



Debates

WEEKLY HANSARD

Legislative Assembly for the ACT

SIXTH ASSEMBLY

28 AUGUST 2007

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Tuesday, 28 August 2007

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Tuesday, 28 August 2007

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.

**Legal Affairs—Standing Committee
Scrutiny report 44**

MR SESELJA (Molonglo): I present the following report:

Legal Affairs—Standing Committee (performing the duties of a Scrutiny of Bills and Subordinate Legislation Committee)—Scrutiny Report 44, dated 27 August 2007, together with the relevant minutes of proceedings.

I seek leave to make a brief statement.

Leave granted.

MR SESELJA: Scrutiny report 44 contains the committee's comments on 87 pieces of subordinate legislation and three government responses. The report was circulated to members when the Assembly was not sitting. I commend the report to the Assembly.

**Planning and Environment—Standing Committee
Report 29**

MR GENTLEMAN (Brindabella) (10.31): I present the following report:

Planning and Environment—Standing Committee—Report 29—*ACTION Buses and The Sustainable Transport Plan*, dated 27 August 2007, including additional and dissenting comments (*Mr Seselja*), 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 GENTLEMAN: I move:

That report 29 of the Standing Committee on Planning and Environment be authorised for publication.

Question resolved in the affirmative.

MR GENTLEMAN: I move:

That the report be noted.

Today I present the report of the inquiry of the Standing Committee on Planning and Environment into ACTION buses and the sustainable transport plan. The committee appreciates the importance of sustainable public transport, both for passengers and the environment. The committee inquiry was an important opportunity for various aspects of ACTION's operations to be scrutinised and for reform suggestions to be put forward and addressed. This is not to say that most Canberrans are unhappy with ACTION's services, although ACTION has its vocal critics.

The report cites evidence that customer satisfaction is generally at 71 per cent, satisfaction with drivers is very high at 88 per cent, and customer satisfaction with personal safety is 86 per cent. There is much less satisfaction with timetables, at 49 per cent, and the committee has responded to this by recommending that ACTION review the frequency of services as a matter of priority.

The committee has made 47 recommendations. Most of them concern planning for ACTION network 2008 and future services. They aim to improve ACTION's economic efficiency and address access, equity and equality issues. Some recommendations address the provision of incentives for travel on public transport and disincentives for the use of private vehicles. The committee found that the sustainable transport plan was well regarded by several stakeholders with expertise in sustainable transport planning.

The committee considered constructive suggestions from others on how the implementation of the plan might be improved. In the committee's view, promoting behavioural change and public awareness of the economic, social and environmental benefits of using ACTION buses are needed to ensure that the targets in the sustainable transport plan are met. This is addressed in the sections of the report dealing with the promotion of sustainable transport, marketing, and supply-side and demand-side incentives and disincentives.

Individual behavioural change and cultural change are needed across the generations and in homes and workplaces. The committee is of the view that Canberra should aspire to and become a national leader in sustainability. The vision for Canberra in the Canberra plan is as follows:

Canberra will be recognised throughout the world—not only as the beautiful city, uniquely designed in harmony with its environment, the seat of Australia's government and the home of its pre-eminent national institutions, but also as a place that represents the best in Australian creativity, community living and sustainable development.

Sustainable transport is very much a part of sustainable, liveable cities. Around the world cities are committing their citizens to more sustainable development paths because of the pressing need to respond to climate change, biodiversity decline, and ecosystem degradation. Investment in and promotion of sustainable transport is a key way in which cities can become more sustainable. To progress towards our sustainability potential, the committee recommends that the Australian government review the statutory formula for fringe benefits tax concessions to remove the perverse incentive for increased kilometres of car travel.

The committee also recommends that tax exemptions or other incentives be extended to public transport users. A growing chorus has been calling for national policy reform in relation to the provision of fringe benefits tax concessions for private motor vehicle use, to date without success. The sustainable transport plan commits to pursuing incentives for public transport use and to review the concessional tax treatment for private cars. The ACT climate change strategy states that the government will consult with business and employer groups, including the Commonwealth, to encourage and support the adoption of more sustainable transport options by commuters.

The committee's report affirms these policy commitments and suggests that more should be done to implement change at workplace level in the ACT and by the Australian government nationally. Some recommendations aimed at improving economic efficiency concern ACTION's fares, which the committee found were currently too low for full-time employees. The committee also recommends that services be reviewed and improved with the feasibility of new routes and services assessed.

The completion of the Gungahlin Drive Extension, for example, needs to be addressed and assessed for future services. The committee suggests that the bus interchanges at Woden and Belconnen should be upgraded at the earliest opportunity, and the feasibility of a loop bus service or city circulator through central Canberra and the parliamentary zone should be assessed.

The committee also makes a range of recommendations encouraging the promotion of physically active modes of travel and better information, marketing and promotion of ACTION's bus services. On linking physical activity with sustainable transport, the committee recommends that major employers be encouraged to provide bike fleets at their workplaces, and the feasibility of a free bike hire service for Canberra's town centres and universities be assessed.

The committee also calls for ongoing support for the walking school bus program. The climate change action plan already commits to the provision of free bus travel for passengers using bus bike racks to carry their bikes. The committee appreciated the assistance provided by the Minister for Territory and Municipal Services, Mr John Hargreaves, MLA, the interstate government officials and many of the community stakeholders who assisted it during this inquiry.

The committee is particularly grateful for the contribution made by peak bodies, community councils and community groups who submitted detailed analyses following participatory consultations. The committee also welcomes the interest taken in the issues driving this inquiry by the media, particularly the *Canberra Times*, the *Chronicle* and *City News*. I would like to thank my Assembly colleagues on the committee, their advisers and committee office staff, particularly Hanna Jaireth and Lydia Chung.

MR SESELJA (Molonglo) (10.38): I would just like to say a few words about the committee report and about some of the additional comments that I have made. The

first thing I would like to say relates to the committee staff. I join with Mr Gentleman in thanking Hanna Jaireth for all her work in this inquiry. Something that I am hearing more and more is that committee staff members generally are significantly overburdened at the moment. I think that was true in relation to this report and it is true in relation to a number of other major reports.

Because of what the committee was asked to inquire into, and notwithstanding the extension of time, I think it did a significant job. Even though the committee had very limited resources I think this is a reasonable report. Notwithstanding that, I do not agree with all the recommendations and I have made some comments in relation to them. Referring to its workload, I think that committee staff members are significantly overburdened at the moment.

I think this report could have gone further in its economic analysis and in other areas, but I do not think the committee had the resources to examine some of the economics behind the positives and the negatives of sustainable transport and of public transport in the territory. We would have liked to have done that but I do not think we had the ability with the resources we had and within the time frame we had.

I want to touch briefly on what came through very strongly, which was the reason this report came about in the first place, that is, concerns over the new bus network or the ACTION timetable. In his speech Mr Gentleman highlighted that only 49 per cent of people were satisfied with the timetable, and that customer satisfaction generally was at 71 per cent. These concerning figures must be worked on strongly. No government should be happy with a bus network that has satisfaction ratings as low as those. I would say overall that 71 per cent is a fairly low satisfaction rating and that we should be aiming for a much higher rating of about 80 per cent or 90 per cent.

We heard from a number of stakeholders and from a number of community and industry groups. The evidence we heard on this issue from a range of stakeholders was not all negative but some really strong comments came through. One of the comments that sticks out—I think it is referred to in the report and I certainly referred to it in my additional comments—is that this is the worst timetable in 30 years. That comment was made by TWU delegates appearing before the committee, so real issues are being raised.

As I said earlier, in the time that we had and with the resources that we had we were not able to get to the bottom of how to improve our public transport system in the ACT. But some of these recommendations at least go some way towards sparking discussion and hopefully getting the government interested in making some significant improvements. Let me make a couple of other points. One of the things that came through was concern about the bus services in Gungahlin.

Young people who were looking to access bus services expressed real concern about the gaps. We heard from them that it used to take 15 minutes from some parts of Gungahlin to go by bus to the local youth centre, and that from other parts of Gungahlin it could take as long as an hour. Obviously that is an issue of concern for young people who are particularly reliant on buses.

We also heard from the elderly that the groups that rely on buses are those that have been most affected by the timetable changes; that is, the young who do not yet have licences, or who do not yet have cars. The elderly have real concerns, in particular, about a lot of the suburb-to-suburb routes. We heard that it can take up to three hours to get from one suburb to an adjoining suburb on the bus, which makes it difficult.

I acknowledge the challenge facing Mr Hargreaves and ACTION. I point out that the TAMS officials and ACTION officials appeared before us. The overlay of the map of Sydney with the map of Canberra, which shows how Canberra is spaced out, brought into stark focus the challenge we have in the area of public transport delivery. It will always be something that is very difficult to deliver efficiently, in a cost-effective way, and in a way that keeps those who most need buses happy, or at least adequately catered for.

So I acknowledge that challenge but I do not think there is an easy answer. We must find ways of making it work better. I understand that we subsidise ACTION to the tune of about \$70 million a year—I am not sure whether that is the exact figure, but John Hargreaves tells me that it might be \$60 million—which is over \$1 million a week. That is a big subsidy for a small jurisdiction. We must make sure that that \$60 million, or \$1 million a week plus investment, is used in the best possible way. It seems from a lot of the feedback that that is not happening at the moment.

I wish to refer to a couple of issues that I made in my additional comments. One relates to recommendation No 16; that is, pay parking in all major employment centres. I think that highlights the issue concerning hospital parking. Presumably, if we were to take up that recommendation, it would mean reintroducing pay parking at the hospital. I think that was a disastrous process and I am sure most Canberrans would acknowledge that it was a disastrous process.

Unbelievably, we managed to lose money on pay parking at the hospital—half a million dollars in net terms. We have just gone through a disastrous process that negatively affected many patients and many Canberrans visiting the hospital, caused a lot of heartache and lost money for taxpayers, so the idea of reinstating it now seems a bit odd.

As I said in my additional comments, I do not necessarily think that the recommendation relating to real-time bus information is a bad idea; I just do not think it should be a priority when we are experiencing the kinds of network difficulties that were highlighted in our hearings and that have been broadly canvassed in the community. I think this is something for better times. Once we get on top of the network, that is the sort of thing you bring in over the top to improve the system. I think it might have some merit down the track, but I do not think that now is the time.

There is also a recommendation relating to busways. I point out for the record that I think my additional comments referred to a draft that had different numbering, so when I refer to recommendation No 41 I think it should be recommendation No 42, which relates to busways. My concerns about the busway are well known. Over \$3.5 million has spent looking into the Civic to Belconnen busway, money that should not have been spent and that has been wasted.

I would certainly be concerned if the government went down the path of wasting millions more dollars on future busways that may or may not happen in 30 or 40 years time, which is what seems to be the government's current planning. Those are some of the recommendations that I oppose but, broadly, there are some good recommendations. I repeat: With the resources and the time available to it, the committee was not really able to drill down to many of these issues or to do some of the economic analyses. It is now up to the government to take it up and to do the relevant economic analyses.

It is incumbent on us to ensure that the message to this government is strong. At the moment our bus network is not working very well and there is significant community concern. It is not just the most vulnerable who are concerned; it is also the elderly, the young and people with disabilities. Those three groups put forward their views forcefully that this bus network is not serving their needs and that there is significant concern in the community about it. I say to the government that this report is a start; hopefully will spark some changes from the government. I hope that the government takes this issue seriously but, more importantly, I hope that it will heed the strong message from the community that it needs to be fixed.

The only other point I make, which is reflected in my additional comments, relates to sustainable transport generally and to public transport. We must look at fixing this system. I do not think that constantly punishing car users is the way to go. I highlighted several challenges, and Mr Hargreaves furiously nodded his head in agreement. It is simply not viable to force people in the ACT onto buses by making it harder for them to drive their cars, by taking away their car parks, or by ramping up prices.

Because of the nature of Canberra and the way in which it is designed, people will not get on buses en masse; they will simply have a much less convenient journey to work, given that they will have to park further away and pay more. But buses simply will not be a viable option for most people—for the mother in Gungahlin or the parents in Tuggeranong who have to take their kids to school, pick them up from sport afterwards, and then go to work or work part time.

I object to the current approach to sustainable transport; that is, of making it really difficult for people to drive their cars. I think we need to improve our bus system and we need to look for ways to get more out of our \$60 million subsidy per annum. But I, and clearly most Canberrans, do not favour the approach of simply punishing car users. I counsel the government against going down that path because I do not think it is good policy. I do not think it will achieve the ends that the government desires and I think we will see a pretty strong electoral backlash if the government seriously goes down that path.

DR FOSKEY (Molonglo) (10.49): I welcome the report of the Standing Committee on Planning and Environment into ACTION buses. I am pleased that the committee used the words "sustainable transport plan" in the title of its report. Over the last couple of years, in particular, since the impact of the functional review, I have been concerned about the fact that the government lost sight of its sustainable transport

plan. I was moved to speak—I was going to save it until later when we had had a chance to read the report in detail—by Mr Seselja’s additional and dissenting comments.

It is easy to bag a government, and this government deserves bagging in relation to ACTION, but I would like to hear something about the opposition’s vision for public transport. Does the opposition support the sustainable transport plan? If it got into government would it maintain, enhance and deepen that plan? While I agree with many of Mr Seselja’s comments, at this point in time we are faced with enormous crises. Public transport in this city is one of the solutions to those crises.

I would like to hear some positive suggestions from the opposition. I do not want to hear, “Oh, no, we do not want the Belconnen busway. We do not want inter-town speedy transit. We do not ever want to consider light rail,” to which our transport system could be adapted.

Mr Seselja: How much will that cost?

MR SPEAKER: Order, Mr Seselja!

DR FOSKEY: So let us hear about the opposition’s vision as well as its criticism. Criticism is certainly due. After glancing at the report and listening to Mr Gentleman’s remarks I state at the outset that this report, which looks like a majority government committee report, does not go far enough. However, I am impressed that we have this report after a very short time, for which Hanna Jaireth deserves particular commendation. It is a big and comprehensive report that deserves comprehensive treatment, which is what I plan to give it. I look forward to hearing what other members have to say when debate on this issue is resumed.

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

Estimates 2007-2008—Select Committee Report—government response

MR STANHOPE (Ginninderra—Chief Minister, Treasurer, Minister for Business and Economic Development, Minister for Indigenous Affairs, Minister for the Environment, Water and Climate Change, Minister for the Arts) (10.52): For the information of members, I present the following report:

Estimates 2007-2008—Select Committee—Report—Appropriation Bill 2007-2008—Government response, dated August 2007—including Government responses to—

Additional comments (Dr Foskey) dated August 2007.

Additional and Dissenting Report (Mr Stefaniak, Mrs Burke), dated August 2007.

I move:

That the Assembly takes note of the paper.

I present the government's response to the report of the Select Committee on Estimates 2007-08, and I thank the committee and its support staff for the report on the appropriation bill. Since the time of the budget the government has received additional revenues in relation to population estimates and continuing growth in the property market. Much has been said by those opposite about the improvement in the budget position and whether there was ever a need for reforms. The answer is yes.

Let us not forget the long-standing fiscal mismatch between the territory's revenues and expenditures. Let us not forget the 31 per cent excess capacity in our schools. Let us not forget a territory superannuation cost trending towards the size of our health budget over the next decade, and let us not forget that we were living beyond our means. It would be imprudent to undo the structural adjustment on the basis of three months of strong activity in the housing market.

It would be irresponsible for this government to unwind the important work that has already been done on the basis of a spike in activity that may or may not be repeated in future years. The existence of our surplus and its size have been applauded by, among others, the Liberal senator for the ACT, Gary Humphries, who, on ABC 666, described it as good news. He went on to say that the underestimation about which his colleagues are so scathing might be regarded as good fiscal management and that so far as keeping a large surplus in the ACT is concerned, it is a sensible decision.

The better than expected surplus has also been described by celebrity auditor, Tony Harris, a man whose words the Liberals have treated in the past as holy writ, as not a bad surplus for a city of about 300,000 people. In June this year the government delivered a prudent budget—a budget that takes the territory forward by providing support for high priority areas of need and by continuing to exercise prudent fiscal restraint. Restraint is necessary to ensure the sustainability of our services to the community and to provide for the needs of our future generations.

As I have previously stated in this Assembly, the significant returns delivered to the community as part of the 2007-08 budget have only been made possible due to the essential and necessary reforms to the territory's finances that we undertook in the 2006-07 budget. Our investments in health, education and our city's infrastructure would not be possible without the continued impact of the efficiency measures and the reduced costs of administration introduced in 2006-07.

Of course, contrary to the constant refrain of those opposite, the vast bulk of the change to our fiscal position was brought about not through new fees or taxes but by those efficiencies—by government tightening its belt, doing more and doing better with the resources at its disposal. The 2007-08 budget recognises the need to maintain a buffer against fiscal shocks, whilst also providing capacity to respond to unforeseen circumstances.

The 2007-08 budget recognises the need to provide for future generations, to address pressures and risks that we are aware of now, such as rising health care costs and the ageing population. The 2007-08 budget does all this while continuing to provide for core service delivery commitments to the ACT community. The 2007-08 budget demonstrates responsible fiscal management.

In its consideration of the budget, the Select Committee on Estimates discusses a wide range of issues and has made 66 recommendations. The government has responded to each recommendation. The committee's report also included a part 2, additional comments and dissenting report, and the government has broadly responded to that part of the report. I will not take the Assembly's time by working through each of the select committee's 66 recommendations as these are separately discussed in the response document.

The government's response to the estimates report appropriately addresses these important recommendations and many other issues that were raised in the report. Broadly speaking, the recommendations included in the report were, in most cases, in line with practices or processes already undertaken by this government or planned for the future. The government accepted or noted the majority of the comments or recommendations and thanks the committee for the rigour of the report.

Conversely, the dissenting report of Mr Stefaniak and Mrs Burke has over 160 recommendations. I must say that the government is more than slightly perplexed by the report and by many of the recommendations in the report, especially when the members contributing to the report acknowledge the conduct of the committee chair and his ability to conduct proceedings in a generally efficient and professional manner. Yet again, we see a report that makes little contribution to the consideration of expenditure proposals or provides any reasonable alternative to the resource allocations proposed in the 2007-08 budget. Rather, we see a political grab bag of unfounded statements.

As the government's response to the dissenting report outlines, the report and many of its recommendations are unclear and contain little substance. In some instances, there is little or no justification for the recommendations. In several cases, the recommendations are prefaced by unsubstantiated comments and allegations. The report contains numerous objective judgements and often derisory remarks on the responses of ministers and officials. In some instances, the authors are simply mocking.

It is also important to note that a number of the comments and recommendations ignored well-established sources of information, benchmarking and natural comparisons. In other cases, some of the recommendations of Mr Stefaniak and Mrs Burke are simply wrong; they are simply false. The authors also appear to be ignorant of the valuable information provided through the question on notice process, or at times have simply ignored this information, which might have weakened their politically motivated commentary.

The government believes the dissenting report from Mr Stefaniak and Mrs Burke lacks balance, objectivity, evidence, research, accuracy and relevance to the issues concerning the estimates committee. The report is merely a political document that has been used as a vehicle to make unsubstantiated political allegations, but particularly concerning are the comments in relation to the territory's health system and health outcomes.

Mr Stefaniak and Mrs Burke claim in their dissenting report that we have a health system that is tearing itself apart, lacks innovative leadership and is devoid of tangible service standards. In the face of the excellent outcomes produced by public health in the ACT at Canberra hospital and at Calvary hospital how is it seriously to be accepted or believed that Mr Stefaniak and Mrs Burke believe that Calvary hospital and Canberra hospital are tearing themselves apart, that Calvary hospital lacks innovative leadership, and that Calvary hospital and Canberra hospital are totally devoid of tangible service standards?

Let me repeat what Mr Stefaniak and Mrs Burke said of Canberra hospital and of Calvary hospital and their staff—the doctors, nurses, allied health professionals and everybody that services Canberra hospital and Calvary hospital. This is what Mr Stefaniak, the leader of the opposition, and Mrs Burke, the deputy leader of the opposition and the shadow minister for health, think of all the people that work at Canberra hospital and at Calvary hospital. This is how they described those two hospitals and all those people who work in those two hospitals.

This is the description that Mr Stefaniak and Mrs Burke provide of all our doctors, nurses, allied health professionals and all those people who provide service to Canberra hospital and to Calvary hospital: “A health system that is tearing itself apart and that lacks innovative leadership.”

How could anybody say of Canberra hospital and Calvary hospital that they are devoid—in other words, totally lacking—of tangible service standards? That is just breathtaking. It is breathtaking that Bill Stefaniak and Jacqui Burke believe that our doctors and nurses are totally lacking in tangible service standards; devoid of tangible service standards, in other words, completely lacking—

Mr Mulcahy: I think you have made your point.

MR STANHOPE: No, I will be making this point again and again. I think you will hear it for the next year. The Liberal Party in the ACT thinks that our doctors and nurses are totally lacking in tangible service standards or a commitment to services. Through those sorts of statements they denigrate the exceptional efforts and the tireless work of our health professionals in building an efficient and effective health system and a public hospital system that is the envy of Australia.

Sadly, it is typical of those opposite to routinely and shamefully attack this city’s fine public servants in the misguided belief that they are attacking the minister. The hurt and the offence taken are deep and real, and the accusations are unfair and unwarranted. It is on this basis that the government does not consider the individual recommendations or associated comments included in the report are worthy of any response and we refuse to dignify them with a response.

Returning to the main report of the estimates committee, the recommendations do not raise any serious issues that would prevent the passing of the 2007-08 appropriation bill. Rather, the report seeks more information and clarification on a range of issues, and it contains many useful recommendations that the government has agreed to pursue, where feasible, or that it is currently pursuing.

I again thank the committee for its consideration of these issues and remind the Assembly that this budget continues to build upon the important efficiency and structural reforms introduced in 2006-07. This budget demonstrates prudent and responsible economic management in the delivery of budget services—words used by Mr Mulcahy to describe past federal surpluses.

Mr Mulcahy: I am glad that you are taking a bit more advice from me, Jon.

MR STANHOPE: In the context of comments from the opposition, there is a commentary by the shadow treasurer, Mr Mulcahy. I take and use the words of Mr Mulcahy in describing the federal surplus as reflecting “prudent and responsible economic management”. Is it not interesting that when a budget surplus is delivered by Peter Costello and the Liberal Party it is prudent and responsible economic management, but when a surplus is delivered by a Labor government, for some reason, magically, it is no longer prudent and responsible economic management? That applies only to Liberal surpluses.

As we reflected previously, Mr Mulcahy has to acknowledge that the surpluses of other Liberal governments are prudent and responsible economic management because the Liberal Party in this place had the greatest difficulty ever delivering one. It was the only government since self-government in the ACT to deliver serial deficits. We had a Liberal Party deficit in 2005-06, a Liberal Party deficit in 2006-07, a Liberal Party deficit in 2007-08 and a Liberal Party deficit in 2008-09.

Never forget that four consecutive deficits is the legacy of the Liberal Party in this place—accumulated deficits by Bill Stefaniak in this previous life in government of over \$600 million. There is an interesting thing about the Liberal Party’s \$685 million of accumulated deficits over seven years in government. If you back-cast it under the GFS, the back-cast GFS deficits of the Liberal Party over of seven-year term in government would probably be in excess of \$1 billion.

Reflect on this: the Australian accounting standard cumulative deficit of the Liberal Party in government I think was \$685 million. Now we have a champion at GFS accounting, but I will do the work for Mr Mulcahy. I will get the numbers out. I will provide him with the information on a back-cast GFS cumulative deficit by the Liberal party government. I would not mind betting that if we back-cast the GFS deficits for the two terms of the Liberal Party in its seven years in government they would be somewhere of the order of \$1 billion.

That is a tremendous record. As Mr Mulcahy scrabbles around to look for a Liberal budget that acknowledges, in his words, “prudent and responsible economic management delivering a surplus”, he has to look to a government other than his own because his government could not do it. This budget continues to be framed not only for today; it also takes the territory forward. I commend the response to the Assembly.

Debate (on motion by **Mr Mulcahy**) adjourned to a later hour.

Appropriation Bill 2007-2008

[Cognate paper:

Estimates 2007-2008—Select Committee report—government response]

Debate resumed from 7 June 2007.

Detail stage

MR SPEAKER: I understand it is the wish of the Assembly to debate this bill cognately with the government's response to the report of the Select Committee on Estimates 2007-2008. We just passed a resolution in relation to that matter. That being the case, I remind members that in debating order of the day No 1, executive business, they may also address their remarks to the government response to the estimates report.

Standing order 180 sets down the order in which this bill will be considered. That is, in the detail stage, any schedule expressing the services for which the appropriation is to be made must be considered before the clauses and, unless the Assembly otherwise orders, the schedules will be considered by proposed expenditure in the order shown. With the concurrence of the Assembly, I am proposing that the Assembly consider schedule 1 by each part consisting of net cost of outputs, capital injection and payments on behalf of the territory. Is this the wish of the Assembly? That being the case, schedule 1 will be considered by each part, consisting of net cost of outputs, capital injection and payments on behalf of the territory, then the clauses prior to schedule 2 and the title.

Schedule 1—Appropriations.

Proposed expenditure—Part 1.1—Legislative Assembly Secretariat, \$5,764,000 (net cost of outputs), \$449,000 (capital injection) and \$4,639,000 (payments on behalf of the territory), totalling \$10,852,000.

MR MULCAHY (Molonglo) (11.09): I have just a few comments in relation to the appropriation of this \$10.852 million for the Assembly Secretariat. It always disappoints me that the very first thing we debate in this budget process is about our own world here in the Assembly. I think it tends to reinforce the notion out there that self-interest is the great motivator in this place. Anyway, that is the custom and practice and we roll with it. At times I have made more comment and less comment, depending on the year, about the efficiency and the operations of the Assembly. I want to visit a few of those issues today because I have a view—and I do not really keep it to myself—that I do not think the ACT Legislative Assembly is in any way a model or an example of a contemporary legislature of the standard that it could be. I have said in this place previously that a legislature comprising of just 17 members could be a world leader in the way in which it tackles things, the use of technology and the like.

Since I have been in this place I have been amazed at the way in which everything is tackled here. I am told it is driven by the fact that not enough money is made available,

and that would appear to be the case. I do not know whether it is an attitude of government to have a tight-fisted approach to the Assembly or whether the case is not being articulated appropriately, but it seems to be the constant message with members' resources and the like. I have been in the workforce in a full-time capacity for 37 years and I cannot recall anywhere else I have ever worked, except for myself, where I am putting my hand in my pocket to subsidise my work. I find that morally unacceptable. I am possibly a little bit better off than some, and may be in a position to do so, but that ought not to have anything to do with it. I find it extraordinary that I am doing this all the time, simply because I think certain things ought to be met.

I know there is a complicated overlap between the entitlements of members and the role of the remuneration tribunal and the administration of the Assembly. For example, I recently attended a critical conference in Sydney that my leader and some of my colleagues were at that dealt with a number of contemporary issues related to my portfolio. It had speakers not only of the highest calibre nationally but arguably world-class speakers, and there was a similar conference last year. But there is some strange rule where you cannot have your staff attend and have that covered. So I found myself paying them money for their hotel costs and meals out of my pocket. I am not about to put the begging bowl out there, but I find it extraordinary in 2007, for a government that is so preoccupied with workers' rights and entitlements, that we have this Dickensian approach where basically employees cannot be accommodated or compensated appropriately to do their jobs, so their boss has to hand over money. It reflects very poorly on this establishment and it ought to be addressed, but you see it in a host of areas.

I talk to people in other parliaments—advisers and politicians—and they really are quite bewildered about the state of affairs here. I know we are a smaller parliament, there are only a third of a million people here—and some people say places like Tasmania are overgoverned and so forth—but there is a point we need to get to that we are not at at the moment. For example, you cannot get Sky News, which is the one national 24-hour news service, to keep abreast of issues nationally but I can get it at home. You do not have the capacity to print anything out in colour unless you get your own printer or have some arrangement as we have with our leader where you can bring down your cartridge. It is really extraordinary the way it functions.

When I cite some of these to people outside here they are absolutely bewildered. I was talking to a couple of federal MPs recently and I said our DOA was until recently about six, and one of them said “Yeah, well 60 grand is not much. It will not cover much of the electorate”. I said “No, \$6,000.” I could not even write to my constituents once throughout my term on issues of relevance to them with that amount of money. There are many areas there that need attention. Paper is now being wound out. We cannot use DVDs for recording material that we need for our work. I think the allowances are completely and utterly inadequate.

I have talked to the Chief Minister about this. I do not know whether he will put this view on the record, but I believe he shares my concern about some of these matters—although he is in a position to do something about it and I am not. But I believe we have this underlying almost embarrassment in the ACT that we have self-government. We have to get over that. I am not embarrassed about self-government. We proclaim

the fact that the commonwealth should not interfere with every legislative process here but we continue to conduct ourselves as though we are the old advisory council, trying to get everything on the cheap. That does not mean it has to be tearaway extravagance, but there ought not to be these issues that preoccupy the mindset and time of MLAs, and I hear them way too often.

What are the solutions? As I said, maybe the case has not been well-articulated. Maybe there is a mindset that feels comfortable with that sort of—and this is not my language, it was used by somebody, not an MLA, in this place—parsimonious approach to these matters, or it may be the government is being tight-fisted. I worked for the Victorian Liberal government back in the early 1980s. When that government went out of office—fortunately I had jumped ship six months earlier—my colleagues were in a state of trauma when they realised what little resources they were provided in opposition. When I caught up with a few of them, I said to them that you always want to keep that in mind when you treat your opponents in such poor circumstances; one day you might find yourself sitting in that seat.

Mr Hargreaves: We have.

MR MULCAHY: Indeed, as Mr Hargreaves said, you have been there. So whether this is by design or accident I am not entirely sure, but there are solutions. I draw, Mr Speaker, from a paper delivered by you at the 38th Presiding Officers and Clerks conference in July this year, where you outlined the Latimer House principles in developing a legislature's budget. I have been fortunate to be able to read that paper. I believe it contains some compelling arguments for future budgetary treatment for the Assembly. In this paper, Mr Berry argues forcefully that special budgetary principles called the Latimer House principles should apply to the funding of parliaments. These principles are designed to ensure parliamentary autonomy from the executive and to ensure that the ruling party of the day, through its executive, is not able to hamstring its opponents by selective allocation of resources to the legislature. In particular Mr Berry draws attention to the inherent dangers of the budgetary process that allows the ruling party great scope to determine the resources of its opponents. As Mr Berry puts it:

... it is not too difficult to imagine the potential for budget initiatives proposed by the Assembly through this process to come into direct conflict with the political interests and policy positions of the government of the day.

Even aside from this more serious danger, there is also a danger of inefficiency that occurs when the executive attempts to micromanage the affairs of Assembly members through restrictive procedural rules for their offices. It has certainly been fairly clear to me in my time in the Assembly that different MLAs have different ways of running their offices. Some, such as me, have used principles and procedures they have learned through managerial roles in business and government. Others have borrowed procedures from other kinds of organisations and others may have developed their own methods from scratch. But the ability of members to run their offices effectively may be compromised by unwarranted interference in procedural matters.

In his paper, Mr Berry advocates several reforms to the appropriation process for the Assembly. He advocates that the administration and procedure committee should be closely consulted on the budget of the Assembly and this consultation should include consultation with all members. Mr Berry also advocates alternatives that would diminish the power of cabinet to decide which proposals are incorporated into the appropriation for the Assembly. One suggestion, as you know, Mr Speaker, that you put forward was to have the administration and procedure committee develop the budget for the Assembly and to remove the power of the executive to amend this budget. It was noted that there would still be scope under this arrangement for the Treasurer to discuss any concerns with the Speaker and the committee. These measures are designed, as I said, to liberate the Assembly from the prerogative of the executive. (*Second speaking period taken.*)

This approach is at odds with the current practice of budgetary allocation for the Assembly. The current approach is still very much in the hands of the cabinet. It has the power to determine which activities of the Assembly will be funded and which will not be supported. Whilst the opposition has not developed a formal view in relation to the principles outlined, speaking on a personal basis, I think it makes a lot of sense, whoever is in power, to ensure that we preserve the integrity of this democratic institution. It is one that I would want to see advocated. I urge the Chief Minister and Treasurer to give regard to the paper you have delivered, Mr Speaker, and the solution that is advanced there to some of the many concerns I have raised.

I am probably going on my own here. I continue to say that whilst I understand there are risks to members—I have encountered them and others have—I am still concerned that the heightened security arrangements in this place are only further isolating MLAs from the people we seek to represent. There are two factors that were remarkably against interaction with the public. One is accessing this building. I am aware of the reports, and the Clerk briefed me confidentially on one of those which compelled him to recommend certain courses of action on security. I understand that, but it frustrates me that this place, as we look around the gallery, has very few of the third of a million people that we represent in this city.

The other issue that I believe contributes heavily against our involvement with the public is, of course, the sitting hours. Whilst I have heard all the views about family-friendly hours, somebody who was in here the night we were debating the planning legislation said to me, “This is the first chance I have had to come in here and listen because, like most people, I am at work when you are sitting and you have all gone home by the time I can come in here and listen to debates.” In my early days in politics my visits to the House of Assembly and the Legislative Council in Hobart were almost invariably at night because, like other people, I had employment and it gave me a chance to hear what was going on, meet with members and so on. It is something that ought to be revisited. I know that is not necessarily a populist position, but it is one that I would be happy to see happen. I think the inconvenience for members is more than outweighed by the opportunity to try to have some level of public involvement.

Finally, I will just say something else about public interaction. I notice there has been a slight drop-off in public attendance to the Assembly in the past financial year. In 2005-06 there were 1,932 visitors and this amount dropped by 4 per cent to 1,854 visitors—an extraordinarily few number of people, considering how many we represent. This included delegations from other parliamentary groups and community groups. Of course, often they are internationals; they are not even locals. A significant group came through yesterday from China, which I was happy to briefly speak with. But my concern is that the people we are here to represent are invisible in our affairs. There has been a slight increase in school groups visiting the Assembly, but the overall visitor numbers have dropped and the level of satisfaction of visitors to the Assembly remains high. I doubt there is anything like this high level of satisfaction with some of the legislation that comes out of this building, but that is another issue.

It is heartening to see from estimates committee hearings that some Assembly resources will now be redirected towards better staffing of the public entrance—that area has apparently been somewhat neglected—with more convenience and accessibility being put towards the members' entrance. I just hope that with those improvements we are not going to see a deterioration on the other side because it is somewhat inconvenient for people if they do not have access keys on them to get in to the members' side. So, at that point I will conclude my remarks on this particular item.

MR STEFANIAK (Ginninderra—Leader of the Opposition) (11.23): As one of the members apart from you, Mr Speaker, who has been here a long time, I have seen this place evolve considerably over the years. It is interesting, as we consider this particular item, to mention that briefly because there have been some significant improvements. I think most people accept self-government in the territory now, unlike when we started, and it is important that this place operates properly to ensure that we do the best job possible to provide a service to the community. It is one of the most important institutions in our system of government—and a unique one too in that we combine local and state government, which makes it a fairly efficient proposition as well. As my colleague Mr Mulcahy says, it is important for the Assembly to have the proper resources to do the job. Generally, this budget provides some reasonable resources to the Assembly but there are some areas of concern which I will come to.

Firstly, the budget continues to fund improvements to the building, especially to security arrangements. Whilst there are still some issues in relation to that, the security system is an improvement over the former system. Those involved in introducing it deserve credit, including you, Mr Speaker. The budget also provides some additional funding for committees. The committee office generally does an excellent job. I think every member of this place is grateful for the help it provides to us.

One of the areas of concern to Assembly members relates to the proposed cuts to the Assembly library. It has been proposed in the past that the Assembly provide funding for the library. Indeed, in 1999 the current Chief Minister was a member of a select committee that looked at the recommendations of the Pettit report into self-government, together with Messrs Cornwell and Osborne. That committee concluded that the Department of Territory and Municipal Services, as it is now known, should

continue to provide the service and that the Assembly should be recognised as the leading, although not the only, client of the Assembly library. That committee recommended that individual members be able to have access to funding through the library to fund research papers. How times have changed. Over the past year staffing levels have been under threat as part of the review of library services.

The estimates committee recently recommended that library services to the Assembly remain at least at current capacity and that there is no further reduction in maintaining community library services. I also understand that the Assembly library will be reviewed separately by an expert in specialist libraries. That probably is a positive development and I certainly hope that the minister and the Department of Territories and Municipal Services re-think the issue. The Assembly library provides an absolutely invaluable service to Assembly members and any cuts will affect our ability to do our job on behalf of the community properly—which is what we are here for.

In our dissenting report to the estimates committee Mrs Burke and I identified a couple of issues for the future. The first recommendation related to the use of high-speed broadband especially in the Assembly library. The internet is a crucially important research tool in our society, and it is crucially important that the Assembly, like other areas of the ACT government, has access to high-speed broadband so that we can improve our productivity and provide a better service to the people who put us here. For the same reason the dissenting report supported a review of the use of technology such as laptops, PDAs and mobile phones, again to help MLAs do the job that they are paid to do, and that is represent the community.

The Assembly is generally well run, but these improvements would enhance its performance and the performance of its members. I know the government is obviously not going to make those improvements, with the dismissive way it has regarded some recommendations in the report, but we are not talking a huge amount of money here. We are talking about sensibly using technology, sensibly ensuring that we can do our job properly for the people of the ACT. I hope the minister will take note of the recommendations about the library and the review, keeping and enhancing an excellent service not only to members, but also to outside people who use it as well.

DR FOSKEY (Molonglo) (11.28): Certainly the Assembly has been through many changes since its establishment. One needs to look at those old photos and read some of the things that are available about those early assemblies to realise that we have come quite a way since the establishment of self-government. It appears the change in relation to the Assembly is incremental. It is yet to be shown to me how much it is advanced by the concerns of members. The progress that appears to happen may reflect things that members have said but it also seems to occur through an independence of its own.

The Greens have been involved in a number of issues since I have been here and, of course, before that. One that came up for me particularly in the past year is the availability of public rooms in this place. For instance, the reception room is one of the few truly public and accessible meeting rooms in Canberra. It is a very desirable space for organisations. I have been very happy to use my membership here to allow

community organisations to access that space. Of course, as everybody knows, that has become very difficult for community organisations because of the costs involved. While I sponsor a number of meetings per year from my DOA, having been told that I have been given an allowance that makes that possible, it is a room that should be used more often than it is. There is demand out there in the community and I still oppose the changes that took place to public access to those buildings. It is a community service that we could return to the community, as it funds us to be here.

Year after year notes in the budget reflect a greater than anticipated use of the building. It is time that such a use was not only expected, but as I said, encouraged, celebrated and resourced. Many public events are held in this building. They include issues-based meetings which reflect community engagement with matters of public policy. I would have thought that the government would want to encourage such engagement because it is an important element of community development and it is a sign that we have a resilient democracy which encourages the investigation of issues and debate about them. Of course, the ACT lacks a town hall. Some people have said that the Albert Hall is the nearest thing we have to that and, for that reason, should be preserved. But a town hall really needs to be more directly under the administration of the Assembly. I think the reception room is a de facto town hall. Of course it would be lovely if we had a much greater capacity to hold larger meetings, but meanwhile we have the reception room.

In the ACT, of course, because the levels of government are merged, the house of parliament and the town hall should be merged as well. I suggest that it is time for the Assembly to review its role and adopt a broader view of the links between democracy and community. The provision of a public meeting room, at little or no cost, in an accessible and highly visible location, is intrinsic to its operations. Civic Square is still waiting to be brought alive. The inclusion of the library has increased some traffic there, but if we had a lively and active community hall and reception room it would also add to Civic. It should be seen as part of the whole operation of Civic Square.

Furthermore, I have a few brief comments about the provision of parliamentary services as well. First, I believe we are well supported by a team which is non-partisan, which is professional, which is generous and enthusiastic. It looks to provide us, the members and staff, with whatever assistance and support we might require. I have nothing but praise for the work of everyone in this place that keeps it running. There are some limits to the services and it would be good to review. For instance, I would have thought it would be possible for corporate services, or some other part of the administration, to negotiate with the library to see what it needs so that it can provide more comprehensive and immediate media monitoring.

There is a very limited amount to what the library can do for us now, though it does have a research provision that people are very happy to engage when they have the time. But, at the moment, if you ask the library to tape *Four Corners*, for instance, because there is a program on that that is of interest, as indeed there was last night, it is not able to do that. So everyone has to run around and find somebody who is able to do that. I believe that is quite a lack. It is set up to tape certain programs, but it is not set up for the request that comes slightly from out of field, not that you could say *Four Corners* was that. There are things that other MLAs and I might like. I am

wondering how successful the project of broadcasting question time on 2XX or over the internet is. It is important that people should have access to those things, but one would also like to know how well they were taken up.

I believe one of things that is lacking in our Assembly is research capacity for committees. It is clear that our committee staff is stretched to the limit, that committees would probably undertake a lot more inquiries if they felt that it was not pushing staff over that limit, and if a lot of research could be done. Mr Seselja referred to it in relation to the ACTION bus inquiry. It would have been very good to have gone to the very voluminous amount of work that has been done in other communities, and indeed in this community, where there has been report after report into light rail, public transport and so on in general. But they are probably not reflected in that report which I have not had a chance to read yet.

On behalf of the media, I point out the inadequacy of the facilities that they have here. The ABC and radio fares particularly poorly from the media facilities they are offered. When the *Canberra Times* shuts its door, the ABC journalists are in a little box. Given the importance of the media to everyone in this place, including the government, I think we sell them rather poorly. If we want to lift the quality of the media coverage in this place we could make sure that we have happy journalists. For instance, separate sound-proofed adjoining offices would obviously be preferable. I put on the record that I have not consulted the journalists in making these comments, but over the years I have heard what they have to say.

I am going to talk about the issue of security. I have always felt that we have overkill in the security in the Assembly. We spend an awful lot of money on it and it has been quite inconvenient at various times. While I understand that we need to cater for that absolutely unthought of, un hoped for event, I believe there is clear overprotection of attendants or are we protecting the world from the attendants? I am not sure about those glass walls, which make it very difficult for them to communicate with staff, members and visitors. Also, there is no proper waiting area outside the security barrier. I am not sure what the public thinks of our new arrangements. It would be good to ask the public and certainly to seek the attendants' concern about that. I have been to a number of parliaments that are probably subject to the same concerns, but they do not have the same sorts of restrictions. Also confused is the value of an electric pass system. It slows down the after-hours exit from the members' entrance. (*Second speaking period taken.*)

It can even prevent such exits, when from the other side you simply exit by pressing a button. I also commend the implication that some safe places to store bikes are being developed and installed. That is something the Greens have been asking for for a number of years. I notice already quite a few bike riders are coming to the Assembly and there possibly would be more if they felt their bikes were safe here. I commend the art program. I think that we have an excellent art collection now and I really appreciate the support of the people on the LAG committee and our curator, Jenny McFarlane. While we all know what we like, we do not all have the background knowledge that she is able to give us.

Over the years I have mentioned that we could save on paper in this place. We could have double-sided speeches. I notice the estimates report comes to us on a single-sided paper this year. I think that is done for the look of it, but if we print it on double-sided paper we would be saving paper and constantly reducing the need to produce it whether from virgin native forests or from plantations. In closing, I want to refer to the LA(MS) agreement, which everybody's staff has been involved in negotiations over for some time. It is not looking as though it will be good for me and the way in which I employ people in my office. I have a number of part-time staff. There is no way with my allocation I could cover all the portfolios without having a number of staff rather than say two full-time staff. The agreement that appears to be in negotiations—which the executive signs off on, by the way, and which no doubt reflects the executive office's ability to run smoothly—will make it impossible for me to increase people's hours through using a part-time allocation. If members do not want to listen, they will not know what my concerns are and might have the wrong idea of what my concerns are.

I am putting it on the record today that the agreement that is currently in negotiation and which I wrote to Mr Stanhope about is not looking as though it is going to allow my staff to work those extra hours over the weeks that we are sitting. Remember, we are sitting two very late nights this week. Of course, they will have TOIL, time in lieu, but everyone can end up with too much time in lieu because it is not fair that my office be empty the week after a sitting week simply because there is no need for them at that time. There are a lot of issues around this and I probably related them too simply here today. There have been very complex and long negotiations. An agreement is still to be reached and I think it is a pity that my concerns, as related by a letter to Mr Stanhope and of course through my staff negotiations, do not appear to have been given any consideration in the final agreement.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.2—ACT Executive, \$5,439,000 (payments on behalf of the territory), totalling \$5,439,000.

MR MULCAHY (Molonglo) (11.43): Mr Deputy Speaker, as you highlight, the government will appropriate \$5.439 million for the ACT executive this financial year. That brings into light the performance of this executive in this financial year. Last financial year one minister was dumped from many of his portfolios, and the Chief Minister has taken on more and more portfolio positions from his ministers.

Sadly it is increasingly becoming an executive of one. I am not sure that it is the ego of the Chief Minister that is driving that; I fear it is necessity. I have some degree of sympathy for him. He has quite clearly reached the view that the only way he can get the job done is to do it all himself. That often presents challenges in this place. I have often observed that the volume of work that the Chief Minister is now trying to manage on his own account is probably excessive.

This raises some deeper issues about the calibre of some of the ministers. I know Mr Stanhope would say, "The problem is that the Assembly is too small; I don't have

enough talent to draw from.” When you look at the performance of the ministers you too would probably reach the view that there is a serious talent issue. But I am not sure that expanding this place will solve his problems. People have not performed; he has had to carry the responsibility. As a consequence, matters slide down the priority scale. This government is increasingly relying on one person to make more and more decisions.

Whilst there have been a number of ministerial failures over this financial year—and they have been discussed at length in this Assembly and debated through the media—I would like to concentrate here on the estimates process itself and the failure of the various ministers to properly answer questions asked of them.

This is an important issue. As the major vehicle for scrutiny of the budget, the estimates process is an important test of the transparency of the government. The government’s conduct in answering questions at estimates shows the public whether it is serious about allowing scrutiny of its decisions. Estimates committee hearings in the ACT have been controversial in recent years—I have not been on them for the last two so I cannot claim any credit—with considerable problems from ministers who have made less than a full effort to assist the committee.

This year’s estimates committee hearings have seen a continuation of the failure of ministers to properly answer questions. This makes it very difficult for this Assembly to fulfil its duty to the people of Canberra in applying an appropriate level of spirit into the budget process.

I highlight Mr Hargreaves’s dealing with the questions I raised on Albert Hall. He has been conspicuous in his reticence to provide accountability to the Assembly. Mr Hargreaves received some 20 questions on notice from me about the Albert Hall in estimates committee hearings. These questions are supposed to be answered within five days. Instead, the minister took around a month to return his answer, which included an inexplicable refusal to answer some 16 of the 20 questions.

Mr Hargreaves refused to answer these 16 questions, claiming that they concern matters still under consideration, material which is commercial-in-confidence, or matters that should be taken up with other bodies. Among the questions which Mr Hargreaves refused to answer were questions about the previous community use of the hall and the availability of records of past use. He even refused to answer a question that asked what the Chief Minister meant by a previous reference to “augmented funding”.

The people of the ACT would be surprised to learn that the meaning of ambiguous ministerial statements is a commercial-in-confidence matter. It is totally unacceptable that these questions were not answered. The mere fact that issues surrounding the hall are still under consideration is no bar to answering questions about past use or about what ministers previously meant when they spoke on the issue.

This is a demonstration of a lack of transparency in the ACT government’s decision making on this matter and their disregard for members’ questions on the issue. This issue concerns quite a large number of people within my electorate and one which, not

unreasonably, I think, ought to have been addressed on a more frank and transparent basis.

Ms Gallagher's approach to answering the committee's questions on health also drew attention. In response to a question on notice—health No 197—which asked the minister why the 2006-07 outcome for a particular indicator was significantly higher than the target—it was five per cent above the target—the Minister for Health responded by saying, "The result is not significantly above the target." Full stop, end of answer. There was no explanation as to why it was above target at all. We still do not know if there was any reason for this.

The minister has obviously decided that five per cent above target is not significant, so that ends the matter—no need to talk about it at all. Maybe it is significant; maybe it is not. The point is that the question clearly asked why the government failed to meet the target. We did not ask the minister to simply dismiss the question in its entirety. It is just one instance in a long line of statements that shows the bureaucratic mindset of the minister: ask her a question and you get some sort of hairsplitting answer or a rebuttal.

Mr Barr, in his answers to question on schools, also put in a sterling performance. He got in on the act, trying his best to avoid a serious issue raised by Mrs Dunne in estimates hearings. In estimates committee hearings of 20 June, Mrs Dunne raised a serious issue of a violent incident alleged to have occurred in an ACT school when a teacher was teaching two groups of students in two separate classrooms simultaneously; that is, the teacher was going between one room and the other to teach, so one room was unsupervised at each time.

The minister attempted to play dumb on the issue until Mrs Dunne reminded him that he had previously admitted this incident in a letter. If you would like to review this exchange for yourself, I invite you to read the transcript of the hearing, which went along the following lines:

MRS DUNNE: Are there problems with supervision? For instance, an incident has come to my attention and to your attention where there was an act of violence because one teacher was supervising two classes in two separate rooms. When you put them together, they were supervising the right number of children, but there were two separate rooms where two classes were going on simultaneously. How often does that happen apart from the—

Mr Barr then interposed:

As a result of the EBA, no change.

Mrs Dunne went on to say:

No change. So this was happening before then—where you have people running two classes simultaneously?

The minister then said:

No. In terms of the individual circumstances, it may well be that a teacher was called away to answer a phone call ...

Mrs Dunne refuted that, saying:

No, no. The teacher was teaching two classes at once, by your own admission.

The minister then said:

I will have to investigate. It is not a standard practice within the system for teachers to teach two classes in separate rooms.

It continued:

MRS DUNNE: That is what was happening.

Mr Barr: Incorrect, Mrs Dunne.

MRS DUNNE: So the letter you wrote to me the other day is wrong?

Mr Barr: No. You have made an incorrect statement. I am advised that there was one teacher supervising a class that involved two year levels.

MRS DUNNE: Yes, in separate rooms.

Mr Barr: So there were year 11 students and year 12 students involved.

MRS DUNNE: In separate rooms.

Mr Barr: In separate rooms? All right, in separate rooms, but two year levels.

Here we have a minister trying to squirm out of this question with remarks that he knows do not accord with the facts. He initially tries to claim that the students might have been left unsupervised because a teacher may have had to answer a phone. He then refuses to confirm the allegation, saying that he will need to investigate, all the while clearly knowing full well that he is already well aware of the incident. Moments later, when Mrs Dunne points out his previous correspondence on the matter, he suddenly remembers.

Does the minister then admit the incident? No, not yet. Instead, in a desperate last ditch effort, he turns to hairsplitting. He tries to make out that Mrs Dunne has made the factual error, not he, because of course they are not really different classes. Apparently, they are the same class. They just happen to be split into two separate rooms for different year levels. This continues with the same elusive approach. They are probably the kindest words I can use. The people want better—they want a frank and open approach. Mrs Dunne in this exchange raises a serious issue in the ACT.

The other day I was approached by a teacher from a northern suburbs school. I did not know her. It was at the opening of an art exhibition. On the Friday before the weekend she had experienced an assault by a former student who had come back and got

involved with an altercation with pupils. She attempted to intervene. She got violently attacked. In the same discussion with me, she expressed—and keep in your mind this is not somebody I know; I had just met her—that she and others were sick and tired of this. Not only were they not being properly trained in the teaching of science, but also they were just tired of the situation where they simply are not being protected and given backup. (*Second speaking period taken.*)

When members pursue these issues—and they are serious issues being pursued—it is reasonable to expect ministers to be more willing to give frank answers. It is worth drawing the attention of members to the ACT ministerial code of conduct. It states:

All Ministers are to recognise the importance of full and true disclosure and accountability to the Parliament. Under the ACT's Westminster-style system, the Executive Government of the ACT is answerable to the Legislative Assembly and, through it, to the people.

One would hope that this clear statement would be enough to get ministers to answer questions. But unfortunately that is not the case. The dissenting report of the estimates committee has made a recommendation on this issue. It is important and is worth mentioning. The recommendation asks ministers to ensure that they make a bona fide attempt to answer the substance of any questions asked, rather than avoiding questions through hairsplitting. This is particularly important for questions on notice, where the questioner is not there to amend the question if the minister takes an overly technical view.

When ministers feel that they have to be clever or evasive with these replies or say that it is simply too much work, it performs a disservice to the people of the ACT. For example, I have asked questions on notice in relation to fines—diplomatic fines in particular. Whereas in other parts of the world, particularly in the UK, they are quite happy to listen and say who is not doing the right thing, we in Canberra have taken this incredibly covert approach.

We do not want to let people know what the figures are; we do not want to disclose how many are written off; and we do not want to name the particular countries involved. Frankly they do a major disservice to the vast majority in that community who are abiding by the laws of the host country.

Diplomats have raised this issue with me. They have said the trouble with this issue is that they are all tarred with the same brush, and basically held to account and blamed for not paying their fines. Some of them could rattle off the countries that they thought were the major offenders. There is no compelling argument as to why that information should not be forthcoming and why every attempt was made to close it down.

There are other aspects to that saga that I will not put on the public record. It is poor if we take this approach to legitimate questions either asked through estimates or through the questions on notice.

DR FOSKEY (Molonglo) (11.56): I will talk very briefly about this. It is an opportunity to take up where I left off in regard to the staffing issues. I am very interested to know whether the staffing upstairs in the executive offices—in ministers' offices—has increased in the past over the period. As we get closer to an election we might see more increases.

I am absolutely sure that the workloads are extraordinary—but they are quite extraordinary downstairs as well. I would also be interested in knowing whether we have any way of knowing how many staff are allotted upstairs, how those decisions are made, and whether they come out of Assembly funding. I do not know that. I am aware that, anecdotally, more staff appear to be working in ministers' offices.

Secondly, I endorse some of Mr Mulcahy's statements. In estimates, which are very important venues for scrutiny of the budget—and we members of the estimates committee do that job on behalf of the community—it would be really good if ministers could drop their masks. They play politics with their answers. We could really get down to working as a team. It probably sounds naive to ask ministers to drop their politics.

Mr Mulcahy gave many examples—I could raise many but will not; I have raised them before in this place—of ministers more concerned with playing politics. They play it as government versus opposition or as though against the crossbench. It is demeaning. They put members in with various community organisations that for some reason or other at that time they do not like. It would be very helpful if the executive could play a more cooperative role in those kinds of operations.

I agree that it is not just the government—it is up to members of the opposition as well; and of course me as the one crossbencher—to try to make those committee hearings more collaborative. We should all be working for—we say we are here for this—the best outcomes for the ACT and its people. I put that first—before playing politics. We should not be using those committees to advance our own argument or our own side. I put on the record that I endorse Mr Mulcahy's remarks.

MR STEFANIAK (Ginninderra—Leader of the Opposition) (11.59): I know this is a majority government; I know that majority governments sometimes have a great tendency to become quite arrogant. But that does not excuse the increasing tendency during the period of office of this government—this Chief Minister and his executive—to refuse to answer questions because, for example, they are not explicitly identified in the budget papers.

The whole idea of an estimates committee is to extract information. It is generally quite broad. Many questions will be asked—things that are topical at the time. The budget deals with basically everything to do with the government of the day. It sets out what the government is going to do for the next 12 months and the financial constraints within which it operates. Effectively, it is the major bill dealing with how the government will get its executive program across for that 12-month period.

It is crucially important that ministers who appear before the estimates committee answer questions to the best of their ability—not waffle and, more particularly than that, obfuscate, refuse to answer questions and make it difficult for the committee. In this estimates committee that did occur.

There are a number of recommendations in this report, including recommendations in the dissenting report, which are quite sensible. The Chief Minister today was quite dismissive of that. I have just picked pages 24 and 25 of the estimates report. For the record I will read out the recommendations on those two pages from the dissenting report. It relates to the executive and a number of issues raised during estimates. In dealing with the skills commission, the recommendation is:

That in the September sittings of the Assembly, the Chief Minister table the Skills Commission's first series of recommendations and the government's response to those recommendations.

What is wrong with that? There is another recommendation about consultation with the skills commission:

That before the Skills Commission makes its recommendations to government, its relevant working groups should consult with the Youth Coalition and, if appropriate, other youth representative organisations.

This is eminently sensible. Yet today—in the Chief Minister's response to the estimates committee and the other additional comments and dissenting reports by Dr Foskey, Mrs Burke and me—we had the same dismissive attitude as that shown at times during this process. We are getting used to this from this arrogant and increasingly out-of-touch and unaccountable government—a government that came in promising to be accountable; promising to consult.

In this part of the report, we have the heading "Per Cent for Arts". On page 25 there is the following recommendation:

That the ACT Government abolish the percent-for-art scheme.

They have a certain view; we have a certain view. But again what is wrong with that recommendation per se? Here is a further recommendation:

That the ACT Government disclose the details of capital works in the budget including arts projects.

This is eminently sensible. Indeed, it is what you would expect government to do in relation to its budget. Here is a final one in relation to arts grants programs. This is part of the budget and part of the report. It states:

That the ACT Government report on the cost of grant programs, including reporting on the amount of money that is actually given to artists in grants and the total cost of administering the program.

That is a very sensible recommendation—a reasonable one, one would think. No, it is dismissed out of sight again by this government. The arrogant and unaccountable refusal to answer questions is also against the spirit of a parliamentary democracy. It is all the more unconscionable when it is applied to the budget, because, as I said, the budget sets out the functions and the programs of the government of the day.

The community, which surely is what we are all here for, has every right to know how its taxpayer dollar is being spent. We as the opposition—and Dr Foskey on the crossbench—have a duty to act as a sentry for the community. We are charged with the scrutinising activities of the government. We seek to make the government accountable—to account adequately and properly—for its activities.

But how often do we get slipshod and offhand responses from this government when members of the executive simply refuse to answer? Often its line items tend to be vague grab bags. The government can get away with revealing very little about its intentions. One of the issues canvassed during the estimates committee was the statue of Al Grassby. It caused national uproar at the time as well as a local outcry, amongst other things, because it was seen as a waste of money when the government was putting up taxes and charges on everyone in the community, regardless of their capacity to pay.

It should be quite straightforward. Any matter that falls within the purview of a department or agency is grist to the mill in the budget estimates process. But that did not occur. This government has a long track record of shutting up anyone who criticises them.

We saw that again today in relation to *Four Corners* on Monday. This story related to some incidents in the hospital being investigated by the health complaints commissioner. Fifteen people treated by a certain doctor spanned a number of governments: the Follett government, the Carnell government and this one. This government received a report in early 2003 but suppressed the findings for several months.

We are not talking about an eccentric departure from form; there is a consistency. As I said earlier, this government came to power in the ACT promising to be consultative. They still try to sell themselves as being about the community. What they did not tell the community was that they subscribe to a centralised, father-knows-best type of government, which pays lip-service only to the notion of consulting. We have seen that in relation to the school closures. There was some debate in relation to that as a follow-up in the estimates committee—some 23 down from 39 initially. In that case there was consultation after the event. We are starting to see the effects of that particular ill-advised decision.

We saw the government's usual secrecy and refusal to have its decisions scrutinised when it refused to expose to the light of day the functional review of government services, even though it led directly to the closure of schools and the cutting back of a wide range of community services. This budget does not alter this; it just builds on it.

From the little that did emerge by way of rationalisation of the government's position during the education consultations after the event, the data and assumptions based on them were sometimes extremely flawed. Given the budget turnaround since then, it would seem that there never was really a rationale for such draconian cutting of government services. But as we have never been allowed to see the functional review, we do not know, and the opposition cannot adequately scrutinise the programs and decision of this government, which is what it intends. Of course, we cannot get other information through a court process that my colleague Mrs Dunne is engaged in at present.

Typically, then, in the estimates process this year, the Chief Minister sought to curtail questioning during some of the hearings. Sadly, he was not Robinson Crusoe in terms of other ministers. We have reported in the estimates report one unfortunate comment he made. He cut short questioning by saying he was busy. He said, "I'm extremely busy, Mr Chair. If there are no further questions—". At least he stayed after it was pointed out there were.

The point is that it is up to the committee chairman to decide when the questioning is finished. It is important—it is one of our recommendations—that the Chief Minister and other ministers subject themselves to the control of the chair during the hearings. That is just basic. That is something that has occurred in the past. Just because you are a majority government does not mean that you have to stray from the normal conventions in this place.

When people answer questions I know there is often a tendency to sprout a lot of meaningless verbiage. But unfortunately it has become a bit of an art form under this particular executive. When that occurs, it does not really add anything to the understanding of government policy and practice. Indeed, it can be seen to be more intended to obfuscate rather than enlighten.

An approach favoured by some of the ministers here, including the Chief Minister, seems to be to use a sea of words to overcome listeners—sheer volume as opposed to any sense. After asking the Chief Minister a question on talkback radio, only to receive a longwinded diatribe in return, a member of the public commented, "I feel submerged." So do we all. It is a debating trick—sure—but it is not a responsible way of accounting for government activities and shortcomings. It is also a government that hides behind mumbo jumbo. These practices carry an undercurrent of arrogance and smugness. It is unhelpful and arguably altogether contrary to normal parliamentary codes of conduct.

We have a number of recommendations in terms of answering questions and perhaps providing a ministerial statement before the start of estimates so that people can see it, just as a way of moving things along and saving time. Again, this sensible suggestion was rejected out of hand by the Chief Minister today. At least in question time we now have a rule—credit to you Mr Speaker; you have been pushing for this for a while—that an answer has to be a certain number of minutes: five minutes and no more.

We made some comments about dorothy dixers. I know that that has happened all the way through estimates. (*Second speaking period taken.*) Clearly that can be a waste of the committee's time as well. It deprives other members of the opportunity to ask more in-depth questions. All members need to ask questions. But care needs to be taken to ensure that dorothy dixers do not last far too long. I have already mentioned the introductory statements.

Questions on notice have been mentioned by a few members. These are also very important to public accountability. We see here a practice whereby ministers are starting to split hairs and ignore answering the substantive part of the question. We saw this tendency in this estimates committee. It is a tendency I have started to see over the last 12 months or so in terms of questions on notice.

I give the example of the health minister, who avoided a question asking why waiting times for aged hospital patients were significantly in excess of the government's target. Her reply consisted of taking issue with the term "significantly". She never gave any reason for the government's failure to meet this target or any type of explanation. Presumably the assumption here was that, if you rationalise the differential in the figures into insignificance, the target becomes elastic and close enough is good enough.

Again it was a resort to that sort of mumbo jumbo and an admission of inference that government targets are meaningless and certainly not taken seriously, being more honoured in the breach than in the doing. Again it was unnecessary. It does not do us any good if people go off on semantics rather than try to answer the substance of the question. We recommend that the government make a genuine effort to answer the substance of questions on notice rather than attempt to sidestep them through hairsplitting on the wordings of questions.

Another issue that concerned me in this process—we have referred to it in the report and there was media coverage on it—was that members of the executive were on occasions extremely abusive of interlocutors, including community groups. That behaviour is very unprofessional. Again it makes a mockery of the openness of the government. The Chief Minister and Mr Hargreaves were particularly wont to give questioners in the estimates process a spray for daring to question the government, preferring the "offence is the best means of defence" approach.

One is reminded of the property council—the poor old property council. Like any other community group or peak body it is there to do a job. Its job is to represent the interests of its constituents—just like ACT Shelter, ACTCOSS and the AFPA—just like any other group formed to represent the interests of their members. All of those groups—whether you agree with them or not—have a legitimate point of view.

As a minister I may not agree with many of the community groups I deal with. But I cannot recall in the history of this place various groups such as this being subject to the level of unnecessary abuse by government ministers—not all government ministers, but by some. You need to lift your game. It is quite wrong for the Chief Minister to say that the property council is a mob with almost nil credibility.

Mr Stanhope: A daytime branch of the Liberal Party.

MR STEFANIAK: Thank you very much: it is a daytime branch of the Liberal Party. Here we go again. I do not know whether it was you, Chief Minister, or another of your ministers who asked whether ACT Shelter was a daytime branch of the Greens. Again, you denigrate, abuse, a group with whom you do not agree.

Seriously, that is not the way an executive should operate. We know you are a majority government but that does not mean that the normal standards should go out the window. It means that you are able to pass whatever legislation you want. It means you are able to pass this budget. It means your programs are going to get through. But there are—and there have been—many majority governments in Australia. But I have not heard from them the needless abuse—whether in the spur of the moment; whether you have got out on the wrong side of bed—that some of these groups are subjected to.

If that had occurred during the nineties—and probably under any government—I doubt it very much that the minister concerned would have survived. If it had happened under the Liberal government, I imagine Ms Tucker would have been the first one moving no-confidence motions—as would you, Mr Stanhope, or you, Mr Corbell. You need to lift your game. It does not put you and anyone here in a particularly good light. When you engage in name-calling it just does not help whatsoever. In fact, you are breaching your own ministerial code of conduct, which states that:

Ministers will act with respect towards the institution of the Legislative Assembly, and are to ensure that their conduct, whether in a personal or official capacity, does not bring the Assembly into disrepute, or damage public confidence in the system of government.

It goes on to say:

All Ministers are to recognise the importance of full and true disclosure and accountability to the Parliament. And under the ACT's Westminster-style system, the Executive Government of the ACT is answerable to the Legislative Assembly and, through it, to the people.

You talk about policy, Mr Stanhope. It mentions something on page 25 in relation to your per cent for art scheme, which my colleague Mr Mulcahy has already announced. There is one for starters; do not come back at me. The opposition makes a number of recommendations in its dissenting report.

Mr Stanhope: What was that recommendation?

MR STEFANIAK: Read it on page 25. You have been pretty dismissive of it; have a read. Have a read of his media releases too. Mr Hargreaves's behaviour was not marvellous in 2006 and it certainly did not get any better this year. At best it could be described as jocular dismissiveness when he answered a question of Dr Foskey's about alternative transport—"I am not subsidising your roller skates." That was fine.

But of concern was his impugment of Mr Pratt's character. It was then Mrs Burke and Dr Foskey. It ran on for a while. We have had a debate here; I will not reflect on that. It is indicative of the behaviour of some people in this executive and a behaviour you really need to curtail—in your own interests as much as anyone else's.

There are some other issues too such as whether Mr Barr said something about ACTAS. That is worth looking at. It is certainly worth clarifying. I ask him to do that. A number of ministers have shown a certain degree of arrogance, to put it mildly, in this process.

In conclusion, the conduct of the executive during the hearing shows that the government does not even pay lip-service any more to accountability. It is showing some contempt for the parliamentary process. I hope that at next year's estimates we see a better change of attitude by the executive. That behaviour does not help anyone.

It is certainly not fair to the community groups, who—whether you like them or not; whether you agree with them or not—have a legitimate role to play in our community and have a legitimate reason to put their point of view. Even if you do not like it, you can engage in robust debate. But you cross the line when you mindlessly abuse them—whatever the group, whatever you think of them. That behaviour needs to be modified.

In terms of the sum, there were some questions in relation to a couple of extra staff in the executive. I do not have any particular issue with that. That is fundamentally a fairly modest sum we are talking about.

I am more concerned with the attitude when answering questions, not answering questions and specifically dealing with outside people. We can all have a go at each other here. We can all say horrible things about each other. That is fine. That is part and parcel of the process. Sometimes some people go overboard, go too far. But at the end of the day we are all big people. But when dealing with outside groups I urge a lot more caution than we have seen, particularly during this process.

MR HARGREAVES (Brindabella—Minister for the Territory and Municipal Services, Minister for Housing and Minister for Multicultural Affairs) (12.19): I observe that the Leader of the Opposition, when speaking on this line item of the budget, the ACT executive, worth just under \$4.5 billion, spent exactly 20 seconds of his 20 minutes talking about the application of the budget; about the budget makeup—20 seconds out of 20 minutes. That is pretty close to a record for a leader of the opposition.

Mr Stanhope: The only one he mentioned was to abolish Gary Humphries's per cent for art scheme.

MR HARGREAVES: That is right. I need to address a couple of the things that Mr Mulcahy has said, just to clear the record. He criticised me for not responding to questions on notice about Albert Hall. He said there were about 20 questions, 16 of which did not get answered properly. He accused me of not answering because something was commercial-in-confidence.

That betrays his lack of understanding of the way in which the Albert Hall has been managed. The Albert Hall has been managed by a private contractor. The information Mr Mulcahy was seeking was, in fact, information held by that independent contractor. He would know, from his experience in business, that you cannot release information, one, you do not have and, two, without the permission of the private contractor who has it. Secondly, with respect to this, he accused me of not being able to make comment on something somebody else had said. I suggest an examination of the standing orders, because they preclude that.

I recall a recent comment that so far in the Assembly there have been about 1,100 questions on notice. That has to be a record as well. I had a little look recently to see the extent to which any of those questions have been put to any good use; to see whether there was a suggestion to the government to change a given thrust or anything like that. Not a thing. The amounts of activity following questions on notice and the answers thereto have been singularly lacking. This lends itself to my laziness tag, accusing other members of being a tad on that side.

I listened to what Dr Foskey said, and I have to say, Mr Speaker—

Mr Smyth: Mr Speaker, I rise on a point of order. Will the minister come to the line item, which is the executive and how its money is spent, given he pointed out that the Leader of the Opposition supposedly did not.

Mr Hargreaves interjecting—

MR SPEAKER: Order! Mr Hargreaves, I have just had a point of order raised.

Mr Smyth: The point of order is relevance. It is the line item relating to the executive. He is having a general spray at the opposition. The hypocrisy of standing up and suggesting that Mr Stefaniak had not done it when he actually is not doing it—

Mr Stanhope: What did Bill Stefaniak do for 20 minutes? Talk about hypocrisy!

Mr Smyth: You can raise a point of order if you want.

MR SPEAKER: Order! I will rule on the point of order. Members of the government are entitled to respond to what Mr Stefaniak said in relation to this particular line item.

MR HARGREAVES: Thank you very much, Mr Speaker. I respond to something Dr Foskey was saying. If I can interpret her correctly, she was exhorting us all to be more cooperative, to have a more discursive—

Opposition members interjecting—

MR SPEAKER: Order! Mr Hargreaves has the floor.

MR HARGREAVES: Thank you, Mr Speaker. Dr Foskey was trying to exhort us all to be a little bit more consultative—amongst each other, the executive, the opposition,

and the crossbench—to work together more. I do not have a problem with that at all. I make this observation: I do not find it acceptable to criticise the executive for not having these conversations when I particularly have not been approached by members of the opposition to discuss an issue.

As Dr Foskey would well know, I respond to her office's email requests within half a day, sometimes within 10 minutes. I do not wish to counter what Dr Foskey was saying, but I say this: if Dr Foskey wishes to explore issues further, she is more than welcome to give my office a ring, and we will be only too pleased to have discussions with her.

I make an observation in relation to this amount for the executive: the history of provision of support for the executive in this city—both for the Legislative Assembly and the executive—is such that decisions have been taken in an environment for which both sides of this chamber can take some responsibility. If there is an accusation of parsimony in this place, we need both sides of this place to accept it.

I do not accept a criticism. I have been here in opposition. I have had seven shadow portfolios with two staff and had to make do with that. I now have a ministerial staff. I find that I do not have enough resources. I do not have the DOA available to me to correspond with my constituents either. There is a degree of, if you like, agreement. But unless those opposite stop playing politics with it and enter into genuine dialogue with the Chief Minister around this, we will be back here in 12 months saying exactly the same things.

Mr Stefaniak stood up and, apart from the 20 seconds he addressed this particular line item, he laid into the government about its lack of cooperation, its arrogance and everything else about the estimates committee. He did not put the situation as it truly was. He did not. As a matter of fact, I am now expecting a whole diatribe—subterranean grumblings of interjections—from Mrs Burke. Let us just see how much self-control she has, given that she accuses me of having not much of it. We will test it. We will also test Mr Pratt.

An examination of the two sets of appearances reveals that, of the 44 topics, I have answered all of them except for four. In fact, they were questions taken on notice. All of the questions without notice were answered. I also observe, when these people across here are saying, “You're obfuscating, you're trying to avoid answering questions”, and things like that—

Mr Pratt: You're a master of it. You're very good at it.

MR HARGREAVES: Here we go again. This is exactly the point I make. In the space of a two-hour session with the estimates committee, the Liberal Party—visitors or members—interjected 160 times. We do not hear that side of the argument, do we? We do not hear that side of the so-called “poor parliamentary behaviour”. We do not, for example, see the sorts of things that Mrs Burke did in the hearing, when she said, addressing me, “Can you confirm or deny if you or Mr Zissler breached the Workplace Relations Act and were there any shifts provided? Blah, blah, blah.” That is a direct imputation, which is a breach of standing orders.

Mr Smyth: It is a perfectly reasonable question. The chairman should have ruled it out of order.

MR HARGREAVES: Here we go again. They cannot help themselves; they have to interject. I asked Mrs Burke to produce evidence of that. She could not.

Mrs Burke: I asked you a question; that's all.

MR HARGREAVES: She asked a question—what a lame excuse. We all know—this is our so-called profession—that you can impugn somebody's reputation by a mere question. We all know that. The standing orders have a provision in relation to that. If those people over there have any evidence whatever to back up the suggestion that I have breached federal legislation, let them come forward and put it down, instead of impugning reputations. This is just not acceptable.

I had a good look at the estimates committee report and at the dissenting report. Again, in terms of those opposite, it was singularly lacking in substance. When you have a look at the dissenting report, for example—we are talking about the recommendations—you see the recommendations that pertain to the Department of Territory and Municipal Services. "Pathetic" is the word that comes to mind.

Debate interrupted in accordance with standing order 74 and 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

Gungahlin Drive extension

MR STEFANIAK: My question is directed to the Minister for Territory and Municipal Services. Minister, last week in the Assembly you stated, "I do not see the management disaster with the GDE. We delivered on time and on budget."

The schedule adopted by the Canberra Liberals was to have the road finished as a four-lane highway by October 2004 at a cost of \$32 million. The Glenloch interchange was estimated to cost \$15 million. In 2001 the Labor Party promised—as Mr Corbell said in 2002—"to ensure that the western alignment was built on time and in accordance with the previous government's capital works program".

This government will eventually deliver a two-lane road several years late at a cost between \$108 million and \$112 million. That cost includes the cost of building the Glenloch interchange. Minister, why do you not consider the handling of the GDE to be a management disaster, given that it will be several years late, have two lanes instead of four, and cost approximately \$110 million instead of \$47 million?

MR HARGREAVES: If ever there were an opportunity, this is it.

Mr Stanhope: Resist it though, Mr Hargreaves.

MR HARGREAVES: I will indeed. I am having a Zen attack. Some of the facts that we do know are that the construction of this particular project was delayed. It was delayed because of the activities of the Liberal Party over the dispute on the alignment. It caused that particular delay. Then of course the Liberal Party encouraged challenges to the project from Save the Ridge. That added an extra amount of time. That added \$20-something million to the cost and a couple of years to the whole thing.

The most remarkable thing that I have just heard—and I remember this when I was sitting on estimates committees and on the planning and environment committee—was the estimate of the Liberal Party that this road was going to cost \$32 million. We did not believe it even then. I thought someone was having a lend of us when they were saying that. I thought that it might be possible to build a two-kilometre, one-lane dirt track with \$32 million. It was always known—anybody with a modicum of common sense would have known—that \$32 million was not going to buy you a thing.

The Liberal Party, during their tenure, stumbled from one debacle to another. They were exposed for inefficiency, incompetence, inefficiency again and incompetence again by the planning and environment committee and by estimates committees. Indeed, it was the Stanhope government that got on with the job and started the road. Something around \$100 million was always going to be a reality. Anybody with any notion of common sense would know that. However, delaying the project for a considerable amount of time by using one's influence with one's federal friends to contest the alignment cost us time. When it costs time, the prices go up. Everybody knows that.

Mr Gentleman: We should send them the bill.

MR HARGREAVES: Mr Gentleman is quite right: we should send them the bill for the difference between the actual cost of the road and \$32 million. That would be a bill, wouldn't it?

The major contributors to the cost escalation of the road have been the legal challenges and the delays—which were a portion of that—and the fight over the alignment. We have experienced well over \$20 million worth of delay because of that. In the course of that delay, the price of petroleum products went through the roof, as we all know. There was something like a 17 per cent increase in the price of diesel. Even those opposite know that all contracts have contracts contained within them that account for price escalations.

The other thing, of course, was that, unlike those opposite, when we came to design the road around the suburbs of Aranda, considerable consultation was undertaken with the residents of Aranda. In the process of that, there were significant variations done to the planning of the road itself. They came with an enormous amount of cost increase. Because this particular government were sensitive to the amenity of the people of Aranda, we have actually put up.

I said that it would be on time and on budget. It will be on time. There is absolutely no question about that. And it is on budget. As I have mentioned before, there are increases inherently in the contract. In fact, in the first—(*Time expired.*)

Mr Pratt: It's called parallel universe time.

MR STEFANIAK: Mr Speaker, I have a supplementary.

MR SPEAKER: You won't be getting a supplementary until your colleagues quieten down a bit.

MR STEFANIAK: I am sure they will.

MR SPEAKER: If you have got them under control, that is good.

MR STEFANIAK: As they did, Mr Speaker. Minister, given that it is one lane, what will happen on the GDE if a truck breaks down, especially over one of those bridges? It is very narrow.

MR HARGREAVES: I am rather stunned at the lack of imagination of the Leader of the Opposition. We have had not one—

Members interjecting—

MR HARGREAVES: In fact, I think it is a fair bet that, if an articulated bus or truck were in fact to break down and jackknife across the two-lane road we know as Adelaide Avenue—guess what? The road would get blocked. It is a very simple thing.

We need to understand that what we are also hearing coming across the chamber is that there should have been a four-lane road. There is absolutely no recognition from those opposite that price escalation due to their particular agitation has—

Mr Pratt: It was the original project definition.

Mr Smyth: Your words.

MR HARGREAVES: Due to their agitation, the price has gone up because the time taken to actually get on with the job has resulted in those price escalations. But what this Assembly has not been told is how much out of the election promises this lot are going to promise the people of Canberra to put the extra two lanes in.

We might alert the Treasurer to this fact. What I am seeing coming out of the opposition is criticism because we have got on and built the road. You can actually drive your car all the way from the Barton Highway to Ginninderra Drive—in fact, you can drive on the road between Ginninderra Drive and Belconnen Way.

That did not exist when these guys were in government. They are saying, "Why didn't you build a four-lane road?" It is very simple: because a four-lane road would have

ended about halfway and would have been a highway to nowhere—which is what your \$32 million would have delivered. Your \$32 million could not have delivered one-third of that stretch plus the bridge. It would have ended near an empty horse paddock. And good on you.

Mr Speaker, I am just waiting—I must admit that I am not going to hold my breath or I will go blue—for these folks to say how much they are going to commit in the election promises for the 2008 election to put those other two lanes in. It is all very well and good for them to do what they are very good at, which is to stand up and say, “We don’t think that’s good enough”—and nothing would happen.

Mr Smyth: Point of order, Mr Speaker: under standing order 118 (b), the minister cannot debate the subject. He has to answer the question or sit down.

MR SPEAKER: Continue, Mr Hargreaves.

MR HARGREAVES: I really do not think that there is any debate here. These guys are just standing up here and saying, “This is wrong.” They are constantly doing that—throughout the life of this Assembly. With respect to the Gungahlin Drive extension—

MR SPEAKER: Order! Come back to the subject matter of the question.

MR HARGREAVES: With respect to the Gungahlin Drive extension, have they said how they would increase it from \$47 million to the real-day price? No.

MR SPEAKER: No, and that was not the subject of the question. Come back to the subject matter.

MR HARGREAVES: The subject matter of the question was: is it on time and is it on budget?

MR SPEAKER: No, it was not. It was a supplementary question.

Mr Barr: It was about the truck.

MR HARGREAVES: Okay, Mr Speaker. With respect to the broken down truck, this is what would happen. The NRMA would be called, and they would dispatch a really big truck—a much bigger truck. It would go up one lane of that road and it would promptly put the broken-down truck on the back of that rooly, rooly big one. Then it would drive off and get that other truck fixed. In the meantime, we will have the assessments—

Members interjecting—

MR HARGREAVES: and in doing that, the RTA and the police would ensure that there would be minimum traffic disruption. I doubt if we will see it happening.

Taxation

MR MULCAHY: My question is to the Treasurer. Treasurer, under your government ACT residents are paying more than ever before in local taxes—

Mr Pratt: The best answer you have given all year, John. Really transparent!

Mr Stanhope: I am sorry, Mr Speaker. I missed part of the question.

MR MULCAHY: Treasurer, under your government—

Mr Pratt interjecting—

MR SPEAKER: Order! Mr Pratt, desist.

MR MULCAHY: Treasurer, under your government ACT residents are paying more than ever before in local taxes and charges. The utilities network facilities tax, a unique charge that you have created, will alone cost Canberra residents almost \$100 extra per year. Arguably you have shown some ingenuity in creating a tax that no other jurisdiction in the country has thought of, but the fact is, Treasurer, that nobody is congratulating you. Given the improved budget position, a result of prosperity beyond your control, when can the people of Canberra expect tax relief?

Mr Corbell: I raise a point of order, Mr Speaker. I think Mr Mulcahy might be asking the Treasurer to announce government policy. I think the question is out of order. The question was: when will Canberrans expect tax relief? It is almost certainly asking the Treasurer to announce a new policy.

MR SPEAKER: I do not think so.

Mr Corbell: What is it, then?

MR SPEAKER: It is a question about the government's intention on tax. I am sure the Treasurer can—

Mr Corbell: On the point of order, Mr Speaker, the question was not: is the government considering tax structures? The question was: when will the government provide tax relief? It is clearly seeking an announcement of a policy decision, not an assessment of whether or not a policy is being considered.

MR SPEAKER: It is not calling on the government to announce executive policy, it seems to me. It is just seeking an explanation regarding the policy of the executive in its application. It seems pretty straightforward. I am sure the Treasurer can respond to it.

MR STANHOPE: Thank you, Mr Speaker. The simple answer to the question is, of course, that at this stage the government has made no such policy decision. That is the answer to the question.

But, having been asked the question, it does give me the opportunity to repeat, as I have repeated essentially ad nauseam, that the current data available from the Commonwealth Grants Commission and the Australian Bureau of Statistics is that the ACT is not a high taxing jurisdiction. According to the Commonwealth Grants Commission, in its latest advice on comparative taxation rates around Australia, the ACT's taxation effort is essentially the same as—

Mr Mulcahy: I raise a point of order, Mr Speaker. I was quite specific in talking about the tax rates in the territory being higher than they ever have been before in the ACT. I did not ask for a dissertation on comparative tax rates.

MR SPEAKER: No. You asked the question: when can the people of the ACT expect tax relief? That is the question.

MR STANHOPE: According to the Commonwealth Grants Commission, our taxation effort is essentially the same as that in New South Wales, Victoria and Western Australia. According to the Commonwealth Grants Commission, our taxation effort is actually lower than that in South Australia and the Northern Territory.

The Australian Bureau of Statistics, in its most recent data available to government, indicates that the total of state and local government taxation in the Australian Capital Territory is \$2,386 per capita, which is lower than the national average of \$2,594 per capita. The ACT's per capita state and local government taxation is lower than the state and local government taxation of New South Wales, Victoria, Western Australia and South Australia. So there is the end to the furphy.

According to the commonwealth, through the Commonwealth Grants Commission and through the Australian Bureau of Statistics, we tax at below the national average. We tax lower than some jurisdictions in Australia and we tax at essentially the same rate as the majority—indeed, the same rate as our neighbours.

This, of course, is the crux of the decisions which my government has taken over the last two years. Our revenue raising effort is around the national average, as revealed by the Commonwealth Grants Commission and the Australian Bureau of Statistics, since self-government. Actually, the Productivity Commission, in every one of its annual state of government reports, reveals that expenditure effort in the ACT is, of course, somewhere between 20 and 25 per cent above the national average.

There is the simple equation. The Commonwealth Grants Commission and the Australian Bureau of Statistics reveal that taxation effort in the ACT is essentially at around average—in fact, it is just lower than the national average—yet our expenditure effort, of course, is 20 to 25 per cent above the national average.

To redress that glaring gap between expenditure and revenue, this government has taken the decisions that no other government since self-government is prepared to take to bring the two into balance. That is the essential philosophy underpinning last year's budget, repeated in this year's budget, which, as a result of decisions my government took, has restored this community's bottom line and balance sheet to an

enviable position—one, of course, that the Liberal Party could never deliver through its \$685 million accumulated deficit during its last period in government. (*Time expired.*)

MR MULCAHY: I have a supplementary question for the Treasurer. Will you release the legal advice you obtained prior to the creation of the utilities network facilities tax?

MR STANHOPE: I do hope the media are keeping a tab, as we are, on the taxes which the Liberal Party, if they ever win government again, have undertaken to abolish. Once again, it is a very interesting equation. The Liberal Party have now serially announced that they will abolish the fire levy, they will abolish the utilities tax, they will reduce—

Mr Stefaniak interjecting—

MR STANHOPE: No, this is what you have done. When it is put to you in the hearing of the community, don't deny it. Scurry around—

Mr Mulcahy: On a point of order, Mr Speaker: I asked the Chief Minister whether he would be releasing the legal advice that he obtained prior to the creation of the tax. What I or anybody else might promise to do really has nothing to do with it.

MR STANHOPE: It is important for Mr Stefaniak. He announced one policy today. In his response this morning, the Liberal Party have announced their first policy for the next election. They are going to abolish the per cent for arts scheme—Gary Humphries's scheme. Gary Humphries introduced it when he was minister for the arts in, I think, 1998. Today, Bill Stefaniak has promised the first Liberal Party policy: they are going to abolish the per cent for arts scheme.

Members interjecting—

MR SPEAKER: Order! Chief Minister, come to the subject matter of the question.

Mr Smyth: I take a point of order, Mr Speaker, under standing order 118 (a) and 118 (b). Firstly, he is not relevant to the subject of the question and, secondly, he is not allowed to argue it under the standing orders.

MR SPEAKER: Come back to the subject matter of the question.

MR STANHOPE: The subject matter of the question was the utilities tax—a tax which the Liberal Party have promised to abolish, along with the fire levy, the water abstraction charge—

MR SPEAKER: Order! No, it was not; it was whether the legal advice was going to be released.

MR STANHOPE: The answer is no.

Economy

MR SMYTH: My question is to the Minister for Business and Economic Development. Minister, the Canberra Business Council has been very critical of the decisions of your government to reduce support for business development in the ACT. Indeed, last week, the chairman of the council, Craig Sloan, said that the Stanhope government's commitment to develop the ACT economy "was largely undone in the 2006-07 budget by the government's slash and burn approach to economic development". Minister, what can you say to reassure the Canberra Business Council and the Canberra community that your government has not reneged on its economic white paper commitments to develop a sustainable ACT economy?

MR STANHOPE: What I would say to the business council and to the Liberal Party is: walk around outside and open your eyes. Look at the community that is currently the strongest in Australia in terms of its economic performance and its economy—the ACT. The lowest unemployment rate in Australia—the ACT. The highest participation rate in Australia—the ACT. The highest level of housing finance commitments in Australia—the ACT. The highest pro rata rate of commercial development in Australia—the ACT. The highest level of housing development in Australia—the ACT. The highest level of growth in Australia.

If anybody in business today—as Ross Barrett continues to tell me—is not doing well or is suffering a bit, they should not be in business. That is what the ACT director of the Master Builders Association likes to tell me when he sees the occasional whinge from representatives or people within the business community. He says to me, "Jon, just tell them that if they are not making a go of business in the ACT today, they really should not be in business."

Conditions have never been this buoyant, levels of prosperity have never been this high, wages have never been as strong. Every single economic indicator you want to point to reveals that the ACT economy, except for Western Australia—which is driven on iron ore, the resources boom and massive exports to China—is the strongest in Australia. We are leaving them for dead. They are left in our wake. This is, on all indicators, the economy that is performing better than every other in Australia.

Even in that environment—an environment of record low unemployment, of record high participation rates, of record growth, of unparalleled commercial and residential development, the largest commitment of housing start-ups of any place in Australia—there are still people saying it is not good enough. They point to the government, saying, "What are you doing to ensure a strong economy, a broad economy, a well-performing economy?" in an environment where there is not a single economic indicator that they can point to where we lag against the rest of Australia—in fact, where we do not exceed the performance of every other place in Australia.

So to say what have we been doing, what we have done over six years in government is to produce precisely that—the strongest economy in Australia. You ask me, "What are we going to do?" We have the strongest economy in Australia, outside of Western Australia, and you ask me, "What more are we going to do, what are we going to do

to surpass Western Australia?" We will do that, of course, when we get our uranium export licence, perhaps, or find our first iron ore mine, or perhaps when the wool clip comes in or the wheat crop is harvested. We are doing extremely well and I am proud of it.

I will happily debate or engage with any business representative organisation in this town that has a concern with the way in which this economy is performing at the moment. We stand ready to work with the business community, but little is to be gained, in the environment we are currently in, with the strength of this economy against every indicator, to continue to pick at this government as a government with a lack of commitment—having presided for six years—to produce. At the end of that you can say it is nothing to do with you. If it is nothing to do with us, why ask the question? You obviously think it is to do with us or you would not have asked the question.

Having asked the question "what are we going to do to ensure a strong economy?" you should have a look at our record. Go to the Commonwealth Grants Commission, go to the Australian Bureau of Statistics, and research the indicators, which are myriad, of organisations produced in relation to the ACT. We saw the latest yesterday. According to the Real Estate Institute of Australia, Peter Blackshaw's organisation, who has the best housing affordability in Australia at the moment? It is the ACT by a country mile. Just compare the performance. According to the Real Estate Institute of Australia yesterday—and who am I to criticise or doubt or contradict it?—the best housing affordability index in Australia is the Australian Capital Territory. If Craig Sloan or the business council have a specific of where the ACT economy is not performing the best in Australia, I would like to know what it is. (*Time expired.*)

MR SPEAKER: A supplementary question, Mr Smyth?

MR SMYTH: Minister, what actions are you taking to grow an innovative private sector in the ACT, and broaden the narrow tax base that you so often lament?

MR STANHOPE: I think the question was essentially around a low tax base, the same question that Mr Mulcahy asked. We do have a narrow tax base, and it is quite a remarkable achievement for this government, with such a narrow tax base, that we still only tax essentially national average levels of taxation. It is quite a remarkable achievement. It is a remarkable achievement that in an economy with as narrow a base as ours we still manage to restrict our revenue effort to just below the national average. As I just revealed in the figures from the Commonwealth Grants Commission and the Australian Bureau of Statistics, our revenue effort is just below the national average and, indeed, lower than our neighbours. It is a remarkable achievement for the Australian Capital Territory that our revenue effort, in other words, the level of ACT, state and local government taxation, is less than it is in New South Wales.

This is another thing we see from time to time. You can pick any particular tax or rate and you can ask why is the ACT higher than New South Wales in relation to this specific tax? Of course, you can do that, but that is a reflection of the narrowness of

our base, the fact that we do not have the opportunities that other places do, that the bigger states have, those with broad economic bases. It is a remarkable achievement for this government to be providing government services to the level we are with a narrow economic base, with a narrow range of opportunities for the pursuit of revenue measures, but nevertheless to continue to provide at an exemplary level government services within the territory at below average levels of taxation. It is a remarkable achievement and I am enormously proud of it.

Equine influenza

MS PORTER: My question is to the Chief Minister. Chief Minister, media reports since the weekend have highlighted the extremely serious nature of the outbreak of equine influenza in Sydney. Can the Chief Minister tell the Assembly how the ACT government has responded to the outbreak?

MR STANHOPE: I thank Ms Porter for her question. As members would be aware, equine influenza is an exotic disease to Australia, a disease that has never before presented anywhere in Australia. It is scheduled as a category 4 emergency animal disease. It is an acute, highly contagious viral disease which can cause rapidly spreading outbreaks of respiratory disease in horses, donkeys, mules and other equine species.

The disease is not generally fatal, but it can be fatal in old or infirm horses and young foals. It is spread by direct contact, particularly between horses, but it can also be spread through indirect contact with contaminated tack or equipment. Equine influenza poses no threat to people; however, of course, it can be spread by people to horses via, for instance, infected clothing.

There has been a national response—a very good, collaborative and cooperative response—between the Australian and all state and territory governments to the outbreak of equine influenza. That, of course, has involved all of the national and local industry stakeholders in order to contain the virus and hopefully to eradicate it. Nationally, the agreed approach is to contain the further spread of the disease by the immediate restriction of the movement of all equine species and related products.

On Saturday, in response to an initial declaration by New South Wales of a complete movement restriction on all equine species and related materials, I also declared a similar quarantine for the Australian Capital Territory, pursuant to section 19 (1) of the Animal Diseases Act 2005. That declaration will have effect until 1 September, unless it is otherwise revoked.

Following the declaration, the ACT established a local disease control centre at the emergency services facility. Additionally, six major arterial roads to the ACT were signposted advising on movement restrictions. It should be noted that there are quite significant penalties applying to anybody that avoids the quarantine or breaches it. Staff of the Department of Territory and Municipal Services, with the assistance of ACT Policing, staffed all surveillance points over the weekend.

To date, thankfully, there has been no indication within the ACT of any equine influenza. Of course, we are hoping that we can maintain that status. The ACT Director of Veterinary Hygiene continues to participate in the national Consultative Committee on Emergency Animal Disease. That committee remains of the view that a national standstill of all horses and related products should remain in place to minimise the further spread of this disease.

The recommendation of the committee will be subject to the National Management Group exotic animal disease endorsement. That is a group that is chaired by the commonwealth and includes officials from all the states and territories. The Director of Veterinary Hygiene within the ACT remains in regular contact with his counterparts, most particularly in New South Wales and Queensland, and the ACT local disease control centre similarly remains in touch.

The ACT Director of Veterinary Hygiene has provided regular advice to all vets within the ACT and to all interested industry parties. There has been extensive media information prepared and disseminated, and Canberra Connect is continuing to provide ongoing information, particularly to those members of the public who are recreational horse owners and who, of course, are quite rightly concerned about the health of their horses.

MS PORTER: I ask a supplementary question. Chief Minister, what impact has the outbreak of equine influenza had on the racing industry and horse owners in Canberra? What is the importance of the industry to the ACT economy?

MR STANHOPE: Suffice to say that the racing industry within the ACT is a very important industry for a range of reasons, and that is not economically, but I believe it adds very much to the vibrancy and the nature of the city of Canberra and is a much supported and loved feature of Canberra. Our three race clubs, the thoroughbreds, the trots and the dogs, are well supported and are a very significant part of our community and, as an added bonus, provide a significant economic impact.

Indeed, in 2001, during the last assessment of the importance of Canberra racing to the ACT economy, it was shown that the ACT racing industry at that time, in 2001, contributed \$25 million in gross territory product and, at that time, employed the equivalent of 148 people. In fact, each day there is a race meeting at the Canberra race club, 70 people are employed. There are 18 Canberra-based trainers and 20 harness trainers, and a significant number of people, of course, are employed within stables and within businesses that rely on those stables—indeed rely on the racing industry—and that rely very much on the very high levels of private ownership of horses within the ACT.

ACTTAB employs around 100 people and generates over \$160 million on racing a year. There are 23 bookmakers with licences in the ACT and there are, of course, a significant number of people who depend in one way or another on this industry and on horses. That is a broad outline of the significance of the industry. I think in terms of direct cost to the economy it is difficult to measure at this stage. But to date the most significant cost would have been the \$1 million reduction in turnover that ACTTAB suffered on Saturday.

ACTTAB estimates that, over the course of any week, a week's betting involves around \$3.2 million of turnover for the ACTTAB. A proportion of that, of course, is paid directly to the clubs as dividends and, similarly, a proportion of that is paid to the government as dividends. So there are significant budgetary impacts and impacts for the economy.

There are—and I do acknowledge this—at this stage costs that it would not be possible for us to compute but we can imagine the costs that owners, trainers, breeders and all those that rely on the industry are suffering as a result of a lack of work and of the stand-down. We are hopeful that racing will commence in southern Australia this Saturday. That will, of course, at least allow ACTTAB to generate some turnover or revenue.

We remain hopeful that with racing recommencing in southern Australia—at this stage, hopefully Victoria, Tasmania, South Australia and Western Australia—at least the ACTTAB, all of the agents and all of the staff that work with and rely on the TAB will have some relief. At this stage the government is not in a position to predict when the stand-down, particularly for the ACT, New South Wales and Queensland, will end. It is quite likely that there will be continuing economic impacts for some little time yet.

Schools—closures

MR PRATT: My question is directed to the Minister for Territory and Municipal Services. Minister, in June you announced a two-stage consultation process on the future use of school sites, with a decision being made in early 2008. Minister, recently on Chief Minister Talkback a question was raised about tactical response teams training at one of the closed schools, Flynn Primary School. Generally, this type of training is undertaken in buildings slated for demolition. Minister, was it proposed that the Flynn Primary School building be used for tactical response training? If so, when and why?

MR HARGREAVES: Some time ago, I had a visit in my office by two people who represented the Flynn community. They talked to me about what sorts of proposals they could put forth in the consultation process around the possible or impending closure of the Flynn school. Between us, we developed about seven different proposals that could be put forward. They went back to their community and developed a series of proposals, and they went into the mix. This is quite separate from the challenge that we are now having around the closure of the school at all.

We told the Flynn community, “The government has no preconceptions at all about what will happen to these buildings but please tell us what you think.” If there is a common sense of purpose around the Flynn community which is consistent with the use of those buildings, certainly it will be given proper and due consideration. It will be considered in two contexts in the consultation process that I announced. The first will be a regional one, with all the Belconnen schools that are affected being discussed with the Belconnen community, possibly under the auspices of the Belconnen Community Council, under the chairmanship of Stephen Bounds. The

second one is where we will go site-specific. This is where the Flynn school will actually be discussed with the Flynn community through the independent consultant we have now engaged.

It should be remembered that the reason for engaging the consultant in the first place was so that those consultation processes would be at arm's-length from government. We will not be involved in the process while there is a conversation between the community and the consultant, in order to give us the information which we will then process towards the end of the year.

With respect to the police tactical training exercise at Flynn, it did not happen at all. In fact, it happened at another school which was destined to be demolished anyway, to make way for the very innovative regional school at West Belconnen, on which I congratulate the minister for education and his predecessors, Katy Gallagher and Simon Corbell.

Pace egg farm

DR FOSKEY: My question is to the Minister for Territory and Municipal Services and concerns the Pace egg farm in Belconnen. The public record shows that Pace's annual rent is \$486 for the 41.44 hectares on which their operation is based. That is \$486 a year.

Does the minister consider that this is a fair and reasonable charge to impose on that business considering the cost to the government of servicing that operation? How does it compare to the charges imposed on other permitted land users of a similar nature in the ACT?

MR HARGREAVES: I thank Dr Foskey for the question. I presume you are talking about arrangements for the leasing of properties, which is organised by the property group within territory and municipal services. They actually manage an incredibly large number of properties on behalf of the territory, and I confess that I am not across the detail of each and every contract that we have in place with our various tenancies. So I will need to take the detail of that question on notice, and I will do so. I suspect, Dr Foskey, that it may take a bit of time. So with your indulgence, I will get the detail for you and I will bring it back by no later than the close of question time on Thursday.

One of the things which sparks my curiosity, of course, is when this original arrangement was taken out because I suspect—and I could be wrong here and I will certainly say so when we come back to the Assembly—

Dr Foskey: It was 2003.

MR HARGREAVES: It was 2003, Dr Foskey tells me. But what she does not tell me, Mr Speaker, is whether that was a continuation of a contract or the original one, because I seem to remember when I lived in Holt that there was, in fact, the Parkwood egg farm out there. I understand, in fact, that the Parkwood egg farm, which was the former name of Pace, has been out there for an incredibly long period of time. I would be interested to know who actually signed the original agreement and whether or not

the original agreement was for extensions and options to extend or what the basis of that was.

I would not be absolutely at all surprised, Mr Speaker, to find that the original contract, which was probably a goodly number of years plus a goodly number of years of options as well, was entered into before self-government or even in the term, dare I say it, of the previous government. But I will find out, Mr Speaker, and quite happily bring that information back. If Dr Foskey wants to add on a few more pieces by way of supplementaries, we would be delighted to take them on board as well.

MR SPEAKER: A supplementary question, Dr Foskey?

DR FOSKEY: Yes. How are generous rental terms like these taken into account when government decisions result in businesses insisting that the government owes them compensation?

MR HARGREAVES: Mr Speaker, I really think that Dr Foskey has asked me to express an opinion on that. If she is, I cannot answer it because I do not have one.

Secondly, when we consider the value of the land, my understanding from the property group is that the Australian valuer's office, the valuer-general's office, on behalf of the territory, go into these premises, do a valuation on the size and the locality of the property and determine a rate which will apply to these particular properties, and that is what we apply. Unless my understanding is incorrect, that is the answer. If it is incorrect, Dr Foskey, I will let you know on Thursday.

Hospitals—infection control

MS MacDONALD: My question is to Ms Gallagher in her capacity as Minister for Health. Minister, could you provide the Assembly with the details of infection control measures in place at our public hospitals.

MS GALLAGHER: I thank Ms MacDonald for her question. This question is important, as there has recently been some public discussion regarding infection control measures in our public hospitals, most recently on *Stateline* on Friday night. In particular, media reports have raised concerns about the admission of a patient with an antibiotic resistant bacterium known as VRE to the day surgery unit at the Canberra Hospital. The report suggested that the patient was not cared for in accordance with clinical protocols and policy.

I have investigated the matter, as did ACT Health at the time the claims were made. I have been advised that these claims are incorrect and that, when those concerns were raised, they were responded to immediately by the infection control team who reviewed the case. The team have confirmed that the correct protocol was being followed in the circumstances of this patient's needs and admission.

It is entirely appropriate for staff members to raise concerns with management—in fact we encourage staff to do so—regarding such matters. In this case, these concerns were responded to promptly by management. But in this case the claims were found to be incorrect.

Following on from these claims—the ones that were investigated and that were found to be incorrect—there have been further unsubstantiated claims made that infection control at the Canberra Hospital is inadequate. There is absolutely no evidence to support this claim. Anyone running this line without evidence or facts to back it up is simply running down the reputation of the public hospital system.

Whilst there is no evidence to support the claim, there is plenty of evidence to support the contrary argument. This government has been most open in its reporting of such matters. Our two public hospitals do very well by national comparison, with rates of infection significantly lower than those in other capital cities such as Sydney and Melbourne. We have a comprehensive data management system in place to monitor hospital acquired infection rates, which enables us to quickly identify sources of infection and respond quickly.

We have introduced a range of quality improvement measures to respond to risk. These include that every positive blood culture is recorded and followed up. This is not the case in other jurisdictions. We have halved the rate of blood-borne infection acquired by intravenous canulae. We measure, record and publish our progress in monitoring and managing hospital acquired infections every quarter. We have employed an additional 1½ full-time equivalent specialist nursing staff devoted to the task of managing infection in our hospital. And we have introduced system-wide hand cleaning procedures. We have mandatory notification and online reporting systems.

We do not claim to have no infection control risks; no public hospital system—in fact, no hospital system—could claim such a thing. But we can claim to have a safe, open and accountable healthcare system that Canberrans can be confident in and proud of.

Following on from these concerns, there have been continuous allegations made—and public suggestions made—that staff will suffer repercussions by bringing these issues to management's attention. This is just wrong—and, again, not backed up by any evidence or supported by any data on staffing rates. In relation to the ANF, no-one will find any public comment made by the ANF backing up the claims that have been made in relation to this case. In fact, I would argue that the silence of the ANF on the matter raised in relation to infection control may suggest an entirely different story.

In relation to the specific incident raised, the allegation is that one staff member in particular had her employment terminated for bringing such issues to management's attention. ACT Health advises me that that is incorrect and that the staff member's temporary contract was terminated for reasons other than those Mrs Burke suggested.

I have been asked again by Mrs Burke to intervene in this case. For very good reasons, I do not have the ability to hire and fire nurses. But I have asked the question, because of the continuous allegations being raised around how nurses are continuously sacked for raising complaints. Across all of ACT Health—including Calvary public hospital, which is an employer of more than 2,000 nurses—three staff have had their positions terminated over the past 2½ years. That is hardly an indication that anyone who speaks out gets sacked.

Health—childhood obesity

MRS BURKE: My question is directed to the minister for sport and recreation. Minister, a recent survey conducted by ACT Health revealed that one in four year 6 students in the ACT is overweight. This outcome is concerning due to the health consequences of overweight children becoming overweight and obese adults.

Minister, how do you reconcile the outcome of this survey with your decisions to decrease funding for sporting and recreational grants, to increase the activities that have to be funded by sporting organisations in maintaining sportsgrounds and in redirecting funds intended to rehabilitate sportsgrounds?

MR BARR: I thank Mrs Burke for the question and for her interest in these matters. Obviously there is a very strong crossover. There is the work that occurs in the health portfolio—health promotion, particularly looking at diet and nutrition—and the other side of the equation is exercise.

I am particularly pleased that we have been able to have such a collaborative and constructive working relationship not only in my portfolios of sport, recreation and education but also with the Minister for Health and her department. I note that the Minister for Health announced—only last week, I believe—a \$200,000 grant round made available to schools to promote health—not only healthy eating but also physical activity within our schools. This grant round is very closely aligned with the work that the Department of Education and Training is undertaking.

I also provided, through a second range of sports grants this financial year, an additional \$75,000 targeted at particular areas within sport and recreation where we had identified less take-up of physical activity. These grants were targeted at people at risk of not fully participating in sport and recreation. One key group we targeted was youth at risk. Also, we are targeting those from non-English-speaking backgrounds.

By providing these additional targeted grants through both the health portfolio and through sport and recreation, we have been able to address some of the particular issues that have arisen within our school curriculum and school environment. It is important that we look not only at how we can bring in resources from other agencies but also at the quality of physical education programs we are offering within our schools.

I give acknowledgement to Mr Stefaniak. He as education minister put in place a process that required a certain amount of mandated time within the school curriculum to be devoted to physical education. For us looking forward the question is: what do we do to improve the quality of physical education programs in our schools? It is important—

Mrs Burke: Mr Speaker, I rise on a point of order. I was waiting for an answer. The question was: how do you reconcile the outcome of this survey with your decisions to decrease funding? I do not believe that the minister has talked about that at this stage.

MR SPEAKER: He is going into the details of the funding, I think.

MR BARR: Thank you, Mr Speaker. I know that the opposition do not like to hear about those things. But this is an important debate. At the moment, being the only minister for education and minister for sport in the country, I have a unique opportunity to have a renewed focus on the quality of our physical education programs in our schools.

One of the major challenges we were facing was that so many of our primary schools were too small last year to have specialist physical education staff within a school community. One of the key obstacles to overcome in providing quality physical education programs is the ability to have specialist physical education teachers. By having primary schools within that range of 200 to 400 students we are able to bring to bear the resources that are necessary, together with the ability to pull in outside organisations such as Blue Earth and work collaboratively with the major sports.

I would like to acknowledge the work of the AFL and the rugby union—particularly through the Brumbies, the Vikings and the Canberra Raiders—for their involvement. The government is bringing together a range of the key stakeholders devoting additional resources—

Mrs Burke: Mr Speaker, I rise on a point of order. The question was about decreasing funding.

MR BARR: The government is bringing together a range of the key stakeholders—

MR SPEAKER: Order, Mr Barr. Mrs Burke did ask a question about why the funding was reduced.

MR BARR: It is about sports funding, and I am responding directly to this.

MR SPEAKER: She asked why it was decreased.

MR BARR: We are bringing together additional partners to come to the table to address these issues.

The question in relation to sports grants is entirely separate from physical education in schools. We need to make that very clear. The sports grants amount sits at about \$2 million each year. I am very pleased to advise the Assembly that last year we were able to fund nearly 90 per cent of applications that came through that grants round—the highest proportion of applications ever funded. We have partnerships through national league team funding, and performance agreements with the Brumbies, the Raiders and others. As well there is the money we provide to the AFL to provide role models at an elite level to encourage young people to participate in sport. *(Time expired.)*

MRS BURKE: I ask a supplementary question. That was nearly an answer. Minister, why have you taken decisions to cut funding for sports, given the long-term health impact of your decision?

MR BARR: In looking at the sport and recreation budget and the changes that we made through the incorporation of sport and recreation into the Department of Territory and Municipal Services, the aligning of sportsgrounds facilities and the people who were responsible for the management of sports facilities who were sitting in urban services, together with the sport and recreation people who were sitting in the former Department of Economic Development, aligning those people together in one unit within the Department of Territory and Municipal Services resulted in some significant financial savings.

As part of an overall approach to streamlining administration of service delivery in the ACT we brought those two units together. That resulted in significant savings to the budget. There is no doubting that; it was called sensible administration. For those opposite—

Mrs Burke: Cutting funding to sport.

MR BARR: The thing that really gets me is that Mr Mulcahy gets up here and gives hand-on-heart speeches through the appropriation debate about the need for expenditure restraint, to get your back office right, to ensure that you are doing all that you can to push services to the front line, and to get your administration right. We undertake those reforms. We undertake them, yet those opposite, the little gang of shadow ministers who have no idea about budget management and about how to put together an efficient structure, run the completely opposite line.

So the Liberal Party of 2007, under leader Stefaniak, is to have Mulcahy down one side of the street—he is Mr Fiscal Responsibility—and then on the other side of the street you have the little gang of shadow ministers who spend, spend, spend, or who oppose every specific effort the government makes to reduce expenditure, to bring it into line with national averages, and to ensure that the money that we spend, that the money that we allocate in sport and recreation, in education and in health all have come in to address the particular issue that Mrs Burke has raised around obesity in our kids.

About 25 per cent of primary school kids are obese. We are bringing together resources across three portfolios to address this. I will have further announcements to make in the near future, so watch this space, members. But it is important that we do that in an efficient manner. The opposition continues to run this line that somehow those areas are immune from any effective scrutiny of the expenditure in those areas, that we should not look at that, that we should not look at streamlining administration, and that we should not look at consolidating services that were spread across a number of government departments.

That is another preposterous suggestion from a bunch of people who cannot even have a consistent line of argument on budget matters. It is an absolutely ridiculous proposition. In a moment I am sure we will be treated to Mr Mulcahy giving us another one of these examples in fiscal rectitude. I am sure that will be the case in the near future. But when he is doing that he should be reminded of the little echoes that are coming from the shadow ministers. I have said in this place that it would be a tough job; it would be a very tough job—

Mr Stanhope: Mr Barr, be fair. Mrs Burke's experience is the Endoxos experience. That is how you run a company. That is how you run a business!

Mrs Burke: Tell us about your experiences, Jon.

MR SPEAKER: Order, Chief Minister and Mrs Burke!

MR BARR: It would have to be the hardest job. I have to commend Mr Mulcahy. Being shadow treasurer and being responsible for the financial decisions or otherwise of those around him must be the toughest job in opposition. From time to time I have a sense of sorrow for Mr Mulcahy. Every now and then I find myself thinking, gee—

Mr Stanhope: He has taken the tough decisions, though. He is cutting the public art scheme.

MR SPEAKER: Order! Chief Minister, come to order. Mr Barr, stick with the subject matter of the question or sit down.

MR BARR: Thank you, Mr Speaker. The important thing is to ensure that, through our sports grants, we are targeting our funding towards areas that will have the greatest impacts. I note, of course, that the ACT has the highest level of participation in exercise and physical activity of any jurisdiction in the country. But, of course, we should always aim to do better.

That is why it is important that we are able to draw together the efforts of those in the education sector, that we work actively with our sport and recreation partners at a local level through sport and recreation clubs, but also that we involve our national league teams and national sporting organisations to bring their resources to the table as well because it is a community-wide response that is needed.

To suggest that a couple of hundred thousand dollars here or there in the sports grants program is the difference between an obesity rate of 25 per cent within our primary school students and no obesity at all is another ridiculous proposition. What we need to do is to ensure that our programs are targeted. That is why we had a second round of grants in the last financial year targeted at those people with lower levels of participation and particularly looking at youth at risk.

There is clear evidence out of the survey that the health department undertook that those targeted grants were well targeted, and we can look into the future at what other responses we can bring to bear. But I have had some particularly encouraging conversations with some of the major sporting teams, particularly the Brumbies, the Raiders and our partners with the AFL, who are interested in coming into schools to provide a level of assistance not only to provide sporting equipment but also to provide their skills and experience and to pass on that knowledge to our teachers. In the end that will be what will be most effective—effective role models at an elite level involving themselves in schools. (*Time expired.*)

Hospitals—cleaners

MR SESELJA: Mr Speaker, my question is to the Minister for Health. Minister, last week Lyndal Ryan of the cleaners union raised concerns about cleaning standards in our hospitals. Ms Ryan said, “We desperately need more cleaners and that’s something that can be done immediately if there was a will.” Minister, what have you done to tackle the concerns raised by the cleaners?

MS GALLAGHER: I thank Mr Seselja for the question. As Mr Seselja would know, the cleaning services at the Canberra hospital are provided by an external contractor with the standards of cleaning required as part of that contract. We use the New South Wales health cleaning standards as the basis of the cleaning plans that are in place at TCH.

The liquor, hospitality and miscellaneous workers union, the LHMU, wrote to me, I think at the end of July, asking the ACT government to adopt the Victorian public hospital cleaning standards, which we are currently looking at, and I will respond to the union when I get that advice.

We have a contract in place—I think with City Group—and the contract is up, I think, in November next year. As part of that contract, we pay an amount to have the hospital cleaned, but we do not specify the number of cleaners that have to be employed as part of the cleaning contract. That is the essence of the dispute that essentially is between City Group and the LHMU. They are of the view that there are not enough cleaners. City Group is of the view that there are enough cleaners. I have had a look in terms of complaints made about the cleanliness of the hospital, and I think there have been 16 complaints over the past year, maybe just longer than a year. That seems to be fairly standard in terms of previous years.

I have met with the LHMU on this matter as well and have urged them—in fact, ACT Health have brokered a number of meetings between City Group and the LHMU to seek to resolve the dispute between the two of them and, in fact, even encouraged them to take it further. But it is not before any industrial court or tribunal.

For us it is very difficult in terms of the contract, when the contractor is compliant with the contract, to seek an extra condition within the terms of that contract when there just does not seem to be grounds for it. I will write to the LHMU about the Victorian cleaning standards once I have taken some advice on that. They did ask us to have the New South Wales cleaning standards as well. That is what we have and now they have said they want the Victorian ones.

So I am just taking some advice on what that means and then I think we need to work our way forward for the renewal of the next contract in November. But at this stage there are just no grounds for the government, based on complaints about standards in the hospital, to seek anything further from City Group.

Schools—infrastructure

MR GENTLEMAN: My question is to the minister for education. Can the minister inform the Assembly about the progress of school infrastructure upgrades for primary schools in the ACT?

MR BARR: I thank Mr Gentleman for the question and for his ongoing interest in the upgrading of primary schools in the ACT. The Stanhope government is very firmly committed to a serious, four-year upgrade program for all of our public schools. Looking particularly at primary schools, we have invested more money than any government in the history of self-government in the ACT in improving primary school infrastructure.

As part of our asset management plan, we are upgrading every primary school in the ACT that is older than 12 years with a significant process of capital works upgrades. Those upgrades range, for example, from new halls and classrooms to upgraded specialist teaching areas. Of particular interest to Mr Gentleman will be the range of upgrades that are occurring at schools in his electorate. There are a considerable number of primary schools in the electorate of Brindabella, and they are all undergoing a process of upgrade. These upgrades are part of an overall package of \$90 million layered on top of the usual \$1½ million a year. So we are talking about upwards of \$140 million worth of school upgrades.

In recent times, I have had the great pleasure of being at the opening of the new Ainslie primary school—an upgrade that was completed in partnership with the commonwealth government. I had the pleasure of opening the new facility with Senator Humphries only last week. It is a fantastic piece of work in upgrading what is one of Canberra's historic schools. I would particularly like to pay tribute to Binutti Constructions, who won an MBA award for their work at Ainslie primary school. They have also undertaken a range of other upgrades at older and historic schools around the territory.

Duffy primary school recently had its autism units completed. I had the opportunity to open them. It is a wonderful piece of infrastructure that is far in advance of anything that was previously on offer. I note that parents, students and teachers from the autism units at Duffy, known as the Griffin unit, love them. They are all saying they are the best facilities that any school has in the ACT, and it is fantastic to see.

To give the Assembly a sense of the scale of the works that are being undertaken, I would like to provide another example—that is, the work that is about to begin at Giralang primary school. Members would of course be aware that Giralang was the subject of some discussion last year. Following a series of meetings with the Giralang community—and I would like to pay particular tribute to Ms Porter for the work that she undertook with the Giralang community—a proposal was put forward for a major restructure of education facilities at Giralang. This government is funding that major restructure. It is part of a package of works that we have recently put to tender.

To give the Assembly an outline of that work, the work will commence in October this year and will be completed in time for the 2008 school year. The budget for the works is appropriately \$1.6 million. It includes the total internal refurbishment of the old kindergarten to create a new preschool, including an identified area for a special autism unit, the creation of a new playground area for the preschool, an upgrade of the Giralang canteen, improved toilet facilities, upgrades and replacement of carpets and vinyl throughout the school, upgrades to the school's heating and ventilation system, external and internal painting, and improvements to lighting.

Importantly, a major goal of our upgrades to schools is to improve the environmental sustainability of our schools. We want to reduce costs by retrofitting facilities and equipment to make greater use of renewable energy. Specifically for Giralang, this will mean a solar hot water system for the new preschool area, rainwater tank facilities to provide water to the playgrounds and toilets, energy efficient lighting, and occupant activated lighting within the school building. So it is a major upgrade for Giralang, along with many other primary schools. (*Time expired.*)

MR SPEAKER: Supplementary question, Mr Gentleman?

MR GENTLEMAN: Thank you, Mr Speaker. Can the minister inform the Assembly about the progress of school infrastructure upgrades for high schools and colleges?

MR BARR: Thank you, Mr Gentleman. I certainly appreciate Mr Gentleman's interest in schools across the age range. I thank him very much for his interest in high schools and colleges.

The government is undertaking a major refurbishment of high schools and colleges in the ACT. I know that those opposite do not like to hear this—I know that Mrs Dunne has described all of this investment in public education as good money after bad—but, Mr Speaker, you would think that, given that she is not here, perhaps her colleagues might be interested in listening to what is going on in high schools and colleges. Once again, it is only the Australian Labor Party that is interested in upgrading public education facilities.

However, I do note that we have again been able to work in partnership with the commonwealth government. Yesterday, a media release from one of our local senators, Senator Humphries, came across my desk. He is very pleased to be able to partner with the ACT government in three major projects. He is going to be working with us—the commonwealth government is going to be working with us—on Melrose high school. We have already delivered a gymnasium for Melrose high school, in partnership with the commonwealth. Senator Humphries and I were able to open that new facility. I am pleased that the commonwealth are going to contribute \$2.3 million to that project, which is outstanding.

In addition, the commonwealth is going to contribute \$2.3 million towards the new Gungahlin college, which is again a welcome contribution. So there is \$59 million from the ACT and \$2 million from the commonwealth. The new Tuggeranong school—another \$2.3 million from the commonwealth. We will have \$51 million from the ACT and \$2.3 million from the commonwealth.

That is excellent, but I would like to quote Senator Humphries, who welcomes the commonwealth's investment as a "huge influx of funds". It is about \$6 million or \$7 million. That is nothing to be scoffed at, and I welcome it. There is \$7 million from the commonwealth and \$350 million from the ACT government. If \$7 million is a huge influx to be welcomed, what do you say about \$350 million into our system? Massive—the largest injection into public education in the history of self-government. No other government or political party has ever invested as much money in public education as this Stanhope Labor government.

Given the comments that have been made by other members of the Assembly, it is interesting to look at what Senator Humphries had to say about the commonwealth's money. He said:

This kind of funding isn't just an investment in the bricks and mortar—it is an investment in our young people and I applaud the Government for looking to the future in providing these funds.

I could not agree more. In providing \$350 million, this government is looking to the future. I welcome the partnership with the commonwealth over these three projects. It is good to see what can be achieved when governments work together. It stands in marked contrast to the approach they take on certain other issues, namely the desire to impose the HSC on the ACT college system and the threat to withdraw funding if we do not comply.

It is very important that governments work together. We can see the outcomes that are delivered. It is worth contrasting the amount of funding that is provided by the different levels of government. It is interesting that, overall, Senator Humphries is celebrating the fact that in 2007 the commonwealth is allocating \$292 million to schools across the country. The ACT government is spending more on schools in the ACT than the commonwealth is spending on schools across the entire country.

That gives you an idea of the scale of investment from the ACT government into our public education system. I look forward to the delivery of the new Harrison school for the new 2008 school year, West Belconnen in 2009, Gungahlin college in 2010 and the new north Tuggeranong school for 2011 as well as upgrades to every public education facility in the ACT over the next four to five years. That is something that this government is very proud of.

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

Auditor-General's report No 5 of 2007

Mr Speaker presented the following paper:

Auditor-General Act—Auditor-General's Report No 5/2007—The FireLink Project, dated 27 August 2007.

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

That the Assembly authorises the publication of the Auditor-General's Report No 5/2007.

Executive contracts Papers and statement by minister

MR STANHOPE (Ginninderra—Chief Minister, Treasurer, Minister for Business and Economic Development, Minister for Indigenous Affairs, Minister for the Environment, Water and Climate Change, Minister for the Arts): For the information of members I present the following papers:

Public Sector Management Act, pursuant to section 31A—Copies of executive contracts—

Long-term contract:

Andrew Cappie-Wood, dated 17 August 2007

Short-term contract:

Janet Davy, dated 2 and 7 August 2007

I seek leave to make a statement.

Leave granted.

MR STANHOPE: I present another set of executive contracts. These documents are tabled in accordance with sections 31A and 79 of the Public Sector Management Act, which require the tabling of all executive contracts and contract variations. Contracts were previously tabled on 21 August. Today I present one long-term contract and one short-term contract. The details of the contracts will be circulated to members.

Legislation program—spring 2007 Paper and statement by minister

MR STANHOPE (Ginninderra—Chief Minister, Treasurer, Minister for Business and Economic Development, Minister for Indigenous Affairs, Minister for the Environment, Water and Climate Change, Minister for the Arts) (3.45): For the information of members I present the following paper:

Legislation Program—Spring 2007, dated August 2007.

I seek leave to make a statement in relation to the paper.

Leave granted.

MR STANHOPE: I am pleased to present the government's legislation program for the spring 2007 sittings. The focus of the program for spring 2007 will be to maintain the government's achievements while at the same time looking to better provide for all Canberrans now and into the future. It will continue with reforms that have already been put in place for increasing efficiency and responsiveness and for improving social outcomes and livability. The program will also follow up on some of the present challenges facing the ACT, such as housing affordability.

Time will only allow me to comment briefly on some of the legislation that the government will introduce in the spring 2007 sittings. As everyone is aware, Canberra is facing a number of pressing issues that the government is determined to responsibly address. Important steps have already been taken by way of this year's budget for matters such as the local impact of the national skill shortage, global warming and water security.

Another key challenge that I mentioned earlier is to help more Canberrans to access appropriate and affordable housing. This was begun in June when I introduced the first bill in a suite of legislation to implement the government's housing affordability action plan. The Revenue Legislation (Housing Affordability Initiatives) Amendment Bill 2007 is the next proposed legislative step in meeting the government's commitment. It will address those initiatives in the action plan on which current tax laws may have an adverse impact, including tax laws relating to the treatment for tax purposes of shared equity products.

The government is keen to ensure that those dependent on social housing are also having their needs appropriately met. To this end, a regulatory framework for not-for-profit housing providers is to be established. The Housing Assistance (Amendment) Bill 2007 will allow the Commissioner for Social Housing to register, monitor the activities of and deregister housing providers.

Legislative changes are to be proposed in regard to the administration of penalty and payroll tax and for land-rich duty provisions. The Duties Amendment Bill 2007 will address some ambiguity in current legislation about the retention for duty purposes of long-term leases and the protection of revenues in relation to long-term commercial leases and commercial lease renewals.

Amendments to the Payroll Tax Act 1987 will fulfil the government's agreement to adopt a number of measures as part of the national scheme to improve consistency in payroll tax administration, excluding rates and thresholds. These measures relate to exemptions for certain overseas employees from the tax, linkages to allowance rates set by the Australian Taxation Office for specific travel and accommodation exemptions, and a single gross-up factor to calculate fringe benefits tax liabilities.

Land-rich duty provisions are to be strengthened and aligned with those of other jurisdictions by the Duties Amendment Bill 2007. Land-rich provisions limit the scope for the avoidance of duty where the control of land is acquired through the transfer of units or shares in certain landholding entities rather than the transfer of the title to the land.

Improved services and efficiencies should result from a number of reforms to be made. A key change is the overhaul of the compulsory ACT motor vehicle third party insurance scheme, which has not changed significantly since 1948. In December last year I announced a review that was to look closely at all aspects of the scheme with the objective of finding ways to make it more efficient and responsive to the needs of the key scheme stakeholders—that is, motor vehicle owners and accident victims.

The government will now legislate to overhaul the system to achieve that objective by amending part 10 of the Road Transport (General) Act 1999 in relation to compulsory third party insurance. It will for the time being, though, remain a common law scheme with private insurance underwriting. The proposed changes will therefore align it more closely with New South Wales and Queensland, which are the other open-market jurisdictions operating through private insurers. This should give rise to lower premiums than those applying under the existing scheme, with the removal of impediments to the entry of additional insurers. It will enable the scheme to operate more efficiently while lowering costs for the insurers and streamlining claims procedures, as well as by providing improved rehabilitation prospects for injured persons.

New legislation is required to effect reforms to centralise a range of regulatory functions in the newly established Office of Regulatory Services. Accordingly, a bill will be introduced shortly to reflect the government's arrangements for the Occupational Health and Safety Commissioner within that office. A separate bill will also make amendments to improve the functioning and efficiency of the regulatory services office.

Changes to the legal profession are also to be progressed through introduction of the Legal Profession Amendment Bill 2007. This will address the final stages of the implementation of the national model legal profession laws project. Some minor reforms will be proposed in relation to the regulation of gaming machines, including changes to the gaming machine licensees community contribution scheme, to encourage expenditure in the important area of problem gambling. The Gaming Machine Amendment Bill will enhance, amend or clarify a number of provisions relating to gaming machine licences, as well as introducing some technical amendments to gaming machine legislation.

A very important area for reform is the care and protection of children and young people. The government has already taken initial action by releasing earlier this year an exposure draft of a proposed Children and Young People Bill 2007 for community consultation. The bill is a rewrite of the Children and Young People Act and incorporates new policy directions across the act, including in the areas of care and protection of children and young people at risk of abuse and neglect, the sentencing and sentence management of children and young people who have offended against the law, the regulation of childcare services, and employment regulation for children and young people under school-leaving age.

General law and order issues continue to be a priority for the government. A Forensic Procedures Amendment Bill will provide for the operation of the national criminal investigation DNA database. In particular, it will allow for the transfer of DNA information across state and territory boundaries. This is important for both the detection and investigation of serious offences where DNA evidence has been identified. Amendment of the Forensic Procedures Act is also required to take into account a recent Supreme Court decision. This will be actioned by a Domestic Violence and Protection Orders Amendment Bill that will enable the Magistrates Court to review a final protection order, distinguish procedural and substantial powers

and provide further protections to respondents who have a legal disability. It will also clarify the act's application to "boyfriend-girlfriend" type relationships.

This is a sensitive matter and in human rights terms engages the right to fair trial, the right to liberty and security of the person, the right to freedom of movement, the presumption of innocence and the right to privacy. The bill will therefore propose a model that is consistent with reasonable limitations on these rights in accordance with the Human Rights Act 2004.

The Victims of Crime Act 1994 is also to be amended to give effect to this year's budget decision to further support crime victims. It will establish a victim levy, payable on all traffic infringement notices and court-imposed fines. The revenue raised by the levy will resource the expanding use of the victims services scheme and resource victim reform in the ACT.

To address doubt about the legality to withdraw medical treatment to an incompetent patient, new statutory health attorney legislation is to be proposed. Consultation is already underway with the community on possible models that would allow for family members and relatives to provide consent to giving, withdrawing or withholding medical treatment to an incompetent patient. The proposed legislation will address these issues and provide a mechanism for the Public Advocate to use in cases where family members or other persons are not available or when a dispute or confusion arises as to what decision should be made on behalf of the incompetent person.

An item of legislation that has been delayed from previous legislation programs is now expected to proceed. The Firearms Amendment Bill will strengthen both the national and local approach to firearm controls by addressing the illegal trade of firearms. It will increase penalties for firearms offences and require applicants for firearms licences to satisfy more stringent criteria before a firearms licence is issued. Human rights implications will be addressed in formulating the legislation to introduce inspections of licence holder storage facilities without warrant, and discretionary power of the registrar to request that a licence holder or applicant undertake a medical assessment, including psychiatric and psychological assessments.

Health matters are always important to Canberrans. In the ACT, medicines and poisons are currently regulated under a variety of legislation. Over time, aspects of such legislation have become inconsistent, unclear or outdated. A Medicines and Poisons Bill 2007 will give effect to the recommendations in the *National competition review of drugs, poisons and controlled substances legislation* report, otherwise known as the Galbally review. In doing so, the bill will consolidate the law relating to medicines and poisons by repealing and replacing all, or parts of, a number of existing pieces of legislation. The bill will regulate a range of medicines such as pharmacy medicines, pharmacist-only medicines, controlled medicines and prescription-only medicines. Poisons to be regulated include those that are low harm, moderate harm and dangerous poisons.

There will also be a number of bills that give effect to national laws. In regard to energy, a bill is to be introduced to apply the new national gas law in the ACT. It will be based on model national legislation enacted in South Australia and will include the

transfer of gas distribution regulatory functions to the Australian Energy Regulator and the Australian Energy Market Commission. Another bill will amend the Utilities Act to give effect to the expected transfer of distribution and retail regulation to the national regulatory regime under the national energy market reforms program.

Lastly, proposed new road safety amendments will provide for a nationally consistent and best practice legislative scheme to improve compliance with and enforcement of the road transport laws for heavy vehicles. The provisions will improve road transport safety, minimise adverse impacts on road infrastructure and on the community, and will promote effective and efficient observance of road transport mass and loading laws by making all parties who have a role in the transport of goods or passengers by road responsible for their acts and omissions.

I have covered just some of the initiatives that the government will look to progress in spring 2007. The program reflects the government's priorities for taking the territory forward, while also continuing to meet the needs and concerns of the community and its wellbeing. I commend the spring 2007 legislation program to the Assembly. I move:

That the Assembly takes note of the paper.

MR STEFANIAK (Ginninderra—Leader of the Opposition) (3.55): I thank the Chief Minister for the paper and statement. I welcome the program, as we always do. It is obviously important for any government, and the opposition is grateful for the program that the Chief Minister has outlined today.

It is also important—and I have flagged this—for any opposition to keep the legislative book under review. There will always be areas that an opposition will want to change and initiatives that an opposition will want to introduce. It is often the case that an opposition's bill is defeated, because of philosophical differences between the government and the opposition, maybe for reasons of obstinacy, simply because of the numbers or for other reasons.

On occasions, bills are accepted. I think two of mine have been accepted, and Dr Foskey has had one accepted during this term, so that does occur. Indeed, it will not always be the case that the opposition will support legislation introduced by the government. Sadly though, our views, to the extent that they might differ from those of the government, can only be held on philosophical grounds until the opposition becomes the government. Nevertheless, the opposition have been giving some thought to this matter and we have identified a number of areas which we would like to see considered by the Assembly. I will deal with a number of areas, so they might extend beyond the spring program, but I would like to put them on the record.

These areas take into account the feedback we get from people across the community. They tell us about their needs and how the government may or may not be meeting those needs. They also tell us about areas they are concerned about where the government, for example, is wasting money on philosophical icons. They tell us about their needs, they tell us perhaps about how the government is pursuing an agenda, and that there are other agendas that they would like to see pursued which the government

is not picking up on. So we listen to them and, in listening to them, I think it is important that we introduce legislation which the government may not pick up on for whatever reason.

I take this opportunity to mention some of the ideas we have developed through our own consultations. These involve areas that people want the government to focus on, and they may or may not be doing so. They are issues that were not covered by the Chief Minister in what he said today. There may well be some further legislation that does cover them, and that is fine. But I think it is important to focus on the sorts of priorities that deliver real benefits and outcomes for the community, whether they are raised by the opposition or the government.

There are a number of bills that we will be seeking to introduce. No doubt the government will disagree with many of them; hopefully, there will be areas where they do not. We will see. One bill will seek to amend the relevant act to make it easier for existing schools to start up new campuses. There is a glitch, especially in relation to the non-government school area, where the two-year rule applies to an existing school that wants to start a new campus. We think the two-year rule is fine where a new schools is to be set up, but where you have an established school that simply wants to go to a new campus, we see the two-year rule as being an unnecessary restriction. So we will seek to amend the act to ensure that that can occur.

A bill will be introduced to ensure that administrative appeals proceedings are less adversarial by requiring governments to provide more assistance. We will seek to make amendments to the Freedom of Information Act to take out conclusive certificates. In laymen's terms, that is a certificate that puts all of the government's documents that are listed on it beyond judicial review. In other words, the AAT at this stage cannot review them.

We will seek to make improvements to the Litter Act, especially in the areas of charity bins and abandoned shopping trolleys. There will be legislation to ensure that people who commit acts of vandalism, such as involving graffiti, by order, will have to clean up the acts that they commit. We will reintroduce a bill, which has not got up, involving roadside drug testing. It is scary to note that the police indicate that often four or five times as many people that they test are drug affected rather than just alcohol affected. It is terribly important that we take steps in that regard. Other states have done so or have started to do so; we have not yet done so, and our bill will deal with that matter.

We will seek an amendment to the Crimes Act regarding the throwing of missiles at road vehicles. Sadly, this is cropping up more and more now, especially in relation to buses. It would be a tragedy if a bus driver were hit; there could be a lot of people travelling on the bus and there could be potentially a life-threatening accident. People in New South Wales have died as a result of such incidents. Accordingly, we will introduce a bill to amend the Crimes Act regarding the throwing of rocks and other missiles at road vehicles, be they buses or other vehicles.

Another issue is on-the-spot fines for street offences. In fact, I will be introducing a bill in relation to that tomorrow. The attorney made some comments about on-the-spot

finer in relation to a Skyfire concert. Hopefully, some parts or all of that bill might meet with the government's approval; we will see.

Another area is in relation to bail. Whilst the Bail Act works reasonably well, despite an occasional outbreak by the courts in terms of defining exceptional circumstances, which I thought was fairly well defined by the High Court, and in relation to adults, there are some big concerns that the police have raised about the section not being used in relation to juvenile offenders. There are some glitches there which I think need ironing out. Accordingly, we will seek to tighten bail provisions, especially regarding repeat juvenile offenders, who do not seem to be covered by the current law. We will reintroduce sentencing legislation, again along the lines of three bills that I put up in 2003, 2004 and 2005, seeking to bring us into line with other jurisdictions, specifically New South Wales, over the border, where their legislation works well.

We will also reintroduce legislation to re-establish the independent statutory authorities, specifically in relation to tourism and emergency services. It is interesting when we hear the Chief Minister say, "Oh, where are your policies?" Well, here are a couple: re-establishing the independent statutory authorities for tourism and emergency services.

Another area of concern involves a central part of our community—that is, the licensed clubs, which provide wonderful services for tens of thousands of Canberrans at affordable prices. They are a main source of entertainment for so many of our people, and they give so much support to community organisations and sporting groups. There is a real concern in relation to the effect that note acceptors have had, with double the administration cost and no discernible impact at all on problem gamblers. We will be introducing legislation on note acceptors to enable clubs to use \$50 notes rather than \$20 notes. That will save a lot of administrative costs, it will have no discernible impact on problem gambling and it will also be of great assistance to clubs. A lot of clubs are struggling and they need assistance so that they can continue to provide excellent service.

Legislation will be introduced regarding donations, including banning political donations from licensed clubs. I don't know how that one will go over. There will also be legislation about establishing genuine land banks. Now that we have passed the planning legislation—and that was legislation with which everyone was pretty happy in principle—there are obviously some glitches there. There are some things that could be done better. There are still issues in relation to the planning legislation that has been passed. We intend to take up those issues and glitches by introducing some further amendments which will enhance that legislation.

These are some—indeed only some—of the initiatives that the opposition would like to see introduced into the ACT legislation book. As I said earlier, I do not expect that this Assembly will embrace all of these proposals.

Mr Barr: Ha, ha!

MR STEFANIAK: I note that Mr Barr is laughing. I can think of one that they certainly will not embrace. But I look forward to the Assembly giving the matters

serious consideration when they are introduced into the chamber. Our program also gives a sniff of what would come should we form government in October 2008. Of course, we are always open to better suggestions, too. A government cannot do everything through a legislative program. There are a lot of things that happen administratively; there are a lot of things that do not require the changing of acts. But there are a number of improvements that can be made by changing an act. On the whole, over the 18 or so years of operation of this Assembly, a lot of acts have been introduced by all sides which have made the lot of Canberrans better. And that is what it is all about. You cannot cover the whole gamut of government, but at the end of the day we are a Legislative Assembly.

An ACT Liberal government, as is demonstrated by this selection of initiatives from our legislative program, will certainly be committed to working closely with the Canberra community, and we are committed as an opposition to getting the priorities right, to focusing on the needs of our community and to achieving the aspirations of the community. We are about working with the community for a better Canberra. In part, a legislation program such as this goes towards achieving that aim.

Question resolved in the affirmative.

Papers

Mr Corbell presented the following papers:

Independent Competition and Regulatory Commission—
Report 5 of 2007—Final Report—Regulatory Reference: ACT Ambulance Service Fees and Charges, dated June 2007.
Report 7 of 2007—Final Decision and Price Direction—Retail Prices for Non-contestable Electricity Customers, dated June 2007.

Planning and Land Act Paper and statement by minister

MR BARR (Molonglo—Minister for Education and Training, Minister for Planning, Minister for Tourism, Sport and Recreation, Minister for Industrial Relations): For the information of members I present the following paper:

Planning and Land Act, pursuant to section 14—Statement of Planning Intent 2007.

This document was circulated to members when the Assembly was not sitting. I seek leave to make a statement.

Leave granted.

MR BARR: The Planning and Land Act provides me, as Minister for Planning, with the opportunity to give the ACT Planning and Land Authority a statement of planning intent. The initial statement, tabled in the Assembly in December 2003, outlined the government's key policy principles for planning for the succeeding three years. On

20 June this year, I gave ACTPLA a new statement of planning intent. It takes into account relevant developments and actions that have occurred across government over the past three years. It sets a new policy agenda, building on the previous one, while adapting government policy to new challenges.

Challenges faced by the Canberra community over the coming years will include: having access to safe, secure and affordable housing—I am sure we would all agree, one of the most basic of human needs; the provision of more services in Gungahlin; and responding to climate change—the great moral and economic challenge of our time.

Implementing the affordable housing action plan to meet Canberrans' aspirations of home ownership is clearly the government's number one priority. To assist in meeting the government's policy objectives for affordable housing, the planning and land authority will continue to maintain five years supply of planning-ready land, or the equivalent of about 11,000 lots. ACTPLA will also work closely with the Chief Minister's and other departments in implementing other housing affordability initiatives. The initiatives include the introduction of a land rent scheme, development of a compact housing policy and progressing englobo land sales as part of the five-year land supply strategy.

Providing more services in Gungahlin, which has provided the lion's share of new housing in the ACT, is another key government priority. The government will continually assess how services in Gungahlin can be improved. The government will do this to support young families and others who have moved into the Gungahlin area. It will work to ensure access to facilities and services, such as shops, schools, ovals, public spaces, petrol stations, and sport, recreation and leisure facilities for all Gungahlin residents.

Through the statement of planning intent, I have indicated to ACTPLA that it also needs to: continue its focus on water and energy efficient building design; improve the environmental performance of subdivision design; consider incentive schemes for solar hot water systems in residential development; improve transport and land use planning outcomes; and implement pilot projects to showcase central city redevelopment opportunities.

The government remains committed to reforming the existing planning system by removing duplication, inconsistencies and confusion. Last week's debate on the new planning legislation and the work on the new territory plan lays the foundation for the territory's new planning system to be in place in the first quarter of 2008. My commitment is that this new planning system will be simpler, faster and more effective.

The government will also encourage ACTPLA to continue to develop a range of partnerships to better serve the Canberra community when addressing contemporary challenges. The statement of planning intent sets new directions for the planning and land authority for the next few years. I look forward to implementing the principles set out in the statement of planning intent—preserving Canberra's unique heritage whilst meeting Canberrans' aspirations for home ownership in a sustainable manner.

As I said in the opening paragraph of the statement, planning can at times appear complex, but its goal is very simple. Planning aims to make life easier for Canberrans.

Land (Planning and Environment) Act 1991—schedule of leases

Papers and statement by minister

MR BARR (Molonglo—Minister for Education and Training, Minister for Planning, Minister for Tourism, Sport and Recreation, Minister for Industrial Relations): For the information of members I present the following papers:

Land (Planning and Environment) Act, pursuant to section 216A—Schedules—
Leases granted, together with lease variations and change of use charges for the period 1 April to 30 June 2007.

I seek leave to make a brief statement in relation to the papers.

Leave granted.

MR BARR: Section 216A of the Land (Planning and Environment) Act 1991 specifies that a detailed statement be tabled in the Legislative Assembly outlining details of leases granted by direct grant, leases granted to community organisations, leases granted for less than market value, and leases granted over public land. The schedule I have tabled covers leases granted for the period 1 April to 30 June 2007. During the quarter, four leases were issued by direct grant. For the information of members, I have also tabled two other schedules relating to approved lease variations and change-of-use charge payments received for the same period.

Papers

Mr Barr presented the following paper:

Building Legislation Amendment Bill 2007—Supplementary explanatory statement to Government amendments.

Mr Corbell presented the following papers:

Subordinate legislation (including explanatory statements unless otherwise stated)

Legislation Act, pursuant to section 64—

Architects Act—Architects Board Appointment 2007 (No 1)—Disallowable Instrument DI2007-201 (LR, 13 August 2007).

Cemeteries and Crematoria Act—

Cemeteries and Crematoria (ACT Public Cemeteries Authority Governing Board) Appointment 2007 (No 1)—Disallowable Instrument DI2007-180 (LR, 16 August 2007).

Cemeteries and Crematoria (ACT Public Cemeteries Authority Governing Board) Appointment 2007 (No 2)—Disallowable Instrument DI2007-181 (LR, 16 August 2007).

Environment Protection Act—Environment Protection (Consultation for Environmental Authorisation Application) Exemption 2007 (No 1)—Disallowable Instrument DI2007-195 (LR, 6 August 2007).

Health Professionals Act—Health Professionals Amendment Regulation 2007 (No 2)—Subordinate Law SL2007-19 (LR, 23 July 2007).

Health Records (Privacy and Access) Act—Health Records (Privacy and Access) (Fees) Determination 2007 (No 2)—Disallowable Instrument DI2007-197 (LR, 9 August 2007).

Public Place Names Act—Public Place Names (Forde) Determination 2007 (No 2)—Disallowable Instrument DI2007-199 (LR, 9 August 2007).

Public Sector Management Act—

Public Sector Management Amendment Standards 2007 (No 6)—Disallowable Instrument DI2007-196 (LR, 9 August 2007).

Public Sector Management Amendment Standards 2007 (No 7)—Disallowable Instrument DI2007-198 (LR, 2 August 2007).

Radiation Protection Act—

Radiation Protection Amendment Regulation 2007 (No 1)—Subordinate Law SL2007-21 (LR, 2 August 2007).

Radiation Protection Regulation 2007—Subordinate Law SL2007-18 (LR, 6 July 2007).

Road Transport (Dimensions and Mass) Act—Road Transport (Dimensions and Mass) Higher Mass Limits (HML) Exemption Notice 2007—Disallowable Instrument DI2007-202 (LR, 14 August 2007).

Road Transport (General) Act—Road Transport (General) (Application of Road Transport Legislation) Declaration 2007 (No 2)—Disallowable Instrument DI2007-200 (LR, 8 August 2007).

Road Transport (Safety and Traffic Management) Act—Road Transport (Safety and Traffic Management) Amendment Regulation 2007 (No 1)—Subordinate Law SL2007-20 (LR, 30 July 2007).

Utilities Act—

Utilities (Electricity Network Capital Contributions Code) Approval 2007—Disallowable Instrument DI2007-204 (LR, 20 August 2007).

Utilities (Gas Network Capital Contributions Code) Approval 2007—Disallowable Instrument DI2007-203 (LR, 20 August 2007).

Water Resources Act—Water Resources Regulation 2007—Subordinate Law SL2007-22 (LR, 31 July 2007).

Victims of crime

Statement by minister

MR CORBELL (Molonglo—Attorney-General, Minister for Police and Emergency Services) (4.11): I seek leave to make a brief statement relating to the government's approach to services for victims of crime.

Leave granted.

MR CORBELL: In making this statement, I wish to respond to the statement made by the Chair of the Standing Committee on Legal Affairs earlier this year regarding the inquiry into legislation amending the Victims of Crime Act 1994, undertaken by the committee in June 2004.

I advise the Assembly the government considers that the standing committee's report is out of date and the recommendations largely redundant. The government has significantly moved forward since the report was completed, and it makes no sense to respond to the committee's report on a recommendation-by-recommendation basis.

Services for victims of crime are one of the highest priorities of the government. Currently, the government is acting on a number of levels to continue to improve the quality and efficiency of service delivery to victims. One of our most significant responses has been to improve victim service delivery in light of the recent review of the victims services scheme, or VSS. The VSS was established in 2002 and is primarily responsible for the provision of recovery and counselling services for victims of crime. It provides a broad range of rehabilitative services, including appropriate services to victims by referral. It responds to approximately 600 to 700 new clients every year. The VSS sees clients who may have recently been victimised or whose cases are currently before the courts, as well as those who may have been victims many years ago.

In 2005, the government requested a review of the VSS, guided by an expert reference group. The report, completed in 2006, recommended moving the VSS to the justice sector to enable better integration of the benefits available in the VSS with services for victims available in that sector—in particular, financial assistance. The government accepted the report's recommendation to relocate the VSS. Its transfer from ACT Health to the Department of Justice and Community Safety was completed on 1 January this year. The relocation of the VSS is also designed to further reduce risks of service gaps to victims of crime.

To further minimise the risks of service gaps and to ensure improved, more integrated responses to victims, the Victims of Crime Coordinator is now responsible for the overall management of the VSS, including an enhanced policy development role. This is a logical extension of the Victim of Crime Coordinator's current advocacy and educational role, and it enables her to bring together in the justice sector as many victim-focused resources as possible. The Victims of Crime Coordinator will also oversee and manage the coming together of the VSS with the new resources announced in the 2007-08 budget. Over half a million new dollars in funding has been provided to enhance the services available to victims of crime in the ACT. The government wants to make it easier for victims of crime to access services, information and support. The new funding will allow greater collaboration between government and other victim assistance providers in the community to ensure that victims' needs come first.

In addition to these changes to services for victims of crime, a reference group has been established to examine and implement the recommendations of the *Responding to sexual assault: the challenge of change* report. This is a joint report prepared by the

Director of Public Prosecutions and ACT Policing, providing a comprehensive review of current practices in investigation and prosecution of sexual assault cases in the ACT.

The government strongly supports the establishment of the reference group, comprising high-level representation from ACT Policing, the DPP, the courts, the Victims of Crime Coordinator, the Office of Children, Youth and Family Services, the Department of Justice and Community Safety, ACT Health, the ACT Bar Association, the ACT Law Society, and the Canberra Rape Crisis Centre.

The report proposes many significant reforms, many with funding implications as well as legal and governance ones. I am relying on the reference group as a primary source of advice to develop a plan for implementation and to advise government on priority areas of reform to enhance the ACT's response to sexual assault victims. Notably, the outcomes and decisions arising from the reference group's deliberations will benefit not only sexual assault victims but also all victims of crime. An overall improved criminal justice response to victims is expected as a result.

I am confident that this government is committed to improving services to victims of crime and strengthening victim support in the ACT. This has been addressed by the developments that have already been instituted in relocating the VSS from the health sector to the criminal justice sector, the injection of new funding for services to victims of crime in 2007-08 and the establishment of the reference group to examine and implement the *Responding to sexual assault* report. Further progress and responses will occur as the reference group develops and implements a plan to enhance the criminal justice response to sexual assault victims.

There have been significant developments in the area of services to victims of crime since the standing committee's report in 2004, and this is the rationale behind the government's decision not to respond to that report.

Leave of absence

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

That leave of absence be given to Mrs Dunne for this sitting.

Appropriation Bill 2007-2008

[Cognate paper:

Estimates 2007-2008—Select Committee report—government response]

Detail stage

Schedule 1—Appropriations.

Proposed expenditure—Part 1.2—ACT Executive, \$5,439,000 (payments on behalf of the territory), totalling \$5,439,000.

Debate resumed.

MRS BURKE (Molonglo) (4.17): I want to make some very brief comments on this particular section. I have probably said before in this place—and I think we are all well aware—that the Westminster conventions that guide this place have clear foundations outlining things like ministerial conduct, effective performance and probity, and that each of us, on oath, ensures that we attend to our duties with diligence. Perhaps because of its majority, the Stanhope government believes it can conduct itself in a particular manner. Perhaps it can fool some of the people—that is probably us on this side of the house—some of the time, but Canberrans are, by and large, not so easily fooled, I believe.

If we look at the conduct of some of the executive during the estimates hearings, if I can move on to that, we can see that it was totally inappropriate. There has been much discussion, and I do not want to go into too much debate on that, for obvious reasons, but my understanding is that ministers are supposed to set an example. Whilst we are all supposed to set an example, it is particularly down to ministers to set that higher expected level of behaviour—appropriate behaviour.

Today we have heard Mr Hargreaves talk of the behaviour of other members on the committee or other members visiting the committee. He overlooks the fact that in a sense he was the one who was the visitor. He had been invited to attend to answer questions put before him. In effect, when he came down with the attitude of not wanting to conform to that, it set a wrong atmosphere for the whole proceedings. And it is not just one minister who did that. I believe that a couple took themselves into that place—which was unnecessary and inappropriate. I will not say any more on that particular aspect of the estimates hearings.

I want to move on to Mr Stanhope's comments this morning in relation to page 6 of the tabling statement and the government response to the Select Committee on Estimates 2007-08. Mr Stanhope said:

... the dissenting report from Mr Stefaniak and Mrs Burke lacks balance, objectivity, evidence, research, accuracy and relevance to the issues ...

I always have this feeling—and I am most often right—that, whenever Mr Stanhope starts off like that, you can say that the reverse is true. I know the work that went into that. I know the work that the opposition put into that—all members across the board. And so does the Chief Minister. I think that he would have said that quite tongue in cheek.

It is also important and disappointing to note how the Chief Minister tends to twist things that people say. That is rather unfortunate. I am not sure if it is a problem that he has in disseminating information or if he just has a propensity to want to twist things and cause unnecessary ruckus in this place. Again, that is not setting the standard at high executive level. In his statement, the Chief Minister says:

Particularly concerning are the comments in relation to the territory's health system and health outcomes.

He goes on to say that suggestions that the health system is “tearing itself apart, lacks innovative leadership and is devoid of tangible service standards” “denigrate the exceptional efforts ... and the tireless work of our health professionals in building an efficient and effective health system”.

This statement again twisted what was actually said. At this point, for the record and to correct the matter, it is probably worth pointing out what was actually said by the opposition. I am moving to volume 2 of the report, *Additional comments and dissenting report*, on page 39 under “Health.” The Chief Minister is clutching at straws and trying to deflect from the fact that our medical professionals and allied professionals are perhaps not receiving the support they need and deserve. More importantly, the citizens of Canberra are being sold short when it comes to health service and health delivery outcomes. In no way—you will hear in a minute what I have to say—does what the opposition had to say denigrate the exceptional efforts and tireless work of our health professionals.

This seems to be an ongoing theme with some members of the government—to try and engage the opposition in some sort of nasty little debate that says, “Oh, you’re going for the people.” The government will confuse the debate by saying, “You’re targeting people. You’re being horrible to our people.” I have had it done to me with public housing tenants. Actually, I am standing up for the people, and the government knows that. It is a disappointment that we have got such grovelling games being played at an executive level.

I will read from page 39 of the additional comments. The title of the section is “One stop shop”. This was the recommendation:

The repeated failure of the Minister—

not the staff, not health professionals, not anybody else: the minister—

to acknowledge the crisis in ACT Health, coupled with a 2007/2008 Health Budget in excess of \$800M AUD and Territory Health Outcomes lagging behind the rest of Australia is clear evidence of a Health system that is tearing itself apart, lacks innovative leadership and is devoid of tangible service delivery standards. The Minister admits that much needs to be done and ... admits that coming last in the “health stakes” is hurting the ACT.

If Mr Stanhope had read this thoroughly, there would not have been this discussion this morning and he would not have put these points across. I am not sure if the Chief Minister has actually read the report in full, so I will excuse him. The section of the report continues:

With fewer large Health facilities than some small country towns, Canberra must rapidly and cost effectively increase the service base for quality intervention and preventative health services.

“One stop Shop” Clinics would compliment Canberra’s existing Health infrastructure in the new northern and southern suburbs, provide leadership and

direction through innovation in multi-discipline service delivery and service standards.

The recommendation was:

That the Government further develop and expand the integrated “one stop shop” GP and Health Professional Clinics to improve intervention and prevention outcomes for the ACT.

That was something that was put forward by me in the report. A few days later—lo and behold; who announced a similar project about GP-plus clinics, as they are called in South Australia? None other than Kevin Rudd. To be accused by the executive—and the chief executive himself, the Chief Minister—of not being innovative was totally wrong; it was quite disingenuous in relation to the fact of the work that has gone into this to do the research. There are many points that we can make on this; we have not got the time to dwell on it. But, when you read that, you see clearly that there was not anything like what the Chief Minister said.

Let me continue on the issue of scrutiny of the executive. I think Dr Foskey called it playing the politics. Let me go to responses in answers to questions. I can remember getting a monosyllabic answer to a question. If the government believes that that is open and accountable governance, that is disappointing. That is really below the intelligence that I believe they possess. I just call it lazy and arrogant, to be frank. It is the role of the executive to be accountable—perhaps not to the opposition and perhaps not so much to the crossbenches, but most certainly to the Canberra community.

The Stanhope government have quite obviously forgotten what they said—in particular, the Chief Minister was very vocal on this in 2001, when in opposition—about how accountable, open and so forth they would be. I am sorry to see that that is not being followed through. A particular example which we have harped on about in this place is the tabling of the functional review.

I go to another question that was answered in a silly way; I have just alluded to it. I refer to a question about a telephone call to the Chief Minister’s office in late 2006. What was the answer? What was the openness and accountability that I received in response to that question? What did they do to help the process? The answer was yes. It is nonsense. It is silly to say that we have here an executive that are behaving above reproach and being all out there as they promised.

There is another example. The Chief Minister alluded to it this morning with this twisting tactic that he uses to twist facts. During the estimates process, I asked Ms Gallagher the following question:

What are you doing to try and assist with the morale of the hospital, by working with management, to ensure that we are not getting masses of people leaving? It is getting out of control because so many people are leaving. They are disillusioned and downhearted—they are giving up.

I got that off a website. If the minister had checked and if the Chief Minister himself had checked, they would have found it also. I never said “hordes of people are

leaving”—which was referred to a comment I made. I have asked people to check *Hansard* of 29 June. You will find out that it was Ms Gallagher who said that. I never said “masses of people are leaving in droves” either. That also was a comment attributed to Ms Gallagher. Perhaps it is time you stopped playing politics and got your facts right. (*Second speaking period taken.*) Again, it is just this silly propensity by the executive. A lot of money is apportioned to the executive; we need to be giving the best of ourselves to one another and to the Canberra community.

Let us look at some other aspects of the executive, in particular the behaviour of our Chief Minister in relation to workers. This was a thing that really struck me. The Chief Minister pretends to be on the side of workers when it comes to attacking the opposition. The opposition has been totally supportive of health workers—namely, the nursing staff, as I have said. I have never denigrated or devalued nurses, doctors or medical health professionals at all, and the government knows that. We have simply drawn attention to the problems of government management—or mismanagement. When it comes to monsterring the workforce and taking away conditions and penalties, the Chief Minister takes the biscuit.

Let me give a couple of examples for starters. In workplace negotiations in this Assembly, the Chief Minister has abolished overtime for members’ staff, which impacts heavily on senior advisers; he is replacing it with a minuscule yearly allowance for all, regardless of whether they do any overtime or not. Is this not destroying penalties and conditions—which is what he and his ilk, federal Labor and the unions, are always trying to ascribe to WorkChoices? There is no choice for MLAs’ staff; they are not allowed to apply for AWAs to get fair compensation for overtime worked.

And it is not only that MLAs’ staff are required to do overtime—particularly important given the dearth of resources available to the opposition. Now, I understand, the Chief Minister wants to limit the amount of TOIL—time off in lieu—that can be accumulated. First he demanded that only 140 hours could be accumulated. Now he wants every 70 hours to be accumulated. This means that, after 70 hours, there is to be no recognition of work done in excess of this, either in cash or in kind. Where is the justice for workers in this treatment? This is how Mr Stanhope, head of the executive, is treating his own staff as well as that of the opposition. Far from being a friend of the workers, as one might be led to think, Mr Stanhope behaves more like some tyrannical, feudal overlord.

Then there is the small matter of the Hume mill, where up to 120 workers need the ACT government to make some worthwhile contribution alongside the Howard government’s unconditional \$4 million and the New South Wales government’s timber contract for two years. Where is the Chief Minister’s support for workers there? He can waste millions of dollars on vanity projects like an arboretum that we do not need, and certainly that we do not need to be built in the time of a great drought; a million-dollar colossus to bestride the entrance Canberra; or a bus way to save three minutes travel time. And the list goes on. Mr Stanhope suddenly wants to cheesepare. He says that he can only loan the Hume mill a measly \$350,000 in cash and the same in a waiver of taxes and charges because he must be responsible about ACT taxpayer money. If the mill can be got back on its feet, it will be able to pay

millions in taxes. Mr Stanhope and the New South Wales government have to take responsibility for the shocking way they have mismanaged the consequences of the 2003 fires which destroyed the firm's stock-in-trade: trees.

With friends like you, Chief Minister, the workers of the ACT are going to be much worse off—because of your actions on the one hand and your inaction on the other. You could actually make a difference. You are no friend of the workers in practice, and that is where it counts. Mr Speaker, the Chief Minister can posture all he likes: his actions prove that he is no friend of workers; he is more royal than the king.

MR PRATT (Brindabella) (4.32): I get up on this line item to refer to ministerial behaviour in estimates and more broadly in this place and in terms of the interface between ministers and the community. Before I do that, I want to go to page 74 of budget paper 3 and look at the counter-terrorism public information campaign. I wonder what the \$75,000 and the \$50,000 per year in the outyears is going to get us regarding the initiative to support the distribution of information and just how well that particular program is going. That program has dragged the chain for a number of years now; I hope that this amount of money will at least get things moving along, but I do not have confidence that it will. There are a number of other activities under the Chief Minister's Department which I would question, but I will address this later in more detail in other portfolios.

I now want to go to the matter of ministerial behaviour. I preface my remarks by mentioning the background of the two benchmarks that we operate by here. When I say "we", I mean this Assembly. The first is the ministerial code of conduct and the second is the Westminster principles governing open, accountable and transparent government.

In last week's sitting, we spoke about Mr Hargreaves's behaviour in this place, and I will refer to that again. I do not need to dwell on it; it has been pounded by a couple of my colleagues here today and we really did address the issue in some detail last week. However, it would be delinquent of me not to raise the matter again in the framework of this debate and remind this place that this is an issue which has quite regrettably obstructed the role of the opposition in this year's budgetary process.

We have talked ad nauseam about the behaviour, this year and last year, but I would like to remind this place that Mr Hargreaves has directed a lot of poor language in the direction of many others, including Dr Foskey. Dr Foskey asked many valid questions about the fate of the Dickson library, the town centre guideline for libraries and possible threats to libraries that might eventuate, but she copped a hiding as well. We know that Mr Hargreaves completely avoided answering any questions on the subject, even resorting to putting words into Dr Foskey's mouth saying, "Put out a press release saying the Greens want us to close Dickson library." In the course of two pages of *Hansard* transcript of the hearing this year, the minister managed to vaguely answer only one question; the rest was just insults and innuendo. Despite Dr Foskey's attempts to get some clear answers as to what was happening with the Dickson library, she got a vague response and copped a hiding in the process.

I hate to burden *Hansard* yet again, but let me look at last year's estimates. The famous "dickhead" comment or "dickhead question of the week award" was an iconic activity. It was the subject of some discussion last week. We did not see any improvement on that behaviour last year against that comment that I just quoted. I refrain from quoting that yet again, but you would have thought it should have pulled Mr Hargreaves up. You would have thought that the Chief Minister might have brought him to heel, brought him to account. But no. We saw a repeat performance of Mr Hargreaves's behaviour this year as well.

It is not just a refrain about MLAs and a few staff copping a hiding. When we look at the issue of ministers' behaviour towards the community and stakeholders, the lack of consultation and the lack of transparency, there are a number of issues that must be raised. If the Chief Minister is really holding to his word that his will be an open and accountable government, we are not seeing it. We have not seen it demonstrated this year either.

I raise a couple of issues that demonstrate this. Firstly, let us look at the abolition of committees. In the municipality area we have seen the abolition of the traffic liaison committee, a liaison committee that had very important players attending, including the NRMA. We have seen the abolition of MACMA, the Ministerial Advisory Committee on Multicultural Affairs—going to emergency services. The bushfire council was not abolished, but we have seen its powers emasculated over a number of years.

Then we go to the Griffith library case. The Griffith library closed with no consultation. Who will ever forget Minister Hargreaves standing on the steps on that Saturday morning at Griffith library in its death throes—not the minister: the library was in its death throes—and proclaiming, "I did not bother to consult with you all because I knew what you would say. There was no need to consult with you. I knew what was in your mind. I have just made a decision to go ahead anyway." That is really open and accountable government, Chief Minister!

Then we had the issue regarding the activist for the Griffith library community. That issue was the subject of a question without notice here last week. I am talking about the witch-hunt by the minister and his department against this particular activist—quite a decent woman: a passionate woman, a very sensible woman and a woman who had not abused anybody at all but had represented her community. Yet under questioning in this place last week we found the minister finally agreeing that he was able to access privacy issues about that particular woman regarding her library card status; and he got that through one of his library staff. What did we have here? "I thank you, comrades," said the minister to the library assistant; "We can use this information to belittle this person." That is how this government works: you get information on people and you use it to discredit them rather than admit that perhaps things might have been done better.

In its open and accountable approach, the government could say, "Well, look, we don't always get it right; we do accept that there are weaknesses in the system. We will now go away and look at these things." This would stop a lot of the angst. If there

was fair dinkum discussion and consultation before the event—and certainly at least after the event—this would take the wind out of the sails of the opposition and community activists. We do not see that.

We have seen that with the Tharwa community as well. We know that members of the Tharwa community who have questioned the department of municipal services about the processes undertaken to make the assessment of the old heritage bridge have not been told and not been shown the details of those engineering assessment processes. When they persevered with the roads and bridges section in the department of municipal services, they were told to go and take a running jump. They were not the words of the officials, but that is how the Tharwa community felt the message was being put to them: “Don’t worry about it. We’ve made a decision. You don’t need to see the detail”—when they, the Tharwa community, had real concerns about the processes and the decisions behind the assessment of the old heritage bridge.

We saw a repeat of this sort of behaviour here in this place when we asked questions about the Point Hut Road missing signs issue. We asked questions in the estimates hearings; we asked questions again in this place. We were told, “Don’t you worry about it.” When we asked the minister about this particular issue in writing, we had the minister coming back in writing to me and saying, “I am not going to answer that question about Point Hut Road until you give me the names of the constituents. We need to know.” The implication was (a) “Mr Pratt, you are lying”; (b) “The Tharwa community residents are probably lying as well”; and (c) “If they are not lying, do they even exist?” It is small wonder, Mr Speaker. Can I ask for an extension of time, Mr Speaker?

MR SPEAKER: You do not need an extension of time. You can have another 10 minutes, if that is what you wish.

MR PRATT: Thank you very much, Mr Speaker. A seamless transition there—a seamless transition. Mr Speaker, why do you think shadow minister Jacqui Burke stood up here last week and rejected the government’s drive to make her present the names and details and the evidence to support her case? Jacqui Burke and other opposition MLAs feel exactly the same as I do, based on the example I have just given you, Chief Minister: “Steve Pratt will not get any answers in writing or in estimates about the Point Hut Road missing dangerous corner signage until you give us the names of the constituents.” We do not have any faith that ministers will not go on witch-hunts after the people who provide the information when those people’s names are provided to government. We will not provide people’s names to government.

We have no faith in a government which says, “Look, let us collapse the scrum on debate around here. We can easily do that by conducting witch-hunts; by belittling people; by discrediting them; by saying that they do not have a library card; by saying, ‘The evidence you have given to the MLA is probably false anyway’; or by not answering questions when you ring up and ask us about Tharwa Bridge and the engineering details behind the analysis. You know, we are simply not going to.”

It is all intimidation. There are veiled threats. That is why Mrs Burke was quite right to stand her ground—and she did a good job—and say to this Chief Minister and his government, “You can go and take a running jump.” We will provide you, in all fairness and transparency, with the information that we think that you need to get on with doing the job yourselves, but we do not have the faith or the confidence to provide the names of people, of constituents.

The transparency issue goes on and on. For a very long time the NRMA peak body have been trying to get in to see Mr Hargreaves to discuss a whole range of issues around road safety. They cannot get in there. Of course, as I said earlier, the minister for municipal services sacked the traffic liaison committee anyway. Where is the consultation process? Where is the two-way flow between ministers and peak bodies—to get the best advice possible?

Let me go to the issue of the Al Grassby statue. Okay, \$76,000 is a small amount of money in the greater scheme of things and you would not want to always belittle that sort of money. But it is still a lot of money for a statue. That is why the opposition raised the question: where did this money come from and can you really afford it when you have other screaming priorities in the municipal services areas? We asked, “Who approved the statue project? Where was the design process? What committee was involved in the analysis process?” There was a thundering silence. We failed to get any answers at all from Minister Hargreaves on those sorts of questions.

The same thing applied to Griffith library. We asked the minister, “What was the background? What were the justifications? Where is the data on library performance that backs up your decision to close this particular library?” We asked the minister to provide the answers. There was a thundering silence—none of our business. First, there is no consultation with the community in the first place; second, when the opposition seeks answers on why a decision was taken, we do not get those answers.

Mr Hargreaves is not alone in this failure to be open and accountable. I now turn to Mr Corbell and the emergency services authority restructure. In mid-2006, Mr Corbell—no doubt driven by a screaming pack of bureaucrats, particularly those in Treasury who were entirely jealous of the independent authority that the ESA was—went ahead to sack that independent authority, turn it into a mere agency and shove it back under the umbrella of JACS.

That decision infuriated the volunteers—not only the volunteers but also the permanent officers in the emergency services authority. Where was the consultation? It did not exist. Then we saw a Mexican stand-off for months and months. Peter Dunn walked out in disgust. When he was replaced, the new commissioner, other authorities and the minister himself failed to sit down and consult with the members to listen to their concerns about this destruction of the independence of the emergency services authority.

There is a very good reason why the ESA was independent. It was independent because McLeod said we needed an operationally responsive authority to get to the nub of bushfire threats—and not only bushfire threats but all emergency threats. That

is why it was created. That is why it was created as an operationally independent authority. That did not, though, mean that the government was unable to maintain ministerial oversight of the authority's administration and financial management. It did not mean that. There was no reason to reduce that authority from being an independent entity to being a mere agency.

Then we saw the stubbornness of Mr Corbell and his authority in dealing with the volunteers and the other permanent officers—culminating in a strike by the captains in the rural fire service, a debilitating strike that took away 40 captains, vice-captains and other senior officers during a very important process.

Then we see FireLink and the whole FireLink debacle. In October and November 2006, we see Minister Corbell—along with his blessed colleague Mr Hargreaves—proclaiming and assuring us that FireLink was fully operational and successful. Now, of course, we know that it is not. I will just grapple here for the A-G's report: here is the evidence that it was never successful, that it was never operational and that we were led up the garden path by three successive ministers—and more recently by Minister Corbell. Some \$4.5 million later and nothing to show for it.

I will finish with Minister Barr. I will refer to Mr Mulcahy's comments here this morning when he spoke on behalf of Mrs Dunne. He described the debate between Mr Barr and Mrs Dunne here last week about an issue of violence in a particular school and how Mr Barr distracted from the debate, diverted from the debate and obfuscated from the debate. Of course, we have seen that time and time again. Mr Barr is a serial offender.

In recent months we have seen Mr Barr talk about a new program to ameliorate violence in schools. That has been 18 months to two years coming. When I was on the estimates committee last year—and I am now talking about the serial offence behaviour of Mr Barr, another member of your so-called open and accountable government—Mr Barr refused to engage in debate about a very serious violence issue involving a particular high school. We know that there are still very significant problems in that high school because in 2006 nobody took action to really change the system in that high school, to arrest the problems that exist to this day.

When you do not go in and undertake systemic change to address serious issues, things fester; things remain. I would put it to you, Mr Speaker, that in that particular high school that is still the case, and that is because Minister Barr swept that matter beneath the carpet. It may come back to bite Mr Barr but, more importantly, it is going to come back to bite kids, parents, families and the communities that support our high schools.

So there we have it. We have some fine examples of obfuscating, diversionary, intimidating behaviour from a bunch of ministers who belong to a so-called open and accountable government.

I will finish on this note. The quote from Mr Hargreaves at the weekend about his Zen was interesting. He is going to try and turn over a new leaf. We wish him all the best. I do not know whether Mr Hargreaves should be reading Zen; there are many other

books he should be reading—for example, on accountability, engineering for bridge building, and a range of other issues such as how you manage closed schools. This government is not accountable, and the ministers' behaviour shows that.

MR SMYTH (Brindabella) (4.52): Part 1.2 of the budget is dedicated to the ACT executive. This vote, when it passes—and it will pass because we have majority government—will give the executive \$5,439,000 to spend on themselves and their activities in doing their ministerial duty. I think if you went out to the public today and asked them if they are getting value for money for their \$5,439,000, they would say no. Indeed, the members of the estimates committee, in both the report and the dissenting report, highlight instances of ministers who refuse to be held to account.

That is a sad thing because the Chief Minister put in place a ministerial code of conduct. That such a large number of his ministers refuse to abide by that code of conduct is an indictment of them. It is also an indictment of the Chief Minister's control of his ministers. When there is \$5,439,000 to assist them in their ministerial duties, they should be held accountable.

Last year in the estimates report there were references to the activities of Mr Hargreaves. Mr Hargreaves, it was suggested, did not assist the process, and a number of paragraphs and recommendations in the 2006-07 appropriation report could easily be read as the paragraphs and recommendations in the 2007-08 report. Clearly, Mr Hargreaves does not do his job. Recommendation 1 of last year's report states:

That Ministers be reminded, in future budget Estimates hearings, of their responsibility to the Committee to allow full and unfettered scrutiny of budget related issues and Government accountability without Ministers resorting to inappropriate personal attacks and other avoidance tactics.

Mr Temporary Deputy Speaker, you were the chair of this year's committee. What does this year's report say? Recommendation 6 states:

The Committee is concerned about the conduct of the Minister for Territory and Municipal Services during some of the hearings. At times the Minister was less than respectful to certain members of the Committee during questioning. The Committee reminds Ministers that, under the Ministerial Code of Conduct, Ministers have an obligation to "recognise the importance of full and true disclosure and accountability to the Parliament" as well as having respect for persons.

There we have it. This has happened not once, but over two years and through two processes. Mr Hargreaves can make light of it. He can talk about reading *Zen and the Art of Motorcycle Maintenance*. It is an insult to the book, if he actually understands what it is about. Fundamentally, he is either incompetent or he does not want to answer.

I can accept that he is incompetent. Some people have failings, and that may well be Mr Hargreaves's failing. But if he is actually hiding from the estimates committee, which is charged with scrutiny of the budget as part of their responsibility to the

electors of the ACT, then the Chief Minister should step in. But in many ways he simply follows the example of the Chief Minister, who also ignores his own ministerial code of conduct. We got down to a ridiculous tightening of scrutiny. There was a tactic, a really good tactic—full points to whoever came up with it—and questioners were asked, “What page is it in the budget papers?”

There are things that Mr Stanhope talks about all the time as Chief Minister—as he should and as he is entitled to—that are not on a single page in the budget. Does that mean he should stop talking about them? Of course he should not. Does that mean we should stop asking questions about them? No, of course it does not. It is our duty and our obligation to ask questions.

It is a complete furphy to say that something is out, that it is not an appropriate area for questioning in the estimates because it is not mentioned in budget paper No 3 or No 4. The classic example was when the Chief Minister said, “Mr Chairman, could you actually refer me to the page in the budget papers that we are discussing at the moment?” As he often says in this place, the Chief Minister, as Treasurer, is there to put the context. He says, “Let me give you the context.” Context suits him. It is an excuse for him when it is to his purpose, but when he is asked questions about what he is up to, what he is doing, and the money that pays for him that comes from part 1.2 of the budget, he just refuses to answer.

We had an appalling example of this when we wanted to ask the Chief Minister about his allegations that the Prime Minister is racist. I notice that the Prime Minister is in the Northern Territory today, Mr Temporary Deputy Speaker, and one committee got a standing ovation. The people there said, “At last people are acting. People are stepping in to help.” The Prime Minister was welcomed with large rounds of applause. But what did Mr Stanhope say when we talked about this? He said, “I am extremely busy, Mr Chair. If there are no further questions, I would like to thank the committee for its attention today.” The Chief Minister thanked the committee for its attention, knowing full and well there were questions that he simply refused to answer.

Chief Minister, if you are not going to abide by your own code of ministerial conduct, just rescind it. It would make life so much easier for everybody else. We would know that the charade that we go through so often with your government is exactly that—a charade tailored to meet your needs.

The annual budget deals with current revenue and spending proposals. It deals with revenue and spending outcomes for the previous year, particularly the immediate prior year because they are listed in those papers, and revenue and spending estimates for succeeding years. It is a broad document that has a specific focus on one particular year. The annual budget deals with all the activities of a government, and clearly there can be questioning about any matters that relate to the activity by the ACT government or its ministers.

We need to debunk—and Mr Mulcahy has done some serious work on this—this proposition that the 2007 budget gained the benefit of tough decisions made in the 2006 budget. That is absolute garbage. There was no justification. We hear from the Chief Minister the constant line “I have made tough decisions”. In 1992, when

Mr Humphries wanted to make some tough decisions, he was stopped by the Labor Party. The Carnell government was stopped by the Labor Party. Mr Stanhope constantly laments that he is the only one with the courage to make the tough decisions. This is his self-fulfilling, self-delusional view of the world that he goes on with constantly to justify his ineptitude at getting the balance right.

As has been pointed out by the shadow Treasurer so many times, by the business council, by the property council, by Save Our Schools and by so many segments of the budget, the \$5,439,000 we are spending on our executive is poorly spent. If a cost-benefit analysis were done on it, it would be a shocker, I tell you.

Mr Mulcahy: You would ask for a refund.

MR SMYTH: We would ask for a refund; Mr Mulcahy is right. There is no basis for this argument. The windfall \$200 million extra that they have received has not come from their reforms or their savings because they are still carrying out reforms, particularly in schools, and the schools closures will only save something like \$9 million. So \$200 million equals \$9 million in reforms. It does not add up. If we add up the \$4 million or \$5 million cut in tourism, the \$15 million cutback in business and the couple of million dollars in sport, it does not come to anywhere near \$200 million in extra revenue. Apart from that, it is not extra revenue.

This furphy, this absolutely hairy-chested “I am a man of great courage and great conviction; I do not care how much pain I cause in my community” attitude will not be accepted by the community—

Mr Mulcahy: If you say it long enough, they will believe it.

MR SMYTH: because they are awake to it. Mr Mulcahy is dead right: if you say it long enough, they will believe it. Mr Stanhope can continue to delude himself, but the public is not deluded at all. The Chief Minister simply wants to avoid scrutiny. When we challenged him to prove where Mr Howard had acted in a racist manner, to point out what he had done that was racist, he could not. He wanted to bolt. He wanted to run away. He said, “No more questions? I’m out of here. No further questions? Good. I’m busy. I’ve got to go.” He could not point to one single act of racism by the Prime Minister and he should withdraw that comment. He should have the courage and the dignity to say that he was wrong. The Prime Minister has backed up his proposal with resources, with cash and with the endorsement of cabinet and the federal parliament, representing the people of Australia. He has said, “Enough is enough. Let’s get on with it.” But no, we will not hear the Chief Minister acknowledge that.

Of course, when somebody criticises the glass jawed one, he calls them a whinger. He says, “The business community cannot have it both ways. They are whingers.” He says, “If anybody criticises me, I will get them.” We know that, and more and more people talk of retribution. We have seen it with the whistleblowers. People who have spoken to Mrs Burke and others and blown the whistle on projects like FireLink or anything else are targeted. They are warned and marginalised and victimised by the Stanhope Labor government. So we have a pattern here.

Mr Hargreaves's defence was that the opposition interjects. Members get frustrated at not being given answers. They are there to represent their communities. But in two years running a pattern of conduct by ministers of the Stanhope government has emerged. We have seen it with Mr Barr, the newest minister. Mr Barr was quizzed at annual reports hearings last year about whether he was cutting the number of places in the ACT Academy of Sport to 150 and he said he did not know. (*Second speaking period taken.*)

I put in an FOI request. The response showed that Mr Barr knew and had signed off three weeks before on the number of places. Following a verbal briefing, Mr Barr received confirmation in writing that the number would be brought down to 150. We had great hopes for Mr Barr, the new guy. We thought he might be different from the schooled ministers that the Stanhope government has run. But he could not come in here and say, "I got it wrong." He clearly got it wrong; the documents show it.

I submitted an FOI request and I actually then had to go back and ask for a review because the documents that I eventually got were withheld in the first round. It is interesting that the Auditor-General, in her report on the FireLink project, notes that a large number of documents were withheld from her until the very last minute, which changed the nature of the report. They want to avoid scrutiny. This is the man who, in opposition, said, "We would be more honest, more open and more accountable. We would not hide behind commercial-in-confidence. We would not hide behind cabinet-in-confidence." He is right. He does not hide; he cowers. He cowers behind cabinet-in-confidence.

He will not release the functional review because he knows that it is fundamentally flawed. You only have to look at the tourism numbers in the future directions document. They are flawed. Every school community, the 39 of them that were threatened by this government and the 23 that suffered the indignity of being shut all said that the numbers were wrong. This government does not hide behind cabinet-in-confidence; it cowers. So much for their claim that they would be more honest, more open and more accountable!

Then there is the issue of the opposition getting an adequate supply of budget papers. We used to give them more budget papers than they probably needed or deserved. Indeed, when Mr Quinlan was Treasurer, at 1 o'clock we would get a briefing from officials. That has dried up. So much for somebody who is confident in what he is doing! So much for somebody who said that he would be more honest, more open and more accountable!

Then we have the shoot-the-messenger approach: "if you disagree with me, I will simply shoot you". The Chief Minister has done it to the property council and to the business council. The economic white paper, which the Chief Minister continues to say is the blueprint for the economic future of the ACT, says that we will be the most small-business-friendly jurisdiction in the country. When business points out that the government is not, they are accused of being whingers. There is a man with a real answer. What is your answer to the question, Chief Minister? The answer is that they are just whingeing. That is the level that we have come to. Mr Stanhope's behaviour is not that of a genuine Chief Minister, someone with a true vision.

We have got lots of words, but really no direction. We have got lots of luck. Let us face it. He will go down in history as the lucky Chief Minister. He had more money to spend than anybody. He has spent more money than anybody and he has not achieved what he set out to achieve. We are spending \$5,439,000 on our ministers and in question time today we were told that the economic goodness that is flowing and growing in the ACT at the moment is all because of Jon Stanhope.

I would challenge Jon Stanhope to point to a single initiative that has helped achieve that. The city has actually been built up by the federal government. We now have a national museum, something that was abandoned for 13 years by a Labor government. There have been two extensions to the war memorial, an upgrade of the Federal Highway, an upgrade of the Barton Highway, the commencement of new defence headquarters, a new Attorney-General's office, a new PM&C office, refurbishment of the Australian Mint and a new portrait gallery, which will open later this year.

These are all symbols of a government that is committed to building up and making independent the nation's capital. On the other hand, for the \$5,439,000 that we spend on ministerial support, the public tell me they are sick of the state of the roads and the potholes, the graffiti, the rubbish, the uncut grass, the dead trees and the kangaroo carcasses that are not removed. In fact, not only are they not removed but they are line marked. There is the John Hargreaves memorial pothole in Wanniasa. And the list goes on.

When this government are challenged, they go into combative mode. They refuse to answer questions. They name call, they obfuscate. When you get consecutive reports saying that this is the case with the government, you have to ask why. You have to ask: are we getting value for our \$5.439 million? I think the answer is no.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.3—Auditor-General totalling \$2,004,000 (net cost of outputs), totalling \$2,004,000.

MR MULCAHY (Molonglo) (5.07): Thank you, Mr Temporary Deputy Speaker. As you have indicated, the question before us is the appropriation of approximately \$2 million for the office of the ACT Auditor-General. In looking at matters relating to that office, the Auditor-General has reported that they are having difficulties—and this has been raised in prior years—attracting appropriate staff at the moment. This is a highly competitive area, and qualified staff are hard to find. They are hard to find in all areas, but accounting has been particularly stressed in terms of potential recruitment, really, in fact, from my memory, since GST came into being. There is a very strong level of demand for people in that field.

The matter was discussed in estimates committee hearings on 18 June. In that hearing the Auditor-General explained that she does not believe that this is a problem that can be solved with more money at this moment. Rather, she explained that the state of the market meant that new recruits were very expensive and expected pay levels could not be justified. The Auditor-General said:

... what I had to face was whether or not we were prepared to pay the salary. It is not at the moment, in my consideration, commensurate with the level of experience. For example, people with maybe one year's experience were asking for \$70,000 to \$80,000 per year. Graduates were asking for \$50,000 a year. I did not think that we should be prepared to pay that. I did not want to react to the market and then have to live with that reactive decision for years to come because we still had to train staff, we still had to make sure they had the capacity to do the work.

It may be that the market for audit staff will cool down and opportunities may present themselves later. I will leave that assessment to the Auditor-General herself and those who are more familiar with that particular profession from which she is seeking to recruit.

We do have a very sensible Auditor-General who is inclined to weigh up these matters very carefully. It is refreshing to hear someone in government explain that their problems cannot simply be solved with the provision of more funds. Obviously, this is a difficult area. There is not always an easy solution when staff in your area of business or activity are in high demand and are able to demand salaries that are above what you are willing to pay. But one thing is clear: what we do need to do now is to ensure that the Auditor-General is able to work as efficiently as possible with the staff she has. We must be careful that the work required of the office is worth while and we must give them the flexibility to weight competing projects sensibly.

Whilst I understand her resistance to recruiting people at what appear to be excessive salaries based on experience, there is a point of reality that one has to address: if that is what the market is demanding, even for the level of experience cited, one may have to accept that situation because we are in a highly competitive labour market in the ACT. The demand for graduates is considerable from both the private sector and the commonwealth. High turnover is also a contributing factor to inefficiency and loss of continuity.

Unfortunately, there are worrying signs that government is not operating in a fashion that will ensure that the office can operate as efficiently as possible and may be aggravating difficulties faced by the Auditor-General. For example, the budget reports that audits will now be conducted in accordance with a new and revised national auditing standard, which is detailed on page 27 of budget paper No 4. The matter was discussed in estimates committee hearings on 18 June. The Auditor-General will now be required to report on matters which are not important in forming a judgement on the audit. As Mr Sheville from the Auditor-General's office put it in estimates hearings on 18 June:

... many audit procedures are now required to be performed regardless of whether the auditor formally holds the view that they add value or not.

This is a worrying development. Firstly, it adds additional work and cost to the auditor for no clear benefit. Secondly, one suspects that it will now lead to less targeted audit reports, where the auditor has to trawl through pages of irrelevant facts before coming to the key and most useful parts.

It seems to me that we have expert auditors precisely to be able to assess what information is important and what is not, to test processes and procedures and to ensure that the matters of concern are highlighted in their report to management. Of course, if auditors cannot be trusted to distinguish between important information and information that adds no value, then we must wonder why we have auditors at all.

Mr Sheville estimated that this change would lead to increases in the costs of audits of some 10 to 30 per cent, although he suspected that cost increases would be towards the lower end of this range. Of course, even a 10 per cent cost increase is worrying if it is solely in order to include information which the auditor regards as being without value.

Given the staffing difficulties that are continuing to face the Auditor-General's office, there is also a serious question as to whether auditors should be spending additional time compiling information that they believe is of no value. These are valuable staff and their time is valuable. From my observation here in three years, that office fulfils an important function at a very high level and to a very high standard. We need not make their life more difficult, if it is at all possible. Far from adding to the audit reports, there is a danger that additional information will detract from the reports, making it more difficult for those reading the reports to determine the fundamental findings.

In another area, the issue of the failure of government to implement recommendations is equally as important as having those matters identified by the Auditor-General. The problems are particularly worrying in light of the government's failure to properly implement many of the recommendations that have resulted from performance audits. In its June 2007 report, *Agency implementation of audit recommendations*, the Auditor-General's office found many agencies wanting in this area. The audit opinion was:

Overall, current review and reporting arrangements adopted by the agencies are not adequate to provide assurance to the Government and the Assembly that recommendations arising from performance audit reports are implemented consistently across agencies and in a timely manner.

That opinion is to be found on page 3 of the report. On the same page the audit opinion continues:

The lack of commitment by a number of agencies to implement agreed Audit recommendations will expose the Government to continued risks associated with the deficiencies and weaknesses identified in the audited areas.

This situation is further confirmed by the Auditor-General in estimates hearings on 18 June. After discussing certain departments which had implemented recommendations, she went on to say:

In other departments there was a serious lack of attention to recommendations, especially to whole-of-government issues. When we do cross-agency performance audits, normally the recommendations are very much at a whole-

of-government level, whether it is for travelling arrangements or leave management or rec leave and sick leave. They are not focussed on one department but focused on whole-of-government and agencies tend not to pay attention.

It should be noted that this report studied audit recommendations that had been agreed by the government, so there really is no excuse for a failure to implement them. These are quite damning findings. They show that the government agencies are agreeing to recommendations and then just letting them sit on the shelf, hoping that this is enough to pacify the general public.

The Auditor-General's reports are, however, an important source of recommendations for government business. We have seen a number of important reports in this term of the Assembly, including a report investigating the failures of Rhodium Asset Solutions and a report highlighting problems in vocational education and training, which I will talk about in a little more detail later in this debate.

We have also seen a report on the development application approval process and a report on court administration in the ACT. It would be a shame to see this kind of important work compromised by an increasing burden being placed on auditors to report on irrelevancies. It would also be a shame to see these problems continue where agencies fail to implement the recommendations that come out of these reports.

In conclusion, let me just say that there are some warning signs here that the government is loading the Auditor-General's office with additional work at a time when it is having staffing problems or challenges in recruiting staff that already put pressure on its capacity. The government has shown itself to be somewhat sloppy in implementing the recommendations of the Auditor-General. This must be addressed if this office is to continue to play the important role this Assembly and the people of Canberra expect of it.

From our experience we certainly do not see any other problems arising in this area. Let me just say that, although I am no longer chairman of the PAC, in the almost three years that I held that role I had been impressed by the calibre of the work, the professionalism and the quite impartial approach taken by the Auditor-General and her staff. The challenges that are identified from their evidence I really do believe ought to be addressed. I do not think they should be dismissed lightly. I urge the territory government to keep a closer watch on those matters.

MR STEFANIAK (Ginninderra—Leader of the Opposition) (5.17): The website for the ACT Auditor-General states:

The ACT Legislative Assembly and the ACT community rely on the Office to provide independent assurance on whether public money is being efficiently and effectively spent and whether financial and performance reports for the Territory and its agencies present a credible, true and fair view of their performance.

The Auditor-General does this through promoting public accountability, auditing annual financial statements, conducting performance audits and reporting audit results to the Assembly. By undertaking those activities, the Auditor-General's Office seeks

to achieve two main strategic objectives: firstly, an accountable, effective and efficient ACT public sector and, secondly, a highly valued ACT audit office. They are high ideals, and I think there is no doubt that the Auditor-General comfortably achieves the second of these.

As to the first, the Auditor-General is, to a large extent, in the hands of the government. All the Auditor-General can realistically do in relation to the first is to identify the areas where there are weaknesses, make recommendations in relation to those weaknesses, report on them and later follow up to see how things are going. What of the last such follow-up? On 14 June the Auditor-General submitted to the Speaker her report titled *Agency implementation of audit recommendations*. The report and the accompanying media release are published on the Auditor-General's website. The media release is very telling. Probably the most telling statement is this:

The absence of adequate public reporting on the implementation of audit recommendations raised concerns that audit recommendations were accepted by the agencies and Government, but may not be subsequently implemented, with little effect on improved agency performance and accountability.

The Auditor-General says that in some cases there are "delays in the implementation of recommendations of nearly three years". She goes on to say:

Overall, current review and reporting arrangements adopted by the agencies are not adequate to provide assurance to the Government and the Assembly that recommendations arising from performance audit reports are implemented consistently across agencies and in a timely manner.

Can we say that the Auditor-General has failed in her efforts to deliver the first of her main strategic outcomes; that is, "an accountable, effective and efficient ACT public sector"? I think not. However, it certainly must be a cause of much frustration for the Auditor-General. Imagine investing all those resources in undertaking financial and performance audits, compiling recommendations and writing and delivering reports, only to see them put in the bottom drawer and forgotten, sometimes for up to three years.

How can the Auditor-General possibly deliver on that strategic outcome about having an accountable, effective and efficient ACT public sector when the attitude of this government is to treat her reports with such contempt? Again, can we sheet home the blame for this inaction on the public servants? Is it they who are ignoring the Auditor-General's recommendations? I suggest that the five ministers sitting over there and looking smug would answer a resounding yes to that question. They would answer yes because it is their entrenched culture to blame someone else, and it has become easy for them because they are practised in the art.

We had ministers blaming someone else over the myriad issues that came out of the bushfires; ministers blaming someone else over the failed FireLink; ministers blaming someone else, even each other, over the busway; ministers blaming someone else over their performance in the delivery of health services; ministers blaming someone else, mainly each other, over the Al Grassby statue; and ministers blaming someone else for the government's failure on Rhodium. We even had ministers blaming the people

of Canberra for supposedly living beyond the territory's means when, in truth, the deficit was caused by the government's hopeless inability to accurately forecast revenue.

You can be sure, Mr Temporary Deputy Speaker, that when the prison is shown to blow the budget to smithereens, they again will blame someone else. Of course, the same will apply to the GDE. These ministers actually need to accept their responsibility as ministers, but they seem to continually refuse to do so. That must be frustrating for the Auditor-General.

The truth is—and I know this will come as a shock to those five ministers over there—that it is not the responsibility of public servants to ensure that the Auditor-General's recommendations are implemented. It is the ministers of the government that must take responsibility for the lack of accountability, effectiveness and efficiency of the ACT public sector.

Why is that so? It is so because the Auditor-General reports, through the Speaker, to the Assembly. I will repeat that. The Auditor-General, through the Speaker, reports to the Assembly. She does not report to bureaucrats; she reports to the Assembly. The implication of this is that the ministers responsible for their various portfolios—and I use the word “responsible” advisedly—must take charge of the implementation of the Auditor-General's recommendations.

They must take those recommendations on board, respond to them and ensure that their departmental officials implement them in a timely manner. A delay of three years is outrageous. It is an indictment of the laziness of this government. The Auditor-General should not have to waste her resources on following up to such an extent on previous audits. The Auditor-General's greatest concern in relation to the implementation of recommendations is in those areas where there are corporate issues common across agencies. The Auditor-General said:

This highlights the need for central agencies such as Chief Minister's Department and Treasury to play a more effective leadership role and oversight the implementation of Audit recommendations on whole-of-government issues.

The responsibility for this lies fairly and squarely at the feet of the Chief Minister, for it is he who has responsibility for the whole of government.

The budget papers for 2007-08 for the Chief Minister's Department talk a lot about whole-of-government leadership and management. Indeed, there is an entire output for governance. Why is it, then, that implementation of the whole-of-government recommendations attracts the Auditor-General's specific attention? It is because the Chief Minister, like his four cabinet colleagues, refuses to take responsibility. He refuses to take the lead and he refuses to manage. He takes this attitude because he refuses to expose himself and his government to any level of accountability.

Implementation of the Auditor-General's recommendations might mean that the government will have to perform better, that it will actually have to take some action on something, that it will have to submit itself to public scrutiny or that it will have to

account to the people of Canberra for its waste, its wrong priorities and its financial incompetence.

On balance, despite the Auditor-General being hamstrung by an arrogant and uncooperative government, I believe that the Office of the Auditor-General more than meets its strategic goals. The Auditor-General takes her role seriously and delivers carefully considered recommendations that are designed to deliver an accountable, effective and efficient public sector. It is a pity that this Labor government does not regard the role and outcomes of the Auditor-General with the same seriousness. Through the Assembly, the Auditor-General provides a very valuable service to the people of Canberra. I commend her work.

DR FOSKEY (Molonglo) (5.24): The appropriation to the Auditor-General remains much the same as last year's apart from CPI increases. However, the Auditor-General did not request an increase this year, as she was able to claim that income from audits covered most of the needs for the audits she anticipated her office would conduct in this financial year.

The Auditor-General again expressed her major concern, which is about the difficulty of attracting and retaining employees with a high skills base when private firms and the federal government are offering more attractive salaries and seemingly sexier work. Current staff turnover is running at 30 per cent; the constant cycle of recruiting, retraining and then replacing staff is no doubt a huge source of frustration to the office.

Although the Auditor-General's office is a small one, the ACT fares well from its team. Per ratio of staff and the ACT population, the Auditor-General and her staff provide value for money in the number of audits they manage to conduct annually. The audits serve several purposes, all of them contributing to good governance in the ACT.

First, the audits alert the government to practices and performance within the public service, thus giving government an objective and authoritative basis on which to require improvements, bestow praise and otherwise monitor the way that the bureaucracy is carrying out the functions of government. Second, the audits provide the Assembly with important on-the-ground information, beyond government rhetoric, about the way that government is carried out—the accountability and transparency functions. Third, the audits alert interested members of the public and stakeholders to issues in the conduct of government and the management of funds. Fourth, the audits often go behind the single bottom line and identify social and environmental issues related to the subject of audit, which are of increasingly obvious importance.

Finally, the audits often suggest remedies for the problems they identify and propose benchmarks for follow-up evaluation. There is the report into Rhodium, for instance, though it did not go as far as some of us thought it should in pointing to where the responsibility might lie for wastage of money and evident incompetence. Similarly, the report into the EpiCentre debacle—I have to use the word “debacle” about that—put before us the evidence of the case: the comings and goings, and the poor communication, among other things.

These reports provide pointers to where politicians should seek more information, ask questions and try to get to the root of problems. The ability to achieve the obvious efficiencies and synergies of working across government was identified as a difficulty hampering the implementation of recommendations, even when governments agreed to them.

At hearings, the Auditor-General identified that there remain problems with record keeping across this government. Record sharing and maintenance is one of those jobs which can be neglected in an under-resourced public service—put off until later unless there are sufficient people employed in the area of setting up and maintaining systems. I will be interested to see if the Auditor-General's inquiry indicates that this is the case.

The Auditor-General also expressed concern that, unless the public accounts committee decided to conduct an inquiry, departments were not too quick to implement audit recommendations. However, the workload of the PAC at present requires more than one secretary to keep up with it, and we need to review our workload until the Assembly decides to devote more resources to servicing committees. As it is, the Auditor-General is looking for more leadership from government—most properly from the Chief Minister's Department, since this is where the responsibility for the public service lies in having sensible measures implemented across government.

The Auditor-General indicated disappointment with the government on a topic about which the Greens are scathing in relation to this budget—the lack of any evidence of adoption of sustainability indicators in the budget. I quote from her:

However, in this budget I did not see further progress made on that line of progress that you would expect the government to continue to get to the improved or final product of sustainable reporting.

It is extremely disappointing that the government has rejected the estimates committee's very mild recommendations on following up the Auditor-General's reports. I believe that she sincerely expressed a real problem when she said that she did not see her recommendations being implemented. It is clear that there should be follow-up by the government. It would seem to me that the Chief Minister's Department is the appropriate place for that to occur, since the Chief Minister is the primary minister in the government and the Chief Minister's Department has responsibility for an across government approach. Remember that we used to have a public service commissioner. We do not have one of those any more; that function is now being carried out in the Chief Minister's Department and that is where the work needs to be done.

I have not heard—and I would like to hear—how the government plans to make sure that departments follow up on the Auditor-General's recommendations. It is not enough to simply reject recommendations and give a reason why you are rejecting them when you do not explain how you are going to perform that task. It does not matter how useful and illuminating the work of an Auditor-General is: as with any

oversight body, unless his or her recommendations are implemented, the value of that office remains unrealised.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.4—Chief Minister’s Department, \$36,766,000 (net cost of outputs), \$5,296,000 (capital injection), totalling \$42,062,000.

MR MULCAHY (Molonglo) (5.32): We have before us the cabinet’s proposal to appropriate \$42 million to the Chief Minister’s Department. There are preliminary signs that the Chief Minister’s Department is changing direction from its previous large cuts in the last fiscal year. This department will increase its full-time equivalent staff. The department will increase the staffing level from 124 full-time equivalent staff in 2006-07 to 146 full-time equivalent staff in 2007-08.

In 2006-07 we saw large employee expenses due to redundancy payments in this department from large cuts in staff. We are now seeing the government start to increase its staffing levels back up again. In my view, it is no coincidence that the Chief Minister is seeking to increase his departmental staff only one year out from the ACT election. Unfortunately, the taxpayers of the ACT will pick up the bill for the bolstering of the Chief Minister’s own department. It was something that we talked about back in June—the 24 extra people being brought on to provide advice on all manner of interesting issues. One can only wonder why that demand has suddenly become so critical for this team of specialist advisers.

It is interesting to note that, of the 67 budget policy adjustments to the Chief Minister’s Department in this budget, all 67 are for more money. In other words, there is not one policy decision in this budget that has had even a single reduction in spending for any single financial year, either in this year or in future years. This is out of 67 budget policy adjustments, Mr Deputy Speaker.

Last year I commented on the ongoing problems of reshuffles to the Chief Minister’s Department. I am sorry to see that they have continued in this year’s budget, though not to the same extent as last year. There has been a transfer of the community initiatives fund from the department of housing and community services and there has been a transfer of energy and water policy to the Department of Territory and Municipal Services. These continuing reshuffles often do little to increase efficiency. Instead, they quite often create extra work for existing staff in both departments and serve to cause confusion to ACT public servants—not least also to members of the Assembly. All of this often culminates in the loss of productivity and extra expense to the ACT taxpayer.

The culmination of these issues is that we are seeing a yoyoing effect in the Chief Minister’s Department. One year they undertake massive cuts to staff and reshuffles and incur large redundancy costs; the next year they increase staff and engage in policy adjustments that lead to increases in the size and spending of the department. This does not seem to be the way to run an efficient government department—especially the lead department, that of the Chief Minister.

Much has been said about the per cent for arts scheme. I am more than pleased to talk about this in the context of this debate. In committee hearings on 27 June 2007, the Chief Minister explained his view that Canberra is lacking in public art compared to other cities and that the per cent for arts scheme is required to catch up. He lamented the lack of public art in the city centres and explained that he is determined to make up that ground. His determination is, of course, funded by the public, many of whom may lack Mr Stanhope's determination on the issue.

The Chief Minister also explained his view that the spending on the per cent for arts scheme was reasonable, given that it was lower than the spending on other capital works such as the Belconnen arts centre. However, high spending on other arts projects does nothing to justify excessive spending on the per cent for arts scheme. If anything, high spending on other projects only aggravates the problem. Moreover, spending on the Belconnen arts centre is not comparable to spending on the per cent for arts scheme. At the end of the day, the arts centre is a building which potentially could have other uses at other times and is of substantial value for non-artistic purposes as well as for the arts. On the other hand, the per cent for arts scheme will fund a single iconic gateway work on Northbourne Avenue for \$1 million—a work which has no use other than, hopefully, to look nice.

I welcome the recommendation of the dissenting report of the estimates committee that the per cent for arts scheme be abolished. At this point, it is probably appropriate that I cite Senator Humphries. Today I took the trouble to contact Senator Humphries, because he seems to be getting a range of honourable mentions from the Chief Minister. I asked him why he would be such an enthusiastic supporter of the Chief Minister's wish to retain the budget. Senator Humphries said to me that it was something of an extrapolation from his media comment, and he sent me the press release. The press release is headed "Federal Labor government dangerous for the ACT: Stanhope". He quotes Mr Stanhope, who was speaking on the need for Canberra to maintain a budget surplus, along the following lines:

We are susceptible as a small jurisdiction in that we don't have our destiny entirely in our hands. Decisions that the Federal Government might make, particularly if there's a change of Government—

which is effectively saying if Kevin Rudd manages to get elected—

could have significant impacts on employment levels or construction activity and our budget would suffer immediately. That's why we need a buffer.

I know that deep down the Chief Minister probably shares my level of apprehension of what would happen if the Labor Party comes to power. At the end of the day, the government has saved this government's bacon time and time again. He is wise to be apprehensive about a Rudd Labor government, because Canberra, no doubt, will take a hammering. Whilst I still believe that the surplus ought to be reduced in the form of tax reductions, I do understand the level of fear and apprehension he has about the prospect of Kevin Rudd getting his hands on the reins and all of the left-wing brigade behind him saying, "This is our big moment. We are back in control. We will tell the government what to do."

What will happen is what always happens when Labor gets in, if they ever manage to get over the line. It will be the same old story. They will say, "We have got six state and two territory governments and a commonwealth government. We can absolutely run amok." The unions will demand all sorts of things that they think are achievable. The economic rationalists will say that this is going to wreck the country. We will have runaway inflation. We will have all sorts of crazy ideas. And eventually the public will say, "Well, we've tried that experiment. Now we'll remember."

Somebody said to me last night that the problem is that every generation has to experience a Labor government to know how bad they are. I hope that theory is not played out at the end of this year, but that is the biggest danger for the party that is in power federally. Mr Stanhope has been around long enough. He is a bit older than me. He knows exactly the point I make—that, if they get in, they will absolutely up-end this city. They will dish the money out. They will move the jobs to Sydney, Melbourne and Brisbane—particularly Brisbane; that will be the new capital of Australia if Kevin Rudd gets in there.

Of course, the people who are going to lose out are going to be the ACT community. It will be the ACT public servants. It will be the Canberra property market. The poor old territory government that is awash with cash is going to find things start to ease off. I can understand the point, and I thank Senator Humphries for ensuring that he contextualised the remarks of the Chief Minister.

I also said to Senator Humphries, "What is all this about your support for the per cent for arts thing?" I said, "Is this your policy?" He said, "Well, not quite." He said:

We did have an informal policy in ... 1989 - 1991 ... for 0.25% of the building budget of *major* projects to be put aside for public art, in both govt and non-govt projects."

Again, the situation has been embellished and inaccurately reported. But be assured that even that level of obligation is not something that I think is appropriate for the taxpayer—

Mr Stanhope: So you are saying it was not his policy? Is he saying it was not his policy?

MR MULCAHY: I am saying what the policy was.

Mr Stanhope: It was a percent for art policy.

MR MULCAHY: It was 0.25 per cent, as an informal policy two years ago, on major projects. So let us just make sure that we do not embellish the story.

Mr Stanhope: Yes. It was not a one per cent for art policy; it was a per cent for art policy.

MR MULCAHY: So that has clarified that issue.

Mr Stanhope: It was not a two per cent for art policy either.

MR DEPUTY SPEAKER: Chief Minister, order!

MR MULCAHY: In a question on notice as part of the estimates—

Mr Stefaniak interjecting—

MR DEPUTY SPEAKER: Mr Stefaniak, do not goad him.

MR MULCAHY: In a question on notice as part of the estimates committee process, the Chief Minister accepted that the government is currently developing a proposal to add a tower to the Canberra Glassworks at a cost of approximately \$350,000. This project will be supported by a major sponsorship from Actew. I am surprised that it has not had more public attention. I accept that Actew is able to make its own decisions, but obviously outlays like that on major government works do have an impact upon the ultimate price.

Mr Stanhope: You are opposing that now too, are you?

MR MULCAHY: I am raising questions. This did not come to light until I got to a question on notice. It is a matter of concern that we are making more massive outlays and in the same breath saying that we cannot give money back to the people of Canberra; we cannot afford to help them.

I would also like to discuss the government's actions in the field of industrial relations. (*Second speaking period taken.*) This area has been an important political issue recently, for good reason. As we all know, the Australian government has recently introduced its WorkChoices scheme, which is one of the largest reforms of the industrial relations system in Australia that there has been. The scheme has allowed employers and employees some flexibility to escape from the straightjacket of the awards system, a system which has become a complex, confused and illogical mess. I am sure that even Mr Gentleman opposite would be able to cite many examples where well-meaning employers and employees would not have the faintest idea of what a lot of the awards meant, because over the course of time they have become convoluted and complex. The last century has seen an enormous accumulation of haphazard awards. WorkChoices provided for a rationalisation of the system as well as allowing employers and employees greater freedom to bargain outside the inflexible rules imposed under thousands of awards that have accumulated.

Probably one of the most inexcusable and wasteful actions of this government in recent times has been its participation in the High Court challenge of the Labor controlled states and territories against the WorkChoices legislation. Thankfully, this case was defeated in the High Court, which ruled that the Australian government does indeed have the constitutional authority to enact this legislation. This has allowed Australian employers and employees to escape the crippling restrictions of the award system, at least for now.

It is not merely that the High Court upheld the validity of the WorkChoices legislation or that this legislation has been a great boon to the Australian economy and to those employers and employees that are now able to negotiate more freely. Even in my limited time in this place, I remember Mr Gentleman telling us about the end of the barbecue, that the world was going to come to an end and that there would be heightened unemployment and shocking economic chaos. We are still having barbecues at my place, and so are most of the people I know. There are more people employed now than we have ever had in history. We cannot even remember when unemployment got to such low levels. The nation is booming. Home ownership is strong. People are well off. All of these things have flowed forth since the introduction of the legislation that we were told would be the end of the world as we knew it.

What takes this High Court challenge beyond being a case of mere waste is the fact that, even if the Labor state governments had succeeded in their challenge to the validity of the legislation, it would not have had any effect on the ACT as a commonwealth territory. Basically this was all for the benefit of Labor camaraderie—helping people in other states, even if you thought there was merit in their case, but unable to deliver an outcome in the ACT, where our constitutional role, in terms of legislating for industrial relations and wage fixing arrangements, is constrained under the self-government act. I seriously question how that financial outlay could ever be justified.

There was no real legal motivation for this. That brings to mind the question of what was the real motivation of the government in joining this action. I think this is pretty clear. Their motivation was not merely about winning a legal case but was also to run a political campaign in the High Court masquerading as a legal challenge—a very expensive political campaign. We can guess who paid for this political campaign. Was it the Labor Party? Was it the unions? No. It was the ACT taxpayer who once again footed the bill. It is not cheap to conduct a High Court challenge: the costs for lawyers and other expenses are substantial, as came to light in answer to questions in estimates committee hearings of 2 July, when the Minister for Industrial Relations put the cost of this litigation at \$89,000. That is another \$89,000 of pure waste paid for by ACT taxpayers to support a political cause—and that is all it amounted to.

The bottom line is that this was a case of playing the Labor game, hoping there might have been an opportunity. Even if there had been a win, it would not have been of any material benefit to the people of the ACT, despite their funds being used to pay for a wasteful trip to the High Court for no reason other than political advocacy. In light of this action by the territory government, I welcome the recommendation in the dissenting report of the estimates committee that the government refrain from taking legal action for political purposes. It is disappointing that the main report of the committee did not consider this issue to be worthy of such a recommendation.

I want to speak on one other area: the ACT Long Service Leave Authority. There are ongoing problems with the ACT Long Service Leave Authority. In estimates committee hearings, questions were raised about the use of confidential information by board members of the authority. This has been an area of some concern. It is not

entirely clear that proper safeguards exist in this area. The government has reported that it is currently reviewing the code of conduct for the board members of the authority. They have reported receiving assurances from board members on this issue, but this begs the question as to why those assurances were being sought. The Liberal Party look forward to this review. We are keen to see that there are adequate safeguards to ensure that board members of the authority are not able to use confidential information inappropriately.

But another important issue emerged regarding the Long Service Leave Authority. In reply to a question on notice, the Minister for Industrial Relations reported that at the end of the 2006-07 financial year the authority held \$72 million for long service leave for the building and construction industry. He reported that the authority had an actuarial liability of \$40.1 million, leaving an excess of approximately \$30 million. The actual figure is \$31.9 million, to be precise. From the minister's figures, it is clear that the authority is still holding funds far in excess of the amount needed to meet the long service legal liabilities in this industry. This should give the government cause for concern and cause to review the contribution levels made to the authority by employers in this industry. I urge the Chief Minister and the Minister for Industrial Relations to consider that in the context of the forward program for this year.

MR STEFANIAK (Ginninderra—Leader of the Opposition) (5.49): The Chief Minister's Department is a relatively small department but it does set the course for the government. It is especially true for this government because the Chief Minister has got a finger in every pie. Unfortunately, at the moment the Chief Minister is setting the wrong course.

The Chief Minister's Department has generally had increases in its allocation, except for business and industry development, which has had its budget cut by \$2.8 million for government payments for outputs, and \$4.5 million. This is indicative of the wrong priorities being followed by the Chief Minister.

According to the budget, the priorities of the Chief Minister's Department include: continuing to lead and oversee whole-of-government reform implementation; facilitating the delivery of key policy and priority initiatives across government, including a focus on housing affordability implementation, water security, land supply policy and skill shortages; leading the government's participation in the Council of Australian Governments' national reform agenda; building capacity and change management for the ACT public service; supporting strategic business and industry development in the ACT and region; delivering the government's key priorities for the arts; and delivering a program of significant public events.

The jury is still very much out on the whole-of-government reform implementation. On page 53 of budget paper No 3, the government claims to have achieved \$52 million in agency and whole-of-government savings from the measures it introduced last year. However, this budget forecasts that expenditure will grow by 5.8 per cent, more than the CPI, and even more than the very controversial wage price index. Much of that will be due to increases in staffing. Indeed, I note that staffing in the Chief Minister's Department will increase from 124 to 146, despite the cuts to business and industry development.

I now turn to the priority issues outlined in the budget. Housing affordability should indeed be a priority for this government—and for any other. I am sure that my colleagues Mr Smyth and Mr Seselja will talk further about this during the budget debate. I do welcome the appointment of Mr David Dawes to a senior position in the government to act on this matter. He is a very experienced, capable person, having been involved with the Master Builders Association for a number of years. However, he will face an uphill battle and struggle, given the impact of the government's priorities and policies on housing affordability.

Only a couple of years ago, the then Treasurer, Mr Quinlan, said that the government's policy was to "squeeze investors until they bled but not until they died". That is one government policy that our illustrious Treasurer, Mr Stanhope, has certainly kept in place. A constituent wrote to me recently, saying that her rates had doubled since 2000. She is certainly not Robinson Crusoe in that regard. If you are in the private rental market, your landlord increases the rent to pay all the Stanhope government's tax increases and pass them on to you. That is why the ACT now has the highest median weekly rent of any city in Australia, with \$354 for a three-bedroom house.

Turning to another area, it is about time that the government focused on water security issues. I am pleased that the government appreciates—although it has not been decided yet—that we do need new, major storage capacity by way of a new dam. That, I suppose, is pleasing in itself. The government needs to do more, though. Centres in our region such as Goulburn, Queanbeyan and Yass are all well ahead of us in terms of water conservation measures. For example, Queanbeyan's WaterWise strategy has achieved an 18 per cent reduction in water usage. It is a strategy that was introduced in about the year 2000. It has cost them about \$3 million, but an 18 per cent reduction in water usage is impressive. We have achieved about 12 or 13 per cent. The target is only about 12 per cent by 2013. So at least we are ahead of that, but we are still only two-thirds of the way towards achieving what Queanbeyan, a city just over the border, has actually achieved.

I am concerned that the plan released recently by Actew contained no mention of water conservation measures. I am interested to see that the government has at least indicated new homes have to have tanks. It aims to achieve a 40 per cent usage reduction in any new homes. Again, if we contrast that with Queanbeyan, it is looking to achieve a 70 per cent usage reduction in new homes at the Googong estate, which will have an interesting dual system put in by the developers. They will have localised recycled sewerage plants which will pump water back through the toilet systems and onto gardens, although at this stage it will not involve water from washing machines. Again, it is a case of neighbours in our immediate vicinity often being miles in front of us on things like water conservation measures. We can learn a lot from them. The government has also been slow to act on other water security issues but I will deal with those specific issues later when we talk about Actew.

In land supply policy, we have finally seen the government remove ACTPLA's monopoly on land development, and that is a positive step. However, much more needs to be done to increase the involvement of the private sector so that we can start

making housing affordable for the ordinary working family. The estimates committee heard evidence from Mr Tony Hedley of the property council—that dreadful body that the Chief Minister talks about.

Mr Mulcahy: He is president of the daytime branch of the Liberal Party!

MR STEFANIAK: It is interesting; Mr Kent used to be president of the night-time branch, so Mr Hedley is obviously president of the daytime branch!

Mr Stanhope: They are your two branches, are they?

MR STEFANIAK: According to you, they are, mate. I thought Tony Hedley just headed up the property council—one of those industry groups that you deride so much. Anyway, we heard evidence from Mr Hedley of the property council about the persistent underestimation of revenue from the LDA in developing ACT budgets. It was interesting, because this was before the government said: “Guess what; we’ve got more of a surplus than even we anticipated,” only about nine weeks after the budget. Mr Hedley said:

We believe that in the city area alone there could be an underestimate of dividends from the Land Development Agency of upwards of \$100 million in revenue.

Mr Mulcahy: He was howled down.

MR STEFANIAK: He was indeed, Mr Mulcahy. This estimate includes the former QEII site, section 63 and sites on Constitution Avenue. No doubt the Chief Minister and Treasurer will tell us how clever he is when all this revenue comes through and boosts his bottom line. However, this is either incompetence or deception, and the Chief Minister should be able to provide more accurate estimates of revenue from land sales. It is not like we have not been doing this for some time. It has been happening for years, and there has been a consistent underestimation. It was interesting that the figures which Mr Hedley was citing were fairly accurate in terms of the figures the Chief Minister came up with a couple of weeks ago. Maybe the government needs to take heed of groups like this rather than just bagging them all the time.

Let us deal with skill shortages. Mr Stanhope flags skill shortages as a key issue for the ACT government—and, indeed, it is, thanks to a booming national economy which has had its flow-on effect here, and a lot of hard work from the previous ACT government to get to this stage.

Mr Hargreaves: Well done, Jon!

MR STEFANIAK: That is the previous Liberal government, Mr Hargreaves. The government is riding something of an economic boom. I understand we will finally be seeing something from the skills commission this month. The dissenting report to the estimates committee report recommends that these recommendations and the government response be tabled in the Assembly during the September sitting. I have

read out a couple of recommendations in relation to the skills commission—very sensible, moderate recommendations. They were probably not even looked at by this arrogant government; they just ditched them, along with all the other recommendations. I suppose that is an easy cop-out. Again, maybe they should go back and read some of those sensible recommendations.

Mr Smyth: The Treasurer has run away, Bill.

MR STEFANIAK: He has indeed. The community has been waiting for years for the ACT government to do something about skill shortages, and it is time that the government finally did something tangible about this issue. Business has been telling them what to do. We have suggested what they can do. I am pleased to see some effort being made to recruit skilled migrants overseas, and there are a lot of other issues in relation to encouraging people, young or older people, back into the workforce in relation to skills we so desperately need here.

The government also continues to make hefty cuts to the business and industry development area, with a cut in payments for government outputs of \$2.8 million and an overall cut of \$4.5 million. This sector has been gutted in the past year, losing most of its staff. It went from about 51 or 52 halfway through 2006 to about 15. It went as low as about eight at one stage, and it might get up to about 19. Its establishment is 18. It has been absolutely gutted. This section will receive \$5 million in payments for government outputs this year and \$11 million in total. That is probably less than what was paid for similar programs 10 years ago. Remember that these programs were what helped the ACT immensely during those dark days when the Keating government cut the number of public servants—and the Howard government did, too, in the mid-nineties. They were dark days when innovative solutions had to be thought up to get businesses to operate here.

I recall 29 new businesses setting up, two of which fell over. Of course, the Chief Minister is wont to rave about one of those, but when you think of all those other businesses that took in a lot of workers, that were given simple incentives that cost little, if any, money and that helped the ACT during a very difficult period, you see that this government is now benefiting from the hard work done by a previous Liberal government.

It is a case sometimes of spending a dollar here and a dollar there, and you might get it back 10, 20, 50 or a hundredfold. In a question earlier today about the sports budget, it was shown that a grant of \$1 can save \$10, \$20, \$50 or \$100 spent on health issues down the track. So it is a small amount of money well spent. Again, we have wrong priorities from the government.

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

MR STEFANIAK: I think it shows how short-sighted the government's approach to industry development has been over the last couple of years. Recently, in question time, Mr Stanhope was bemoaning the ACT's narrow economic base. He stated:

Ours is a narrow service based economy. We have no mines. We have no agricultural industry ...

The ACT is a small jurisdiction with a clever, well-educated population and with a number of high-quality tertiary institutions. We should focus on taking advantage of this and expanding our base. That is why the Canberra Liberals have a plan to develop the private sector by encouraging industries requiring a highly skilled base, which I have referred to. This policy was highly successful, with the number of private sector employees exceeding the number of public sector employees by the end of our term in government.

During its first term, the current government continued to have expansion of Canberra's economic base as a significant goal. Its economic white paper released in December 2003 had as its goal "greater economic opportunity and high employment by supporting commercial, educational and research activities". Mr Quinlan famously described it as "a statement of the bleeding obvious". Unfortunately, it is not bleeding obvious to the Chief Minister. Mr Stanhope has scrapped the economic aspects of the economic white paper. In our dissenting report, Mrs Burke and I called on Mr Stanhope to present a clear timetable of actions to expand Canberra's economic base. However, I see little hope in the short term that the Chief Minister will realise how short-sighted he actually has been.

We see this in his response to the business community, who have been rightly critical in the past couple of years of his economic policies. For example, Craig Sloan, the Chairman of the Canberra Business Council, recently said that the plan to widen our economic base "was largely undone by the government's slash and burn approach to economic development". Unfortunately, the Chief Minister has dismissed the concerns of the business community as whingeing. He just does not get it. He is keen to take credit for our strong economy, which, in fact, is mainly due to the national economy and mainly due to the federal government. However, his failure to work on broadening our economic base has left us vulnerable if a new federal government is elected and decides to cut Canberra's public sector, as mentioned by my colleague Mr Mulcahy only a few minutes ago. Shortly after the budget speech, Mr Stanhope said:

We are susceptible as a small jurisdiction in that we don't have our destiny entirely in our hands. Decisions that the Federal Government might make, particularly if there's a change of government, could have significant impacts on employment levels or construction activity and our budget would suffer immediately.

Lindsay Tanner, federal Labor's finance spokesman, is threatening to cut \$3 billion from the public sector, which will have a significant impact on employment levels, economic activity and the ACT budget. Guess where a lot of that is going to come from? Canberra might well be paying the price very shortly for federal Labor cuts to the public sector and the Chief Minister's lack of vision. He needs to broaden his base for that eventuality. He needs to broaden his base to take account of the inevitable slump that has to occur at some stage.

During estimates, the Chief Minister said that the government's priorities were reflected in the budget. Unfortunately, too many of their priorities are wrong priorities. We have already talked about the per cent for arts scheme, where one per cent of the government's capital works budget is set aside for artworks. In the budget there is \$845,000 set aside in this financial year for artwork, with \$745,000 set aside in the next year. During the estimates process, an official said that the figures in the outyears were a guesstimate and that it would change according to the capital works budget.

The Chief Minister stated during estimates that the Woden town centre would be a priority. In fact, the allocation for this year will be used on a so-called "iconic gateway" to Canberra. This proposal has inspired a great deal of scepticism in the community. Who can forget Sharpe's cartoon in the *Canberra Times* of Mr Stanhope as the "Colossus of Canberra"? Dr Foskey even made what I assume was a tongue-in-cheek suggestion of building a giant earless dragon.

As well, this government is wasting millions more on public artworks such as the amazing Al Grassby statue and \$750,000 on public art on the Gungahlin Drive extension. I actually thought that was a rock moved out of the way by some workers, but apparently it is public art, so there you go.

Mr Barr: It could have been both, Bill.

MR STEFANIAK: Indeed, Mr Barr. At a time when our public hospitals are struggling to obtain basic equipment, this government is wasting millions on public art. Mr Stanhope raves on about Mr Humphries. As Mr Mulcahy indicated, the figure was 0.25 per cent of capital works for public art. I do not know how long that one lasted, but it was very different from the figure of one per cent. Talking about wrong priorities, another wrong priority is money spent by the government on promoting itself. In 2001, the Chief Minister promised:

There will be no hoopla, no circuses, in a Stanhope Labor Government. There will be no gloss, there will be no beating of the breast.

That promise has hardly been kept. In this budget, the communications budget of the Chief Minister's Department is \$3.5 million this year, increasing by \$300,000. There has been a great deal of money wasted on government communications in recent years. For example, the government spent \$117,000 on glossy TV and newspaper ads for this budget. The estimates committee report states:

The Committee was critical of the spending of \$117,000 on an advertising campaign to promote the budget. The Committee considers that such expenditure items should be transparent and fully accountable to the ACT Legislative Assembly.

Mrs Burke and I recommended that the government not spend money on promoting any legislation until it has been passed by the Assembly. The advertisements contained little information and were, in effect, political advertisements for the Labor Party. If they want to advertise, that is fine, but they should pay for it themselves out of their own money rather than using public money.

All governments probably put ads in the *Chronicle*—a four-page spread saying, “This is what your budget does,” and it goes to every Canberra household. But I cannot remember ever having been bombarded by ads on radio stations and on TV one week, two weeks, three weeks, four weeks, five weeks or six weeks after the budget. I think they have only recently stopped.

Mr Mulcahy: It is sheer political advertising.

MR STEFANIAK: It is sheer political propaganda—completely over the top, and a complete waste of taxpayers’ money. Next year, fellas, stick to taking out a four-page spread in something like the *Chronicle*. That does get out to households, you can explain your budget in that way, and I do not think anyone could gainsay that.

It is unfortunate, because the Chief Minister and his department do set the priorities for the entire ACT government. As I and others on this side have indicated, many of these priorities are wrong. Many of these priorities change some sensible directions the government might have started with, certainly in relation to the business area—they have been completely thrown out the window. There are misguided priorities, such as the inability to appreciate that in some areas, like business, tourism and sport, if you spend a few dollars, the benefits you reap will be huge, and will overwhelmingly outweigh the amount of money you spend. If you need to cut spending, maybe you do not need an extra 22 or 24 people in the Chief Minister’s Department, for example. Maybe that is where you start to cut spending. That is where you do start to really save. It all about prioritising, which is something that you lot have immense difficulty in doing. Sadly, in terms of the Chief Minister’s Department’s budget, I think that really rams home the misguided priorities of this government.

(Quorum formed.)

MR BARR (Molonglo—Minister for Education and Training, Minister for Planning, Minister for Tourism, Sport and Recreation, Minister for Industrial Relations) (6.10): I felt it was opportune to make a few comments in relation to the industrial relations area within the Chief Minister’s—

Mr Mulcahy: Nice of you to drop in.

MR BARR: I heard my name mentioned, Mr Mulcahy, so I thought it was appropriate to come to the chamber just prior to the dinner break and seek to highlight a couple of major priorities in the industrial relations portfolio that are funded in this year’s budget. Perhaps most importantly, I would like to highlight the building and construction industry’s security of payment scheme that was funded to the tune of \$75,000 in this financial year as an establishment, with ongoing recurrent expenditure of \$110,000 into the outyears.

The initiative will, in the first instance, involve the review and examination of security of payment schemes in other jurisdictions, most particularly in New South Wales, and this information will then be used to develop and establish a model to facilitate the

regular and timely payments in the building and construction industry in the ACT. It is intended that this scheme provide a cost-effective dispute resolution mechanism for payment of claims by those undertaking work or supplying goods in the industry.

I would also like to highlight the ACT's safety first project. There will be \$539,000 worth of funding over two years as part of a renewal of our safety first project. The project aims to minimise the human and financial costs of workplace injuries in the public sector, reducing the human impact of injury on the lives of Canberrans and their families. Through a range of targeted interventions, the program assists the return to work of affected employees and reduces the community impact of high-cost injuries, including psychological injuries.

This funding will enable interventions, including case conferencing for all workers with significant injuries, involving appropriate medical experts at the earliest stage, the creation of a database to assist better management of rehabilitation and prevention activities, and improved training for rehabilitation case managers. Through the appropriation for the Office of Industrial Relations, we will be seeing two significant pieces of work that have a particular impact on the business community in the ACT and also on all employees. I refer specifically to the workers compensation scheme review and the preparation of a new Occupational Health and Safety Act. I will be tabling the first stage of that review of the OH&S Act on Thursday.

In the case of the workers comp review, the review has been completed and it has been forwarded to me. Shortly I will be forwarding it to the OH&S Council for their consideration of the issues. A number of options have been put forward as part of the review. It was pleasing to note that some of the initial views and evidence that the ACT's system was perhaps one of the least efficient and most costly of all the states and territories has proved not to be the case on further analysis. However, that does not mean there are not changes that can be made to improve the efficiency of the scheme and to provide a better outcome for both employers and employees. That is a major piece of work that we will be getting on with throughout the rest of this calendar year and into 2008. In terms of the OH&S legislation review, I will be bringing in the first piece of legislation on Thursday. We look forward to having a fulsome debate on that down the track, but there are further steps in this overall process.

There is a lot of important work going on within the Office of Industrial Relations. I would particularly like to pay tribute to the team that has been negotiating all of the enterprise bargaining agreements across the public sector. Robert Gotts, Gary Williamson and others have worked very hard to ensure that that process went as smoothly as possible. I put on record my thanks to Liesl Centenera and all of the team at OIR. They are a very small unit within the Chief Minister's Department but they work very hard to deliver terrific outcomes for the territory.

Finally, I refer to Mr Mulcahy's remarks about our intervention and joining with the other states and territories in the High Court case over WorkChoices. Whilst the states and territories did lose the case, it was certainly an interesting judgement inasmuch as—

Mr Mulcahy: They got it wrong, did they?

MR BARR: No, I am not suggesting they got it wrong. The High Court made its decision but it was not a unanimous decision. That would be the first point I would make. It was interesting that the big “C” conservative, Justice Callinan, sided with Justice Kirby in agreeing with the states and territories in large part, so it was—

Mr Smyth: Broad church.

MR BARR: Yes, it was. I think they arrived at that decision for different reasons, but for Mr Mulcahy to say that there was not a valid case when a number of justices of the High Court agreed with the states and territories is a little unfair. We will have to agree to disagree on WorkChoices, Mr Mulcahy; that is fairly clear. Your sole objective in life is to screw over workers as best as possible.

Mr Mulcahy: On a point of order, Mr Speaker: I think that is an inappropriate remark. I ask that the minister withdraw it.

MR BARR: I withdraw that remark. Mr Mulcahy’s sole purpose in life is to advance the interests of employers, and it is certainly the case that those on this side of the chamber will continue our strong advocacy against the WorkChoices legislation.

I am very pleased to be introducing the Family and Community Day public holiday to provide some form of compensation to employees in the ACT who have suffered a massive reduction in entitlements, particularly those in the private sector, who have had the Union Picnic Day stripped away from them. It is important that we are able to provide some further balance in people’s lives through Family and Community Day, another initiative within the Office of Industrial Relations. It is important that we come forward with these practical solutions that will make a difference to people’s day-to-day lives.

The people of Canberra can make their judgements on exactly how hard they work and whether they believe that one additional day to spend with their families and in the community is important. Those opposite do not believe so. I am very happy to take forward my proposition to the people of Canberra that in fact that day is justified, and it is something that I am sure we will look forward to celebrating on the first Tuesday in November.

I am very pleased to commend the Office of Industrial Relations for the work they do, and the appropriation they will be receiving through this budget.

DR FOSKEY (Molonglo) (6.18): Given that the Chief Minister’s Department takes the lead on whole-of-government initiatives, I would like to start by addressing the ACT government’s response to climate change, which is without doubt a whole-of-government exercise. It is a great disappointment that the climate change strategy took so long to be delivered.

As a Greens representative, I try to look at the budget through a Green lens. I said this in my contribution to the budget debate, and I will say it again: the Green lens is a multifaceted prism but at the outset it seeks to answer questions about the budget such

as these: firstly, how does it further the goals of sustainability and social equity? Secondly, what evidence is there that triple bottom line thinking has been applied? Thirdly, does it further the visions for Canberra set out in the spatial and social plans, assisted by the sustainable transport plan, all of which are the result of expert advice and extensive community consultation—and adding as well the economic plans? Fourthly, have the needs of our most vulnerable been taken into account? And, fifthly, what is its environmental impact? This year, I have added climate change to that lens because it is an overarching concern of Canberra's people.

I am pleased that the climate change strategy has finally been released, but it is no secret that the Greens think that both the interim and the long-term emission reduction targets are profoundly inadequate. The government seems finally to be taking climate change seriously, and I applaud its willingness to change its position. It was shameful that it discarded the previous ACT greenhouse strategy, which had meaningful targets at the time and which were appropriate for that time. They were the result of a Greens motion in the Assembly and they were adopted by a Liberal government, but this ACT government thought they were too ambitious.

Increased renewable energy targets, feed-in laws for solar power, carbon-neutral goals for schools and public buildings, and energy-efficient investment in public housing are all important steps in the right direction for this strategy. Sadly, the target to reduce emissions to 2000 levels by 2025 and by 60 per cent by 2050 is profoundly inadequate. Scientists have shown that we can limit the impact of climate change only if we hold global warming to two degrees, but preferably below that. And the only way we can do that is to start cutting emissions sooner rather than later.

In that context, this target is too small and too distant. Indeed, this climate change strategy is failing not just ACT residents but the wider world. As a community with one of the biggest footprints and the highest emissions in the world, Canberra should be leading from the front. By merely aiming for 2000 levels by 2025, the ACT government is turning its back on informed scientific advice and dodging the real challenge to reshape our patterns of energy and resource use.

Mr Speaker, I am feeling decidedly left out of the cocktail party that is apparently occupying nearly everyone on that side of the house. I guess no-one on the other side was invited, either. I understand that it is important for the Chief Minister to improve his relations with the media but I do feel his timing is rather insulting, having regard to what is the major process that occurs in this place every year.

On the positive side, this strategy can be, and must be, improved over time. I welcome the new role that has been given to the Commissioner for the Environment on oversight of this strategy, and I look forward to additional resources being made available to support his office in that role. It is pleasing to see a number of initiatives that the ACT Greens have championed over the past few years finally getting a guernsey. In addition to the feed-in laws to ensure a good return for solar energy providers, and the energy efficient retrofitting of public housing, I note the differential stamp duty which would make the purchase of energy-efficient cars more attractive. That was another Green suggestion that was formally rejected by this government only a few months ago. Perhaps in another year or two this government will embrace some meaningful targets as well.

The greenhouse gas abatement scheme, for example, needs considerable strengthening. The ACT has only about one per cent of Australia's population but we emit five per cent of Australia's greenhouse gases, and our electricity use is a big factor. The greenhouse gas abatement scheme, which requires electricity providers to set a cap on the amount of electricity they supply, is a key part of the ACT government's climate change strategy—the major part, according to Mr Stanhope last week. I am still waiting for him to get back to me with the answer to a question he took on notice during questions without notice last Thursday. Often, it turns out that the government actually does not know a great deal about these schemes that it applauds as being major strategies for achieving government ends. It turns out that ministers do not know very much about them and cannot answer questions. Maybe that is the nature of government, but I think it is very worrying that on the one hand you can be applauding a strategy while on the other you know very little about it.

The government has yet to demonstrate an intention of decreasing the total amount of electricity Canberra retailers will provide in the future. The greenhouse gas abatement scheme will allow 7.27 tonnes of carbon dioxide equivalent of greenhouse gas emissions per person, per annum. If Canberra's population grows, greenhouse gas emissions can also grow. Holding up this scheme as a strength of the climate change strategy is, frankly, an embarrassment. Modelling from the Total Environment Centre shows that Canberrans must reduce their greenhouse gas emissions to 5.85 tonnes per person to achieve emissions five per cent below 1990 levels, and that is a much more realistic target than achieving 2000 levels by 2020. The government needs to review the benchmarks in the greenhouse gas abatement scheme immediately and look to reduce the total greenhouse emissions provided by ACT electricity retailers.

Water security for the ACT remains an enormous issue, and the Greens are concerned that we ensure that the ACT is prepared for droughts, and perhaps floods, while also learning to work with what we have got. In terms of water security, this means educating our community, and especially commercial water users, about wise water use. It also means not trying to create water from nothing, and this includes concepts such as cloud seeding, which has recently been brought into doubt as a strategy used over the Kosciuszko, or building a dam to catch water which we do not have. Treasuring the water we do have and treating it with respect is a first step. The urban waterways project, which has just gained federal funding, needs to be commended for doing just that. We certainly look forward to the results. I hope that local communities can be involved in these restoration projects, just as they were in the David Street wetlands project, which the government is always holding up as an iconic example of this kind of project.

I was very disappointed to see that Actew's recent recommendations to government did not incorporate efficiency measures. I am still not convinced of the need for a reverse osmosis water recycling scheme. This is probably one case where the costs may outweigh the benefits. We should look closely at developments in Singapore, where I am told the shortcomings of the reverse osmosis process are becoming evident, and they are exploring other recycling techniques. It is not the only way to recycle water. I know that a decision has not yet been made. However, in terms of the budget, I am certain there are better ways to spend \$350 million to ensure a

guaranteed safe water supply. I hope that our focus on the reverse osmosis technology does not unduly reflect successful lobbying by its manufacturers, because I have not seen any evidence that the government has considered any of the other ways of recycling sewage.

For that matter, I also question the need to spend \$3.4 million on an annual review of future water options, and I hope that we do not see a repeat of this next year. I have said it before, and it is relevant: while Actew needs to sell more water to make its money, we will see it focusing on supply and rejecting potential for more local area ways of providing water—for instance, through community recycling schemes—and perhaps that is why we do not see such full-on support for tanks as we see in much of New South Wales.

Thomas Homer-Dixon, who has been writing for many years about environmental security issues, says that the decentralisation and establishment of standalone water and power production systems is one way of building resilience. (*Second speaking period taken.*)

Sitting suspended from 6.28 to 8.00 pm.

DR FOSKEY: I commend the grey water system and the water tank rebate funding as a starting point, but I still do not think this is quite enough. Funds for these small-scale containments help to ensure that we do not need to spend \$350 million on a large-scale plan, which would, in any case, be only a medium-term solution. We also need to ensure that these rebates do not always favour the more wealthy households. We need to install them into public housing as a matter of course. We also need to get more stringent with new house guidelines.

Why does not every new house have to have a water tank? Why is not a grey water recycling system mandatory? These are the things that take pressure off our town water requirements and add efficiency if installed at the time of building. The commissioner for the environment, I believe, comes under the Chief Minister's portfolio and it was interesting to note that this year, as with last year, the commissioner was left out of the hearings.

Anyway, Mr Darro Stinson turned up on our final day of hearings. It was good to meet him and good to see that he had the state of the environment report in hand, although I do note that he has now gone on leave and is not expected back until October. Nonetheless, we hope that the state of the environment report will be delivered in December, as promised. We also hope that his report, which he apparently was preparing on his extra one day a week, making his total workload three days a week, will advise the Chief Minister, the minister for the environment, on the future role of the Office of the Commissioner for the Environment. I believe that there is a need for an expansion of that role so that the commissioner can deal with complaints and can advertise his or her services more broadly because at the moment the office does not have the capacity to respond to concerns from the public.

I am just talking about a few selected issues here, and I would like to talk about the City West precinct. The Greens have been watching the redevelopment of City West

with much interest. We are particularly interested in maintaining the arts and community precincts intact as much as possible. Unfortunately, it looks as though it is a policy of government to spread community groups out around the area—more of a pepper and salt type integration approach. We have seen this with the ROCKS area demolition, with those groups being largely separated throughout City West and now unable to share resources and spaces. The groups are mostly being accommodated in temporary portable buildings. Of course, they are very grateful that they have a home at all but, with little to no insulation, they are freezing in winter and—time will tell—possibly roasting in summer.

As for the arts precinct, it is hard to tell what is meant by that. There are certainly some coloured bits of metal on flagpoles near the Street Theatre. Perhaps that is the art. I understand that there are plans to rebuild the Street Theatre, which is not even very old. You would think there would be a much more efficient way to improve our arts facilities.

The major disappointment about City West—and this is a shared responsibility between the ACT government and the ANU—is the failure to provide affordable accommodation. We have an accommodation crisis on our hands here in Canberra, and the best that the government and the ANU could come up with was self-contained apartments for international students. Needed though they may have been, this is not affordable housing except for those with incomes high enough to afford it. Students are still waiting for an affordable solution which balances out the major reductions in both public and university owned housing in the ACT. This has been a concern, especially in the inner north, for the past 10 to 15 years.

The Community Inclusion Board was also an issue that I explored with a great deal of interest at the hearings. We are still waiting to see the poverty impact analysis that the Community Inclusion Board was given to trial. It was to be run across the homelessness strategy as a pilot. I am yet to see a report of that project, although that is not to say that the board has not been busy.

The household debt pilot project, developed with a number of community partners, produced a thoughtful report with a number of meaningful recommendations that are easily accessible on the government website. Some of these related to increasing accountability in regulation in respect to low doc and no doc loans, and that is something that this government was very cautious about supporting last week in the context of a national approach. It is worth noting that the board pointed out to government in July that Queensland was already going it alone on that kind of regulation.

I am very supportive of the Community Inclusion Board's work, but I am concerned that it is not having the significant effect where it might and that it does not offer a sufficiently broad or far-reaching analysis of ACT government policy. For instance, there does not appear to have been any analysis of the social impact of the cuts and changes made in the 2006-07 budget. I do not doubt that that would have been well within the capacity of the board.

The complete reshaping of the community housing sector, the emphatic narrowing of public housing eligibility and the changes to the rules governing public housing tenancies, the deep cuts made to the SAAP sector overall, the halving of funds to peak housing organisations, the abandonment of any commitment to a public transport system that addresses the needs of all, the dramatic changes to the provision of public education targeting particular schools and demographics and the closing of libraries and shopfronts all warranted a much closer analysis both before implementation and, once again, after the damage had begun.

But that has not happened. I am concerned that the Community Inclusion Board does not have sufficient impact on government policy across the board. Now that it can no longer give grants, it lacks the capacity to make innovative investments off its own bat and does not enjoy a continuing commitment from government. Is it allowed to do the work it would like to do? Does it have adequate resources? Does it engage sufficiently with community organisations? The future of the Community Inclusion Board remains uncertain. It was announced with great pomp and ceremony before the last election. Perhaps its revitalised successor will be similarly announced next year.

Moving on, I think there are some real questions to ask around the Live in Canberra campaign. My reading of the information is that the plan has already spent \$400,000 and resulted in only 100 new people to the region. The government's own figures indicate a population growth of only 21,000 from 1996 to 2006.

If you look at the water supply, the fragile ecological communities around us and the unknown impacts of climate change, does it not make sense to make some judgement about how big Canberra and its region should get? However, if the commonwealth public service continues to expand—and my guess is that it will be reduced when Mr Rudd comes in, as he promised, but then will be increased again, much as it did under Howard—given that there will be changes to be made to personnel, then more people will come. After all, the upper levels of the public service, the SES offer very good packages these days, enough even to attract people from the corporate sector.

But I question whether it will be the ACT government's Live in Canberra campaign that brings them here. Instead, I would argue that we need to be increasing services, supporting the arts and creative industries, looking for a range of affordable housing solutions, ensuring a good supply of high quality childcare and pursuing a user friendly and energy efficient public transport system.

I want briefly to address arts funding. Arts funding is indicative. It has been said—by an arts patron, obviously—that when the arts attract as much funding as sport, we will be a balanced society. While the arts grants process appears to be working well and the members of the peer panels that support some applications over others do their best to spread the available resources fairly, there are some bigger problems that are not being addressed.

Now that the school of art and the school of music have been absorbed into the ANU, they would appear to be losing their artistic base. One would have thought it would be possible to sustain a symphony orchestra in Canberra and so sustain the teaching of a

full range of instruments. If those teachers were practising principals in the orchestra, such an arrangement could be and should be how the school works. We have excellent programs in our primary and secondary schools. We should provide opportunities to develop those skills at a tertiary level.

In the context of a deal over City West, it gives the ANU a lot of expensive land on generous conditions, and perhaps a bit of hard bargaining on how to make those schools really work for us would be in order. At another level entirely, this government, not the ANU, ought to be supporting local music organisations that could assist in joint promotion, development and support for local bands. But it does not. Instead of Live in Canberra, it should be “live in Canberra”. It is spelt the same but it sounds and means something different.

Dance is also popular in Canberra with younger and older people. But with the loss of the choreographic centre, there is no locally based professional practice now to aspire to or to inspire them. We have seen the loss of some excellent companies over the years. We do not even have an annual Australian dance and theatre festival. (*Time expired.*)

MR SMYTH (Brindabella) (8.11): Mr Speaker, in question time the Chief Minister ridiculed the opposition for asking questions about diversifying the economic base of the ACT. He said, “You only have to look out there. Look at the cranes on the horizon. Look at the activity. Look at the levels of unemployment. Look at the prosperity of the community.” Indeed, those things are true. But I do not believe any of it is as a result of the economic policies of the Stanhope Labor government. I want to contrast two lists and I want the community to know which government is truly looking after the future of the ACT.

Since coming to office, the Howard Liberal government has delivered for the people of the ACT the national museum, the new headquarters for IATSIS, construction of a national portrait gallery, two upgrades to the Australian War Memorial, work on Anzac Parade, a national police monument, a national SES monument, the National Library of Australia annexe, upgrades to the Barton Highway and the Federal Highway, school upgrades and upgrades to the mint and the national gallery. Then there is Commonwealth Place, Magna Carta Place, Reconciliation Place, NICTA and Epicore.

But, wait, there is more. There is the new Prime Minister and Cabinet building, the new tax office, the new transport office, the Centrelink building in Tuggeranong, the new AusAID building, Menzies Walk, the Australians of the Year Walk, the rose gardens at Old Parliament House, new defence buildings at Russell and other places, and the new ASIO building that will commence soon. They even upgraded Aunty up there on Northbourne Avenue with a new ABC office. Then there is the new DIMIA building at Belconnen, the new ABS office at Belconnen, the new IP Australia office at Woden, the federation guard HQ out at RMC, the upgrade of the archives building and more accommodation at the AIS.

That is the sort of list that someone from somebody’s government who is actually interested in broadening the economic base should be able to rattle off. That was the

point of the questions that we asked the Chief Minister. We will continue to ask the Chief Minister when he will honour his commitment to broaden the economic base.

If you look at the list of achievements of the Stanhope Labor government, they have managed to close a library and shopfronts, and they have a busway going nowhere. Then there is FireLink—and we got the report today—a prison, the statue of Al Grassby and the GDE fiasco. There have been so many unfulfilled plans and so many squandered opportunities. And for the Chief Minister to have the gall to say that the economic sunlight that shines on the ACT is of his creating I think is a symbol of someone who is delusional.

We only have to go back to the Chief Minister's maiden speech. It is a corker, Mr Speaker, an absolute beauty! It represents nine years of unfulfilled opportunities, nine years of missed opportunity. The Chief Minister made his maiden speech on 28 April 1998.

Mr Stanhope: Name one thing you did as a minister, Brendan, that the people of Canberra would remember.

MR SMYTH: The water legislation.

Mr Stanhope: Name one thing.

MR SMYTH: Secured the water legislation.

Mr Stanhope: You secured water. Ha, ha!

MR SMYTH: You want one?

Mr Stanhope: Brendan Smyth secured our water supply.

MR SMYTH: What did the Chief Minister say? Mr Speaker, you know that the Chief Minister is tetchy when he starts interjecting like this. He wants to go back. He has got to get a bit hairy-chested, a bit bolshie. He has to draw people to order. In a few minutes he will probably nick off and have a few more drinks with the media because he does not want to listen to this.

On page 27 of *Hansard* of 28 April 1998, Jon Stanhope said:

We believe that the priorities for achieving Canberra's economic security are ... to diversify the economic base of the ACT through a partnership between industry and government involving strategic industry planning and targeted industry assistance—

This is what is going on. He attacks the property council and the Canberra Business Council. But that is how he sees a partnership. He says that business whinges. That is strategic industry thinking. We have all missed the point. The Chief Minister is endeavouring to look after industry. In his maiden speech the Chief Minister went on to say:

Labor is committed to the expansion of Canberra's technology and tourism industries because those industries are particularly well suited to our region and offer considerable potential for jobs growth.

There you go. The IT industry is no longer a strategic sector, and last year we cut the daylights out of tourism. I see.

Mr Stanhope: How is tourism going?

MR SMYTH: That is how you build a partnership. You beat them to death.

Mr Stanhope: I was talking to the hotels association the other day.

MR SMYTH: This is the problem. The Chief Minister has lamented the economic base.

Mr Stanhope: They were complaining of a lack of beds.

MR SPEAKER: Order, Chief Minister!

Mr Stanhope: They could not keep up with demand.

MR SPEAKER: Come to order!

MR SMYTH: He has done it so many times in the past. On 22 August, during question time, just last week, Jon Stanhope said:

But across the board, in a jurisdiction such as ours, with a narrow economic base—

He goes on to say:

We have no mines. We have not yet been able to attract a uranium mining export licence.

But he does not list what he has done. I find it remarkable that anyone in the ACT, understanding the nature of this economy and its narrowness, would suggest that we should not have the degree of reliance on property that we do. Apparently the Jon Stanhope of 1998 thought we actually should diversify the economic base. He said it in estimates as well. He said:

We are a small jurisdiction with a narrow economic base—

Members interjecting—

MR SPEAKER: Order! Chief Minister and Mr Mulcahy, please do not have a conversation.

MR SMYTH: At the estimates hearing on 18 June, in answer to Mr Mulcahy, the Chief Minister said:

We are compensated for that. Nevertheless—
nevertheless—
it narrows our economic base and our capacity to raise ... tax.

Later that day he said:

We all know that that is simply unsustainable for a small jurisdiction with a small, and very narrow, economic base.

The timidity level has crept in. In 1998 he was going to fix it. But he has been Chief Minister for six years and apparently we still have a very narrow economic base. That is probably because we have got a very narrow Chief Minister with a very narrow view of business. On 28 June 2005, Mr Stanhope said:

In an environment where we, as a community, must be mindful of the narrowness of our economic base—

So it goes on, Mr Speaker. There are numerous examples, and plenty in the last couple of weeks. But the question now, after almost 10 years in parliament, is: what has Jon Stanhope, Chief Minister of the ACT, done to fulfil his commitment to broaden our economic base? The answer, Mr Mulcahy, is absolutely nothing, and it is getting worse because Ted Quinlan at least had the gall to put together an economic white paper. You would remember, Mr Speaker, that at the time he said it was just common sense; it was the bleeding obvious.

If you have an economic white paper, what can you achieve? If you are Jon Stanhope and you have a view to broadening your economic base, what can you do? On page 6, the economic white paper states:

With this in mind, there is a need to diversify the ACT ... to build a strong private sector.

Remember when private enterprise comprised 60 per cent of employment in this city. It has declined now to 55 per cent and is trending down. They are recent ABS figures. The Chief Minister has abandoned the private sector. In doing so, he has condemned Canberrans. The white paper states:

With this in mind, there is a need to diversify the ACT economy to build a strong private sector. We need to do this to lessen the economic dependency we have on Commonwealth activity, and because a stronger and more diverse private sector represents the bridge to the new economy that will help the ACT create a more dynamic and attractive society.

So we have abandoned the more dynamic and more attractive society, and we have abandoned the bridge, apparently. The bridge to the new economy is not being built. What would it look like? Will Jon Stanhope create Sydney Harbour Bridge in Canberra? Will it be tall and strong and striking? I do not think so. Will it be long,

like the Golden Gate Bridge in America? Not likely. Will it be like the Brooklyn Bridge that we can sell time and time and time again, like property, just to balance the books? I do not think so.

Perhaps it will be something modern and functional and elegant like the Anzac Bridge in Sydney. But that is probably not what the Chief Minister had in mind when he was building this bridge to the—what did he call it?—more dynamic and attractive society. Perhaps it is just a basic old army baby bridge, something functional to get you across the gap. Perhaps it is a pontoon bridge or a low-level crossing.

It is probably none of those. It is certainly not the parlour bridge. It is probably more like the rickety old rope bridge that appeared in *Indiana Jones and the Temple of Doom*. Do you remember that bridge, Mr Speaker? The valiant Indiana Jones and the evil Mola Ram fight on the bridge. Mola Ram attempts to rip out Indiana Jones's heart and the bridge collapses. That is the sort of bridge Jon Stanhope is building. It is a bridge too far. It is a bridge he is not game to go for because he does not have a commitment to business. Business is his favourite whipping boy. When they call him to task, he is more interested in beating them up.

So there we have it. The Chief Minister has been in the Assembly for nine years. On his first day here, in his first speech he said, "I am going to broaden the economic base of the ACT." We have seen nine years of inactivity. Do not hold your breath.

The economic white paper talks about the need to diversify the ACT economy. This used to be the most pro-business jurisdiction in the country. But after six years of the Stanhope government, we have seen dramatic cuts to Business ACT, to staff, expertise and programs and to tourism, sport and rec. (*Second speaking period taken.*)

We have also seen many recent instances of Mr Stanhope lamenting the narrow economic base of the ACT. We have seen his silly comments about the mines, but we have not seen any action. In fact, this government is now rapidly backing away from their economic white paper. There is no commitment to building this bridge to the dynamic and attractive society that Ted Quinlan wanted but Jon Stanhope has no commitment to.

What has the Stanhope government done to strengthen and expand the private sector in the ACT? Absolutely nothing! I asked the Chief Minister some questions about this in the estimates hearings. Some were taken on notice. What did I receive? I certainly did not receive any information that convinces me that the economic white paper will be implemented.

When you go through the documents and you look at the things that this Chief Minister has promised, the backing away is quite extraordinary. They could not tell me whether the public sector or private sector had grown or decreased. There are some numbers that purport to be an indication of how it is going, but they have got no idea. Without knowledge of where the market is going, you cannot plan for the future.

Mr Stefaniak read some comments by Craig Sloan, who said that the government, in its 2003 economic white paper, committed to a sustainable economy based on a

growing and innovative private sector. Where is the growth; where is the innovation? The answer is that the private sector, as a percentage of employment in the ACT, is declining. It is declining because the tax burden has been increased, the regulatory burden has been increased and the government's commitment, through the white paper, has been decreased.

How do we know that? The white paper—and I am sure you are well acquainted with it, Mr Speaker—contains four themes, nine strategic sectors and 47 recommendations. What are we doing at the moment? We are backing away from all of it. When I asked what they had achieved in the nine sectors, I got the same pat answer, whether it was for information and communication technology, space sciences, biotechnology, public administration, environmental industries, creative industries, sports science and administration and education and defence. No matter which area we looked at, the pat answer was “we do not know”.

Recommendation 13 of the estimates committee report—and I commend the committee for making this recommendation—is that the government outline its future plans for those industries listed in the white paper. What was the answer? The answer on page 7 of the Chief Minister's response, which was tabled this morning, is that we are backing away from having strategic sectors. What we are going to have is a general business economy from which everyone will benefit. Well, the question is how and when will we know that we have got there?

We now know that there are two levels of recommendations in the economic white paper. Yes, there are two different levels. For instance, when we look at policies for managing intellectual property, recommendation 40, the Chief Minister's response is that action 40 is a second order economic white paper initiative. I had not heard of second order initiatives before, Mr Speaker. We now have first order initiatives and second order initiatives. We no longer have strategic sectors and we have split up the initiatives into first order and second order. Of course, there are the discontinued initiatives, things like the small business commission and Screen ACTion, which has been changed several times.

The problem is that when you ask the Chief Minister questions in the estimates, when you drill down into this budget and when you look at how we are going to pay for the future—remember this bridge to a more dynamic and attractive society based on Jon Stanhope's nine-year desire to diversify our economic base—what do we find? We find nothing but a reliance on property tax, and if the business community has the absolute temerity to raise issues about property tax then they are just a bunch of whingers.

This raises a whole series of questions. I am sure the Chief Minister is about to jump up and tell me which of the 47 recommendations are now second order recommendations. That really moves quite dramatically away from the white paper. During the estimates the Chief Minister said on a number of occasions, and he has said it since, that the economic white paper is the basis of economic future in the ACT. In this line item in the budget the Chief Minister is asking for some \$42 million. Some of that used to go to business, and now it is a whole lot less. There is no commitment to the recommendations or to strategic industries.

Where is the government's strategy taking the ACT, and what confidence can there be within the business community in the Stanhope government? The Chief Minister could do a lot of things to change his rhetoric. He could stop describing the business community as whingers. That is not productive. Beyond that, the Stanhope government needs to be positive about what it intends to do to strengthen the private sector and to diversify the economic base of the ACT. The ACT must do all it can to move away from being a one-company town. In the *Canberra Times* of 23 July, Chris Richardson of Access Economics is reported as saying:

The ACT's reliance on federal spending is a weakness [and] it remains a "one company town" to a rather risky degree.

That is the analysis, and I do not think that anybody thinks of Chris Richardson as anything but an excellent economist. Canberra is a town condemned by a Chief Minister—a Chief Minister with no vision, no commitment, no consistency, no programs and no relationship with the business community—not to a broadened economic base, but a narrow base with high taxation on one sector, the property sector.

The estimates process covered indigenous issues, which, of course, is under the Chief Minister's Department. The Chief Minister again is riding roughshod over the community. He has picked a site for the bush healing farm. It is interesting that the bush healing farm is going to be right on the edge of the town. If he actually went out and spoke with the indigenous community, they would tell him that they actually want something in the bush. They want to take Aboriginal men, particularly young men, but all Aboriginals, if necessary, away from the city. They want to get them reacquainted with the land. They want to teach them skills. They do not believe they can do it in the city, and this is why the Kama site is unacceptable, and I am sure Mr Seselja will have something more to say about that.

There are concerns in the indigenous community about what is happening at the old museum site at Yarramundi Reach and some of the other services provided. Answers were not forthcoming in the estimates and there is confusion out there about the Chief Minister's commitment to indigenous people. Again, when he responds to this, and I am sure he will, he might like to outline what will happen there and explain his level of support for a true bush healing farm. There are a number of sites the community has picked out to the south of Canberra. They are sites that I understand are vacant and that the ACT could make available.

There has to be some communication there. It cannot be done by decisions handed down on high from the Chief Minister. If this is to work, he must take into account what the indigenous community wants. I think this is indicative of this whole budget process. The Chief Minister does not listen. He has got majority government. He hands down his dictums from on high and we as a community are suffering.

MR PRATT (Brindabella) (8.29): I wish to speak about multicultural affairs and, without question, support this line item.

Ms Gallagher: It is not in this department; it is in the Department of Disability, Housing and Community Services.

MR PRATT: Yes it is.

Mr Smyth: It might be in TAMS.

Ms Gallagher: No, it is in the Department of Disability, Housing and Community Services, but it is not in this output.

MR PRATT: Mr Speaker, I will continue, unless you rule me out of order. There is broad confusion but I will proceed, unless you rule me out of order. I wish to speak about multicultural affairs, which I presume is part of the Chief Minister's department, so I will speak accordingly. On page 67 of budget paper 3 there is expenditure of \$125,000 for the culturally and linguistically diverse women's program and \$250,000 for the outyears, which is welcome money.

I welcome the initiatives that have been taken. I congratulate the Minister for Multicultural Affairs on his announcement today that bus transport initiatives will be implemented for the carrying of elderly multicultural citizens, which I think is a good initiative. Elderly folk in the multicultural community need much more assistance than they have been getting. As they grow older they tend to revert to their first language and sometimes feel a lot more disoriented than the rest of us at that age, so any initiative that is implemented to help them out would certainly be welcome.

I have not seen too much in the way of grants to the South Sudanese community. I wanted to raise that issue and to put in a plug for the South Sudanese community, an interesting community that is going through—

Mr Hargreaves: You are in the wrong department.

MR PRATT: You are about the fourth person to raise this issue.

Mr Hargreaves: Just keep going.

MR PRATT: I am on a mission and I will just have to proceed.

Mr Hargreaves: If I were you I would keep it to the right department and then get it in context.

MR PRATT: I have received three sets of conflicting advice. I will continue unless you want me to delay it until another time when you are around.

Mr Hargreaves: I have been around all the time.

MR PRATT: All right, I will proceed. So the South Sudanese—

Mr Hargreaves: It is a bit of a waste.

MR PRATT: At the moment the South Sudanese community, which is in transit, is trying to settle into the ACT. We know that South Sudanese youth are having some difficulty settling in. When you talk to the pioneers of that community in the ACT they tell you that they are rather concerned about rendering much more assistance to their youth. They are concerned about the fact that they are getting only \$1,000 to \$2,000 to enable them to run their operations.

They have only one or two workers who cannot be paid. Operating costs for telephones and correspondence are simply non-existent. They have a lot of work to do. The elders of the South Sudanese community work rather closely with the police and community services to assist those young men at risk. Unfortunately, proportionately, there are too many in the community, so it is rather sad that this budget has not met what I think is an important need in that community.

The South Sudanese community is probably one of the more vulnerable groups within the broader multicultural community. I just hope that the minister can move down the track and see whether he can rectify that over the next six to 12 months. When we talk about government waste how can I go past the Grassby statue issue which we have often talked about? An amount of \$76,000, which I imagine is capital funds left over from centre construction works, has been spent on that project.

Even within the multicultural centre other works or activity could surely have been undertaken. I know, for example, that community groups would have liked to have had a bit more support in the way of office infrastructure. I do not see why some of that funding could not have been allocated to those sorts of fit-out works, to make the multicultural centre a bit more diverse, to provide some additional services, and to support our multicultural communities. Instead that money was spent on the Grassby statue.

Today we have spoken about the process that led to the creation of that statue, so I do not need to go through it again. It is rather sad that money was spent on it at all. That money could well have been spent on other capital works activities in and around the multicultural centre, or on other more appropriate structural works around town. I would be surprised if there was universal support for that project. I very much doubt whether there was universal support in the multicultural community for that project. I am not referring to broader community debate about the Grassby statue; I am focusing merely on the multicultural debate.

Beyond that it is sad that there are no other initiatives. There are certainly no other initiatives in the budget. The minister has not rethought a decision he made some time ago to dissolve MACMA. I would have thought that the Office of Multicultural Affairs would have been better served by MACMA operating and providing the minister with sound advice. I sympathise with the minister as he might still be struggling with the old ACT Multicultural Council. I do not know where that is going but the news that we will lose that council is not good news. It is rather sad that that council will die through a process of natural selection. I would have thought there was room for the council and the forum, two independent groups, to provide services to their members but, alas, that will not be the case.

The last thing I would like to touch on relates to tension within the Muslim community, an issue that was raised in the media over the weekend and last week. The minister talks often about harmony and peace in the Muslim community and between the Muslim community and the broader multicultural community. It is right for him to talk often about that, and we support him entirely.

I know that the minister is aware of simmering tensions within the ACT Muslim community over the management and leadership of the Canberra mosque, with yet another controversial changing of the guard in the last week or so. (*Second speaking period taken.*) I am sure that the minister is aware of tensions relating to both the leadership and management of the Canberra mosque. Alarming, we continue to see strong allegations in the ACT and national media alleging extremist preaching and mismanagement of funds for the management of that mosque. I am sure that the minister is well aware of those reports.

When the minister replies to this debate or when we discuss multicultural issues later he might let us know whether he is aware of those tensions and those allegations. In relation to those allegations is the minister being well advised by the appropriate authorities? On the one hand there are allegations in the newspapers, and on the other hand there are allegations from a section of the community, which it might be said has its own agenda anyway.

Mr Hargreaves and I are in no position to know what is happening in relation to those allegations. However, those allegations have been made and those tensions are there. Hopefully something will be done about it to ensure good harmony in our community. I want to know whether the minister is being well advised by the authorities on both issues—those allegations and those tensions. Is the minister able to advise us whether he is aware of external funding for the Canberra mosque from three embassies?

Does the minister happen to know whether that funding is being allocated to a Canberra mosque committee which will be accountable to its membership for any expenditure? I am aware that that is not a government responsibility, as it does not involve any ACT government funding. However, given that this activity sits beneath the ACT multiculturalism umbrella and that the minister and all members are keen to ensure that there are no ongoing tensions, what will the minister do to help that community get through this problem?

Are funds from those three embassies being given to a single person who will spend it on that mosque as he sees fit, or are those funds being given, more properly and as is the normal practice, to a multicultural community committee? If that is the case, that is a good way in which to reduce tensions. Will the minister answer a couple of those questions at some time during debate on Tuesday or Thursday? I know that he does not have direct responsibility for these matters, but he has a moral responsibility, as Minister for Multicultural Affairs, to exercise a bit of leadership and influence.

The minister, who has a lot of influence, can help the multicultural community to resolve these problems and ease those tensions. I look forward to the minister's advice on that. I would also like to know whether funding for special events—I think it is

\$125,000 in the first year and \$250,000 in the outyears—includes funding for the multicultural festival. Is the minister confident that the multicultural festival will be well funded this year to ensure that it is as successful as it has been in the past?

MR HARGREAVES (Brindabella—Minister for the Territory and Municipal Services, Minister for Housing and Minister for Multicultural Affairs) (8.43): I will respond to a couple of issues raised by Mr Pratt. Within the context of the budget papers I observe that Mr Pratt was referring to the wrong department. Largely, from a government perspective, multicultural affairs comes under the Office of Multicultural Affairs, which is part of the Department of Disability, Housing and Community Services, an issue that will be debated more substantially later. Mr Speaker, I sincerely hope that you do not age visibly while we are waiting for that to occur.

When I was upstairs listening to the debate I wondered why somebody would refer, wrongly, to an issue but then ask what seemed to be reasonable questions. I observe that, as a lunar eclipse of the moon is occurring at this time, I can only surmise that it has had an effect on our good friend Mr Pratt. I would not be surprised if it has because in ancient times, lunar, a Roman word, was heralded as a reason for lunacy.

I will specifically address Mr Pratt's questions and take them in reverse order. Mr Pratt touched on a couple of very serious issues and I will respond to him in a very serious vein. He is quite right when he said that it is not the government's responsibility to reasonably influence the donation of funds by three embassies, or the application of funds to the mosque or to officials within the mosque. It is beyond our powers of interference.

But I am aware that there are tensions on both sides of the Islamic community about the application of those funds and I am aware that there are investigations as to the application and the acquittal of those funds. However, I advise the chamber that we need to tread delicately because of the delicate balance that exists in the diplomatic community. We are talking not only about external funding for a religious institution, which carries with it its own dangers; we are dealing with the diplomatic community, and we need to be particularly sensitive.

As such, when these issues came to my attention some time ago, I made the deliberate decision to stay well away from influencing the application and acquittal and bringing to account of those funds, but I made myself aware of what effect the contribution of those funds and their destination were having on two communities that are at odds at the moment. I am aware of allegations in the newspapers of inappropriate activities but, as Mr Pratt quite rightly pointed out, these are newspaper allegations and they need to be substantiated.

However, I believe that those sorts of matters are the province of proper authorities such as the police and, in some cases, ASIO. I have confidence that those agencies will move if circumstances or evidence is presented to them, and they have our full support. Those agencies are unlikely to inform me because I do not have an involvement with those religious communities any more than I have an involvement, for example, with the Catholic and Protestant churches—if we were talking about Protestant-Catholic issues around Ireland and the provision of funds to the IRA—nor

would I expect to have information from those agencies about the activities of people in the Tamil community, for example, raising funds for the Tamil Tigers.

Mr Pratt: If potential criminal activity is affecting the community you might be briefed.

MR HARGREAVES: Mr Pratt talks about potential criminal activity and I accept what he says. But we know that when it comes to fund-raising activities by people in the Tamil community in support of the Tamil Tigers it, too, is an illegal activity. Quite frankly, it is outside my range of responsibilities. Naturally enough, I take an interest, but I do not go seeking information from the proper authorities. I like to keep in touch with the communities themselves and to glean whatever information I can about that to see whether it will have an effect on those communities.

I leave policing and security matters to the proper authorities. To be quite honest, it is beyond my level of competence to deal with them. I hope that I have been able to respond to Mr Pratt's concerns. There is another related issue, an initiative of the Chief Minister, about which I am sure Mr Pratt would like to be made aware. On the Chief Minister's initiative I created the Muslim Advisory Council. Curiously enough, the membership of the Muslim Advisory Council includes members of the Islamic faith from both camps.

I have had meetings with the council seeking resolutions to the problems that it has. I recognise and pay respect to the fact that essentially we are talking about a factional issue in the context of a religious environment and we must be particularly sensitive. We do not have the right, and nobody has the right, to march into the Muslim community and demand resolution. However, we can provide opportunities for mediation and conflict management. I have offered those services to the community; indeed, I have offered myself as a mediator in those events.

In one very long Muslim Advisory Council meeting we discussed these issues in depth, and I congratulate the members of that council on putting some deep-seated feelings on the table. I thank them for their honesty and their contributions. I thought we had found a solution, but when we have something as deeply steeped in emotion and religious feeling as this we cannot expect an easy or a quick resolution. These problems will be resolved over time, people will fall and falter but we will be there to assist them in finding a solution.

The Muslim community knows that this government—I hope that I can speak on behalf of Mr Pratt as well—stands ready to give whatever assistance it can to ensure that this community is at one with the rest of Canberra. I say that with all sincerity. I would just like to correct the record and Mr Pratt with respect to the Ministerial Advisory Council on Multicultural Affairs. It was not a ministerial council on multicultural affairs; it was the Chief Minister's council on multicultural affairs and there is a big difference.

In the days when the Chief Minister was Minister for Multicultural Affairs he had a particularly busy workload and that prevented him from meeting individually with the 90-odd communities we have with a regularity that satisfied him. So he asked me to

become the Minister for Multicultural Affairs and I decided that what was needed was for a government minister to go and talk to the communities first hand. I was also aware that that advisory council had its internal problems which were not resolvable. I was not prepared to continue with an advisory council that was dysfunctional and that did not represent the totality of people in the ACT.

Mr Pratt talked about the South Sudanese, a perfect example to which I will refer in a second. That community and the Hmongs and the Lao people, who are very small communities, had no access to government thinking through that ministerial advisory council. The paramount leaders, if they call themselves that—

Mr Pratt: They should have.

MR HARGREAVES: The point is that there are 90-odd communities. In the view of these leaders MACMA was a dysfunctional advisory council. I decided that I did not need the advice of this group constituted as it was.

Mr Pratt: But you could have replaced individuals, John.

MR HARGREAVES: Perhaps I could. (*Second speaking period taken.*) I needed to bring into the government's thinking all the views of individual communities. I launched into a series of ministerial forums where I met, informally, almost all the communities and spoke to them about their needs, wants, desires and all those sorts of things. That culminated in a multicultural summit at the end of 2005 from which came a document entitled *Multicultural strategy*.

I did not go with this for two reasons: first, MACMA was very dysfunctional; and, second, I needed to see these communities first hand and they needed to see me first hand. When the government has done about as much as it can and it wants to hand over these issues to leaders of that community, it might well consider a further advisory council. I will not do that the moment but I will not rule it out in the future.

I will speak for the last time in this debate about the statue. The application of those funds elsewhere in the multicultural arena or anywhere in the capital arena would have been illegal. Those funds were part of the building costs appropriated for that purpose; they were not to be appropriated for anything else. Those funds had to be used in the context of that building, for artwork for that building. Because construction costs were under expended we had an opportunity to use those funds, but I could not apply them anywhere else.

I have said before in this chamber that all the financial arrangements were clearly on the table. If people wish to query the philosophy of that decision I have no quarrel with that and I am happy to argue with them, but the process was legitimate and it has been proven to be so. I refer, finally, to the South Sudanese, an issue that Mr Pratt talked about. We do not make specific allocations in the budget for specific communities unless it is within the context of certain grants, such as ethnic schools grants, multicultural grants and those sorts of things. Those things are done through application.

In a group sense the South Sudanese people are a recent arrival to the ACT. Significant support has been given to this group which has some unique problems. At this point I pay credit to Kathy Ragless and Jeff McPherson from Companion House. They have done some remarkable work with young men in particular who have come to Canberra from Sudan—an awful and oppressive regime. I also pay particular credit to the young Sudanese men.

Recently, in the context of money that has been made available in the multicultural area, the strategy talked about a ministerial or multicultural youth forum. That youth forum, which has been held, was led not by us but by youngsters in the group who then became leaders and led the rest of their group. They advised the government what to do and I made a ministerial statement about that just the other day. I was delighted to see some young Sudanese men in that leadership group and I pay credit to them.

So we are not neglecting them. Furthermore, we are supporting them. Mr Pratt talked about a moral responsibility to help as well as providing money. We are supporting young Sudanese men who, as I mentioned, have a couple of unique problems. Recently I attended their soccer game to ensure that I raised its profile. It was a sensational day.

When young Sudanese fellows come into town they get together in groups to give themselves peer support. They do not know how to cook or how to do basic things because in their society women have always done those things for them and they do not have it in them to do that. We have to train them in the activities of daily living and to do things like that. Companion House runs a cooking class for young men for which it should be applauded. I have contributed an easy-to-cook recipe that a bloke can do that is incredibly nutritious and a lot of fun.

Mr Pratt: What is it?

MR HARGREAVES: As it turns out, it is a chicken casserole that can be made in 20 minutes. I am happy to give members the recipe later.

We do support these communities. Mr Pratt referred also to the multicultural festival. From time to time sponsors come, sponsors go, sponsors are replaced and sponsors go on. The level of support that the ACT government is giving the festival this year is the same as it gave it last year. The festival, which will occur in 2008, will be bigger and better than usual. A lot of planning is going on right now and we are receiving expressions of interest from people who want to participate in it. The dates are set, it will be held in February, and it will go ahead as usual.

This government is committed. It is known across Australia as the flagship of multiculturalism, as expressed in the ACT. Last year 140,000 people came in the pouring rain. The year before 160,000 people came when it was not pouring rain. Indeed, people have come from as far away as Perth and Brisbane just to participate, and some people from overseas participated as well. We are not talking about performers; we are talking about people who want to enjoy themselves. So the festival

will go ahead particularly well next year. I hope I have been able to address some of the issues that Mr Pratt has raised.

MR SESELJA (Molonglo) (9.00): I thank Mr Hargreaves for his contribution. I understood that he was going to take one minute to respond because it was not the right line item, but he has taken 15 nonetheless. I appreciate his input, as always. I want to raise a couple of issues in relation to this line item. The first relates to the issue of Kama. It has been touched on before, but I just wanted to take the Assembly through some of the issues surrounding that. Our concern is about the government's failure to be transparent on this issue. Kama came about through a constituent follow-up at my office and uncovered through an FOI request. We have document after document detailing the issues around Kama. Essentially the area of embarrassment for the Chief Minister was the fact that it became public that he had pushed ahead against advice on this issue. That of itself I do not think is a problem.

Mr Stanhope: It is not true.

MR SESELJA: Of course, public servants give advice and ministers are free to—

Mr Stanhope: Produce that advice, Mr Seselja. Produce the advice.

MR SESELJA: I will get to that part, Chief Minister, thank you.

Mr Stanhope: Then produce it like Jacqui Burke. Give us your press releases.

MR SESELJA: I think it is up to you to produce the advice but it is referred to in your documents.

Mr Stanhope: No, it is not.

MR SESELJA: The Chief Minister interjects saying, "Produce the advice." This is the whole point. We have been asking for this advice—

Mr Stanhope: There is no advice.

MR SESELJA: —which is referred to in his documents. So either his department has produced fraudulent documents, incorrect documents—

Mr Stanhope: They did.

MR SESELJA: They did! Mr Stanhope says that his department has produced fraudulent documents.

Mr Stanhope: No, I didn't.

MR SESELJA: This is what he has interjected across the chamber.

Mr Stanhope: Point of order. I said no such thing. I interjected that the statement in the department document was wrong; I did not say it was fraudulent, but it was certainly wrong, and the officer is more than willing to declare it to be wrong.

MR SPEAKER: Order! There is no point of order.

Mr Stanhope: It is wrong. The point of order is that he attributed to me that I interjected that something was fraudulent. I said no such thing. I ask for that to be withdrawn. To suggest that I said a department document was fraudulent is false.

MR SESELJA: You did.

Mr Stanhope: If he does not withdraw it I will censure him as a liar. I will censure him.

Members interjecting—

MR SESELJA: He's very sensitive.

Mr Stanhope: This is a lie and I will not have it on the record.

MR SESELJA: It is not a lie; you interjected. Sit down.

MR SPEAKER: Order! Disorderly interjections do not help. There is no need for conversations across the floor about issues. Mr Seselja, stick to the subject matter of the question before the house, please. Now, Chief Minister—

Mr Stanhope: I will censure him if he does not withdraw that. I will censure him now as a liar.

MR SPEAKER: What is it you want withdrawn?

Mr Stanhope: The suggestion that I said a document was fraudulent. That is false.

MR SESELJA: Well, you yelled it out.

Mr Stanhope: I did not.

MR SESELJA: What did you yell out then?

Mr Stanhope: I am happy to have the record checked.

MR SPEAKER: Order! Resume your seat. I cannot order him to withdraw that.

Mr Stanhope: I just conclude on this then. I take this seriously. The suggestion that I said a department document was fraudulent is a lie.

MR SPEAKER: Order! Just withdraw that.

Mr Stanhope: I withdraw that. It is not true. The *Hansard* will reveal that I did not say it. The minute I get the *Hansard*, I intend to censure the member.

MR SPEAKER: Resume your seat. That is a debating point, and you have got plenty of opportunity—

Mr Stanhope: No, I just want him to know.

MR SPEAKER: Well, you have plenty of time to debate the issue when it comes to your turn to speak, Chief Minister.

Mr Stanhope: I said the document was wrong.

MR SESELJA: If the Chief Minister is able to prove that the exchange there is as he said, of course I will withdraw, but I stand by what I said because he did yell that across the chamber. He is free to check the *Hansard* on that. But Mr Stanhope was interjecting on this issue, and he interjected, essentially saying, “Produce the document,” and this is the fundamental issue that we are talking about. We want the document; that is all we wanted. It is a document that is referred to in departmental documents. It is unfortunate if, when we put in an FOI request, we cannot rely on the veracity of what is in these documents. It is not referred to just once. It is referred to at least twice, so this phantom document, that apparently does not exist, is referred to twice. This is the problem. This is the fundamental issue.

Mr Stanhope’s sensitivity here reflects the fact that he is simply failing to provide the document that we asked for and he simply failed to provide sufficient answers to our questions on this. We can surmise as to why he would not have wanted to answer questions or produce documents on this. But it is apparently an area of real sensitivity. What we have from the freedom of information request was advice in relation to Kama. The advice said that this was to be solved and it referred to the valuation for this site. Mr Stanhope is free to ignore the advice, but it says in a departmental document that we received, under freedom of information, “I understand that Nic Manikis had put up a proposal not supporting the site for the health facility but the Chief Minister is determined to proceed.” That obviously reflects one thing: the Chief Minister is determined to proceed regardless of the advice. He is free to do that, but he clearly had a sensitivity on the issue that he was determined to proceed against the advice.

We simply asked for that advice. We asked for that advice during the estimates process and we did not get it. I understand, when this issue was taken on notice, eventually, we received a response, I believe from the Acting Chief Minister at the time, suggesting that because we had received documents under the Freedom of Information Act, and this had been an exempt document, and we had not challenged that decision, that somehow they should not have to give it up through the committee process. That is a ridiculous assertion. It is an absolutely ridiculous assertion that that has anything to do with it.

Regardless of whether they misunderstand the act or otherwise, the standing orders allow a committee to request documents, and it is incumbent upon the government to provide those, except in very limited circumstances, none of which were made out here. It is not a defence to say you did not challenge a freedom of information request

under which we suppressed that particular document under a particular provision. We constantly get documents under freedom of information where many documents are exempted. We do not have time to be challenging every one, but regardless, even if we do not challenge it, they are totally separate processes.

Mr Corbell interjecting—

MR SESELJA: The Attorney-General interjects. If he does not understand the law on this, maybe he should go and check it. The Freedom of Information Act operates separately from the standing orders, and the Attorney-General and the Chief Minister and the Acting Chief Minister should be aware of that. Clearly here, there was a point of embarrassment.

We referred to the documents we had; we took them at face value. We read from the documents that said, “I understand that Nic Manikis had put up a proposal not supporting the site for the health facility but the Chief Minister is determined to proceed.” We asked for those documents, and that was referred to elsewhere, I understand, in the freedom of information request. So, if it is incorrect—it is referred to more than once—we simply cannot rely on what is being given to us. That is why we ask for the document.

We also have here the transcript in relation to the proposed auction for the site. I said to the Chief Minister, “They were going to auction it, though, weren’t they?” and Mr Stanhope responds, “No. Actually, you have been misled too, Mr Seselja.” He goes on to say, “It was not listed for sale. There was no impending auction or imminent auction, let alone was the land included in the land to be sold in the financial year.” But the documents tell us—we assume they are correct—that they were planning on auctioning it some six weeks after the time that those documents were produced.

So the Chief Minister on the one hand says that there is no impending auction, but on the other hand we have documents from the LDA that say there is going to be an auction in six weeks. If it was not listed for sale in that financial year, it is referred to in the documents as being prepared for sale six weeks hence—six weeks hence. This was the issue here. The issue here was he had his facts wrong on the auction, saying there was no imminent auction, when the documents contradicted that, and we also have the issue of not providing this proposal as referred to, this proposal that the Chief Minister now denies ever happened.

This is a serious issue. The response that came from the question on notice demonstrates a sensitivity here and it is the sort of thing that if the government was up-front about it and came clean with all the documents we would not have to have this argy-bargy over whether the documents are correct. We could judge for ourselves and we could take a look at it. It is disappointing that the Chief Minister has failed to provide those and failed to assist us in doing the proper job of an estimates committee.

MR STANHOPE (Ginninderra—Chief Minister, Treasurer, Minister for Business and Economic Development, Minister for Indigenous Affairs, Minister for the Environment, Water and Climate Change, Minister for the Arts) (9.10): I regret that I

have got to spend time this evening responding to a total and complete misunderstanding by Mr Seselja of the documents he was provided and of the issue.

It is the case, as I said, that the quote that he referred to from an officer—I am not sure in which department, I think perhaps TAMS—refers to advice by Mr Manikis which does not exist. It may be that there was a conversation between officers. The officer involved—and I informed estimates of this—Mr Nic Manikis, has given a written statement that at no stage did he ever provide advice to me or to the government about the suitability or otherwise of Kama. An officer refers to advice in an ambiguous sense that suggests to Mr Seselja and those who refuse to listen that such advice was given. That officer is prepared to say, in a statutory declaration if required, that that was her understanding of what Mr Manikis was saying, but she never saw any such advice and she has no reason to believe that such advice to government exists.

One of the two officers concerned has already given a written statement, which I have provided to estimates and which Mr Seselja chooses to ignore, essentially suggesting that Mr Manikis is lying about what he did or not did do. I have asked, as a result of the concern of the opposition in relation to this matter, every chief executive in the ACT government service for their clarification of the issue and for them to reveal to me any advice within their agency which could, in any sense, be described as advice to the government about the unsuitability of Kama. Not a single agency head or ACT government agency, despite a thorough search, has been able to find a single piece of written evidence or documentation from Nic Manikis or anybody else which suggests to the government that this site was not suitable. Mr Seselja now makes a great deal of the fact that the government refuses to provide this advice. Do you know why this advice has not been provided under the Freedom of Information Act or pursuant to the request of the committee? Because it does not exist. That is the view and the advice to me of every single chief executive within the ACT government.

It is a dreadful conspiracy. The answer is simple. The reason, Mr Seselja, why the advice was not provided to you under the Freedom of Information Act or pursuant to a direction or a request, which in fact I took on notice—another little issue that you need to clarify in your constant, regular misleads in this—is when requested by the committee to provide the information—

MR SPEAKER: Order! Withdraw that.

MR STANHOPE: I will withdraw that and we will deal with it in the censure motion. We will be; unfortunately, we will be. There is no such advice. It does not exist. I can get as many statutory declarations from as many ACT public servants as you like. You can appeal under the Freedom of Information Act; you can take it to the Administrative Appeals Tribunal. There is no such advice. It does not exist. The committee was told it does not exist. It was not released or revealed under the Freedom of Information Act; it simply does not exist. You are wrong. You made a mistake in your assumption—you got it wrong.

So these wild allegations, these suggestions that there are fraudulent documents or fraudulent statements, this attributing to me motives about my behaviour are based on a falsehood, a false understanding, a refusal to accept advice given to the committee

in writing by Nic Manikis; a refusal to accept that the government would act honourably and in accordance with the Freedom of Information legislation in relation to the release of documents. There is no such document. The government has never received any such advice. Those are the facts. As painful as those facts are to Mr Seselja and his lovely little conspiracy theory, those are the facts. There is no such document. There is no lack of integrity. There is no non-application of the Freedom of Information Act. There is no refusal to provide the committee with the documents that it sought—none.

Mr Corbell: A pretty basic error.

MR STANHOPE: A very basic error, a *Boston Legal* type error—the sort of stuff that we see litigated through *Boston Legal*. You are simply wrong, Mr Seselja, and we will see what you are made of in your response to that fact. The matter is quite simple.

Mr Corbell: Stand up and correct the record.

Mr Seselja: Which part am I correcting?

MR STANHOPE: All of it.

Mr Seselja: All of it?

MR STANHOPE: You have made a shocking series of miscalculations, wrong assumptions and false allegations in relation to this. Keep pursuing it, mate, to your heart's content. You are wrong—dig the hole deeper. You are making and have made a fool of yourself, and I can produce all the evidence to the effect that you are just wrong. This is a very simple issue. I guess when you go looking for conspiracies you think you are onto something hot. You take your eye off the ball, you make a whole range of assumptions, jump in head first, make a complete goose of yourself and this is where you end up.

I simply wanted an assurance that every possible non-urban site in the possession of the ACT government that might potentially be a reasonable location for an indigenous-specific drug rehabilitation facility was investigated. It was the strong wish and desire of the indigenous people of the ACT to have a non-urban centre for what they refer to as a bush healing farm, a process or a notion that we have been pursuing, or an indigenous-specific drug rehabilitation facility.

In my strong desire to deal with one of the most pressing issues facing indigenous people within the ACT—namely, to deal with the high levels of addiction within that community—I sought to identify a site. In the context of being advised that there was a site—and it only came to my attention because I saw it in a brief in relation to activities of the Land Development Agency and land that it was in the process of identifying and releasing to the market; I would not have known it existed but for that—I said, “Has this been investigated?” I can tell you exactly what happened. I said, “Has this site”—which I did not know existed or was available for other purposes—“been investigated as a site for an indigenous-specific drug rehabilitation facility?” I was told no.

I responded that I had an expectation that every non-urban property in the possession of the government would be investigated for suitability. So I said, "Please give me advice on whether or not this site would be suitable." I have never visited it; I have no idea what it looks like; I do not know what capacity it has. I have never been to Kama. I have never seen the homestead. I have no idea whether it would or would not be suitable. To suggest I had made up my mind is absurd. I have never been to Kama. It might just be a rickety old shack. It might be completely unsatisfactory as an indigenous-specific drug rehabilitation facility. We are talking about a health facility. There would be certain requirements. I simply did not know and I wanted to be informed.

So of course it is reasonable in that context—in the context that a request from the Chief Minister for advice on whether a particular facility was suitable as a drug rehabilitation facility—that any action that might have been in place be put on hold. That is what happened. It was put on hold until the government received advice.

As it transpires, Mr Manikis, through his office in indigenous affairs, is preparing a cabinet submission and, yes, the government has received advice from Mr Manikis on Kama. The advice we received was: "Chief Minister, this matter should be subject to detailed agency consideration. We will actually outline for you in the cabinet submissions the pros and cons of proceeding with this particular site." That is the story. There is no conspiracy. There was no undue interference in the sale process. There was no sale lined up. There was no sale date.

Certainly, certain agents had been approached and invited to tender to be the selling agent. Four agents responded to that with a tender. No decision had been made. They were simply rung and told, "Well, look, at this stage we are not proceeding. The sale is on hold. We will not consider your particular expression of interest in being the selling agent for this land because we are not at this stage going to sell it." Cabinet will be dealing with that cabinet submission in the next month or two. It might be that it will advise the government that this is a totally inappropriate site, in which case the sale will proceed. But if it does identify it as an inappropriate site, it will be on the basis that it has identified a better site.

This is the process we are now engaged in as a result of the detailed submissions the government received from Nic Manikis. This is signed "Nic Manikis" and essentially says, "Chief Minister, before we are in a position to provide you with any advice on whether or not Kama is an appropriate site, we need to do a detailed assessment. We will do this through the cabinet submission process. We will, Chief Minister, invite every department or agency with an interest in this particular issue to give us their perspective on whether or not Kama would be an appropriate site." The government is awaiting that advice. The government has no advice on whether Kama is an appropriate or otherwise site. In fact, the government has no advice on any site. It is all being done in the context of the cabinet submission which is currently being developed by all of our agencies.

I will take the opportunity to respond to a couple of other issues that have been raised. One issue in particular that I wish to address is the extent to which the ACT economy

has failed, according to Mr Smyth, in recent years. That, of course, is far from the truth. As the government for the past six years we certainly have provided an environment in which business in this particular economy could flourish.

Could I just go through some of the indicators that reveal the extent to which the ACT is experiencing a period of sustained economic growth and prosperity. While the standard of living in the territory has been historically higher than that of the Australian community, the past few years—indeed, the past five years—have seen an unprecedented burst of economic activity that has altered the skyline—not the past 10 years, the past five to six years. The five years before that were not so bright. In the past few years there has been an unprecedented burst of economic activity that has altered the skyline, increased the ACT's population and given the people of Canberra far greater consumer choices.

There is clear evidence to support the claims of the strength of the ACT economy. Of course, as all members would know, one of the best overall measures is state final demand, which describes the level of spending in the economy. It is currently growing, as every member in here would know, at an annual rate of 6.2 per cent, above the long-run average of 4.4 per cent. To March 2007, ACT demand grew faster than the national rate of 4.1 per cent and the New South Wales rate of 2 per cent. The rate in the ACT is 6.2 per cent of state final demand. The rate in New South Wales is two per cent and the national rate, 4.1 per cent. So, it is two per cent higher than the national rate.

Interestingly, to illustrate the progress we have made—and this is relevant in the context of the performance of the Liberal Party in government, in the first five years of Howard, at the time that Labor came to power in the territory, in 2001, annual demand in the territory was growing at 0.3 per cent. Since we came to government, in the past six years, state final demand has grown by 36 per cent, from a base, when we took over from the Liberal party, of 0.3 per cent, outstripping national demand growth of 31 per cent and New South Wales demand growth of 21 per cent.

Of course, you cannot say that the source of this demand is confined to one segment of the economy. Certainly the commonwealth has been relevant to that. Contribution to the growth has come from consumption spending by households, consumption spending by the commonwealth government and private investment spending in non-dwelling construction. Growth in certain areas of the economy is also having a flow-on impact to other areas of the ACT economy. Growing ACT incomes and good employment prospects are stimulating consumption spending, leading to the influx of new retailers, the construction of new shopping complexes and the redevelopment of existing shopping complexes in the territory.

The government has helped to provide this economic environment which is conducive to rising living standards. Since 2001, when Labor came to power, and this is relevant too, gross disposable income per capita in the ACT has risen by 34 per cent—since we came to government—from \$33,887 to \$45,382 which, of course, far exceeds the national story, where incomes have grown by only 23 per cent to \$29,257 and in New South Wales where incomes have grown by only 17 per cent to \$25,782.

Increased spending by the commonwealth government in the ACT, largely in the form of expansion of the size of the public service has, as we all know, led to demand for more high-quality office space, resulting in an unprecedented growth in non-dwelling construction activity. The volume of new non-dwelling construction activity experienced in 2006 exceeded even that reported during the period of construction of the new Parliament House in the late 1980s. That is a very significant fact: we have over this past year exceeded the peak year of construction activity in the ACT—I think 1986. Every figure in the ACT, every achievement, shows that this government, this Labor government, has provided a stable, investor-friendly economic environment.

When we came to power in October 2001, annual spending under the Liberals on non-dwelling construction in the territory was \$252 million. Annual spending to March 2007 was over \$1 billion, and taking into account that unique year when we hit \$1.7 billion but reducing it back to an average of \$1 billion, there has been under this government an increase of 300 per cent in non-dwelling construction in the territory—against non-dwelling construction of 75 per cent nationally and 50 per cent in New South Wales.

Similarly, the ACT labour market exemplifies the prosperity of the ACT economy and, of course, the role which this government plays in providing a conducive economy and a place to work and to do business. You cannot say that is not the responsibility of this particular government or that there is no aspect of the environment within the ACT in relation to which this government cannot claim credit and we do. Just look at the numbers between 1995 and 2001 and the numbers between 2001 and 2007. The contrast is remarkable. Current trend unemployment is the lowest ever at three per cent, well below the national unemployment rate and, of course, much lower than New South Wales. Strong demand is also having a very positive effect on employment growth. In July annual employment growth was 3.8 per cent, the highest year-on-year employment growth since 2001. Under this government, under this Labor government, employment in the ACT has risen from 170,500 when we came to power in October 2001 to 188,000 in 2007, an increase of 17,500 jobs, or 10.3 per cent. Indeed, ACT jobs growth has largely been driven by full-time jobs.

That is a brief outline of the ACT economy and of the environment which this particular government has produced over the past six years. It is particularly instructive to look at the performance of the ACT economy in the first five years of the Howard government and to look at it in the last five years of the Howard government. The difference is incredibly stark—amazingly so.

To rebut the suggestion that this government has done nothing for business, one just has to look at each of those economic indicators—that the environment has been provided, that business flourished, that levels of confidence are higher. One of my great honours as Chief Minister is that every three months I share a platform with Chris Peters of the chamber of commerce to release quarterly surveys of confidence in business expectation. It is interesting and illustrative to talk to Mr Peters about the increasing levels of confidence within the ACT economy, the increasing levels of profit, the increasing levels of employment, and the growing confidence of the

business community within the ACT. Chris Peters, to his credit, is prepared to give credit where credit is due.

Of course, there is a whole range of business support programs at the macro business environmental level, and indeed at enterprise or micro level, that we continue to support. They are new, they are innovative, and they go to the issues that every business man and woman in the ACT tells me is their number one priority, and that is skills. We have innovatively, through the Employment and Skills Commission, got together a group of people second to none in the territory in expertise and vision and the capacity to provide advice to government on the opportunities that are available to deal with skills and the skills issues which we face, as does everywhere else in Australia.

Similarly, the very innovative Live in Canberra approach continues to be scorned by the Liberal Party. Despite the fact that 27 private sector organisations now annually partner the government in relation to the Live in Canberra campaign, it is still belittled and scorned by the Liberal Party at every turn. It is having great success, as are our skilled migration programs. I am particularly pleased that one of those will be pursued to South Africa in a couple of weeks time, moving on to the United Kingdom, a number of cities in the United Kingdom in October this year, to complete the very good work that has been undertaken in both China and India in recent times that had had fantastic results.

We continue with a range of programs in relation to enterprise development, export development, skills innovation, our support for venture capital, our support for organisations and institutions such as NICTA, a \$20 million investment by this government in ICT and the IT industry, and we continue to collaborate with the Australian National University, the University of Canberra and all other research institutions. This is a government that is, in a very focused way, working with industry and with business to broaden the economic base and to continue this remarkable period of growth and prosperity. There is an excitement within the business sector within the ACT that has never existed before. Go out and ask them.

For the Liberal Party in this place to continually talk down the ACT economy, to continually talk down business, to continually talk down opportunities and capacity here, does this town no favours. There is a level of excitement within the ACT business community with what this community is achieving and what this private sector is achieving that has never been there before in the history of the ACT. The constant carping, harping and talking down of the economy are no good for Canberra. The aspersions in relation to housing, housing availability and housing affordability are twisted to deny particularly the Real Estate Institute of Australia—Peter Blackshaw's own organisation—concurrency that we have the best affordability index in Australia, acknowledging our particularly high levels of household disposable income which, according to the last advice from the Australian Bureau of Statistics, are \$199 a week per person higher than average disposable incomes anywhere else in Australia.

Do not tell me that is not as a result of the business environment that exists within this town, the strength of this economy and the extent to which this government over the

past six years, since taking over from the failed previous Liberal government, provided an environment that has led to those results. You can laugh about it, but in doing so you have to acknowledge that by suggesting it is only the commonwealth that has any relevance to business in the territory you then have to wonder about your seven years of government—admittedly, seven years in which you produced a net deficit of \$685 million under the Australian accounting standard, or \$1 billion under GFS. Heaven forbid what it would have been under pure GFS, but even under GFS as accounted by this government in this budget, it is at least \$1 billion. Pure GFS is the system that Mr Mulcahy, if he is ever Treasurer, will institute. What a joke.

Mr Mulcahy is pontificating, pure as the driven snow, hand on heart, that if he is Treasurer it will be pure GFS or nothing. Let me tell you now: that is poppycock. No Liberal government will ever introduce it. You will not, because it distorts the result. That would create an accounting result that no other place in Australia utilises and would make us unique. He knows that. He has looked at it and has seen the error of his ways. He has gone a little bit quieter these days, and he knows that no ACT Liberal government will ever use pure GFS. I will conclude—

Mr Mulcahy: You talk about short speeches.

MR STANHOPE: After the nonsense that has been dished up, it had to be trodden on. I need to respond, though, to the two—I thought there was only one—policy announcements over the past week: one, that we will abolish the per cent for art scheme—a very bold and innovative policy announcement by Mr Mulcahy. It shows his commitment, as shadow minister for the arts, to the arts—the only shadow minister for the arts in the world that thinks funding for the arts should be reduced. It is one of those easy things to reduce in politics—just say we will belt the arts; nobody cares about that. It is easy politics, it is easy yards, but it is shallow and at its own level it is gutless as well, and he knows it in his heart.

It is so easy to rubbish the arts. The trouble Mr Mulcahy has is that everybody in this particular arts community is very vital and aware. The arts community knows that he does not support the arts. He is out there seeking to curry favour with the arts community, but he is not. It is interesting that it is so easy for him to schmooze at these arts events about how he is a great supporter of the arts but actually wants to kick it to death when he leaves the room. Similarly, the shadow minister for the arts announced that he will not support one of the most fantastic initiatives by ActewAGL, to restore the chimney at the glassworks with what would have been one of the most remarkable artistic achievements imaginable. Today he declared that a Liberal government would not support that either.

The other great policy announcement we have heard of in this past week in the dissenting report was the decision to abolish A10. We await with great interest the system that will replace it, the free-for-all that will apply, the law of the jungle or perhaps just nothing at all. I would love to see how the property council and the other friends in business respond to those two options—an unregulated free-for-all or a complete ban on any redevelopment at all. That is a lovely little policy dilemma that has been delivered, and we wait with great interest to see how you deal with it.

MR SESELJA (Molonglo) (9.39): Before I get back to some of the claims that Mr Stanhope made, I will respond to the continuing claim from the Chief Minister that Canberra is affordable. He is failing to recognise the pain that his government, through the Land Development Agency and its other agencies, has caused to many first home buyers and potential first home buyers in the territory. He keeps going on about how affordable our jurisdiction is, when anyone who goes to the outskirts of Canberra knows that the cheapest possible house you can get now stands at about \$300,000, at the very southern tip of Banks or the outer edge of Charnwood.

It is quite a slap to all those who have been affected by this government's policies that it continues to claim that the ACT is an affordable jurisdiction. It is not affordable. It is not affordable for those who have been forced out by this government's squeeze on land release. The Chief Minister has as good as acknowledged it himself: it has been his government's policies propping up the LDA's bottom line in order to get higher profits. That, of course, flows on to first home buyers. The government has kept the price of land up through flawed policies. It is now, belatedly, trying to do something about it by sacking the planning minister and making some changes in the LDA. We welcome those belated changes.

I will get on to the LDA in a minute, but I want to respond to Mr Stanhope's earlier comments. Firstly, he talks about the comments that I referred to in relation to Nic Manikis. He says that there was just an ambiguous comment, or words to that effect. In the documents we have, there are two references which are more than an ambiguous comment, I would suggest. In October, a minute of the ACT Planning and Land Authority highlights one of the issues and says that Mr Manikis has expressed the view that the Chief Minister has already committed a site for the proposed purpose. Later, we have an email which says:

I understand that Nic Manikis had put up a proposal not supporting the site for the health facility but the Chief Minister is determined to proceed.

The other area that Mr Stanhope did not address at all was my questioning of him, and Mr Stefaniak's and Mrs Burke's questioning of him, in the estimates. He has not addressed this issue. The transcript reads:

MR SESELJA: They were going to auction it, though, weren't they?

Mr Stanhope: No. Actually, you have been misled, too, Mr Seselja.

He goes on to say that there was no impending auction or imminent auction, when the documents show that the LDA was planning to auction it some six weeks later. The Chief Minister has completely failed to respond to that. Is this another case of the documents being completely wrong? If that is the case, what faith can the community have in any documents that are produced by the public servants in relation to this? He said that there was no impending auction, when the LDA was planning to auction it six weeks later. That sounds to me as though it is an impending auction.

Mr Stanhope: No date.

MR SESELJA: That sounds to me like an impending auction. He did not bother to respond to that.

Mr Stanhope: There was no auction date. There was no sale date.

MR SESELJA: He heckles now, but he failed to respond to that, even in the slightest way. There was no mention of it when he got up to speak then. There was absolutely no mention of it. I think that is because he was wrong.

Mr Stanhope: I did.

MR SESELJA: You did not refer to the issues that I put. Mr Deputy Speaker, he did not refer to the issues that I put to him in estimates in relation to the auction and the impending auction.

Mr Stanhope: Yes, I did.

MR SESELJA: You did not respond to that specific claim.

Mr Stanhope: Yes, I did.

MR SESELJA: I do not think he did, Mr Deputy Speaker.

Mr Stanhope: I did. So will you apologise tomorrow?

MR SESELJA: The issue here continues to go to the government's failure to provide transparency on this issue. We return to the issue around the FOI request and the government coming back to the question and saying that, because we did not challenge the FOI, they were not going to give these documents. That bears no relationship to how the FOI act works or how standing orders work. There is no relationship to it.

Mr Stanhope: Have you got the documents?

MR SESELJA: We have asked for these documents—these further documents—in relation to the auction, in particular.

Mr Stanhope: You got them.

MR SESELJA: I have certainly not received them.

Mr Stanhope: Has Mr Gentleman got them? Are you on the committee?

MR SESELJA: I am told by my colleagues on the estimates committee that they have not seen the apparent statement by Mr Nic Manikis, but I would be very keen to see that.

Mr Stanhope: On a point of order, Mr Deputy Speaker, I have just been informed by the chairman of the estimates committee that all the documents, including the documents that Mr Seselja is lamenting he does not have, are on the committee's website.

MR DEPUTY SPEAKER: What is the point of order?

Mr Stanhope: The point of order is that he is wrong again. I am just trying to prevent him from making a bigger goose of himself.

MR SESELJA: There is no point of order, Mr Deputy Speaker.

Mr Stanhope: The chairman of the committee has just indicated that the documents that Mr Seselja—

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

Mr Stanhope: There is; there is a point of order.

MR DEPUTY SPEAKER: Unless you can quote me the standing order, I do not see the point of order.

Mr Stanhope: Mr Deputy Speaker, a comment has just been made that the government refused to provide documents—

Mr Mulcahy: Point of order, Mr Deputy Speaker: you have ruled on this matter.

MR DEPUTY SPEAKER: Mr Mulcahy, point of order?

Mr Mulcahy: You have ruled on the point of order, and the Chief Minister is persisting in proceeding—

MR DEPUTY SPEAKER: The matter is under control.

Mr Mulcahy: I think it is unruly—

MR DEPUTY SPEAKER: There was no point of order.

Mr Stanhope: I beg your pardon, Mr Deputy Speaker; I will address the matter in my next 10 minutes.

MR DEPUTY SPEAKER: Thank you, Chief Minister. Mr Seselja, you have the floor.

MR SESELJA: Thank you, Mr Deputy Speaker. In relation to Mr Stanhope's claims, if they have, in fact, now been put on the website, I would be interested to know when they were actually provided, because we were certainly seeking them throughout the estimates process and we had no luck in getting access to them. If they have come late,

after the estimates report, it would indicate that the government did not want them as part of the report in relation to this matter.

This is about transparency. The government cannot sit there and hide. We have the question on notice. They come back and simply refer to the freedom of information request. They say that they sought an exemption, that there was a chance to respond to it and that we did not exercise that right. This issue embarrassed the Chief Minister sufficiently—

Mr Stanhope: I am not a bit embarrassed.

MR SESELJA: He was significantly embarrassed. We saw it on the day when we saw the front page of the *Canberra Times*, we saw it in his performance in estimates, and we saw it in his amazing response to my earlier speech this evening: the Chief Minister fired up and fired all sorts of things across the chamber.

Mr Mulcahy: It's the lunar eclipse.

MR SESELJA: It must be the lunar eclipse. We do see the sensitivity of the Chief Minister on this issue.

I turn quickly to the LDA and some of the wasted spending that we have seen in the past. Earlier I referred to the issue around housing affordability. In a speech in 2002 in this chamber, the planning minister spoke about how the LDA was going to contribute significantly to housing affordability. We know that it has failed significantly. It has failed significantly because of the failure to release a sufficient amount of land.

Time and time again, in addition to the failure of this concept and the failure to put enough land out there, we have seen the wasted marketing and wasteful spending of the LDA. In 2005-06 we saw \$915,000 spent on marketing Wells Station. This was a monopoly land developer at the time. We saw \$516,000 spent on the marketing of Ginninderra Ridge. The Wells Station site office—\$123,000, not to mention the landscaping, which took it up closer to \$200,000. The EpiCentre sign—\$50,000. Branding exercises at the movies—\$115,000. In addition to the LDA's failure of policy, all of these demonstrate contempt in terms of spending taxpayers' money. This is money that really added nothing to the bottom line, because people had nowhere else to go to get their land. You can market it all you like, but they are still going to go to the same place. It is not actually getting you any extra value. Likewise there was the EpiCentre sign. We saw \$50,000 spent on a sign so that people driving past might somehow be attracted to bid for this site.

This has been wasteful. It has been a failure of policy. It has been a significant failure of policy. It is perhaps for this reason that the Chief Minister belatedly acted and first took the LDA away from the planning minister and then eventually was forced to sack him. But that was not before we saw a significant burden placed on first home buyers in the territory, and that is a burden that continues to this day.

MR STANHOPE (Ginninderra—Chief Minister, Treasurer, Minister for Business and Economic Development, Minister for Indigenous Affairs, Minister for the

Environment, Water and Climate Change, Minister for the Arts) (9.49): For the edification of Mr Seselja, I will read a brief to me prepared by the deputy chief executive of the Chief Minister's Department, Ms Pam Davoren, in relation to Kama. Mr Seselja might choose, as he does, not to believe me: in fact, to suggest that I have made all sorts of outrageous declarations that documents were fraudulent—which I never did—that I have been embarrassed, that I am seeking to cover things up and that I have refused to release documents. You might not want to believe me; politics is a tough business. But I hesitate to suggest that you are prepared to sit there and think that the deputy chief executive of the Chief Minister's Department would mislead me in her briefs to me—

Mr Seselja: You are telling me I cannot believe these documents.

MR STANHOPE: Just wait and listen to what she has to say—that she would mislead me. I have relied on the advice of my deputy chief executive, Ms Pam Davoren, who I am sure you know. This is her brief to me:

The Opposition raised issues surrounding Kama at the recent Estimates hearings, suggesting that you acted against official advice in using Kama as the site of an Indigenous-specific Drug Rehabilitation Facility.

That is the brief heading. I will quote from the document:

- There was detailed discussion on Kama during Estimates in which some Questions on Notice were taken. You have answered those Questions.
- One of the Questions asked: "What advice was received regarding the Bush Healing Farm (Kama)?"
- Your reply stated that no specific advice has ... been received regarding the site's suitability as a drug rehabilitation facility. Your reply went on to say that a cabinet submission is being prepared in relation to establishment of an Indigenous-specific drug rehabilitation facility in the ACT, including an appropriate location for any such facility.
- ACT Health is currently preparing this cabinet submission. Advice from Health is that they are still in discussion with DHCS on a draft submission.
- At Estimates, you were also asked if the property had been valued—the answer is "no". The documents released under the Freedom of Information Act did show that in August 2006 the Land Development Agency sought written proposals from its panel of real estate agents to run an auction, indicatively scheduled for ... October As part of this, the LDA also asked for an indicative price range. This information was sought as part of LDA's pre-sale arrangements to inform setting the agent's commission in the event a percentage fee was charged and also to display the agents' market knowledge. It is not a formal valuation, which would be sought separately ...

- A further question was whether the land had been transferred to the LDA. The answer is no, the land has not been transferred to the LDA. The land is still with the TAMS Property Group ...
- The 24 July 2007 press release by Mr Seselja ... seeks access to further documents relating to government decision-making on this matter. As the Government has *not* made a decision, these documents do not exist.
- The Opposition's concerns about a decision taken contrary to official advice appears to derive from an October 2006 brief by ACTPLA staff to the Deputy Chief Planning Executive, followed by a December ... email to the LDA from a relatively junior ACTPLA officer.

That is true; they have both just been read out to us. The document continues:

- The views expressed in these documents appear to derive from discussions between Nic Manikis and ACTPLA staff about the possibility of using Kama for an Indigenous-specific Drug Rehabilitation Facility. Subsequently, in June 2007, Mr Manikis stated—

in writing—

he did not express the view set out in the ACTPLA email (which was that Nic Manikis had put up a proposal not supporting the site as a health facility but you were determined to proceed).

I know that to be true, because neither I nor anybody else in the government received any submission from Nic Manikis to that effect. Ms Davoren goes on to say:

- This view is supported by the fact that a submission about an indigenous-specific rehabilitation program is being prepared by ACT Health. No decision has been made—

by the government. The document continues:

- No brief against the use of Kama as a site has been provided to you or to Government. In Estimates, you referred to a brief by Mr Manikis on the way forward. This was on possible options and sought your agreement to the preparation of a Cabinet submission.

Ms Davoren concludes:

- In short, neither you nor the Government has made a decision on the location of such a facility.
- As Chief Minister and also Minister for Indigenous Affairs, there is no reason why you should not be involved in considering the use of Kama. Further, if you heard that the property was to be sold, it is reasonable that you request the sale be deferred pending a decision on its possible suitability for an Indigenous-specific health facility.

It is signed “Pam Davoren, Deputy Chief Executive, Policy”—Chief Minister’s Department. Mr Deputy Speaker, I table the following document:

“Kama”—Proposed site for an indigenous-specific drug rehabilitation facility—question time brief, dated 21 August 2007.

Let us hope that, if Mr Seselja can read that calmly, he will come to understand the truth. There was no advice to me; there was no advice to the government. There is no written document in the possession of the ACT public service anywhere to me, to the government. Indeed, there is no written recommendation to any officer within the ACT public service that suggests that Kama was not an appropriate site for an indigenous specific drug rehabilitation facility. You are simply wrong. You got it wrong. You saw what you thought was a little chink, and your excitement got the best of you.

Let me go to the context of the documents that were requested under freedom of information. The question went to the LDA. The government, as such, does not make the decision. The LDA is an independent statutory authority. The documents were in its possession. The LDA—without reference to the government, without consultation with the government, as is appropriate under the Freedom of Information Act—exempted certain documents, particularly documents of agents making expressions of interest in the context of an invitation to be the selling agent. The LDA thought they were commercially sensitive, that they contained information around the basis on which individual real estate agents within this town bid for business—the computations they use, the methodology for pricing a job.

The LDA—as I say, without consultation, without taking any advice from the government—said, “Look, these are commercially sensitive documents. We can’t have private sector real estate agents bidding for business with us having their commercial bids released to the world.” So the LDA said, “We don’t want to do this to these four agents”—putting in their detailed assessments and the methodology for bidding for a sale job.

Do you think we should have? Do you think the LDA should have—that the LDA should have despite the commercially sensitive nature of this proposal? The LDA went out with expressions of interest: “Anybody interested in selling this property, if we choose to sell it, on behalf of the LDA?” Four companies responded. They gave detailed briefs on what their price would be and how they would do the job. The LDA—I would have thought quite reasonably—said, “That’s commercial in confidence. The Freedom of Information Act specifically excludes commercial-in-confidence documents from release.” So the LDA released every document in their possession but those four.

Then I was asked in estimates, “Chief Minister, will you release all these documents?” I took the question on notice. It needs to be understood that I did not say to the estimates committee, “Yes, I will release those documents.” Why would I—in the face of a decision by the LDA not to release certain documents because they believed them to be commercial in confidence—just say in an estimates committee hearing,

“Oh, well, it’s irrelevant to me if they are commercial in confidence; I’ll just release them?” That is not appropriate. You would not expect me to do that.

You stand up here and say, “Chief Minister, will you release this document?” If it is a commercially sensitive tender document, as these were, would you expect me to release those? Of course you would not. You would be outraged if I did—without looking at them, without taking advice on whether they were genuinely commercially sensitive.

So I took the question on notice. I did not say, “Yes, I will release those documents.” Have a look at *Hansard*. I said, “I will take that question on notice”—out of respect for those four companies whose documentation the LDA thought was commercially sensitive. Having looked at it and having taken advice, the advice that I received was, “Black out the commercially sensitive bits and release them.” They are with the committee.

There is probably an argument—this is something we could debate—for the non-release of those documents. I would think those four companies perhaps would have a bit of an issue around the fact that their documents have been released. I released them to the committee with a covering letter expressly requesting that the committee respect the confidentiality of the documents and not flash them around—but members of this place could have a look at them. That is what I did. The documents are with the committee.

Mr Seselja: But they are on the website, you said.

MR STANHOPE: Well, I do not know. Mr Gentleman suggested to me that he thought they were. But they are with the committee. I presume your members on the committee have them. I presume they have been approved for publication. I do not know. That is a matter for the committee.

Mr Seselja: That is a bit ambiguous, isn’t it? A second ago, they were on the website.

MR STANHOPE: Just let me clarify that. Mr Gentleman indicated to me that he thought they were on the web.

Mr Mulcahy: Are they?

Mr Gentleman: The question on notice is on the website.

MR STANHOPE: The question on notice—the one you said was not answered. The documents that you are so concerned about—that 10 minutes ago you said that we were refusing to release: we were refusing to release them; we were covering up—are with the committee, and your members have access to them. Mr Stefaniak and Mrs Burke have access to the documents which you claim we were refusing to release. We had not at any stage refused to release them. At no stage had I refused to release them.

I took a question on notice because the documents had not been released by the LDA because the LDA thought they were commercially sensitive—and they were, and they are. But having regard to the high levels of interest in Kama in this matter, I released the documents to the committee so that you could all see them. They are now part of the documentation of this place; they are available to members of this place. They will reveal and prove everything that I just read into the record. In the document that I tabled, nothing is covered up. There was no sale; I did not cut it off; the land had not been transferred; there was no valuation; and, as the deputy chief executive says, it was quite reasonable for me—as Chief Minister and Minister for Indigenous Affairs, seeking a place to establish an indigenous specific drug rehabilitation facility—to hold this property until that decision was made.

That is what I have done. It was quite appropriate; it was all above board. There is no conspiracy. The government has never received advice that it was not appropriate. We may very well in the next six weeks or so when the cabinet submission is completed. It is quite possible that we will receive that advice in the next six weeks. Who knows? That is why we are going through a rigorous process; that is why we did not pre-empt it. That is why I did not pre-empt it or even express a view—because I do not know what Kama looks like. It might be completely and hopelessly inadequate for all I know. That is why we employ experts who can advise us in these things—expert health officials, people experienced in the running of drug rehabilitation facilities to give us the advice that we need before we make a precipitous decision about where to locate a facility as significant as this.

Those are the facts in the matter. There is no conspiracy here; there is no cover-up. Not a single document that has been sought has not been released. Every single document in the government's possession in relation to this matter, as sought, requested or identified by the opposition in its questions, has been provided—every single one. Mr Seselja is simply wrong. He has got the wrong end of the stick. He ran down a burrow without knowing what he was doing. All the documents were released; there is no advice. The reason that the mystery document containing the advice that the site was not appropriate has not been released is that there is no such document, as Ms Daveron has just said. Those are the facts. You are just wrong.

Proposed expenditure agreed to.

Proposed expenditure—Part 1.5—Department of Treasury—\$49,205, 000 (net cost of outputs), \$31,821,000 (capital injection), \$35,800,000 (payments on behalf of the territory), totalling \$116,826,000.

MR MULCAHY (Molonglo) (10.04): As you have indicated, a total of \$116 million is proposed for appropriation, compared with \$89.868 million in the Appropriation Bill of 2006. This increase from the appropriation in the 2006-07 financial year is due to a capital injection of \$31.821 million. This includes \$12 million for a loan facility for Community Housing Canberra and \$15 million for a fleet financing facility detailed on pages 73 to 74 of budget paper No 4.

Despite its vast budget, the problems with the Department of Treasury continue without any evident end in sight. Indeed in estimates hearings the Treasurer was quite critical of anyone who dared to question his government's performance in this area. I fear that this attitude does not bode well for the future.

The Treasurer has continued to demonstrate that he does not understand the flow-on effects of high taxes. For example, he talks continuously about his commitment to affordable housing, but he does not see any connection with the exorbitant property charges that affect property owners and renters alike. He has rejected that on many occasions. The Treasury has continued its unofficial practice of drastic underestimation of territory revenue. This has been used by the government to justify its continuing increases in rates and charges, which continue to cripple ACT residents.

Contrary to what the government would have us believe, this year has seen more increases in taxation and more attempts by the government to obfuscate these increases simply as a way of placating the public. We have seen the Treasurer painting an inaccurate picture to the public in relation to his government's budget performance. He has continued to cite an incorrect surplus figure, which has been widely criticised as an accounting sleight of hand.

We have also seen the reaction of the Treasurer to criticism of his government's profligacy. This has been clear in Mr Stanhope's dealings with the property sector, who have voiced criticism of the tax burden on property owners in the ACT. Instead of listening to these concerns—concerns which are quite legitimate—the Chief Minister and Treasurer has denigrated with all manner of names and descriptions those who criticise his government's punitive taxation increases, the most popular of which is his reference to the property council as the “daytime branch of the Liberal Party”.

I mentioned it to Tony Hedley last night. I asked him how he was as chairman of this. I think he finds it amusing. But he also thinks it is pretty puerile when they do represent such a substantial group of investors and developers in this city. It is a pity that, when people want to seriously engage in debate, we do get to that level. They have a very important contribution to make—they are very much part of the economic development that the Chief Minister seeks to claim credit for.

I also reiterate the concerns I have about superannuation and operating performance. Despite the massive taxation, the ACT government is projected to achieve only a small surplus this year and then go back into deficit in the subsequent three years.

I have repeatedly raised objections to the false claims of a surplus of \$39.3 million in 2006-07 and \$103 million in 2007-08, based on including expected long-term capital gains and superannuation assets in its operating performance. Without including these expected gains, there was a deficit of \$29 million in 2006-07 and an estimated surplus of only \$13.5 million in 2007-08, with a projected deficit totalling \$140.1 million in the forward years, notwithstanding the changes that occurred recently.

I have repeatedly pointed out to the government that the reported headline operating performance of the territory should not include expected long-term capital gains and superannuation assets. Whilst I acknowledge that it may be appropriate to report them to be consistent, the inclusion of this item in the government's publicity on the budget is clearly misleading and gives a view of the government's operations which is in fact unsustainable.

Superannuation assets are set aside to fund benefits that have already accrued to current and former ACT public servants. These assets cannot be used for general government expenditure. Indeed, the superannuation entitlements owing to current and former ACT public servants are currently under-funded. As of 30 June 2007 they are estimated to be 65 per cent funded by superannuation assets, as reported on page 154 of budget paper No 3. These assets essentially belong to public servants. Therefore it is highly misleading for expected long-term gains on these assets to be used to mask the government's reported operating performance.

There is mounting support for the opposition's contention on this issue. The position is supported in an article in the *Canberra Times* by Emeritus Professor Allan Barton, an expert in financial accounting and public sector accounting. Professor Barton states:

Reporting the net budget result as \$103 million provides a misleading picture when it is actually \$13.5 million.

The justification used by the Government for adding the expected net capital gains to the budget balance is that some state governments do so, and makes the ACT budget comparable with them. While this may be so, the use of an incorrect practice is not supportable.

Rather, comparability is better obtained by eliminating the item from the budget balances of all state governments, as required by the uniform presentation framework.

Even the Chief Minister himself conceded in committee hearings—

Mr Stanhope: You're going to go it alone in government, are you, Richard?

MR MULCAHY: I remember hearing all this nonsense a couple of years ago. I went and met with people in Standard & Poor's. I was howled down for that until I produced this rather damning assessment on the territory's credit rating and the looming threat of downgrade. I was told, "Oh, this GFS is nonsense." I was told we had to stay with the AAS system. Then, lo and behold—at the very next budget—it is announced that this is the new change.

I predicted that it would happen. The credit reporting agencies made it very clear they would not put up with this arrangement without adverse consequences. I am now being told, "This is a crazy idea of yours Mr Mulcahy." But we will see how time plays out. The point made—not just by me but many others, including in this case Professor Barton—is that we need to have a true record of the performance of state

and/or territory governments and their budgets. We cannot mask them with reliance on these gains in superannuation assets.

Indeed, even the Chief Minister himself conceded in committee hearings that reliance on superannuation gains is unsustainable. In response to a question from Ms Porter about balancing the budget without the use of land sales and receipts Mr Stanhope discussed some savings measures and then said:

Through all these measures we believe that, in time, we will achieve a position where we produce operating budget surpluses without the traditional reliance on that serendipitous end of superannuation receipts and land sale receipts.

Just a few minutes ago I was being howled down and told, "What, are you going to go it alone? Nobody will support you." And these were the words of the Chief Minister only a few weeks ago in estimates. He then went on:

For the sustainable future we need to do that. We cannot go on, year after year, as we have, on a prayer and a hope that our superannuation investments will return above long-term averages or that every year will be a booming year in relation to land sales ...

We need now to do what we have done, to begin to wean governments off an expectation that budgets can be balanced year after year after year on the basis of that perhaps above average return on superannuation and exceptional land sale receipts. That is the underlying philosophy. All the measures we have taken have been to ensure, essentially, that our revenue raising meets our expenditures. It is a simple equation.

That is from pages 95 and 96 of the 18 June *Hansard*. All the things that I have been saying, which are apparently so out of whack with the rest of Australia, seem to be on the horizon for the same Chief Minister who is launching the criticism.

Mr Stanhope: No; you misunderstand. I thought you were the world's second-best shadow Treasurer.

MR MULCAHY: Maybe I do. As I understand it, the Chief Minister knows where he has got to get to, but he is in no hurry to get there. Indeed, it is a simple equation. Superannuation assets cannot be spent on general government expenditure and so should not be included in the operating performance. We certainly would welcome the above statement by the Chief Minister of his alleged intention to wean governments off an expectation that budgets can be balanced year after year on the basis of those receipts.

However, in our view, the only way to wean governments off an expectation of balancing budgets in this manner is to be clear and honest about the operating performance of the government. Even the surplus achieved by the government is not the result of any increase in efficiency or restraint in spending. In fact, it is due to massive increases in taxation revenue, the effects of which have been obscured for the last year by the Treasury's underestimation of taxation revenues.

Indeed, the June consolidated financial report showed that there had been an additional \$45.3 million in taxation revenue in 2006-07 above and beyond the estimate made in the most recent 2007-08 budget, released only months ago. (*Second speaking period taken.*) The government's expenses were also in excess of its previous estimates, although from memory—I do not want to be held to this—I think it was only about \$8 million.

I had previously highlighted the fact that the ACT Treasury has persistently underestimated revenue from taxes and charges. I find this somewhat intriguing. The consolidated financial report bears out this point. In estimates hearings on 15 June 2007 the much-maligned Mr Tony Hedley, president of the ACT division of the property council, also echoed this concern.

The Chief Minister has become quite sensitive to criticisms over the issues of forecasting. He has been dismissive of the property council's predictions that there would be greater revenues and he has said that they have nil credibility. Clearly they have expressed a concern that has, to some extent, been vindicated by the June financials released recently.

It is quite disappointing. The government, not content to take their money through a crippling tax regime—as the *Canberra Times* reports; this may be refuted—is now considering banning political donations from property developers and builders. That is a very noble thing. I hope that that view—if it is accurately reported—will be extended to poker machines. This is an amazing development for anyone in the ACT who is concerned about free speech. The government has now established this as their modus operandi: take from them, attack them and then deny them the right to participate in the political process.

We do not need to go to the property council to see the problems in the government's budget. The budget papers also bear out the fact that Treasury is underestimating revenue. As I indicated, the 2006-07 midyear budget review altered the estimates on revenue to provide for an additional \$14.3 million in unexpected taxation revenue. The 2007-08 budget again altered the estimates of revenue, including an additional \$26 million, which is now expected from the GST. Yet Mr Stanhope still complains that claims of GST windfalls are incorrect and scoffs at these observations as claims that there are rivers of gold.

The 2007-08 budget also reported an additional \$18.5 million now expected from taxation revenue—excluding revenue from the LDA—an additional \$26 million from LDA tax and tax equivalents; an additional \$46.5 million from LDA dividends. That is \$115 million in parameter adjustments pertaining to taxation dividends. Since the release of the budget, only a couple of months ago the June consolidated financial report has also adjusted estimates of taxation for 2006-07 by increasing these estimates, as I said earlier, by \$45.3 million.

The people of Canberra are rightly concerned. I hear a high level of concern over the level of tax being imposed on them. Whilst the Chief Minister and Treasurer may argue that these are wonderful turnarounds and results, what would impress the people

is to see some of it given back. He relies for his defence on the fact that the commonwealth government has made a substantial surplus above estimates. But the one profound difference between the commonwealth and the ACT government is that the commonwealth has been repeatedly delivering tax reductions to the people of Australia, not to mention the economic prosperity we have all enjoyed under the 11 years of the Howard-Costello administration.

We would like to see in the territory some measure of taxation relief rather than see the government horde this for an election campaign. I urge the territory to hear people's complaints. This is not seen as a matter of praise in generating greater than forecast surpluses, but it is adding pain to the concern in the ACT community over the stretched household budgets.

Taxes in the ACT continue to rise at a substantial rate. There certainly has been no relief provided by this budget. In 2007-08 taxes will rise by 4.8 per cent to \$924 million. This is an extra \$42 million in tax compared to the current financial year. Among these taxes are the following: general rates will increase by five per cent to \$165.7 million; land tax will rise by 14 per cent to \$72.4 million; payroll tax will rise by nine per cent to \$239 million; the fire and emergency services levy will rise by six per cent to \$21.7 million; and traffic fines will rise by 44 per cent to \$20.4 million.

This increase in taxation is at a higher rate than the growth of the ACT economy as set out in the budget. The budget shows that the ACT economy is expected to grow by 2.5 per cent in GSP this year. This is below the rate of the growth expected for Australia as a whole and is about half the rate of growth of ACT taxation. As I have previously stated on many occasions, the government has taken the rather remarkable step of indexing rates and charges to WPI in order to increase taxation above inflation. This will ensure an increase in taxes in real terms every year and, of course, this figure is compounding.

In answer to a question on notice on 31 May 2006 the Treasurer revealed that the average household in the ACT will pay an additional \$145 in rates and charges in this financial year due to tax measures introduced by his government in the previous budget. This is on top of a \$150 increase last year.

The government has consistently rejected calls for a review of land tax, which is at a punishing level. Indeed, according to figures from the Property Council of Australia given in estimates hearings, a quarter of a million dollar block of land in the ACT will cost its owner \$2,800 a year in land tax. This compares with \$1,200 in Tasmania, \$420 in South Australia, \$300 in Victoria and nothing in other Australian jurisdictions.

In other words, on a block of land like this the ACT government taxes landowners more than double the amount of the second most expensive jurisdiction, more than six times the amount of the third most expensive jurisdiction, and more than nine times the amount of the fourth most expensive jurisdiction. Not surprisingly, this little gem of information is not part of the ACT government's affordable housing plan.

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

Adjournment

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

That the Assembly do now adjourn.

The Assembly adjourned at 10.22 pm.