You cannot claim that you are spending that money and that you are doing good for the ACT education system, because it is a loss you.

Mr Barr: So you are opposed to the \$90 million, are you?

MRS DUNNE: I am opposed to the way that you propose to spend \$90 million. The people of the ACT are opposed to the notion, the reckless notion, that you would actually spend some of that money on building car parks and that you would be so stupid as to say so on public radio. It is thoughtless. There was a series of what we in my office called Barr gaffes. It was in a difficult time, but the one that took the cake was: “I know, we will just build more car parks.” There was also the one about how people did not want to send their kids to non-government schools because they still use the cane. That was a good one. And there was a collection of other Barr gaffes. It showed just how little this minister knows about his own portfolio. The fact that he knows so little about his portfolio is sufficient for us to say, “By all means talk to us about how to improve the education system, we will be part of the conversation, but we are not going to be part of the conversation when it is about *Towards 2020*, because *Towards 2020* will be the death of our education system.”

DR FOSKEY (Molonglo) (2.33 am): This line of the budget is really overshadowed by the *Towards 2020* proposal, which sees the wholesale reorganisation of ACT government schools, including the closure of 39 schools and preschools, and the reshaping and merging of many more. Given that, I find it extraordinary that when this budget was released, of the accompanying 75 media releases, five of which were specifically about education, not one mentioned that any schools were proposed to be closed. Did they think we would not find out?

I find it extraordinary because within that strategy is the presumption that misleading the public for a few hours, a few days or forever is entirely acceptable. Media release No 1 for this budget from the Chief Minister and Treasurer argued that our economy is strong and that the budget faces no immediate crisis. If that is the case, whatever the scale of changes that need to be made to our public education system, it was possible to do so in a

more orderly, collaborative, inventive, un-panicked and, in the end, more effective manner. There have been many debates on education in this place since this shocking proposal was launched on the Canberra community and it is hard to keep track of what has been said.

I am going to use this debate to identify some of the possibilities that have been overlooked, and some of the problems that by its nature this process has created. From all appearances, there has been no social impact analysis of this *Towards 2020* plan. It particularly impacts on local primary schools and preschools which play a strong and well-identified role in social inclusion, particularly for people who are socially or economically disadvantaged and marginalised. It is also extremely significant that the very scale of the schools under threat, because most of them are small, often assists them to provide support for kids with special needs and those at risk of unsatisfactory educational outcomes.

The more you move around these school communities the more you learn through stories of the work they do. Some schools do have capacity to look after and maintain and an interest in, in particular, kids and families. And that is not just the teachers; it is other kids and other families as well. In many cases these schools make a flow-on contribution to the economic and social viability of the community more broadly. The Macarthur preschool really is the only community facility there at the moment. The Hall and Tharwa schools really are essential to the continued viability of their villages. There are stories about each school in this 2020 plan. Unfortunately, the *Towards 2020* plan appears to have been developed by a team outside the education department in order to deal in one step with the long-term structural problems that it is believed it has and to meet the targets of the functional review. And that has been done without working with other departments and agencies.

I do not think anybody would have been very happy about being put on the team inside the education department to carry out the orders of the functional review, which the government has so uncritically accepted without the scrutiny analysis that it should have used on such a far-reaching plan. I guess that is a reflection of the functional review process as best as it can be divined, which has been that the different agencies have had to deliver on recommendations without the opportunity to work out the best approach across agencies. In other words, it was big, it was a rush, it was a secret, and some of the costs and consequences have not even yet begun to be considered.

The government's plans for the buildings that will be empty if and when these schools are closed are worth considering, if there are plans. According to the education minister there are no plans for these buildings. That is probably because the functional review did not require the education department to do anything other than hand those buildings back. It probably has a different task for the Department of Territory and Municipal Services, which would be to make money out of the operation of all buildings or sell them. Perhaps Minister Hargreaves has not got that far into his instructions yet, although, judging from a reply to a question I put in the estimates process, he knows it is likely. And the Chief Minister has effectively offered the sites to any developer interested in adaptable housing.

Anyway, one vision for some of those facilities that the government has no plans for would be to transform them into centres of lifelong learning. If the number of young

people is falling, the number of older people must be growing. The new generation of older people already are much more affluent, active, and longer-lived than their predecessors. So this ageing boom will not only change the demographics but also change the activities in our suburbs. In the meantime we should bear in mind that, while the neighbourhood of the 1960s and 1970s has gone, the suburbs we are talking about are not deserted. They are still the daytime domain of some parents, mostly mothers, of people who work from home part or full-time and of people who do not have jobs at all. People living with illness and disability mostly stay close to home, and people like to age in place and get the support they need brought in.

As I have said already today, other parts of the world are returning to neighbourhood planning models. We should not abandon that plan now without considering what the future, what the real 2020, might bring. But those were not, it seems, even in part the considerations of the team in the education department charged with developing this project on the orders of Treasury and the functional review. More is the pity. Even within the education department's own domain the expanded use of some of these facilities ought to have been considered.

Hall is becoming an agricultural science and environment school. Rivett, as we know, is a fantastic integrated centre for kids of various abilities, with circus incorporated into the school program. The Giralang school is designed as an education centre. It could also co-house a languages program for middle school or upper primary. It could over time become home for an indigenous education centre. And somewhere in Canberra shouldn't we have an education centre for home-schooled kids where they can access resources and some educational and social interaction? Kambah high, as I have said, could become a selective high school and take on Radford, if that is the direction the ACT government wanted to pursue, or become a partner with CIT, or both.

Rather than only looking at the cost, perhaps the ACT government ought to also look at the opportunities. It is no good thinking the challenge is to stop the drift. The challenge is to change the direction of the shift. The biggest weakness of this plan is that it is totally devoid of creativity in planning. It is simply an exercise in freeing-up money by closing some schools in order to refurbish some others. As a 2020 vision it is the wrong goal and the wrong metaphor.

I would like to remind the Assembly of some of the work that was conducted by the ACT education department in exploring the growth and strengthening of the ACT public education system, work which I believe is being compromised in the pursuit of this misnamed 2020 plan and the accompanying budget cuts. As the budget documents remind us, ACT school systems are about to implement a new curriculum framework that identifies the essential learning achievements across four bands of development, ranging from early childhood to later adolescence. That is quite a shift from the existing approach, particularly for government schools, where there has been a historically greater responsibility on individual teachers to construct their own programs. This new structure appears to be fairly well received by teachers today, which is not surprising given that there has been a lot of involvement by them in its development.

One limitation in the draft framework, which might be a reflection of that process to date, is the 26 essential learning achievements of left-out languages other than English and culture. I trust that some adjustments will be made if and when the department ever

has time and an opportunity again to re-engage with this project. The curriculum framework is, however, a step back towards a more centralised system that could prove to be a very good thing if that system can provide the necessary increased support. But it is not going to work if teachers are left to fend for themselves. And that is certainly a risk.

Whatever the status of the 2020 plan, the work of the department has already begun. It is a massive project involving the amalgamation and closure of numerous schools, the relocation of special units, the change to the priority enrolment areas for many other schools, the reconfiguration of a large number of preschools, primary and secondary schools, and secondary colleges, all to be managed in the next year. I would like to take my next 10 minutes, thank you.

MR DEPUTY SPEAKER: Go ahead, Dr Foskey.

DR FOSKEY: As part of the process, the government has assured concerned parents that the transition will be individually managed. The demands will be exponentially greater from students living with disability. Those who are at real risk of social exclusion or unsatisfactory educational outcomes, as I have pointed out, will be disproportionately affected. Furthermore, this profound system-wide change is to be effected in an intense, pressured and, for many people, unhappy environment.

On top of that, the department, with these complex responsibilities, faces massive staff cuts of about 90 out of 350, or more than a quarter. I do not see how it can hope to effectively manage the complex array of changes affecting every dimension of its work. There must be a lot of very unhappy, very stressed people in the education department at the moment, especially seeing that the department was engaged in some constructive work in the lead-up to the budget which had the aim of growing and strengthening public education in the ACT.

I have talked about the education 2010 project before now, and Mrs Dunne referred to it tonight. It seemed to have enjoyed the enthusiastic support of the then minister for education and would have been launched with a discussion paper and a series of seminars on topics ranging from sustainability in the system to emerging technologies. Education 2010 emerged from the department's own strategic plan which itself had stakeholder input for the previous 16 months. There were probably quite high hopes for that approach to gain wide community support, and indeed it had that potential.

If the minister asked me in the Assembly to tell him what I would do, I would say that I would talk to his education department. I note that the department is continuing with the seminar series but I am sorry that the context of seminars such as *Government schooling: looking into the future* so overwhelmed the content. I am aware that the department of education has put considerable resources into support for young people at risk of unsatisfactory educational outcomes. There have been many successful programs inside the department to improve engagement with people facing social exclusion. The notion of full-service schools has been explored with schools. Community programs and the use of equity funding had all made a difference to the lives of many people whose children attend local schools. It is disappointing, to say the least, that the rate of change predicated by this plan has prevented the department from using its expertise to understand and manage the social impact of these changes.

It is also worthy of note that the government has not taken the advice or worked with the ACT Government School Education Council, which was set up under the Education Act, in the development of its public education policy. As the council chair stated in a letter to the minister, the measures in this proposal will seriously undermine the effectiveness of the system and lead to further inequities in our societies. The council also asked the minister to outline the educational principles on which the proposed changes are based, because, in the eyes of the council as in the eyes of most people in the educational community, those principles appear to be missing.

MRS BURKE (Molonglo) (2.47): Again, I note that I mindful of the time. However, we cannot reiterate enough that we obviously will be opposing this line in the budget. I have said consistently, particularly in relation to students with a disability—that is my particular angle in this debate—that the proposals are illogical and ill-thought through from start to finish.

For students with a disability it is not just the fact that they are leaving the safety and security of one particular school, the current school that they are at; it is not just the fact that some parents are now having to consider their options in relation to being employed or not. Some parents are seriously having to consider that travelling 40 minutes to and from a school of choice, because a child is happy and established there, may not be an option for much longer. It is not just about the re-adjusting and settling into a new school.

I know I am going to be repeating myself but it is worth repeating: I have heard from Ms Porter and the minister himself that they are looking after these parents. Ms Porter says these parents are now getting on with the job. As I have said before, they have little to no opportunity or little to no other choice but to do exactly that. What else are they supposed to do?

There are other sides of the equation to consider. How are the receiving schools going to be equipped? How are they going to be resourced to cope with the extra influx? What about the infrastructure of these schools? What about the facilities at the schools with special needs units that have been equipped and adapted? I am sure that the government already knows which will be going and which will not be going. What about the facilities there?

Which schools in our suburbs will sit—needing extra resources to be attached to them to stop them from being trashed? Or are we going to bulldoze them straight away like the Chief Minister said, because he did actually have the courage eventually to come out and say on ABC Radio words to that effect, “We will probably be selling off, and we will move on to the next question”. I did believe Mr Barr. I do not think it has come from his lips at all yet that we will be selling off schools. No, because he has let other people do that, or let other people in cabinet decide that they would do that—either the Chief Minister or the planning minister.

I come back to the schools that these young students are going to go to. It will be a whole new change. I have touched on students with autism, but of course there are more children with disabilities in our system other than those children with autism. That is just

probably one of the more horrendous types of moves because of the whole disassociation thing surrounding autism and Asperger's syndrome.

What about the staff? There will be staff cuts. We have a letter that we have all read and seen from the council. That is rather disappointing. The council feels totally irrelevant. This is the government's own council. They tried to give you advice from the start and now they feel totally irrelevant. Where does it leave them in the future in an absolute majority government when councils are set up? Are you just going to continue to totally ignore advice from anybody? It seems like it. It is pointless for anybody to seek to give you any advice. What is the point? How glibly you ask for people's advice and how glibly you just toss it to one side.

Mr Stanhope: What do you think of the Lockhart review?

MRS BURKE: I come back to the staff. You can have your say in a moment, Chief Minister.

Mr Stanhope: What do you think of the Lockhart report?

MRS BURKE: You can have a say in a moment. What about the staff? First, we are going to look at staff cuts. It is rather ironic, isn't it? We have a select committee here set up under the most farcical conditions, I have to say. We have an absolute pretence about WorkChoices in the ACT and how the federal government's legislation will affect working families.

Yet we have a government that is going to slash and burn its own work force. I did see Mr Gentleman nodding then; so that is good. He is obviously concerned about it and I hope you lobby the education minister and the Chief Minister. What is going to happen to those staff? Are we going to lose the good expertise? Let us face it: what age group are most teachers in? They are 40s upwards. The median age of a teacher is 42 to 45?

We are going to lose all the good corporate knowledge and expertise. It is going to walk out of the door because they will just give up. They will say, "I do not need this; at my age, I really do not need this. I will leave the system and go." That is good, isn't it? We have a situation where we are pushing and flogging the federal government at one level. But what is your answer at the local level? What is your answer, Chief Minister? What is your answer, Mr Gentleman? If those teachers do stay in the schools, maybe they are going to be called upon to undertake tasks that they are not skilled to do. I hope the education minister has a whole plan to upskill teachers who will need to be upskilled to be able to deal with students with a disability.

This action by the Stanhope government has nothing to do with good educational outcomes, does it Chief Minister? It has everything to do with economic rationalism. You need money. You need to have money; you really are so hard-faced now about this you are pushing through—

Mr Stanhope: Bill, did you clear this speech?

MRS BURKE: You will not distract me from saying what I am trying to say; so you can keep on interjecting all you want, Chief Minister. It is so embarrassing for you. You are

having to ride this storm. You are being very generous. It is now five minutes to three in the morning and here we are still trying to push the point. Yes, we will keep pushing the point because you are very embarrassed. That smile says it all. It is all about economic rationalism; it is all about selling off. "Let us close the schools, let us flog the land, let us just get some money back into the coffers because I have managed this territory's finances so badly."

Even though the government supposedly welcomed advice post its budget, it was and is now largely ignored. You just do not want to hear the advice. So you have got this sort of veneer out there going, "Well, we need to hear from you. You have got until such and such a date."

Mr Barr: 6 December.

MRS BURKE: What date was it again?

Mr Barr: Consultation ends on 6 December.

MRS BURKE: 6 September; that is quite near Christmas, isn't? Oh dear!

Mr Barr: December, December!

MRS BURKE: Yes indeed; 6 December, quite near Christmas. So you are going to take that advice and in a week or two weeks you are going to make a decision. Or will it be made on Christmas Eve? What a nice Christmas present for people. Anyway, you are going to take that advice, but of course by then you will already really know what schools you are going to close. But do the parents know? No.

I take your point: maybe some of the children with a disability might know because you have assured me that you are forming plans for those children, new schools for those children. You are nodding your head there; so all 1,720-odd children that are attached to schools, that have a disability, you have got a plan for and they will all be fine before next year. Is that a yes?

Mr Barr: It is 28 students, actually.

MRS BURKE: Perhaps you can give me a more detailed briefing on that?

MR DEPUTY SPEAKER: Mrs Burke, if you could direct your comments through me, the interjections might not occur as often as they possibly are. Thank you.

MRS BURKE: Yes, thank you, Mr Deputy Speaker. The government seems to have lost all concept of issues like equity and quality provision of education. Mr Deputy Speaker, I think it is extremely disappointing that whatever we say on this side of the house it just falls on deaf ears anyway. The arrogance is audible from here. The arrogance and the smirking and the whole embarrassment, actually—

Mr Stanhope: Audible? What does audible arrogance sound like?

MRS BURKE: Well, you look at it—

Mr Seselja: A lot like you.

MRS BURKE: Like you, exactly. You have just epitomised it. You have it in a nutshell. Well done!

Mr Mulcahy: You walked into that one, Jon.

MRS BURKE: Absolutely. It is very embarrassing, isn't it? Jokes aside, Mr Deputy Speaker, the Chief Minister is so embarrassed. How will he face these parents with students who have a disability? I do not quite know what he ends up saying to them, but I would think he is feeling very embarrassed. As for Mr Barr, I think he has just been landed a real crock to deal with. But then, as the Chief Minister said: "This will make a man of you, Mr Barr. This will prove you. This will show you are a good minister." Is that what you said, Mr Stanhope? I am sure it is.

I will sit down now because I have made my point. I have said my piece and no matter what we say, no matter what your council says, no matter what the community says, you are not going to listen, anyway. But this is on the public record and you will be judged by what you have done this very week.

MR MULCAHY (Molonglo) (2.58 am): Mr Deputy Speaker, I am conscious of the fact that the hour is late and I am sorry that the officials and staff of the Assembly obviously have to work these late hours along with the members, but for a budget line item that represents somewhere about 20 per cent of the total territory's expenditure—

Mr Barr: It is 24, actually.

MR MULCAHY: Well, I am rounding, minister. It is a significant—

Members interjecting—

MR SPEAKER: Mr Mulcahy, can you resume your seat? Order! Mr Stanhope, if you are going to interject, which is against the standing orders, can you do so less frequently with half the volume at least? Mrs Burke, can you stop antagonising these people? And I want Mr Mulcahy to be heard. I call Mr Mulcahy.

MR MULCAHY: Thank you, Mr Deputy Speaker. As I indicated, such a significant percentage of the ACT budget does warrant a deal of comment. The issue of education, of course, has been one of the most hotly debated issues since the ACT budget was handed down. When we look at this *Towards 2020* document, I reckon the vision for the minister must be a bit like hindsight—20-20 vision now—because he knows what he has been tipped into and he is probably thinking, "What did I do to deserve this? How peaceful life was when I was a staffer to John Hargreaves and let him wear all the flak." But now he has been thrown in at the deep end.

A lot has been said since that budget was brought down on this highly contentious section of the government's plan for the territory. We have heard many interviews with Minister Barr, who has stepped into the hot seat so adeptly vacated by the Deputy Chief

Minister, Ms Gallagher, defending the merits of these closures and justifying their position that education in the ACT needs a major overhaul, and needs it now.

I do not think many people doubt that. In fact, I recall at the famous breakfast we had at the National Press Club getting a question about this, and being asked what we would do about it. My first view, and it is the same view I have from that morning after the budget and tonight, is that the territory has to tackle the drift of people out of its system into both the Catholic and the private schools systems.

I will get to the point quite quickly here because of the late hour, but when you focus on this issue, Dr Bruniges from the department, when tackled on the issue of drift, said:

We can't put a definite figure on that because parents will make different decisions at different points about appropriate transition programs and we need to gauge that.

But in the one key area where some supporting statistics and more thorough research would be very helpful in guiding the ACT's decisions on education policy—that is, explaining why children and families are leaving the public system in droves for private schools—there appears to be nothing in place.

The minister has said on numerous occasions at meetings I have been at, in his performances on radio and in this house, “Well, I am spending all this money because I want to stop the drift. This is the big test that I am applying. This is going to change things.” But I constantly wait to hear an explanation of what is it about the ACT public schools system that has encouraged people to leave in droves and at a rate greater than in other jurisdictions. With great respect, we heard Mr Speaker say this morning that this was all due to “the marketing by the Catholic schools or the private schools”.

What a simplistic view of why people are leaving the government system. Marketing is not why people are leaving the government system. I do not claim to be some authority. I can only base my comments on my own experience. My youngest child is about to leave the government system at the end of this year, as I have said before. I went into the classroom not long ago and there were 57 kids divided by half a petition in a portable classroom in one of the most established areas of Canberra. There are kids in years 4, 5 and 6 in the one class and I am told, “This, Mr Mulcahy, is world-class education. This is up there with Singapore.”

I have never heard such bunkum. I was outraged that day. I enrolled my child at a private school next year and I got confirmation this week. I am not happy with that because there are many people in the ACT community who do not have the capacity to make those changes. And I would like to hear from the minister less rhetoric about consultation—“We are going to do this and we know what is best for you”. I would like to hear a lot more evidence that we are really going to get to the bottom of why people are leaving these schools.

I have heard people say that it is due to the lack of discipline. I am not sure I subscribe to that view. At the high school level there might be issues. I do not see that as an issue with my own child's education. I do not hear people raise that with me personally, but I know that some of my colleagues hold that view. But it just staggers me when I look through the evidence that I have been researching over the last couple of months from

the estimates process. I hear the CEO of the department say, “No, we do not have a uniform instrument that captures the data about why people are exiting the public education system in the ACT.” Without any of that information we are going to shut down 39 schools.

It reminds me of somebody who runs a business and says, “Custom is falling off in our business; so what we will do is reduce our product range, we will get rid of some of our staff, we will shorten our trading hours and that should fix everything.” No-one in their right mind goes into tackling a problem where they are losing the confidence of their market by saying, “Close, burn, destroy, shut down.” The first thing you ask is, “Why are we losing market share?” Obviously, the product—in this case public education—is falling short of the expectations of this community.

The people of Canberra are not a group of people who are an ignorant mass that does not understand education. It is the most highly educated community in the nation. It has the highest level of affluence in the nation. I do not accept the view that because people are better off they say, “Let’s go into the private schools,” because not all the private schools are necessarily that spectacular. There are a number of them that I would not enrol a child at because I am not particularly impressed. So it is not a simple equation—if you have money you jump into the private system or the Catholic system and if you have not got any money you go into the public system.

I believe that we need to get to the bottom of these issues and they should form the basis of the whole decision-making process that leads to reforms within the education system. We are making the changes in the education system and we are doing it without the benefit of reliable data. I am not talking about the arguments I have heard such as at Campbell a few months ago. People said, “We are not happy with the figures and we think we have more capacity.” You can have those semantic arguments and they do not actually carry an enormous amount of weight with me because it gets into an exercise at the fringe. That is not the issue.

The issue here is that this territory government is up-ending the ACT education system. It has prevailed in the media every day now since the ACT budget was presented—going on now for something like nearly eight weeks—and the reason it is all supposedly happening is because of a drift. They have not identified the cause of that drift. I would have thought that the very first thing this minister should have done after being appointed to office was to say, “Let us tackle that issue. Let us find out the real factors. Let us do in-depth research.” Do not just send out a survey form and say, “Why did you take Johnny or Mary out of the school?” He should have commissioned properly, soundly-based research and then present it to the ACT community saying, “This is how I am going to tackle these issues.”

There will be only one measure of success and that is a reversal of the drift of people out of the public system. The education CEO gave me little confidence in her evidence. She said:

And just the matter of parents making a choice, so making a judgment about their child and what they feel best suits the needs of their particular child at a particular time during the continuum of schooling.

I think she spent a little too long in the education department. The language just becomes more and more flowery. She continued:

That does not mean they choose the non-government sector. What we do see and you see in the statistics is that they will make one choice at one point in time for their students and a difference choice at another point in time.

What profound wisdom; what powerful intellectual comment that is. The fact of the matter is, Mr Deputy Speaker, that the basis of this whole change is on very uncertain ground. It has been implemented without regard to the underlying factors that are causing the abandonment of the ACT public education system at a rapid rate. Until this territory government addresses that issue and presents credible research, it is not surprising that large numbers of people in the community are unhappy. It is not surprising that a large number of members of the Labor Party—people who might identify with the public education system, people in the teaching area—are in fact at odds with this decision.

MR SPEAKER: The member's time has expired.

MR STEFANIAK (Ginninderra—Leader of the Opposition) (3.07 am): A hell of a lot has been said about this topic over the last few weeks; so I will try to say something that has not been said much to date. Obviously this budget is going to pass. You have got the numbers. And it would seem even from statements today that we have two views coming out of the Labor Party. You are also in a statutory consultation period now, even though it seems you just dumped this on the table on 6 June without advising even the AEU or without talking to anyone in the system.

However, you are now going through what we say is a sham consultation. It is something you actually have to do by statute. People in the school system simply do not know what is going to happen. Are they to believe, perhaps, like some members of the Labor Party have said today—like Mr Berry has said today—that obviously not all these schools are going to close? I note that the Chief Minister has indicated, “Well, that is not necessarily so. We would expect all 39, or something very close to that number, to close”. We will wait and see. That just adds to the community angst in relation to this.

I am just going to spend a few minutes pointing to the illogicality of your 2020 plan and the schools you have actually fingered for closure. I think it lends a lot of credence to the argument that this was a document cobbled together at some stage after 13 April when we had the 2010 proposal, which Ms Gallagher so enthusiastically supported. This is a document that was cobbled together in a few weeks. It was nine different computations simply cobbled together. It was a series of ideas cobbled together.

When you look at the schools, for example, north of Ginninderra Drive that have been fingered to close, you see that there is not much logic in a lot of this. If you close all those schools, you are going to have some big gaps there. Let us look at Kaleen. You have two schools there. They are not fingered to close. But Giralang, right next door, is. McKellar does not have a primary school there. It never has had. So before you get to Evatt you will have two suburbs without schools. Evatt has two schools. We then go next door—Melba and the Mt Rogers campus. Of course, Spence already has closed. That

amalgamated into Melba. Flynn has a very vibrant primary school. That is slated to close. Charnwood is right and, of course, there is no school in Dunlop. Between Evatt and Charnwood, we will have two schools closing there. Again, there will be two suburbs in a row without a school.

Let us look at some of those schools: I will just take Giralang as an example. There is world famous architectural design at Giralang. It is a school that 70 per cent of the kids in the suburb actually go to. It is a school where kids actually walk to school because the suburb is planned that way. It is a suburb that looks like it might lose their doctor and, indeed, the shopping centre basically is no more. So that suburb has certainly has been hit. But when you look at that particular school, the fact is that 70 per cent of kids in the suburb go there. Most of them walk there. It is nice and safe to walk there.

Mr Stanhope: How much spare capacity in that school, Bill?

MR STEFANIAK: There is not as much as you would probably think, Chief Minister. I am glad you chirp up there because one of the core things in your plan is that the spare capacity is quite simply wrong in many instances because of when that spare capacity was determined and just what has happened since then in these particular schools. If you go through some of these schools you will see quite clearly that what you have been told is spare capacity is just not that at all.

Then you go to a school like Hall. It is doing a magnificent job trying to save itself. It is probably the oldest continuous school in the ACT. Tharwa, of course, goes back to 1899, but I think there was a gap there in terms of when it was operating. Hall goes back to 1911 and continuously has operated since then. Yes, I know all the arguments about a lot of people coming from interstate. But all those people from interstate have to be accommodated elsewhere in the ACT system and that is what they have all been told.

If you have got a school there that is vibrant, that also has heritage factors, that is the hub of its village and that has demonstrated a great capacity as to why it should stay open, why would you close a school like that? It is historic, it provides excellent educational programs, and it has a very recent run of great successes. I think they have a national or international champion in mathematics at that school. There are some fantastic programs there in the heart of a thriving community plus all those historic and heritage aspects as well.

There is not much logic to this. There is very little logic just looking at those schools I have mentioned. You tell me where the logic is there. I think one of your fundamental problems here, which I would urge you now to consider because you are going to pass your budget, is that you need to have a very good hard look at these schools and make your consultation period, which you have to do by statute, something other than a sham. Have a good hard look at all of these schools.

Mr Stanhope: That is what we are doing, Bill.

MR STEFANIAK: I doubt it. The school community has no confidence in that, Jon. I am just encouraging you to do so, because in so many of these instances—I am just naming some of my electorate north of Ginninderra Drive—there is no real logic why they have been fingered to close.

I think the biggest problem you have is that up until 13 April at least no-one was remotely thinking of doing anything like this. This is purely a result of the functional review and when you are cobbling together a budget, surely you would take note of more than just one document. I think that seems to be one of the fundamental flaws, not only with education, but perhaps with other areas in the budget as well. You have got the numbers. You can fundamentally do as you like. But have a good hard look at all these schools you have fingered for closing, because there is not much logic in a lot of it.

MR SMYTH (Brindabella) (3.14 am): Mr Speaker, the closure of 39 schools in the ACT seems to be a misguided overreaction to the financial problems that the government faces. No amount of chest beating and claims of courage and claims of leadership will, I think, persuade the community that the government is even vaguely close to getting it right on the educational needs of the ACT into the future. As others before me have pointed out and as Mr Stefaniak has just pointed out, if you look at the illogical way schools have been targeted for very weak reasons, I think the community has to their own satisfaction convinced themselves that this is a flawed process and the opposition is of the same opinion.

I will follow the line of logic that Mr Stefaniak used in relation to Tuggeranong. A school like Gilmore has a reasonably good attendance, has a reasonably good outcome, is a reasonably young building. All of these things that would seem to suggest you should keep it open apparently cannot save a school like Gilmore. We go to Kambah, which is quite a unique suburb in Canberra. It is the largest suburb in Canberra. It is four times the ordinary size of a suburb. And yet it is the only high school above Athllon Drive. But that school will close. There will still be four high schools below Athllon Drive but in time, if you are really serious about setting up a sustainable system, you would have thought that you would look at a geographic pattern as well as current attendance patterns to ensure that you have adequate coverage into the future.

They are just two examples of where this whole proposal is flawed. Other members have come forward and given their suggestions as to what has happened and what is wrong. But the problem for the community is that they can find no logic in the numbers—the three or four flimsy pages that have been put on the web site—to define the logic behind what the government is trying to do. So they will be very disappointed when over the next couple of days they come to realise that Mr Hargreaves, Mr Gentleman and Ms MacDonald have voted for schools to close. That is effectively what they have done. Despite all the posturing out there in the community and their saying, “We are very concerned and we are concerned about time frames,” when push came to shove, the three Labor members of Brindabella failed their community.

Mr Speaker, I will not labour the point. I think everybody knows our position on this side and we are not happy about this. But the problem here is that the community has not only had this thrown at them but they have had it thrown at them in such a way that when the decision is finally delivered in late December this year, they will be denied the time in which to take appropriate action to look after themselves and their families. This is because by that time the school communities will be shutting down. The ability to get on to potentially future schools for their children will be impossible for some weeks. It will be impossible to make new arrangements, whether it be for before or after school care, family day care or any other sort of care they wish to put in place. I think that is the

illogical nature of what we are facing here. It does not make sense to do it in this way. That is what the community is finding very hard to come to grips with.

Mr Speaker, in the dissenting report from the committee's main report, Mr Pratt and I put on the table a number of grave concerns. One of them concerned a document we received as a committee about allegations of activity at a Canberra school. It concerned alleged bullying and sexual assault in that school. I just want to look at the action taken in a Sydney primary school this week over some internet porn that had been downloaded to a young student's mobile phone. What the school did, when it came to their attention, was to act very swiftly. This is in stark contrast to what has happened here in the ACT. The child was counselled. The children that had been shown—

Mr Stanhope: You are a disgrace.

MR SMYTH: You are the disgrace here, Chief Minister.

Mr Stanhope: You know the circumstances of this.

MR SMYTH: The children who had been shown the images on the phone were counselled and a letter went home to all of the parents of that grade saying, "We are aware of this incident, we take this very seriously and we feel a responsibility to do something."

That happened in a Sydney primary school. The child was in fifth grade. I ask members to parallel that to what happened here in a Canberra high school, where nothing was sent home. If something like head lice occurred in a class, the entire class gets a letter sent home saying that there was an incident of head lice; would you please take appropriate action? But we have been given documents, which will remain sealed—I do not even think the minister has got a copy of the document because the committee sealed it. That document will now stay sealed. It will not be acted upon, even though the individual who wrote it out of great concern felt that not enough had been done to protect the community from incidents like this in the future. That is a great shame.

I just want to parallel the difference between what happened in Sydney. It was immediate. It was effective. It said that we have got a duty of care to take this as wide as we feel we need to so that we protect the innocents that are under our care, as opposed to what appears to have happened in the ACT, which is very little. That might be the reason that so many people choose to leave the ACT government system—because they do not feel their children are getting the care that they deserve from this system.

MR PRATT (Brindabella) (3.19 am): Mr Speaker, it is necessary to reinforce the comments made by my colleagues about what the government has done with this T2020 proposal. I have visited a number of school communities, and have found them in shock about what awaits them. This is because they have never been properly consulted. There was never any feedback. There was never any warning. It has been quite a sobering experience for me and I think all of my colleagues here on this side. I think it has also been a sobering experience for a number of the government MLAs.

Mr Speaker, *Towards 2020*—I said this yesterday and I will say it again—is not a vision. It is not a panacea for the future. It is not a 20-year look forward on how this government

might value-add to the ACT education system. It is a spin doctored glossy package, which covers a knee-jerk reaction—a last minute knee-jerk reaction—to close schools because the government looked into the depths and horrors of the Costello report and they did not like what they saw.

What we have here is a strategy that is really a *fait accompli*. As I said to the minister yesterday, 39 closures is a joke. For that number of schools in one go to be announced and put on a hit list as potential schools to close is an absolute joke. The opposition does not argue that you will have to close some schools at some stage. Any government may have to do that. However, to close that many schools, you really needed to start consulting in 2005 if your milestone was December 2006 to January 2007, and you have not done that.

You really needed to do that so that you could give schools the chance to fight their cases over a year or so and beyond then make the hard decisions that had to be made. But the government at least should have given families the 14 months or so warning that they need to have to be able to mobilise and make life changing decisions and to get other government services into sync as well. You have not done that. You just have not done that. That is why you have created great upheaval.

I would just like to talk about a couple of schools in my electorate—firstly, Tharwa primary school. They are a brave community and they are putting up a very good case. They have questioned the rationale put forward by the government on why Tharwa should be looking down the barrel of a gun. Surely here is a school that demonstrates a whole range of standards—academic performances, social achievements, the uniqueness of that school, the uniqueness of that community, the history of that school. These are all powerful arguments why these closures must be tackled on a case-by-case basis. Simply because a school is small in population does not mean it should have a sword of Damocles hanging over it.

In relation to the Kambah valley schools, we see all of those communities mobilised because they fear that that entire area—Kambah and that north-western corner of Brindabella—may well lose the great majority of its schools and then for the one or two schools that are left having to cater for kids scattered over that area. The case they have put forward is quite impressive. I do not know how they are going to fare, but if guts and drive are any indication, hopefully they will win out against this draconian plan.

The opposition has put forward an alternative to your plan. We have suggested that you run an inquiry under the Inquiries Act and really assess the community needs, then consult, and look at what must happen. Of course, you will not do that. I echo the comments made by Mr Smyth, Ms MacDonald and Mr Gentleman, who have visited school communities. Those Labor members have done so in good faith, but I think you have been about as shocked as we have been. I hope that you, tonight, will not vote to close schools, because if you vote tonight to close schools, you are facing your moment of truth. You will either be serenaded or you will be damned. You have said great things and nice things to school communities. Let us see you stand up for your constituencies.

Why is there a drift? For the last two weeks now we have pointed out to the government that it does not have a clue why there is this drift from the public sector to the non-government sector. I do not need to labour the point, but for the record in this

debate, I will just point that out again. You do not know why there is a drift. You really have not set out to find out why that has occurred. In estimates you could not answer Mrs Dunne, me and Mr Smyth about what you might have known, what you did not know or what you intended to do to find out why the drift.

I think it was Mrs Dunne who said that the test for the success of T2020 must be to reverse that drift. I think you have got Buckley's, because if you know nothing now about why the drift, I do not see how you are going to solve it. I do not think it is in your heart to really find out, which is peculiar. I do not quite know why that is your attitude.

I refer to the last comment made by Mr Stanhope where he called Mr Smyth a grub because he stressed the issue that in the estimates, he and I tried to ask some pretty searching questions about. It is a very serious issue involving a school where a principal has not written to the families of that school to indicate that something very serious has gone down in that school over a very long period of time. I think Mr Stanhope's comment is absolutely disgraceful. It is bad enough that that school has got a problem. God knows whether anything has been done to exercise the safety standards that must be exercised in that school now to find out what the depth of that problem is and whether it has been nipped in the bud. But it may be systemic and that is why those questions needed to be asked in estimates.

It is a great shame that the estimates committee did not get the chance to properly ask those questions. Minister, I hope you get in there and find out what is going on. I have asked you a number of times for a brief and you have not given it to me. You have not given to Mr Smyth either.

Mr Stanhope: We have given it to your shadow spokesperson.

MR PRATT: No, as members of the estimates committee we are entirely within our rights, and it was our duty to ask the minister, having provided the information in the first place. We have this ducks and drakes, "Well, we have told your shadow; so your shadow can tell you." That is rubbish. The estimates committee is about scrutinising performance and performance involves safety as well as budgetary matters. That is why the questions were asked. You have a problem at that particular school and I just hope you get it sorted out. I do not need to say anything more about it than that.

Mr Stanhope: You have said too much already.

MR PRATT: So have you, Mr Stanhope. To reflect on this issue and to call Mr Smyth a grub because he has raised it, I think reflects your embarrassment and your vulnerability that your government has swept something beneath the carpet. It will be on your head if it has been swept beneath the carpet and nothing is sorted out.

MR BARR (Molonglo—Minister for Education and Training, Minister for Tourism, Sport and Recreation and Minister for Industrial Relations) (3.29 am): It is with a degree of sadness for me that both Mr Smyth and Mr Pratt have felt the need yet again to play politics in such a crass way with what is such a sensitive and difficult issue. I would like to take this opportunity to put on the public record my appreciation of the behaviour of Mrs Dunne in relation to this issue. She has been professional. She has approached it in the proper manner.

I did receive correspondence from Mrs Dunne indicating that she would have carriage of this matter on behalf of the opposition and I responded accordingly, providing her with a full briefing on the response to the particular incident that the members opposite referred to. It is with great sadness that yet again we have had this exercise in self-aggrandisement. They want their bit of the action, seemingly. At this point it is worthy of no further comment tonight, other than to say that it is with great regret that we have had to deal with this issue yet again because those two members seem unable or unwilling to respect what is an intensely private matter for a particular student within our system and seem to have no regard at all for the damage that their public comments make.

Turning to some of the other issues that have been raised, I note that Mrs Dunne seeks to make a big thing of the accounting treatment of the writing off of particular assets. It is simply an accounting treatment. That does not mean that the assets disappear; they remain ACT government property. If the *Towards 2020* proposals proceed in full, as outlined, the budget does contain provision for \$6 million in 2006-07, \$40.5 million in 2007-08 and \$16.4 million in 2008-09 as write-off for those schools, but it is included in the other expenses line. It is a non-cash adjustment and is simply accounting treatment. I am sure that, were it not to appear in the budget, there would have been as many questions and concerns raised.

Mrs Dunne also referred briefly to the territory's performance in VET. It was with great pleasure that, during the dinner break yesterday, I was able to speak at the ACT's training excellence awards and able to report on the territory's very fine performance in vocational education and training. I was able to make the point at that function that over 30 per cent of the people who had completed their training by the end of December 2005 and achieved a certificate IV, a diploma or a higher level were in areas that were identified as skill shortage areas within the ACT, and that the national average was only 11 per cent. In fact, the jurisdiction next closest to the ACT was Tasmania with 17 per cent.

The level of satisfaction with our system from both trainees and apprentices at 87 per cent and from employers at 85 per cent shows a very strong vote of approval for the local VET system. It is perhaps disappointing that the quality of the outcomes that we are getting are being run down by the opposition. In looking forward, particularly in looking at the direction in which there is agreement across all states and territories and with the commonwealth about the need for simplification in VET, the need to reduce the layers of bureaucracy and to ensure that there are better direct lines with industry, the direction the government is heading with the skills commission is, I believe, the right direction. It is again with some sadness that, given the fine results that we have been achieving in the ACT, the opposition would seek to run down that performance.

Looking at the more specific issues within the budget, it is again of great concern that the opposition have indicated that they do not support the injection of \$90 million of capital funding into our public education system and that they seem opposed to the provision of \$20 million over the next four years for the smart schools, smart students program. Mrs Dunne constantly harps about the proposed new school in west Belconnen, saying that it will never be built. I am pleased that the government has been able to fund that in this budget and also the Gungahlin east primary school, a new facility there. The sum of

\$67 million has been set aside for new schools in the territory to meet the growing demands in the Gungahlin region and to seek to rejuvenate public education in west Belconnen. It is important that the government seek to invest money in those areas.

I note that Mr Mulcahy, in his comments, homed in on the drift from the public system to the private system. That is clearly an issue the government is seeking to address, but it is not the only factor. We do have to address the demographic changes that are occurring in the city. An issue that I have raised in question time as well is the equitable distribution of resources across the public education system. It is the case at the moment that there are some schools that attract a subsidy, an additional amount, and it can often be a 40 or 50 per cent loading on top of what some other schools receive simply because they are small; not because there are particular educational needs or there is an area of socioeconomic disadvantage, but simply because they are small.

Given that we do have limited resources—all governments have limited resources—to apply to solving some of the major issues that we need to solve, I think it is important that we take a critical look at where our resources go on education. It does concern me that there are some students who miss out on high-quality education simply because we are not able to channel the resources to their needs under the way the system is working at the moment. There is a pretty compelling case, I think, for reform. There are so many reasons that we need to do that that we need to undertake this significant change and need to do it now.

It is, again, disappointing that through most of the speeches from the opposition there has not been a positive contribution. I would like to acknowledge at this point that Dr Foskey did, in her speech, put forward some interesting ideas for potential use of school sites and some interesting ideas about how we might rejuvenate some of the government schools that are struggling at the moment to attract enrolments. I note that many of those ideas have been raised with me already in the consultation period. I certainly appreciate that Dr Foskey is also, obviously, speaking to some of the school communities. We have a real opportunity in this consultation process to have some fantastic ideas come forward for our public education system.

I acknowledge that those opposite will be cynical until the conclusion of the consultation process, and possibly beyond, but what will count in the end is what the government does. If the consultation process continues in the constructive manner in which it has proceeded so far, I am confident that, once the time for the politics and game playing that those opposite have been engaging in passes and the time for some serious discussion kicks in, we will see some really positive outcomes.

I am certainly very committed to ensuring that our public education system is strengthened. It is a fantastic thing that we have \$90 million to refurbish schools. I have indicated that there is a range of glaring needs within some of our schools and that infrastructure has been run down over many years. We do have an opportunity through this budget to address that. That is a really important thing. It is with great disappointment that those opposite do not support such an investment in public education.

Question put:

That the proposed expenditure be agreed to.

The Assembly voted—

Ayes 7

Noes 6

Mr Barr	Ms MacDonald	Mrs Dunne	Mr Seselja
Mr Berry	Ms Porter	Dr Foskey	Mr Stefaniak
Mr Corbell	Mr Stanhope	Mr Mulcahy	
Mr Gentleman		Mr Pratt	

Question so resolved in the affirmative.

Proposed expenditure agreed to.

Proposed new part 1.16A.

MRS DUNNE (Ginninderra) (3.42 am): I move amendment No 1 circulated in my name [*see schedule 2 at page 2828*].

MR SPEAKER: Members, standing order 201 states:

A Member, other than a Minister, may not move an amendment to a money proposal, as specified in standing order 200, if that amendment would increase the amount of public money of the Territory to be appropriated.

Members will be aware that on 23 November 1995 the Assembly passed the following resolution in relation to appropriation bills:

That this Assembly reaffirms the principles of the Westminster system embodied in the “financial initiative of the Crown” and the limits that that initiative places on non-Executive Members in moving amendments other—

my emphasis—

than those to reduce items of proposed expenditure.

In a report to the Assembly in June 1994, “financial initiative of the crown” was described as:

- the executive government is charged with the management of revenue and with payments for public service;
- it is a long established and strictly observed rule which expresses a principle of the highest constitutional importance that no public charge can be incurred except on the initiative of the executive government; and
- the executive government demands money, the House grants it, but the House does not vote money unless required by the government, and does not impose taxes unless needed for public service as declared by ministers of the crown.

Last year when I ruled on an amendment to the appropriation bill I indicated that I intended to rely on that resolution as a resolution of continuing effect, unless otherwise directed by the Assembly. I am informed that the Clerk has suggested in his submission to the review of the standing orders that the resolution be adopted as a resolution of continuing effect to avoid any doubt on the matter. As I believe that the proposed amendment is in conflict with the resolution agreed to in 1995, I therefore rule the amendment out of order.

Mrs Dunne: Further to your ruling, Mr Speaker: you have said that the amendment conflicts with the resolution of 1995, but you have not said in what way. The resolution of 1995 says that the only thing that can be done is something to reduce revenue. As this is a revenue neutral item, it does not affect the revenues of the territory and is therefore clearly in compliance with the 1995 resolution.

MR SPEAKER: I take a different view. I do so because the standing orders were suspended in 1995 specifically to deal with that motion in relation to appropriation bills. I will read it again. It says:

That this Assembly reaffirms the principles of the Westminster system embodied in the “financial initiative of the Crown” and the limits that that initiative places on non-Executive Members in moving amendments other than those to reduce items of proposed expenditure.

I declared my position when the Assembly was last asked by, I think, Mr Mulcahy, to amend an appropriation bill.

Proposed expenditure—Part 1.17—Canberra Institute of Technology, \$60,359,000 (net cost of outputs) and \$5,170,000 (capital injection), totalling \$65,529,000.

MRS DUNNE (Ginninderra) (3.46 am): Mr Speaker, the appropriation for the CIT is, essentially, a new one this year, attracting \$65.5 million in the 2006-07 budget. The new appropriation was explained to the estimates committee by the dean of corporate services in the following terms:

We have changed financial arrangements ... there is now a direct appropriation to CIT rather than via the department.

The minister emphasised that this meant that the CIT was more directly accountable to him as the minister. On the surface, the change in the appropriation and the creation of more autonomy for the CIT may be a good thing but, in light of the huge disruption that we are seeing in the education system, it may not be as efficacious as it could be in a time of more stability. I am concerned and the other members of the opposition are concerned about the impact that this will have and also about the additional costs that necessarily arise as a result of any sort of organisational change. In addition to this perhaps needless organisational change, we are concerned that there are considerable numbers of staff cuts. Some of those are going to the shared services area—78 are being referred to the shared services area—and there will be some cut in casual staff and contract teaching.

It is interesting to dwell upon the problems that may arise in the CIT at a time when, wherever you go in this territory, employers are saying that they cannot find people with sufficient skills to fill their jobs. I am concerned that my own currently limited experience with the CIT is that students of my acquaintance, including my own daughter, have been confronted by teachers who have said that they have to restructure significantly. For instance, in one area, although they have not worked out exactly how they are going to restructure, it may be that the contact hours will be cut by 50 per cent. The other alternative is to combine two classes into one and have a very large number of students in that one class.

These are areas where we should be very concerned. There is something wrong if teachers think that the most appropriate thing to do is to cut the number of contact hours by 50 per cent and feel that they are being driven to do so because they have to save such significant sums of money. We are looking at \$1.7 million in savings this year and, over the life of the budget, in excess of \$3 million being taken out of the CIT budget. That seems to be the highlight of the budget when it comes to training. As with all other aspects of training, there are cuts, cuts and more cuts.

The other area of considerable concern is the 30 per cent increase over the life of the budget in fees for students. Again, it seems to me that we are making people pay in areas where often they have the least capacity to do so. My daughter's cohort who chose to go to university at least have the capacity to defer the up-front costs of their education, but students at the CIT do not. At a time when we are talking about skill shortages in critical trades and IT, areas in which considerable training is done at the CIT, we have a situation whereby, beginning next year and taking place over the next three years, there will be an increase of 10 per cent a year, an increase of slightly in excess of 30 per cent, in fees. There is no capacity for students in those areas to defer their payments. These are not HECS-eligible courses. Students have to pay up front at the beginning of each semester or at the beginning of each term. For each period of study you have to pay your money before you can start your courses.

I am particularly concerned for people on low incomes who want to see their children get on in technical areas, because those are the people who are going to be least able to bear these costs. Middle class people will be able to tighten their belt and not go out to dinner two or three times to make up for the changes, but people who are really on the margins may be in a situation where they have to say to their children, "I am sorry, I know that this trade skill would be good for you in the long run but I honestly cannot afford to pay the fees." In a town which is crying out for skilled workers, in a town which says that it values education, we will be making it harder for the poorest to participate in that regard.

The well off and the middle class will find a way, but the people on benefits, the people who are retired or on pensions in some way and the people who are low income earners, perhaps with large families, will not necessarily have the means to see their way clear to put their children into the Canberra Institute of Technology. It is one of the foremost technical institutions in this country, having built up over the years since self-government to become a great institution, and we have here in this budget more thoughtless cuts.

We are taking out teaching staff. We are driving up the cost of fees. There are some provisions whereby first year apprentices in some trades will be exempt from the fees but, generally speaking, there will be fees that will go up. People in the non-apprenticeship lines of training will be facing, by the time they get to 2008, a 30 per cent increase in their fees. My daughter, who is in her first year at the CIT, will not be particularly affected. Her fees will go up 10 per cent next year. But for the people who come after her, the following year, their fees will be 20 per cent higher than they are this year. By the time they have finished their two-year course the fees will be 30 per cent higher than they are this year. That is going to be replicated across the range of courses, which means that fewer and fewer people will be going down the path of training at the CIT. The people who will be marginalised will be the people who can least afford it.

The government beats its breast about being progressive and looking after the poorest of the poor. I do not know where these people are that it thinks it is looking after. What is actually happening is that the government is limiting the educational opportunities for the people that it claims to represent. There is a real problem with this line. It is a real problem of lack of thought and lack of consideration of the real implications for the needs for high-quality training in the ACT. Instead of finding ways to encourage more and more people into training, we are finding ways to discourage them.

There are still people within the population of the ACT who are not finding work. There is a view that if you cannot find a job in the current climate you do not want one, but there are still people out there, there are people still in jobs for which they are not appropriately trained or not trained to an optimum level and there are still people who would like the opportunity to train up so that they can get a better job than the one that they currently have.

At a time nationally recognised of skill shortages, this government is creating barriers to prevent people obtaining the skills that we need for our economy. Economically rational Mr Andrew Barr is scrimping and saving a few measly dollars at the CIT and the long-term pain will be much greater than the \$3 million-odd he proposes to save over the life of this budget and in the outyears. Again, it is false economy. He is saving a little bit here in flouting his economic rationalist credentials, but he does not seem to realise that in the long run it will cost the community more.

DR FOSKEY (Molonglo) (3.56 am): The CIT finds itself, once again, faced with shrinking resources and greater expectations. There is also talk of a merger with the University of Canberra to make, I suppose, a kind of university of technology. There could be advantages in that in terms of academic achievement as well as, presumably, cost efficiencies. One suspicion, of course, is that the idea is driven by the revenue that would come from selling off the Reid campus. That must not be allowed to happen. Even if that is not the subtext, the notion of a merger does, however, raise profound questions about the kind of education we offer and whom it will suit.

One of the areas of the education debate in which I agree with the education minister is on the need to improve the options for young people who do not plan to attend university. I am not comfortable with the university of technology of Canberra idea at this stage because it opens the door to higher fees and HECS debts. TAFE education is

built on the idea that tuition costs should be kept to an absolute minimum and the course structures need to provide a scaffolding for skills development and work for young people of all capacities. Consequently, I share many of Mrs Dunne's concerns about the increases in fees. I believe that the CIT is currently trying to find how it can make more cuts, as required by this budget, to areas which it feels it has already stripped to the bone.

In this context, I think that we also have to acknowledge that we are working here against the Howard federal government. TAFEs round Australia have been running on diminishing federal support for the past 10 years and now the federal government has set up its own technical colleges in competition, although our competition, the proposed college for Queanbeyan, is yet to materialise.

The shift towards outsourcing educational services to charities and private providers has also had a direct impact on the ACT, with the CIT's very strong adult migrant English program severely curtailed and now at risk. That is because the DEST contract for English for employment and further study was awarded to Mission Australia rather than to the CIT. Whilst the federal government's media release states that all the successful organisations have a proven track record in this specialist training area, Mission Australia has no training function, infrastructure, et cetera at the present time in the ACT, as until now it has only funded and referred clients on to other training providers, such as the CIT.

The CIT ESL for employment and study is staffed by a very experienced, professional and highly qualified team of teachers who have been successful in tendering for the past two DEST contracts in this field, and they have developed cutting edge technology. Today I talked with some of these students, who expressed their concern about this move, and it does seem really stupid. The level 4 that they require in order to be able to move on to study at the University of Canberra is simply not available at Mission Australia. These students are very worried. They do not even know where they will go for classes with Mission Australia. Also, the teacher who was with this group is being forced to accept employment with Mission Australia at a much lower rate of pay because she is a casual and she has to work. So this is a really retrograde step.

In addition, the CIT is, or was, looking at programs combining ESL expertise with its trades teaching staff to fast-track migrants with a trades background into industry, this in a place where we have skills shortages. This profoundly effective program looks like being shut down due to a federal government shift in funding policy. We are still waiting to find out why the CIT bid failed. I asked about that in estimates. It is quite likely that cost effectiveness will be expressed as a key factor.

One might ask: where is the federal government's triple bottom line analysis of the long-term impacts of its funding decisions? We have the same questions about this government's holus-bolus acceptance of the recommendations of the functional review, which are also impacting on CIT operations. The need for post-secondary options in the Tuggeranong Valley is well known. At the last election, the ACT Greens ran strongly on the need to establish a CIT campus as a way to address some of that need. More recently, I raised the possibility of basing some CIT programs at Kambah high school and was advised that that was not what the CIT wanted to do.

I am not sure if that is the case throughout the CIT or if it reflects a view inside government that it would rather shut down that high school than use the site more effectively. Mind you, I have also said that if the ACT government wants to compete directly with private schools, as is sometimes suggested, it could consider making Kambah high a selective academic high school and links with the CIT could be built in other places. Finally, I hope that the new chief executive can offer CIT both stability and vision. I am confident that this government, in the lead-up to the next election, will move into another expansionary strategy and it is important that the CIT is well positioned for that.

MS MacDONALD (Brindabella) (4.02 am): I promise that I will not take up even the first 10 minutes allowed and I do apologise to the house for standing up at all. It was not my intention to do so, but Dr Foskey made me get to my feet because she devoted several minutes of her speech, which was supposedly about line item 1.17, relating to the Canberra Institute of Technology, to Mission Australia in an area which has to do with the federal government awarding contracts.

I understand the frustration with that and I accept, acknowledge and heartily endorse the fact that the CIT was doing an excellent job in providing an English for migrants program. However, I think it would be erroneous to allow the perception to go forth that all private providers are bad and that everything should be provided by the public service as far as vocational education and training programs are concerned. Members of this house will be aware that I worked within the vocational education and training sector for two years in a paid capacity and for five years in a voluntary capacity on an industry training advisory body board, seven years in total, and, of course, I was chair of the education and training committee in the last Assembly.

The fact is that it is too late to say that all VET courses should be provided by TAFE. That argument happened a decade ago. We have had private providers in the field for a long time. Ms Porter is nodding because she has been involved with at least one of those private providers. I have to say that there are areas in which the CIT does not offer courses and has never offered courses and that it has been only because of the private providers that the courses have been offered. I would also say that in lots of cases the private providers have made sure that the CIT has kept its game up.

I am not saying that the CIT does not do a good job. I think that it does an excellent job in a number of areas. But there are some areas where it is not the best registered training organisation to provide the training, where it is better provided by other registered training organisations. Mr Speaker, I have spoken for coming up to 3½ minutes and I think that is probably enough time to take up.

MR SPEAKER: That sounds about right.

MS MacDONALD: Yes, it sounds about right. This line item is, after all, on the CIT, not on private providers, but I felt that it was necessary to say that.

MR BARR (Molonglo—Minister for Education and Training, Minister for Tourism, Sport and Recreation and Minister for Industrial Relations) (4.06 am): Mr Speaker, I will be very brief in responding to Mrs Dunne and Dr Foskey on the issue of the fee increase.

It is the first fee increase since 1998. A considerable period has passed since the last increase. It is therefore, I think, a necessary adjustment. There are, as Mrs Dunne alluded to, concessions available.

On the staffing issue, as discussed broadly in estimates, there is to be a transfer to the Shared Services Centre and some streamlining of IT provision. Obviously, the acceptable productivity offset found with the Australian Education Union in relation to the increase in average class sizes from 15.5 to 16 has enabled the government to be able to make the offer of a four per cent per annum pay increase for CIT staff.

I conclude on the point that in seeking to explore possibilities, and I think particularly of the lack of post-year 12 options in the Tuggeranong Valley, I have taken on board the comments that Dr Foskey makes in relation to Kambah high. I think there may be some possibilities there to explore. I certainly know that the Kambah board, the Kambah SRC and a variety of parents that I have spoken with already in the period since the budget have indicated some very strong support for that as something they would like to see the government pursue. As I have indicated before, it is very high on my agenda to ensure that we do address that issue of post-year 12 provision in the Tuggeranong Valley.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.18—Exhibition Park Corporation, \$321,000 (net cost of outputs) and \$450,000 (capital injection), totalling \$771,000—agreed to.

Proposed expenditure—Part 1.19—Legal Aid Commission (ACT), \$3,385,000 (net cost of outputs), totalling \$3,385,000—agreed to.

Proposed expenditure—Part 1.20—Public Trustee for the ACT, \$613,000 (net cost of outputs), totalling \$613,000—agreed to.

Proposed expenditure—Part 1.21—Actew Corporation, \$9,444,000 (net cost of outputs), totalling \$9,444,000.

MR MULCAHY (Molonglo) (4.10 am): The \$9.4 million appropriation for Actew Corporation in this year's budget reflects a change to funding arrangements for the territory-owned corporation whereby the commonwealth specific purpose payment, which was previously listed as an ACT government user charge, has now been given an allocation in its own right. No matter how the figures are arranged, there remain significant concerns over the way Actew, in close association with the territory government, monopolises both the supply and price of water in the territory, much to the considerable financial benefit of this government but, I would suggest, to the financial detriment of the ACT water user.

The ACT government will collect \$63 million in 2006-07 through dividends funded by the profits earned by Actew, helping to fund this government's past overexpenditure and continuing deficit budgets. This revenue boosting source of dividend funding from Actew is, in fact, in many ways a thinly disguised tax collection, which means that Canberra households will have less discretionary income to spend. When you add this to the existing raft of levies, fees and charges that have been introduced in this budget, we then have a considerable overall increase in the cost of living for all Canberrans, an

increase that, when pegged to the wage price index, will make it especially hard for those on fixed incomes to cope.

The increase in the water abstraction charge of 30c per kilolitre is another impost that has been poorly justified by the government. I suggest that the ACT government is on questionable legal grounds in charging Canberrans 120 per cent more for a “scarcity value” attached to their water which, according to Mr Stanhope, means “the value associated with the consumptive use of water by the territory preventing its alternative use for economically valuable purposes such as irrigation”. The Independent Competition and Regulatory Commission, the ICRC, has repeatedly sought legal advice on the legality of the WAC to ensure that it cannot be interpreted as a form of tax that Australian states and territories are not allowed to charge. Despite this, Mr Stanhope gave his assurance in estimates that they would not misuse such a tax, stating that the government is acutely aware of issues in relation to its constitutional capacity and would not inappropriately use the water abstraction charge. He continued:

We know the basis on which it can be levied and collected. We know our constitutional capacity and we will not transgress, obviously ... The government is not going to go out and use moneys which it receives inappropriately ... with its constitutional power. We are going to use the WAC for the purposes for which it is able to be collected, that is, to support the provision of water to the community.

This WAC increase also comes on the back of increases to Actew’s charges for water earlier in the year, which saw the maximum cost of water rise from \$1.53 to \$1.74 per kilolitre. These increases have been justified by Actew through a liberal interpretation of what they refer to as unforeseen costs that have affected their water price path, amongst which were adverse revenue impacts from the ACT government’s water restriction policy.

Not surprisingly, reduced water use has had the effect of reducing Actew’s income. Canberrans have understood that water is scarce and have made sacrifices by cutting back on garden watering, and reducing water use in their homes. This exemplary behaviour, I suggest, should not have been punished. By Canberrans having to pay more for such a vital resource by an increase in the price of water through Actew’s charges and its water abstraction charge, the government is only looking after its own direct and indirect interests through the direct tax revenue and the Actew dividends which, in effect, go straight into the government’s pocket.

I know all the arguments about the ICRC’s role, but the net effect is that taxpayers are going to pay more—and they do pay more. I feel quite sure that, with the Actew Corporation CEO drawing somewhere in excess of \$450,000 a year—probably over half a million by now—water users will no doubt be grateful to make their extra contribution to preserving his lifestyle.

Such increases also fly in the face of poor financial decisions by Actew that are adversely impacting their bottom line and placing further pressure on them to raise prices so as to maintain a dividend stream for the government. The chairman of Actew, Mr Jim Service, conceded as much in his statements regarding the performance of TransACT, which has ultimately seen considerable funds invested in it. I note the exchange between Mr Service and me when I asked him about TransACT. He said:

We take the view that the long-term capacity of TransACT is good.

That was a nice, broad answer. I then asked him:

Will we receive a return on our investment?

His response to that was:

My view is that eventually, yes. Whether I will live to see it at my age may be another question.

That rather flippant, and I thought rather discourteous, treatment of a very legitimate issue on behalf of the ACT taxpaying community epitomises a philosophy that I am uncomfortable with. This corporation feels that it needs to respond to the needs of the people of Canberra by sinking so much money into that. The Chief Minister is probably champing at the bit to say, "We did not start all that; I will never defend that investment," but the fact of the matter is that I am troubled that we have got into those things. I would like to believe that the Actew Corporation is now far more prudent in its thinking. When I hear the sort of belief that "we will get the money back one day" I know that that is a dream. I am quite confident that it is like that venture in China. Money is down the drain and it will never be seen again.

Looking at the undertaking by Actew of capital projects, part of Actew's rationale for increasing its prices in addition to addressing unforeseen costs is to adequately fund expansions to their capital infrastructure and upgrades to the territory's water supply. The reality is that the water price and tax increases are, in my view, providing benefits that ought to be applied over a much longer period of time. It seems inappropriate to me that we are applying some of these costs over a shorter time frame. I made a submission in relation to this matter to the ICRC. I lodged a personal submission in my parliamentary capacity.

Mrs Dunne: Did they acknowledge it?

MR MULCAHY: I do not believe it was ever acknowledged. I made the point that I thought these sorts of capital projects ought to be funded by the community on a longer-term basis because of the useful life and that a period of 20 years would be much more reasonable and much more equitable.

In conclusion, I would urge the territory government to tread carefully in its provision of water to the territory. The convenient arrangement in place with Actew at the moment obviously ensures a steady stream of dividend income and an arbitrary control of water price and supply, notwithstanding the arguments that will no doubt be mounted about the independence of the pricing arrangements. For the sake of all Canberrans I would hope that either the government manages this corporation prudently or more is done to strengthen the objective and independent supervision capacities of the ICRC, which I think are going in the opposite direction, in relation to the pricing policies of Actew Corporation.

MRS DUNNE (Ginninderra) (4.18 am): I spoke on Tuesday at some length about the concerns the Liberal opposition has in relation to the water abstraction charge. Those concerns are of long standing. Mr Mulcahy has dwelt on them today as well. There are just a couple of points I would like to make in relation to Actew, the main one being to reinforce and flesh out a little the issue in relation to scarcity value. The increase in the water abstraction charge is notionally for the scarcity value of water in the ACT.

We seem to forget that a huge proportion of the water that flows into the Murrumbidgee River system in the catchment area of the ACT flows out again at the other end—that 96 per cent of the water flows out the other side and that most of that water, or all of that water, goes downstream, where it is used and reused. Usually it is traded at a fraction of the cost the ACT taxpayers pay for their water.

ACT taxpayers, after the passage of this budget, will be paying in excess of 153c a kilolitre. The water we do not consume, which goes down the river and is traded, is traded often at 2c to 5c a kilolitre. There seems to be no recognition downstream of the scarcity value of water in the ACT. I think this government is kidding itself when it says we have to pay through the nose an extra 30c a kilolitre in recognition of the scarcity value as, when that water is traded downstream, it is paid for at a much lower rate than is paid for it in the ACT.

Of course, the water we use here is potable water. It is treated. The irrigators who are paying 2c to 5c a kilolitre for the water are not using it as treated water. It is not being treated. There are differences in the value of potable water. We use about six per cent of the water that falls in our catchment and flows through our territory. We make significant contributions to the downstream measures.

I think there are many people in this country who would agree with the argument that we should be paying more for water and valuing it, but I do not think it is urban dwellers who need to pay more. There should be much more economic value apportioned for the agricultural purposes of water. Until that happens, I think the hapless residents of the ACT should be given a break. I would be happy—and I know many constituents who would be happy—to pay more for water when irrigators are paying something like what we pay in the ACT for our water.

MR STANHOPE (Ginninderra—Chief Minister, Treasurer, Minister for Business and Economic Development, Minister for Indigenous Affairs and Minister for the Arts) (4.21 am): I thank members for their contributions to this particular line. I must say there is much of what Mrs Dunne has just said that I do not necessarily disagree with, at one level.

Mrs Dunne: That is the second time today.

MR STANHOPE: Yes, it is. What you say is quite true. The ACT is a net exporter of the water that falls within the ACT catchments. I think New South Wales benefits very significantly from our attitude to water, both in terms of the export of water that falls within the territory catchments and, indeed, as a result of the quality of the recycled water and the extent to which we export through the lower Molonglo into New South

Wales. We take 63 to 65 gigalitres of water a year. We treat 33 gigalitres of water, or thereabouts, to a very good and high quality, which we then export.

I have no doubt that the initiatives now being pursued in relation to water trading—the Living Murray initiative, the national water initiative and the National Water Commission—are very good steps in relation to issues around water trading and the appropriate valuing of water. We need to accept the elimination of some of those uses, at almost no cost, which are essentially at the heart of the degradation of our systems.

I think that in the argument that has been put, there is a whole range of other considerations around the scarcity of the resource: the value that should be applied to it, demand management, the need for us to be responsible, and responsible citizens, within the basin, an acknowledgment of the impact on Actew and our catchment of the bushfires, the enormous expenditures in the infrastructure Actew have engaged in over the last three years in drought-proofing the territory and in ensuring that we have the capacity to treat the water to meet the daily needs of the people of the ACT.

There have been very interesting contributions to the debate. Perhaps it is something we can pursue another day. I will not labour it now except to say that I think Actew has done an excellent job. It has responded magnificently through the Cotter to Gugong transfer arrangement to drought-proof us into the short to medium term. It has allowed us to take a brief in relation to our longer-term water catchment and storage needs. That has not put it off indefinitely, but it is a short to medium term response that allows us an opportunity and a window to consider a whole range of other possibilities in relation to that.

The water treatment upgrades, the Cotter-Googong bulk transfer system, have come at significant cost to Actew and the territory—I think in excess of \$60 million. I do not have the actual figure, but I believe in the order of \$60 million has been expended by Actew in the last three years in capital upgrades.

I will conclude by saying that I accept the need for the ACT to understand and to ensure that the water abstraction charge is legal and that it is sound. The point I have made before and the point I will continue to make is that we would not pursue the water abstraction charge if we did not have the confidence that it was appropriate and legal.

Mrs Dunne: Show us the advice.

MR STANHOPE: No. The territory will not release its legal advice in relation to this or any other matter. But we are mindful of and sensitive to all the issues around the imposition of the water abstraction charge. We will ensure, in relation to all charges, that they are legally appropriate and supported by our constitutional power. I am confident that the water abstraction charge is one such charge that is legally appropriate and constitutionally valid. I might just say that I am aware of a number of attacks—and I will call them attacks—by Mr Mulcahy on the chief executive of Actew and on the chairman of the board that are, I think, unfortunate and unwarranted.

Mr Mulcahy: I just thought it was a flippant response.

MR STANHOPE: No, they are unfortunate and they are unwarranted. I think at one level it is inappropriate for a person protected by this place to be reflecting on the

integrity and the capacity of statutory office holders who provide exemplary service and have outstanding records of achievement and service. It is—and Mr Mulcahy drew attention to this—an independent statutory authority. It sets its own terms and conditions. The government is not responsible for the remuneration of any of its officials. But I have absolutely no doubt that the levels of remuneration are appropriate to the function and the responsibility, and are consistent with the standard of the office involved.

Mr Mulcahy: That is not consistent with your departments.

MR STANHOPE: It is not a question of being consistent with departments, it is a company. It is certainly consistent with, or perhaps even at a lesser level than, similarly placed statutory officials of that order across the board. I have no doubt about that. I think that can certainly be substantiated by the board in relation to its deliberations around the level of remuneration. I will not go on—it is extremely late—other than to say that I believe the attacks or the suggestions are unfortunate, inappropriate and not well based.

There is one point I will make. The obvious response for a member of the Liberal Party in this place to raise concerns at this juncture around TransACT and its history and future really is just a little rich. I heard and I understand the explanation, and perhaps the riders, Mr Mulcahy put on his expressions of concern in relation to TransACT. I do not disagree. But sometimes in relation to some decisions taken by predecessor governments, successor governments are faced with difficult decisions in relation to investments made that are not particularly easy to manage. To suggest that we might have baled out or engaged in some sort of fire sale in relation to an earlier investment begs a whole range of questions around how a government responds to circumstances such as those in which this government found itself when it inherited TransACT. Having said that, TransACT is a wonderful facility.

Mr Mulcahy: It just does not make any money.

MR STANHOPE: Yes, but to the extent that it is not a money spinner and represents, I think, some risks into the future, if one is to find positives, there are positives to be found in relation to the extent to which Canberra is wired—it has access to broadband—and the extent to which TransACT has provided a tremendous utility for residents and businesses in the territory. It is not all gloom and doom. It is not as if this has had no positive aspects or spin. It has, in the context of the service. Mr Mulcahy makes a good point around its future. Mr Service, in his responses at estimates, did not run away from that. He was very open and very honest in his assessment of its future profitability or return to Actew or to the government.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.22—Cultural Facilities Corporation, \$6,410,000 (net cost of outputs) and \$3,261,000 (capital injection), totalling \$9,671,000.

MR MULCAHY (Molonglo) (4.30 am): I will literally be one minute. It always seems we get to the cultural facilities area towards the end of proceedings, wherever we are. I note the article in *City News* that reflected the Chief Minister's presence at the "Illuminations" exhibition, which I was not able to attend. But they have highlighted

something here and said that it would be wonderful if it could be addressed. That is, the poor number of visitors to the Nolan Gallery.

I understand that the wishes of his widow are being respected in terms of the location, but I recall in estimates being amazed—they are not in the budget papers, so they may have been presented there or just presented orally—at the differential in the attendances even at Lanyon, which I am a bit of fan of. There are not many examples of 19th century architecture in this territory versus the Nolan Gallery.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.23—Gambling and Racing Commission, \$4,008,000 (net cost of outputs), totalling \$4,008,000—agreed to.

Proposed expenditure—total appropriations to departments, \$1,840,542,000 (net cost of outputs), \$486,600,000 (capital injection) and \$377,408,000 (payments on behalf of the Territory), totalling \$2,704,550,000.

MR MULCAHY (Molonglo) (4.33 am): In conclusion, Mr Speaker—I repeat that I am conscious that we are meeting here at an extraordinarily late hour; it is now 25 to five in the morning—it has to be said that this has been the worst budget that the people have had imposed on them in the territory's history. There will be a lot of damage done to ordinary Canberrans. I believe the government has not really demonstrated sympathy or appreciation in any of the debate we have heard to date about how this will hurt ordinary families, how it will hurt people on fixed incomes or how it will hurt people such as superannuants. What is not appreciated here, especially with the reliance on property incomes, is that there are quite a number of people in the city who may in theory become wealthier because of the appreciation of land values, but in fact their cash position is not dramatically changing. So they become asset rich but to some extent cash poor. When you start accelerating their costs at a rate that is well in excess of inflation and well in excess of their capacity to generate additional income if they are having CPI adjustments in their income or whatever, you will lead to a deal of distress.

I am sure that if Mr Quinlan were here he would be leaping up to say, "They can attach the debt to their property." But anyone who has dealt with our senior citizens and taken an interest in their needs would know that older people do not like to leave a trail of debt for their children and it does distress older people when they are not in a position to meet the outlays that they are required to meet under statutory arrangements. I have, quite honestly, had people call my office who have been seriously distressed as they have worked out what they believe they are going to have to pay. And even another subgroup who do not even own property are also going to feel the impact of many of these increases.

This wage price indexation concept is the work of a clever number-cruncher somewhere within the government who has just simply said, "We can bring in more money," but it is completely insensitive to the position of ordinary working people in this territory. It is insensitive to the battlers we have out there in our community. I have spoken about high levels of income. I had the privilege recently—I have not said it publicly and I am not doing it for any public value—to go out with St Vincent de Paul on their night patrol. They said that no MLA has done that before. I urge other members to volunteer. It was

an eye-opener to me to see how many distressed people there are living on the streets of Canberra who are not evident when you walk around the city. They came out of the woodwork, and we were giving them clothing, food and the like.

There are people in less destitute circumstances in some of the poorest suburbs in Canberra and within my electorate who are doing it tough. They really do struggle to pay their bills, and they struggle to meet their household budget and to buy their kids the things that most of us try to arrange for our children. I just think there is a high level of insensitivity in this budget, and I have never heard that aspect addressed.

I have heard it said that people expect too much in Canberra and that our services cost 20 per cent higher than they ought, but I am genuinely concerned. I know the government has the capacity to put this budget through—and we cannot stop that—but I would hope that there is some measure of review down the track to see the number of people who fall through the cracks. One of the great indicators will be the number of people who start to default on payments, because will mean that people are starting to run into difficulties in meeting their fines and charges and levies and so forth. I will be very surprised if, 12 months from now, we do not see that situation deteriorate for a number of Canberrans.

We are facing a few additional costs. We have interest rates increasing and we have all these water charges going up. Who are the people who are going to get hit with the water charges? It is going to be people with larger families, the least capable. It is not the singles that are going to have a problem with this. I appeal to members of the Assembly and to the government in particular that, in signing off on this budget, they understand that there may be many unintended consequences out of this legislation. I would hope that a measure of compassion at some time will come down—balanced, of course, against the not insignificant problem of trying to bring this territory back onto a balanced budget basis.

DR FOSKEY (Molonglo) (4.38 am): While I agree with a lot of what Mr Mulcahy says, I do believe he does have to acknowledge the role of the federal government in the creation of poverty and in creating the situation that many of the people of St Vincent de Paul work with. St Vincent de Paul itself has made those statements. So let us not try and sheet home all the blame to our ACT government, which is pretty small fry in many ways in the creation of this but which does have a role in alleviating the hardship of our citizens. In fact, this is a government that has knowingly asserted that that is a role that it will take through its social plan and many of the other very wonderful statements that have been made over the years, which, I believe, is a major reason why it was elected at the last election.

I have already said on the record that I am unable to support the appropriation bill. I have said that the main reason for this is that the functional review, the basis for the budget, has not been released. We do not know what the assumptions are that it is based on and what benchmarks have been used. Its recommendations have not been analysed for their social and environmental impact and the budget itself lacks transparency. There was a lack of detail provided in the budget papers and to the estimates committee regarding the cuts in funding to departments, programs and staff.

We have been unable to conduct a thorough analysis of its impact on the ACT community, and our constituents have similarly found it obscure. This budget has put the government's AAA credit rating before everything else, despite the fact that it does not use that rating to make borrowings for infrastructure. The government itself failed to take a triple bottom line approach to the budget cuts and there is no evidence that it considered the social and environmental impact of the cuts in funding. There are harsh and dramatic cuts to education, the environment and housing, especially emergency housing. They have been made without the involvement of the community and their advocates, and the government appears to have abandoned its community engagement strategy, its social plan, its social compact and the community funding policy in the process.

I see little evidence that this budget is one that our children will appreciate, despite the government's claims, given its unjustified long-term detrimental impact on key social and environmental indicators. By the way, if we had seen the functional review it would have ensured a more informed judgment of this budget and one still might have been obliged to vote against it. I would like to make it explicit that, by voting against the appropriation bill, I am not making a vote of no confidence in the government, although admittedly it is very hard to have confidence in a government which delivers a budget like this in this way. It is a vote of no confidence in the budget and the information that has been provided in its support.

With a minority government, especially one where the Greens had the balance of power, I doubt that we would be facing a budget like this, as initiatives like school closures, plans and the SAC cuts would not and could not have been handled in this manner. So this is the budget of a majority government. It is not explained, it has not been developed in partnership with the people affected, and it does not take any particular care of those people and those parts of our environment that are most vulnerable. It is based on the presumption that the government has no need to listen and knows best. The John Howard government, to whom I referred in the beginning, follows a similar approach. There are many people in Canberra who can now see the unfortunate consequences of a majority government at both levels.

MR STANHOPE (Ginninderra—Chief Minister, Treasurer, Minister for Business and Economic Development, Minister for Indigenous Affairs and Minister for the Arts) (4.43 am): I will just make some very short concluding remarks, Mr Speaker. The shadow Treasurer commenced his final remarks on this budget by suggesting that it was the worst budget in the history of self-government. I understand that every shadow Treasurer since self-government has described the then budget just debated and about to be passed as the worst budget ever delivered in the ACT. This is the 17th time since 1989 that the shadow Treasurer has stood in his concluding remarks and said, "Mr Speaker, this is the worst budget ever passed in the history of self-government." I have heard it before and I have no doubt that we will hear it again next year.

This is far from the worst budget that has ever been delivered, debated and passed in this Assembly. This is a good budget. It is certainly a hard and a tough budget, but in this budget the government has taken decisions that have been put off year after year by successive governments since 1989. I will just summarise some of the significant decisions, the hard decisions, the politically courageous decisions that have been taken by this government. I refer to the move to the GFS accounting standard, a decision which

no government has previously taken. It should have been taken in all the years the Liberal party were in power. It should have been taken each of the seven years that the Liberal party were in government but they did not take it. It has been taken now and we have debated this issue.

It is not a decision that any government takes lightly and has never taken lightly, because it does not, in its standard, reflect particularly well or favourably, as we see in this particular instance. Under the Australian accounting standard there is a surplus of \$170 million. Under the GFS there is a deficit of \$91 million. If you were in government and had a choice, what would you choose—an accounting standard that reflects a surplus of \$173 million or an accounting standard that reflects a deficit of \$91 million? We decided. And it is a hard decision. It is a decision that you were not prepared to take in government, but we have taken it because it does reflect the real underlying budget position.

We acknowledge, and have been prepared to say openly, in acknowledgement of our budgeting practice and history, that we currently expend on all government service delivery at a rate of 20 per cent above the Australian average and that it is unsustainable. This is an admission, to some extent, that the emperor has no clothes. We have consistently since 1989 expended on government services at the rate of 20 per cent above the national average, and it is unsustainable. The starkest example of its unsustainability is reflected in our health expenditure, increasing over the last five years at around 10 per cent a year.

If we continue the previous level of expenditure on health, by 2020 50 per cent of our entire budget would have been devoted to health. That, of course, would have allowed only 50 per cent for all other government service delivery. Currently, 25 per cent of our budget is expended on health. Within 15 years it would have been 50 per cent at current rates of annual increase in expenditure on health. That was and is unsustainable—everybody in this place knows it is unsustainable—and we have acted to address that issue whilst meeting the needs of an ageing population and incrementally increasing demand for health services.

We have addressed the fact that 30 per cent of our public school system is underutilised. We have heard during this week the views of the Leader of the Opposition in relation to excess school capacity. We know what the position of the Liberal Party was in 1990 when it announced its decision to close 25 schools, its justification and its rationale. Of course, there is a very eerie similarity with the justification and the rationale which this government is using, except the Liberal Party then failed in the face of public disquiet and division within the Assembly and did not conclude or persist with the reform process that it initiated then. It simply did not carry it through. It wilted and it balked at the first hurdle and it did not achieve the reform which we are now seeking to achieve through the vision of 2020.

We saw it in relation to superannuation. There has not been a single government in a single budget since self-government that has not discussed, known and conceded within the cabinet room that we could not afford or sustain the level of contribution for employee superannuation; not a single government in a single budget cabinet has conceded that it was sustainable. Between now and 2025, there will be a 700 per cent increase in the annual requirement, an increase by 2025 that would have led to the

government in five Assemblies time being required to find \$300 million a year to feed our liability, a liability which each of us knows we do not have the capacity to meet. Yet no government since 1989 has been prepared to stand up and make this unpalatable decision and to announce it as fundamental to our future.

On that decision alone this is a good budget because a government found the courage to make such a hard and, at one level, distasteful decision and to carry through with it, because it is simply unsustainable and not doable. We could not have done it. The Treasurer of 2025 could not possibly have found that \$300 million. There would be nowhere for it to come from. So this is a good budget. Through the debate today, the opposition has illustrated that it has no policies, that it has no vision, that it has no courage and that it has no strength. Through the debate, in relation to the announcements it makes about those policies that it would not support, it has potentially put back into the budget, I think, about \$100 million.

Through all of the initiatives that it will not support, the ones that it will abandon, the ones that it would move from WPI back to CPI, the not accounting or the non-requirement for productivity savings in relation to wages, the non-closure of schools, the reintroduction of the tourism budget, the opposition to all the reforms in the Department of Territory and Municipal Services through the explicit decision not to support any of the initiatives in relation to territory and municipal services, the Liberal Party is today supporting another \$100 million worth of promises. In relation to its attitude to rates, Mr Pratt specifically announced that rates would be cut under a Liberal government.

These are the announcements that will form part and parcel of the Liberal Party's election campaign, those decisions which it will reverse, those rates that it will not accept, those schools which it will reopen. We ask: what are their policies? How are they going to pay for it? What other programs will they cut in order to meet this \$100 million worth of promises that have been made over the course of the last two days?

Proposed expenditure agreed to.

Proposed expenditure—Part 1.24—Treasurer's Advance, \$26,900,000—agreed to.

Proposed expenditure—total appropriations, \$1,840,542,000 (net cost of outputs), \$486,600,000 (capital injection) and \$377,408,000 (payments on behalf of the Territory), totalling \$2,731,450,000.

Question put:

That the proposed expenditure be agreed to.

The Assembly voted—

Ayes 7

Noes 6

Mr Barr
Mr Berry
Mr Corbell
Mr Gentleman

Ms MacDonald
Ms Porter
Mr Stanhope

Mrs Dunne
Dr Foskey
Mr Mulcahy
Mr Pratt

Mr Seselja
Mr Stefaniak

Question so resolved in the affirmative.

Proposed expenditure agreed to.

Clauses 1 to 11, by leave, taken together and agreed to.

Schedule 2 agreed to.

Title agreed to.

Bill agreed to.

Estimates 2006-2007—Select Committee Report

Debate resumed from 22 August 2006, on motion by **Ms Porter**:

That the report be noted.

Question resolved in the affirmative.

Estimates 2006-2007—Select Committee Report—government response

Debate resumed from 22 August 2006, on motion by **Mr Stanhope**:

That the Assembly takes note of the paper.

Question resolved in the affirmative.

Remuneration Tribunal Amendment Bill 2006

Debate resumed from 22 August 2006, on motion by **Mr Stanhope**:

That this bill be agreed to in principle.

MR STEFANIAK (Ginninderra—Leader of the Opposition) (4.57 am): The opposition will be supporting this bill. I thank the government for the briefing which I attended, along with Mrs Dunne, together with the quick response to a point raised by the scrutiny of bills report.

DR FOSKEY (Molonglo) (4.57 am): Ditto. I also thank the government for the briefing. It is always good when we can agree with the government after disagreeing so very heartily. In this case, the Greens will support this bill, though I do agree with the gist of Mrs Dunne's comments this morning—or was it yesterday morning?—that merely prescribing four-cylinder internal combustion engines is a very ham-fisted and possibly counterproductive mechanism. For something which is probably meant to minimise greenhouse gases, we need to be much more clear about what we are really talking about so that we do have the effect that we intend.

MR STANHOPE (Ginninderra—Chief Minister, Treasurer, Minister for Business and Economic Development, Minister for Indigenous Affairs and Minister for the Arts) (4.58 am), in reply: I thank members for their support and I do acknowledge the difficult circumstances with which members were faced in considering the bill. I thank them for that.

Question resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

Adjournment

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

That the Assembly do now adjourn.

Fire levy

MR PRATT (Brindabella) (4.59 am): Mr Speaker, I wish to raise a matter which would normally be raised under standing order 46. The Chief Minister stated that I had made a statement declaring that our position or my position was for the abolition of all taxes and rates. In an interjection across the chamber, I said to the Chief Minister that I stood for the abolition of the fire levy. That is as far as I went on that issue.

Question resolved in the affirmative.

The Assembly adjourned at 5.00 am (Friday) until Tuesday, 19 September 2006 at 10.30 am.

Schedules of amendments

Schedule 1

Appropriation Bill 2006-2007

Amendments moved by Mr Stefaniak

1

Clause 6 heading

Page 3, line 1

omit clause 6 heading, substitute

6

Appropriations of \$2,657,400,000

2

Schedule 1

Page 7—

omit

Part 1.15

Department of Justice and Community Safety	Justice and Community Safety	159,335,000	103,143,000	101,331,000	363,809,000
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substitute

Part 1.15

Department of Justice and Community Safety	Justice and Community Safety	158,835,000	29,593,000	101,331,000	289,759,000
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Schedule 2

Appropriation Bill 2006-2007

Amendments moved by Mrs Dunne

1

Schedule 1

Proposed new part 1.16A

Page 7—

after Part 1.16, insert

Part 1.16A

Department of Education and Training	Education and Training—closure of government schools	nil	nil
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2

Schedule 2

Proposed new appropriation unit and class of output

Page 10—

after Education and Training, insert

Education and Training—closure of government schools	1	Closure of government schools
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Answers to questions

Health—project funding (Question No 1146)

Mr Smyth asked the Minister for Health, upon notice, on 11 May 2006:

- (1) What proportion of funds allocated to the following health projects this financial year and listed in the 2005-06 budget papers as agency-funded, have been expended to date and what has been delivered for that expenditure, (a) Falls Prevention, (b) Nurse Re-entry Refresher, (c) Pathology Registrar, (d) Intermittent Care Program, (e) Clinical IT Package, (f) Nurse Practitioners, (g) Allied Health Assistants, (h) After Hours GP Service, (i) High Needs Children, (j) Quality Infrastructure, (k) Care Package – returning mental health clients, (l) Picture Archival Communication System.
- (2) Has the Falls Prevention program resulted in a reduction in the number of falls occurring among the elderly; if so, what are the figures to support this reduction; if not, why not, and how do the figures for this financial year compare to previous financial years;
- (3) How many nurses and midwives have accessed the Nurse Re-entry Refresher program to date;
- (4) When was the Pathology Registrar appointed and if this appointment has not occurred, why is this the case;
- (5) How many additional after hours GP services have been provided to date to the Canberra community due to the agency funds specifically allocated for this purpose in 2005-06;
- (6) Has the Caring for Kids at Home program been established using the funding for the High Needs Children project; if so, when was it established; if not, why not;
- (7) How many forensic mental health clients have benefited from the Care Package - returning mental health clients project;
- (8) Will all projects listed in part (1) still receive the funding forecast to them in the 2006-07 financial year as listed in the 2005-06 budget; if not, why not.

Ms Gallagher: The answer to the member's question is as follows:

- (1) (a) Falls Prevention, (\$300k) – \$250k of this funding has been spent to date.
ACT Health has established the Falls Prevention Tertiary Clinic and the Community Outreach and Assessment Program (COAP). The Clinic focuses on older adults who have experienced a fall/s and requiring specialist intervention not available in the primary health care setting. This service is complemented by the COAP; a community-based comprehensive falls and falls injury prevention and intervention outreach program.
- (b) Nurse Re-entry Refresher, (\$500k) – This has been implemented with the program being accredited by the ACT Nursing & Midwifery Board. A select tender was arranged through Procurement Solutions for review of the refresher programs. Up to the end of June 2006, \$325k had been spent. The project is continuing and the balance of funding was rolled into the next financial year.

- (c) Pathology Registrar, (\$100k) - A Pathology Registrar has been recruited. \$54k of this money has been spent to date.
- (d) Intermittent Care Program, (\$650k) – The Intermittent Care Program was fully operational and all funding was fully expended prior to 30 June 2006.
- (e) Clinical IT Package, (\$800k) - ACT Health has Membership for 2005/6 with the National E-Health Transition Authority (NeHTA) for the IT security framework built by InTACT to allow health applications to be accessed externally. Testing of Health applications to enable this secure external access by clinicians has commenced.

The Pilot rollout to Visiting Medical Officers' rooms of access to the ACT Government network is complete. An InTACT project has commenced to rollout external access to VMOs that access ACT Health Medical records and Pathology results.

ACT Health, HealthConnect and ACT Division of General Practitioners have embarked on a joint project, which is being funded by both HealthConnect and ACT Health to deliver a NeHTA compliant Discharge Summary and Discharge Referral system for all ACT Regional Health Service Providers. The Discharge Summary specifications were sent to APU in July 06 for approval and public tender. NEHTA were provided with a copy of the tender documents for review and comment.

To date, \$800k has been spent.

- (f) Nurse Practitioners, (\$250k). This initiative is complete with the establishment of four Nurse Practitioner positions within ACT Health. To June 2006, \$217k of this funding has been spent. For the financial year June 2006 - June 2007, all of the \$250k has been allocated.
- (g) The Certificate IV course for Occupational Therapy Assistance, Physiotherapy Assistance and Speech Pathology Assistance commenced February 2006. ACT Health is supporting 5 officers who have enrolled in the course at CIT. Recruitment for the Allied Health Assistant, Clinical Development Co-ordinator and the two new allied health assistant positions has been finalised. To date \$22k of this funding has been spent to June 2006.
- (h) After Hours GP Service, (\$350k) – Expansion of hours of Canberra After Hours Locum Medical Service commenced in July 2005. The service is fully operation and the funding has been fully expended.
- (i) High Needs Children (\$465k) – Of the \$465K provided for this initiative \$431K has been expended on care for high needs children as at 30 June 2006. A further \$25K has been expended on supporting the nursing services within the special schools for children with high needs. This outlay within the special schools is within the scope of the High Needs Children Initiative.
- (j) Quality Infrastructure, (\$500k) –
The procedural audit element is on track with staff recruited and data collection continuing. Allocations were also made to other Quality and Safety projects and these are progressing well. They include the Early Recognition of the Deteriorating Patient, RiskMan and the Mandatory Reporting of Significant Incidents. The Portfolio wide Patient Safety Infrastructure program has progressed with transition arrangements

being finalised and full implementation commencing 1 September 2006. Approximately \$466,000 has been spent.

- (k) Care Package – returning mental health clients, (\$613k). Funds have not been used for this specific purpose, as the need did not arise. Instead, funding has been used to service like clients, providing the secure care environment needed for patients with high security needs and under custodial orders. Three staff have been transferred to the Psychiatric Services Unit to provide additional support to nursing staff. Five staff remain at Brian Hennessey Rehabilitation Centre which currently has seven forensic mental health consumers in residence. \$426K was spent on this initiative to the end of November 2005. The funds were then returned to ACT Health. The funding has been reinstated in 2006-2007 (\$623K). As the need for care packages has not yet arisen, the money has been spent similarly to last year. To the end of July 2006, \$28K had been spent on this initiative.
- (l) Picture Archival Communication System, (\$2 500k) – Procurement of Computed Radiography (CR) equipment for TCH and Calvary has been completed. The tender process was completed in July 2006. The preferred vendor has been selected and contract negotiation commenced. Any delays in contract negotiation for the RIS-PACS will result in a delay to the implementation. The system is expected to go live in July 2007. To date, \$297k has been spent on this initiative.
- (2) At present in the ACT there is no reliable way of measuring the number of falls in the community. Until this data is available comparing financial year reports are meaningless.

Given an ageing population we will not see a reduction in falls but a levelling off of falls rates that will be an indication that the programs are successful.

ACT Health are applying evidence-based practice, through the pre and post Community Outreach Assessment Program (COAP) and the Falls & Balance Clinic, which has been shown in research trials to reduce falls significantly by 20 - 60 %. The COAP and Falls & Balance Clinic records indicate that their patients experience a reduction in falls of 40 - 60% within a 6 to 12 month follow up period. An even higher reduction in the rate of falls is achieved in the patient who has experienced multiple falls prior to attending the clinics.

Population Health Unit is undertaking a task of improving falls rate data collection by investigating the use of ambulance falls data and improving the collecting of falls data in Emergency Departments.

- (3) Seventeen Registered Nurses have accessed the Refresher program at Calvary Healthcare and The Canberra Hospital. Of these eight Registered Nurses have completed the program and secured positions and nine Registered Nurses are currently undertaking the program

In addition, the first refresher midwife completed in June 2006 and has secured a position; a further three are currently in the program.

Currently, three nurses are undertaking the 2006 Re-entry program for registered nurses.

- (4) The Pathology Registrar was appointed in January 2006.

- (5) The most recent report available from CALMS includes data up until 30 April 2006. The way in which data was collected during the 2004-05 year means that the period 1 July 2005 – 30 April 2006 cannot be compared with the exact same time period for the preceding year. However, based on the monthly average of consultations performed during the first ten-months of 05-06 it can be estimated that around 15,530 consultations will be performed during the full year. This would mean an increase of around 3,400 consultations in the 05-06 year compared with the 04-05 year.
 - (6) The Caring for Kids at Home Program was established in August 2004. The new funding received in the 2005-2006 provided additional high needs children/adolescents to be cared for at home.
 - (7) Seven mental health consumers who are subject to some form of court related forensic order or subject to Psychiatric Treatment Orders (PTOs) benefited from the *Care Package - returning mental health clients project*. Seven mental health consumers who are subject to some form of court related forensic order or subject to Psychiatric Treatment Orders (PTOs) benefited from the *Care Package - returning mental health clients project* so far in 2006-2007.
 - (8) Funds are allocated recurrently as per the 2006-2007 budget papers tabled in the Assembly on 6 June 2006.
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**ActewAGL—discounts
(Question No 1174)**

Mr Mulcahy asked the Chief Minister, upon notice, on 16 August 2006 (*redirected to the Treasurer*):

- (1) In relation to recent reports that customers of ActewAGL, who had elected to bundle four services (electricity, gas, telephone and internet) to receive a 10 percent discount on their gas supply charge, have only received a 5 percent discount, how many customers have not had the full discount applied;
- (2) How many customers have not had their account credited with money to compensate for the failure to provide the full discount;
- (3) Has work on the gas billing system been completed to allow for bills to be issued at the total discounted rate; if not, when is it envisaged that work will be completed.

Mr Stanhope: The answer to the member's question is as follows:

- (1) 173.
 - (2) All accounts are being credited so that they receive the full discount, including arrears.
 - (3) Yes.
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**Superannuation—reviews
(Question No 1176)**

Mr Mulcahy asked the Treasurer, upon notice, on 16 August 2006:

- (1) Is the Government aware of the review currently been conducted by the Australian Bureau of Statistics (ABS) into the statistical treatment of superannuation schemes by governments;
- (2) Is the Government aware whether the ABS Review has been completed or when it is due to be completed;
- (3) Has the Government been in communication with the ABS in relation to this review;
- (4) Will the ACT Government abide by any recommendations made by the ABS in its review.

Mr Stanhope: The answer to the member's question is as follows:

- (1) Yes.
- (2) The ABS is still in the early stages of the Review. As yet there is no indication from the ABS as to when the Review will be completed.
- (3) Yes. The ABS issued a questionnaire to jurisdictions to clarify how public sector defined benefit superannuation schemes were being treated in data supplied to the ABS for Government Finance Statistics (GFS) purposes. The ACT completed this questionnaire, and has also communicated with the ABS on the issue.
- (4) Yes. The data presented by the Territory in accordance with the *Uniform Presentation Framework Agreement* will continue to comply with recommendations made by the ABS.

**ACT Memorial—security
(Question No 1180)**

Mr Pratt asked the Chief Minister, upon notice, on 22 August 2006:

- (1) Will a private security firm be engaged to undertake surveillance of the ACT Memorial located on the intersection of London Circuit and Ainslie Avenue;
- (2) Why is there a need to provide security surveillance of the ACT Memorial;
- (3) Which security firm has been contracted to patrol the ACT Memorial, and has it been contracted by the ACT Government;
- (4) How often will security guards patrol the ACT Memorial, when did the contract commence and when will it end;
- (5) How much have/will these security patrols cost the ACT Government.

Mr Stanhope: The answer to the member's question is as follows:

- (1) No. For a short time, a private security firm, SNP Security, was contracted for one week to guard the ACT Memorial while there was an immediate safety concern. The concern arose following the mishap with the glass orb where the glue on some panels did not properly adhere and the panels broke during delivery. The orb was removed for repairs leaving some wiring incomplete. Although the electrical connection was not switched on during this period, except when under the supervision of the artist and electrician, for public safety reasons a guard was in place. The total cost was \$ 5,634.75 (including GST).
 - (2) See answer to Question 1.
 - (3) See answer to Question 1.
 - (4) See answer to Question 1.
 - (5) See answer to Question 1.
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