Debates

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Tuesday, 8 April 2008

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Tuesday, 8 April 2008

MR SPEAKER (Mr Berry) took the chair at 10.30 am, made a formal recognition that the Assembly was meeting on the lands of the traditional owners, 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 53

MS MacDONALD: I present the following report:

> Legal Affairs—Standing Committee (performing the duties of a Scrutiny of Bills and Subordinate Legislation Committee)—Scrutiny Report 53, dated 7 April 2008, together with the relevant minutes of proceedings.

I seek leave to make a brief statement.

Leave granted.

MS MacDONALD: Scrutiny report 53 contains the committee's comments on three bills, 16 pieces of subordinate legislation and two government responses. The report was circulated to members when the Assembly was not sitting. I commend the report to the Assembly.

Public Accounts—Standing Committee
Report 13

DR FOSKEY (Molonglo) (10.32): I present the following report:

> Public Accounts—Standing Committee—Report 13—*Inquiry into Land Valuation in the Australian Capital Territory*, dated 18 March 2008, 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.

DR FOSKEY: I move:

> That the report be authorised for publication.

Question resolved in the affirmative.

DR FOSKEY: I move:

> That the report be noted.

The public accounts committee resolved to conduct an inquiry into land valuation last year, and I acknowledge Mr Mulcahy in that regard, because he penned the original

terms of reference, to which I added. I am very pleased to table the report today. It is a very useful report that brings together issues relating to property values, land tax and rates. We are aware, from the constant buzz in the media about these issues, that the public has a deep interest in having a system that meets criteria for clarity, efficiency, equity, accountability and transparency. The land valuation system is the basis of that and it is the key to people feeling satisfied about property values in their suburbs.

After a great deal of investigation, the committee concluded that the ACT's valuation system is largely sound. However, we have made some recommendations aimed at ensuring that this continues. We examined alternative systems of valuation but we are not recommending any change from the ACT's current mass appraisal system using unimproved values.

One of the things that we discovered was that consumers and people in the community had a lot of difficulty with interpreting the information that was given to them on their rates notices and elsewhere. In the report there are some copies of the kinds of documentation currently available to people to explain to them their appeal rights and the way the system works. I think you will agree that some of that is somewhat obscure and that if you are a person whose literacy is at all challenged, you will have great problems with it.

We have made two recommendations aimed directly at improving the accuracy of valuations, including the upgrade, at the very least, or the replacement, ideally, of the current computer-assisted valuation system. A problem that we often find when we look into things is that the actual data collection is part of the problem. Land valuation is a complex area that is difficult for lay people to understand. That makes it important for government to provide clear information to increase public trust in the system. The committee has made two recommendations aimed at increasing residents' ability to understand, use and benefit from the valuation system and the objections and appeals process.

One of the other issues that we looked at was the vexed issue of land tax. One of the terms of reference referred to land tax. There was quite a bit of discussion about its relationship to rents. We are aware of arguments in the media that land tax contributes to the rental problems in the ACT. There were varied opinions on that, which are expressed in this report. There is even a contest about whether land tax is passed on as higher rents, to what degree and how much owners are compensated through tax concessions and so on. We did not come to any decisions about how land tax as a tool could be manipulated to reduce the cost of rents. There was a feeling in the committee that there was potential for land tax to be used as a much more nuanced lever, but we did not feel we had the information to do that. We made a recommendation, which I hope that a future government or at least a future committee takes up, that the ACT government investigate a range of ways of using land tax as a lever to increase the supply of affordable housing.

Mr Speaker, you would be aware that it does not matter whether the rental property that you are offering is a very dilapidated fibro box in Narrabundah or whether it is a very upmarket two-storey dwelling with swimming pool in Griffith—each property attracts the same amount of land tax. That means that, for an affordable dwelling,

given that land tax in that area was $160 a year or so ago—it is probably more now—the starting point for any property is $160. I think this is a challenge that a future Assembly needs to take on. I hope that that recommendation of the committee is taken up.

Question resolved in the affirmative.

Water Resources (Validation of Fees) Bill 2008

Mr Corbell (on behalf of **Mr Stanhope**), by leave, presented the bill, its explanatory statement and a Human Rights Act compatibility statement.

Title read by Clerk.

MR CORBELL (Molonglo—Attorney-General, Minister for Police and Emergency Services) (10.39): I move:

> That this bill be agreed to in principle.

This bill is necessary to ensure a legal basis for fees which have been charged with respect to licence fees issued under the Water Resources Act 1998 between 1 July 2007 and 31 July 2007.

A valid fee determination—the Water Resources (Fees) Determination 2006 No 1—made under the Water Resources Act 1998 was in place until 30 June 2007. However, the act was repealed and replaced by the new Water Resources Act 2007 on 1 August 2007 and a new fee determination commenced under the new act from that date. Regrettably, as the old fee determination under the former act had expired on 30 June 2007, this resulted in a gap of one month between valid fee determinations.

While it is regrettable to have to legislate to remedy a defect of this kind, members will appreciate that it is not the first time that the Assembly has been asked to do so. The approach taken on this and other occasions where validation has been considered necessary has generally been that rights have been obtained for a fee, and that the fee charged should therefore be validated by enactment. I commend the bill to the Assembly.

Debate (on motion by **Mrs Dunne**) adjourned to the next sitting.

Human Cloning and Embryo Research Amendment Bill 2007
Detail stage

Clause 7.

Debate resumed from 3 April 2008.

MRS DUNNE (Ginninderra) (10.41): As I said previously, these two amendments take away and make it always unlawful to create a human embryo that has more than two lots of genetic material. I think a lot of the discussion that has gone on in this

debate is fairly cute, and some members who have spoken on this are somewhat deceived. I think they read the first part of the legislation, division 2.1, where there are a whole lot of things which are outlawed, but if they read it in conjunction with division 2.2, they would see that a whole lot of those things then become legal with the issuing of a licence. This is one of the things about which we as a community should draw a line and say that no licence is enough to justify this abuse of our capacity to manipulate genetics.

I also want to comment on remarks made by Dr Foskey, Ms MacDonald and others in the in-principle debate last week about people's so-called religious motivations for moving amendments like these and opposing the bill in general. This theme was echoed in an interview with Professor Tom Faunce on ABC radio late last week. After that interview, I was asked by the same interviewer whether my opposition to human cloning, the creation of hybrid embryos or the creation of embryos containing more than two lots of genetic material was based on my "deeply-held religious belief". I answered at the time that I could not tell. I was actually taken to task by a couple of people on the ground that this sounded somehow weak or indecisive. So I want to explain why I cannot tell.

Like many of my colleagues in the Assembly, I have moral instincts, and I have an intellect. Like the majority of them and the majority of the Australian community, I am a Christian—in my case, a Catholic. I make no apology for this, and, short of boasting, I have never tried to hide it. The Catholic Church has particular views about moral questions. It teaches that morality is real and that the best way to resolve moral questions is rationally, by using our intellect. So when I have the feeling that it would not be the right thing to walk across the room and punch one of the members opposite in the nose, I know that that feeling is not just an evolutionary instinct developed to help us live in communities; it is something that is real, it is built on the design of the universe and it ought to be taken seriously.

I know that rationality is not merely one of a series of possible ways of viewing the universe. I know that truth exists, that things happen for a reason, and that many statements are either true or false. That is how I approach the question of public policy: rationally, and on the basis that morality exists. This is nothing new to Catholics. The church has been doing this for millennia, as have, indeed, other children of the book and the followers of other traditions.

Would I take this approach if I was not a Catholic or a Christian? I hope so, but, as I said to the interviewer the other day, I cannot really tell. Perhaps I would take the view that morality was just a series of social conventions and that, if you learnt the trick of how to circumvent them, those in the know could amend them to suit themselves. But there is an increasingly popular view that religious views have no place in public policy debate.

On one hand, if I were to stand up here in the Assembly and support or propose a law on the grounds that it was against the church's teaching—that is, that the Pope told me to, or that the Bible said so, or that I had a vision from the Archangel Gabriel who told me that to vote in a particular way was the way I should go—that would rightly be rejected. I could then be legitimately accused of taking a position on purely religious

grounds. Such grounds may be a perfectly valid reason for believing something but they are not a valid means of conducting public policy debates. On the other hand, it would be rather alarming if we were to reject logic and morality on the basis that these were the exclusive preserve of religious fanatics. But it sometimes seems to be the way that we are heading.

In response to the interview with Dr Faunce and my interview on ABC radio, I received an email from a constituent. I think it is worth quoting here. He says:

> It was mentioned several times that those with religious views were against therapeutic cloning.

He went on to say that I had recognised that you do not have to have some religious conviction to be opposed to society's bully boys or bully girls acting in particular ways. He continued:

> The religious card is often overplayed to put people with opposing views into the crackpot box.

He goes on to speak about himself—

MR SPEAKER: Mrs Dunne, I am waiting for you to draw a connection between that and the amendments.

MRS DUNNE: I was saying why I was moving the amendments. I said that very clearly at the outset, Mr Speaker. This person, who supports my moving of these amendments, says:

> The nearest I get to being religious is being an agnostic, but I do believe in the sanctity of life from its conception onwards. It is a degradation of what society should do if we do not protect those who do not have a say and who do not have the physical or mental capacity to fight back. Example: embryos, the terminally ill or the elderly.

What we are doing here today is proposing a series of eugenics experiments, essentially, or allowing for the provision of a series of eugenics experiments that allows for the creation of materials with more than two genetic precursors, two lots of genetic precursors, two lots of parents. These things, which were unconscionable only four years ago when we debated them in this place, are suddenly okay. We find that it is all right because, in the long run, after all, these things will only be allowed to survive for up to 14 days and then it will be all right and actually a legal requirement to destroy them.

For people like me, and for people like my constituent who wrote to me from quite a different world view but coming to the same conclusion, if you believe that life begins at conception, there is no way that a member of this place can support the creation of an embryo, whether or not it has one, two, three or four sets of genetic materials in it, for the purposes of research. Embryos come into being to provide for the continuation of the species, to provide for future life. That is the only reason that we should be bringing them into existence. Yes, we have some problems with dealing with what the

minister quaintly calls "excess embryos", but creating a regime that allows them to be experimented upon and then destroyed does not actually take us any further down the path of addressing a substantial and serious public policy issue. These amendments are about maintaining what I see as the first and most important thing a legislator does—upholding human dignity from the moment it comes into existence until the moment it naturally expires.

MS GALLAGHER (Molonglo—Minister for Health, Minister for Children and Young People, Minister for Disability and Community Services, Minister for Women) (10.49): I will be opposing this amendment. I have listened to what Mrs Dunne has said and I think it does come down to your own beliefs about when life is created—at what point it is created. I can understand Mrs Dunne having the view that she does, but it is not one that I agree with, and I think that there will be other members in this place who do not share that same view and who have different belief systems around that.

This legislation allows research into an embryo that contains genetic material provided by more than two persons. Again, this is a recommendation coming out of the Lockhart review—that a licence to create human embryos using the genetic material from more than two persons or including heritable genetic alterations should be permitted for research, training and clinical applications. That was recommendation 26.

The commonwealth legislation and the ACT bill before us today permit the NHMRC Embryo Research Licensing Committee to issue a licence to create embryos that contain genetic material provided by more than two persons in research subject to stringent criteria. That is really what this bill is about. It is about allowing a particular type of research under very strict regulations and controls—research that has not been allowed before but that many believe will provide significant insights into treatments for people with very debilitating conditions.

The use of embryos created using genetic material from more than two persons is required for research aimed at assisting embryonic development or preventing mitochondrial diseases. These diseases are complex diseases caused by the body's inability to convert food and oxygen into life-sustaining energy and can affect the heart, brain, muscles and lungs. Mitochondrial diseases are responsible for a range of conditions, including dementia, multiple sclerosis type disease and diabetes mellitus when it is combined with deafness.

The use of embryos created using genetic material from more than two persons may also be required when an existing embryonic stem cell line is used for somatic cell nuclear transfer. I am advised that the NHMRC has not received any applications for a licence to create embryos using the genetic material from more than two persons in research, but this legislation allows that to occur in the right conditions if the research is seen as being necessary. Again, it really is up to the experts on the NHMRC—experts in their field—to go through the very strict licence conditions and controls that are set out in the bill.

If this amendment were to pass and the relevant clause be removed from the ACT bill, it is not clear whether the commonwealth would be able to declare the ACT

legislation as corresponding. A key part of this bill is to try to establish a nationally consistent regime for this type of research—one which many believe is the best way forward—and not have different research conditions or different types of research allowed in different jurisdictions. I will not be supporting Mrs Dunne's amendment.

Question put:

> That amendments Nos 1 and 3 be agreed to.

The Assembly voted—

Ayes 4	Noes 8	
Mrs Burke	Mr Barr	Ms Gallagher
Mrs Dunne	Mr Berry	Mr Gentleman
Mr Mulcahy	Mr Corbell	Mr Hargreaves
Mr Smyth	Dr Foskey	Ms MacDonald

Question so resolved in the negative.

Amendments negatived.

MRS DUNNE (Ginninderra) (10.58): I seek leave to move amendments Nos 2 and 4 circulated in my name together.

Leave granted.

MRS DUNNE: I move amendments Nos 2 and 4 circulated in my name together *[see schedule 1 at page 1160]*.

Amendments 2 and 4 will make it an offence to create or develop a hybrid embryo. At the moment, as things stand clause 16 makes it an offence to create a hybrid embryo but clause 22A makes it possible to do so if you have a licence; it then becomes possible to develop that hybrid embryo for 14 days.

I listened with interest to the debate in the in-principle stage when some members touched upon this. I found it interesting that people who had previously stated that they were unhappy about the creation of embryos for the purposes of research could somehow be comfortable with the creation of a human-animal hybrid for the purposes of research. Dr Foskey—I hope I am not misrepresenting her—seemed to think that it was possibly all right because it would mitigate the need to conduct scientific research on animals. That leaves me a little at a loss.

If we do manage to create a human embryo hybrid, I am not quite sure what sort of status that will have in the hierarchy of things between lesser non-sentient animals and human beings. But I would think that, just by the mere presence of human DNA, it would be some sort of higher being than the non-sentient animal from which the DNA might have been derived. I am sure Dr Foskey will be able to speak further on that subject.

This is again a question of taking a rational approach to what is being proposed. As I have said before, I believe that a human embryo is a human being and that it has a unique genetic make-up. It will be the same thing. This embryo which is a hybrid will have a unique genetic make-up, and its status—in law and in all sorts of other things—will become unclear.

The belief that a human embryo is a human being is not necessarily brought about by the revelation of God, the church or anyone else—as my correspondent pointed out. I do not believe that in public policy these days anyone pretends that life does not begin at birth. Once upon a time, in a lot of public policy debates like this, people tried to prevaricate on the issue. I do not think anyone does now. Back in the old days they used the argument that it was all right to abort babies according to the church because ensoulment did not happen until quickening. But, as we all know, once the nature of fertilisation was fully understood those older views were thrown out as being discredited on purely scientific grounds.

When we talk about these things, we are talking about things that we know on purely scientific grounds. But they also have a moral dimension to them. In the *Canberra Times* only last week we saw a headline that said that seatbelts protect unborn babies. I do not think that anyone stopped and said, "Hang on; we can't talk about them as unborn babies, because they have not yet had the opportunity to form a social relationship or anything like that."

This is why I oppose the creation of embryos for the purposes of research. You cannot create a unique human individual for the sole purpose of conducting research on them. The extension is that we should not be making laws that allow us to create some intermediate, but still unique, genetically formed thing which is made up of both human and animal DNA. I think that the answer is that it is all right to do that because we will destroy it after 14 days. No-one is saying that we are doing this because we think that life begins sometime after 14 days from conception; no one is postulating that any change after 14 days equates to the beginning of life. At best the position is that life begins when "I say it does"; at the moment, the legislation says that that is some time after 14 days. At worst, it amounts to the view that we are big and powerful and embryos, whether fully human or hybrid, are small and weak, and that we do not care and we will do whatever is useful.

This is not an alternative view of morality. This is a view that either morality does not exist or it does not matter. To me the idea that we can avoid a moral issue by destroying the being that we have created before they acquire what somebody might call basic human rights is breathtakingly simple. Some people have called it a slippery slope, but the aspect of having a human-animal hybrid that four years ago we said could not be countenanced is suddenly okay so long as we keep it for 14 days. What will be the next stage? This is not a slippery slope; this is an underlying horrifying mentality.

I listened in particular to Mr Hargreaves, who, on previous occasions and again in Thursday's debate, spoke about the huge moral questions at the centre of this. He thought that it was probably all right to create a human hybrid embryo for the

purposes of testing the viability of human semen. When I went back and considered what he said, in many ways Mr Hargreaves seemed to be having the debate that we had four years ago. He seems to have overlooked the fact that most of what this legislation does is give people permission to create embryos—human or hybrid, cloned or otherwise—for the purposes of research.

Mr Hargreaves said that he would feel more comfortable about it if the injunction was to destroy after some shorter time than four days. He said, "Why not four hours?" I seriously sat down and considered whether I could accommodate Mr Hargreaves and say, "Can we shorten that time in any way?" But I came to the conclusion that morally—from a public policy point of view which is underpinned by morality—I cannot. You are still creating an embryo; you are just shortening the time for which that embryo lives. Whether you destroy it after four hours, 14 days or 14 weeks, it is still destroying a human being.

Although I seriously considered it, when I looked rationally at it I knew that I could not in all conscience propose what Mr Hargreaves was asking for. The thing is—this was borne out by the interview with Professor Tom Faunce on 2CN, when he admitted that scientific research is heading in a different direction—that the use of embryo cells is no longer necessary.

It is interesting that one of the things that this legislation outlaws is what is called a "chimera". Originally the word "chimera" referred to a mythological monster with the head of a human and the tail of a snake. The term was adopted by the scientific community to represent a half-human, half-animal creature but it also meant something which was imaginary or a false hope. In both senses, what we are doing here today is a chimera. The truth is that we do not need to do this.

What we are holding out to people is a false hope. A number of people spoke in here about someone they knew who had a disease that might be cured by this. We do not know of any cure that has yet become available as a result of embryo research. We do know of some very limited numbers of cures which have become available as a result of human adult stem cell research, but as yet not one from this.

For all those people who are holding out for Johnno to vote for this or for some other member to vote for the legislation, I am sorry, but they are being given false hope. There is no cure around the corner. There may not ever be a substantial number of cures from any sort of stem cell research, although there are a small number from adult stem cell research. All of the people say that the science is outmoded, and as a result of that we should be opposing the process.

MR MULCAHY (Molonglo) (11.09): I am pleased to speak in support of the amendments put forward by Mrs Dunne.

Earlier this month, we saw the advent of the first human-animal hybrid embryo in Britain. Researchers at Newcastle University produced an embryo by inserting human DNA from a skin cell into a hollowed out cow egg and then inducing growth in the embryo through an electric shock. These embryos, known as cytoplasmic hybrids, are used because of the relative scarcity and expense of human eggs relative to cow eggs.

This was reported some time later in Canberra, but I saw these reports some weeks ago.

I have already said that I am against the creation of human embryos solely for the purposes of scientific research and destruction. I certainly extend this principle to the creation of any embryo that is in part human—that is, any embryo that contains human DNA. Even if one were to disagree with this objection, I do not think that the mere inconvenience and expense of using human eggs is a sufficient reason to create these kinds of hybrid embryos.

We are talking about a radical shift in the ethical principles that apply to scientific research; we are starting down a road that is radically different from the one we have been on to date. Again, once we allow the creation of human or part-human embryos for the purposes of research, there is no principle that would prevent us from extending the gestation of such embryos. As Mrs Dunne has pointed out, the arbitrary line we have drawn could easily be amended and ultimately would go altogether.

I have heard objections about Frankenstein creations of human-animal hybrids; I have heard others laugh off these objections as a pure fantasy. But if the creation of a human-animal hybrid embryo is acceptable, and the gestation of the embryo for 14 days is acceptable, then what on earth is the principle that will stop us from extending that gestation to 16 days, 21 days, 30 days or whatever?

Once we accept a particular ethical principle, that principle will march inevitably towards its logical conclusion regardless of the ad hoc assurances of the moment. That is the underlying concern I expressed the other day when we were discussing this bill, and it continues to remain my deeply held concern. It is certainly a concern expressed by many people within the Canberra community. For that reason, I will be supporting Mrs Dunne's amendments. I hope that this will head off one of the other scenarios under this legislation.

DR FOSKEY (Molonglo) (11.11): I am not going to support the amendment, because I think that this concern is dealt with in the legislation. I want to take the opportunity to respond to Mrs Dunne's recollection that I said something the other day which indicated or implied support for it because it might reduce the need to experiment on animals. After checking back, I want to say that what I actually said was in regard to the use of stem cell research which has a great potential to reduce the need to experiment on animals and to use embryonic research as well.

As for hybrids, I want to leave them in mythology and art; I think they have a very important place in those disciplines. At the same time, I am aware that there is a certain fascination in human literature and human art about these kinds of creations. I hope that they do not make their way into science; I believe that we should make every effort to ensure that they do not. I foreshadow that I will be moving an amendment for a sunset clause. I believe that will allow us to continue to examine these concerns.

I think that this debate today is an indication that the more we know the less we know. The science is developing in leaps and bounds, and we always need to be on top of

that. No, the Greens do not support the creation of hybrids for scientific research. However, we believe that there is potential in using stem cells from animals to reduce the need to harm animals in our quest for solutions to human problems.

In regard to ranking life, probably everyone is aware of the 17th or 18th century tables or graphs ranking the value of different lives—of course, with humans at the top. We are wiser than that now. We know that human life is very important. Since we have given ourselves more power over other species—or taken that power—we could be seen as having a huge moral responsibility. But every aspect of life we now know is really important, and we cannot know what the loss of any one life form might mean in that chain of life. Consequently, I do not feel myself to be in a position to regard the experimental mouse as less important than any other species.

MS GALLAGHER (Molonglo—Minister for Health, Minister for Children and Young People, Minister for Disability and Community Services, Minister for Women) (11.15): This amendment really does go to the heart of the legislation which has been passed in principle. One of the key features of this bill was to allow, as I have said a number of times, particular types of research to occur under very strict licence conditions. One of those is that there should be available, on application or having a licence granted, the ability to develop a hybrid embryo.

This is very much about testing impact; it is all about testing the viability of sperm in ART treatment. The legislation is very strict where it explains that the licence is only granted up until the first mitotic division, which is 24 hours. It really is once the sperm penetrates the egg membrane that the research ceases. It is really taking into account the fact that there are not abundant amounts of human eggs to test the viability of sperm on. This is one way to deal with that issue. I will not be supporting the amendment. If the amendment passes, again, it significantly changes the bill that we are debating today.

MRS DUNNE (Ginninderra) (11.16): Ms Gallagher, the minister, has got to the nub of it—it is designed to significantly change the bill we are debating today. It is interesting to listen to people and to see how their positions shift according to the matter that we are talking about. I am heartened to hear from Dr Foskey—and I gather from the way she speaks about herself as the Greens—that the Greens are opposed to the creation of human-animal hybrids in this research. But at the same time, she is not prepared to use her vote to support that opposition and rests rather glibly on the so-called protections that are in the legislation.

As I said the other day, these protections are only as good and as strong as the sum of the people who make them. These decisions will be made by a committee of scientists and, to a lesser extent, ethicists. Whether or not people will get permission really depends on how people are feeling on the day. The protections are fairly weak. There are no real protections here, because it really boils down to someone making a value judgment.

The minister likes to hang her hat on subclause 30 (4) (b) and what that does is—again, a value judgement. Someone has to determine the likelihood of whether there will be a significant advance or improvement in technologies for treatment as a result

of this. It does not actually apply to the creation of human hybrid embryos, because it actually refers specifically to excess assisted reproductive technology embryos. In fact, the thing that the minister likes to hang her hat on does not actually provide a protection in this case.

The small protections that exist in subclause 30 (4) (b) are simply that someone or a group of people have to make a determination of the likelihood of significant advances. We are leaving not to legislators but to people in conference rooms in the National Health and Medical Research Council the decisions about whether or not we create particular forms of life. There are some things that are reasonably done by boards and communities and there are some decisions that are reasonably made by legislators who are accountable to the people out there. The people out there would expect us to make those decisions and not to pass them off to a group of well-meaning scientists in a boardroom in the National Health and Medical Research Council. This is where we draw the line, and this is where we should be saying that this legislation goes too far. If we only need to keep these hybrid embryos for 24 hours, why does the legislation say 14 days, and when will it move, as Mr Mulcahy has asked, from 14 days to some other period?

Dr Foskey says that she is opposed to the creation of human hybrid embryos. She should be opposed to it simpliciter, whether it is for one hour, 24 hours, 14 days, the lot. The Greens as an organisation are opposed to a whole range of genetic engineering in terms of food crops and things like that. They talk about "frankenfood" and they talk about the fact that they do not want to have fish DNA put into tomatoes to make them have a longer shelf life, and I think that a lot of people have concerns about those sorts of things. So if they would use their vote to oppose that sort of legislation, why would they not use their vote to oppose the sort of legislation that deals with the human genome? If it is all right to protect the tomato, why do we not protect the human being and the human genome in the same way?

Question put:

> That amendments Nos 2 and 4 be agreed to.

Ayes 5		Noes 8	
Mrs Burke	Mr Smyth	Mr Barr	Ms Gallagher
Mrs Dunne		Mr Berry	Mr Gentleman
Mr Mulcahy		Mr Corbell	Mr Hargreaves
Mr Pratt		Dr Foskey	Ms MacDonald

Question so resolved in the negative.

Amendments negatived.

Clause 7 agreed to.

Clauses 8 to 12, by leave, taken together and agreed to.

Clauses 13 to 15, by leave, taken together and agreed to.

Clause 16 agreed to.

Proposed new clause 16A.

MRS DUNNE (Ginninderra) (11.26): I move amendment No 9 circulated in my name *[see schedule 1 at page 1160]*.

Mr Speaker, this amendment inserts a new clause 16A and is of an entirely different tenor and goes in an entirely different direction from those which have previously been discussed. This relates to the pecuniary interests of researchers and a statement of what researchers stand to gain as a result of research. It is no secret that the business of assisted reproductive technology and embryo research in general is big business. A lot of that money is made off the back of commonwealth taxpayers, who pay for a large proportion of the egg harvesting cycles and many of the procedures that are undertaken, although there has been some clawing back of the commonwealth contribution in this area. But it is big business and companies make a large amount of money out of it.

Most of the embryo research—the sort which people hold out much hope for in this legislation—is conducted by IVF companies in Australia who undertake assisted reproductive technology techniques. It is also no secret that, for instance, when Monash IVF was sold recently it sold for some hundreds of millions of dollars to a merchant bank. I think that the amendment is reasonable, as in many other cases where researchers seek licences to do things or seek grants to do things, they have to state where their financial backing is coming from and what their relationship is to the financial backers. For instance, when Monash IVF was sold, the principal of that company walked away with some tens of millions of dollars as a direct result of his share ownership. He is now doing very nicely in the United States earning large sums of money on the back of this research.

If an organisation wants to obtain a licence that may end up with a patent for a technique or a serum or whatever as a result of this, I think that it is reasonable that the researchers state to the National Health and Medical Research Council what their relationship is with their backers, who stands to gain and what their financial relationships are. This is about transparency. It is not necessarily about the publication of that information, because some of that may be considered commercial in confidence.

I did contemplate going down that path, and some staff of some of the members in this place asked me whether I would go down that path. At this stage I am not prepared to do so, but I do want at least the National Health and Medical Research Council to be able to come to some understanding of where the money flows go. It may, in time, be appropriate for that to be reported on, but that is a bridge that we can cross if there is a large volume of licences issued and a large volume of patented material coming out the other end.

This is a first step, Mr Speaker, and a modest one. It requires better accountability for those people who are seeking to undertake this research. There will be at least some

markers that this is not entirely altruistic activity and that, if the processes succeed, people will stand to make a lot of money out of it.

MS GALLAGHER (Molonglo—Minister for Health, Minister for Children and Young People, Minister for Disability and Community Services, Minister for Women) (11.31): I will not be supporting this amendment. Again, this is covered extensively already in the NHMRC's national statement on ethical conduct in human research. In fact, section 5.4—I was just getting someone from my office to get a copy of that because I left it upstairs—specifically deals with the issue of conflict of interest. One could also argue that these matters should apply to all types of medical research, not just to the research that we are debating today in relation to this bill.

Again, I guess it comes back to the fact that I think we have to let the experts determine the guidelines and the conduct of research. I am not comfortable saying that we have all the knowledge and understanding in this place to determine criteria when we have the NHMRC already issuing their guidelines on this. It does go to values and principles of research, for example, taking into account the scope and objects of the proposed research; the selection, exclusion and inclusion of categories of research; ensuring that the process of recruiting participants is fair; ensuring that there is no unfair burden or participation in research of particular groups; ensuring there is a fair distribution of the benefits of participation in research; ensuring there is no exploitation of participants in research in the conduct of the research; and ensuring there is fair access to the benefits of the research.

As I said, section 5, which I just do not have with me, goes to the issues of conflict of interest and financial considerations. My argument would be that this already exists. It has been determined by the relevant body which will be issuing the licence, which we have to rely on. I would prefer to rely on their advice and their expertise on this matter, I have to say, than I would on Mrs Dunne. That is just because I have a very different response to this bill than Mrs Dunne has.

Whilst I do not think we are shirking our responsibility as legislators by allowing the NHMRC to be the key body here in determining licences and the criteria for research, I am much more comfortable with an eminent body of scientists and ethicists determining these issues than I am with the ACT Legislative Assembly doing that. That is just from my own feelings and my own response to this bill. In a way, it goes straight to this amendment in that I feel that these guidelines, the ethical conduct criteria, are very clear and have already been determined by the NHMRC.

DR FOSKEY (Molonglo) (11.34): The Greens certainly support the principle behind this amendment because we, of course, are also concerned about the potential for financial interests to direct the work. We are very concerned about the financial relationships between the companies that run the IVF programs, the scientists who do the research for each IVF company and each research body and the biotech and medical companies that stand to gain from the whole process. Indeed, the ethics behind what drives the IVF industry is really the very huge question that we are grappling with today. However, that is not the issue that we are looking at. Instead, we are looking at research that comes out of the excess assisted reproductive technology eggs.

We do know that there can be no import or export of stem cell lines derived from embryos using practices consistent with Australian legislation. Certainly, one concern about this bill is the potential for the privatisation and commercialisation of this research. The dangling question in my mind is really about corporate control of beneficial technologies. Who owns the science and who benefits? How will those benefits be shared? Will the intellectual property be held for the public good or held by the company that undertakes the research? Will this bill lead to corporate control of cures for diseases? Will this bill feed into a system in which human tissue and embryonic cells are traded for profit?

There is a disappointing and worrying lack of protections in the bill to guard against these things happening, and this is the issue that Mrs Dunne has raised with this amendment. This bill does prohibit the sale of eggs, sperm or embryos. It also prohibits discounted or free assisted reproductive technology services in exchange for the donation of eggs, sperms or embryos. But that is not the output of the research; it is the sale of the stem cells and related research outcomes that we need to watch.

It seems possible that companies that develop therapies arising from this type of research will be able to patent the knowledge, monopolise it and make a great deal of money. The ability of a person to access the benefits of research would be based on ability to pay in this case rather than on their need. My colleagues Senator Kerry Nettle and Senator Bob Brown raised these concerns in the federal debate and moved amendments that would have ensured that the fruits of the research remained in the public domain. Unfortunately, those amendments were defeated.

The Greens would like to see a tighter regulatory framework of the biomedical industry to ensure that medical breakthroughs are not exclusively for the wealthy. Transnational biotechnology companies dominate stem cell research around the world, and the patents on stem cell lines are bringing massive profits for the biotech industry.

I have a few concerns which Greens in other jurisdictions, especially in the federal arena, have raised and which could be helped to some extent by Mrs Dunne's amendment. A model which would probably create more public confidence in this issue would ensure that benefits and profits remain in the public domain and therapies remain available within the public health system. It seems only logical that research and not a quest for corporate profits should be driven by the public good.

In the United Kingdom the stem cell bank is a key mechanism to ensure that embryonic stem cell research stays as much as possible in the public domain. All viable stem cell lines must be deposited with that bank. It is disappointing that we do not have a similar body in Australia to ensure that innovations are shared. Following this thought about the public good and ensuring it is not just the biotech companies which profit, Senator Kerry Nettle for the Greens noted that we should not just leave it to each separate IVF clinic to make different individual commercial arrangements with the women who donate eggs to them, which is how the situation currently stands.

Sydney IVF, for example, has an arrangement now whereby each egg donor is able to access any benefits from research done on the woman's donated eggs. I believe that

this is something that should be applied consistently across the country. I have not proposed this today as I think it is probably best to do it through NHMRC guidelines. However, I would like to hear that the minister is taking up this issue with her federal counterparts.

Another issue about the profiteering potential of these biotech companies is about a central accessible national stem cell bank. Senator Nettle proposed a requirement that all licence holders deposit a sample of any stem cell lines that they derive in a publicly run national stem cell bank. Professor Robert Williamson from the Australian Academy of Science stated at the Canberra hearing why he supported a stem cell bank:

> If we have a national stem cell bank, that bank reduces the number of experiments that will be done on embryos. In the second place, it guarantees a level of transparency because people will be noted as using it. And, in the third place, it will operate in practice to facilitate public rather than private research.

When Senator Nettle proposed the concept of the national stem cell bank, the parliament was supportive of it in principle. However, it was not prepared to commit to its formation within the two-year time frame proposed. Recommendation 48 of the Lockhart report states that consideration should be given to the feasibility of the Australian Stem Cell Centre operating the stem cell bank. Establishing the bank need not be a difficult process, as there is already an Australian Stem Cell Centre, but it is a private institution. What we need instead is a framework to use the existing infrastructure but give it public standing and accessibility. This is an issue that I will be following up with our health minister.

Also of concern is to ensure that the products and profits from the research in the development of stem cell lines, including a stem cell bank, should they proceed in Australia, should remain in public control and ideally be equally available within the public health care system. So, to add to Mrs Dunne's amendment, if I thought it was to be passed today, I would add the requirement for applicants to the licensing committee to address in their applications and for the licensing committee to look at what contribution their research would make to reducing the global health burden to allow that public interest and public health component to be in it.

I am very aware that the majority of the current research is occurring in private institutions, and this could be a real worry in terms of access to these research benefits and what the research is being skewed towards. Associate Professor Wendy Rogers from Flinders University, in her submission to the Lockhart review, stated:

> … there is a serious ethical issue of equity that arises when tissues donated by Australians for the benefit of the Australian community (including both researchers and patients) are then used to develop commercial products for private enterprise. The products and profits from the research involving SCNT and the development of stem cell lines, including a stem cell bank … should remain in public control, and equally available within the public healthcare system.

I note that the NHMRC will be providing a review on human cloning and human embryo research to the federal minister this year and that the Minister for Health must

table a copy of the report in the Legislative Assembly as soon as practicable after it is tabled in the houses of the commonwealth parliament. I look forward to seeing this review and hearing how well researchers have managed to adhere to the current regulations and guidelines.

I note that Ms Gallagher did mention that section 5.4 of the NHMRC national statement on human research does cover this financial interest, but it would be extremely good to see that spelt out. For that reason, because of the issues it raises and attempts to deal with, I will be supporting this amendment.

MRS DUNNE (Ginninderra) (11.43), in reply: I wish to comment on some of the contributions. I thank Dr Foskey for her support for this amendment. She drew attention to where this area could be further expanded. If there was much prospect of government support, we probably would have collaborated on a more extensive regime here.

I must comment on some of the things the minister said because it rather typifies a lot of what the Stanhope government stands for. She said, "We have to let the experts make these decisions." I do not know how many times I have heard a member of the Stanhope government say, "I did this," or "This happened because this was the advice that was given to me by experts." If that is the case, we should just pack up our bags and go home and leave the running of the territory and the regulation of public policy in the hands of so-called experts.

Okay, none of us in this place is even slightly expert in the matter of stomatic cell nuclear transfer or any of the other techniques involved in this. But this does not mean that we should not be informed or that we should not speak authoritatively on the basis of advice that we are given. You listen to the advice and you weigh it up according to your own compass. That is what the exercise of a free vote is about in this place.

Ms Gallagher is saying, "It is too hard. I would have to think about it. I shall just leave it to the experts," in the same way that ministers left the administration of FireLink to the experts or the running of the bushfire to the experts—we believed what we were told and we shut up and went on with our business. If that is the way people are going to run government in this territory, we may as well pack our bags and move out.

Being elected to this place and signing up for the deal means that you have to make hard decisions. You have to make decisions in the best interests of the community. Sometimes you have to look somebody—an expert—in the eye and say, "I'm not satisfied with that advice. Go away and look at X, Y and Z and come back and tell me why my instinct or the thing that I understand to be the case is wrong." It should not be: "The experts told me, so it must be right and therefore I can get on with it."

This is what the minister is doing. There are a whole lot of problems with this legislation. She is just sitting back and saying, "There are a whole lot of experts in a room somewhere in the NHMRC who will form a committee and make decisions on this. Once every two or three years they will report to a minister. In between that time, we just have to leave it to the experts." It is not good enough. It is not good enough for the people of the ACT and it is not good enough for the people of Australia.

Question put:

That proposed new clause 16A be agreed to.

The Assembly voted—

Ayes 6		Noes 7	
Mrs Burke	Mr Pratt	Mr Barr	Mr Gentleman
Mrs Dunne	Mr Smyth	Mr Berry	Mr Hargreaves
Dr Foskey		Mr Corbell	Ms MacDonald
Mr Mulcahy		Ms Gallagher	

Question so resolved in the negative.

Proposed new clause 16A negatived.

Clauses 17 to 36, by leave, taken together and agreed to.

Proposed new clause 36A.

DR FOSKEY (Molonglo) (11.50): I move amendment No 1 circulated in my name which inserts a new clause 36A *[see schedule 2 at page 1160]*.

This amendment is a very simple one. It introduces a sunset clause following the commonwealth review of these acts. This is to ensure that the Assembly reconsiders the ethics and the impact of this legislation and the research activity that it allows.

While the matter of what constitutes a person or when a human life is said to exist cannot, I believe, be concretely established, I am prepared to acknowledge that some of the possibilities for research and testing that could be permitted under this legislation can be seen in a disturbing light. It is very hard to know where this legislation will end up. So, rather than vote against the legislation, which is part of a national project—and the vote would have no long-term effect even if it were successful—it makes sense, I believe, to put a sunset clause in the bill so that the Assembly will have to re-engage with the issues when a few years have passed and after a full review of this act and the two commonwealth acts that govern the research.

On complex moral and ethical issues there are never, ever straightforward or easy answers. There is, or needs to be, an ongoing process of engagement. The Greens have been convinced that this research is both valuable and responsible, but it is also dealing with matters that could have profound consequences. Indeed, it goes to the heart of the place of humans in the world. It should not be too great an inconvenience to those members of the Assembly who wish to support this legislation also to support this amendment in order to ensure that, as MLAs, we take ongoing responsibility for our actions.

It is always a challenge when it comes to taking profound ethical or philosophic decisions through the vehicle of an intergovernmental agreement. I understand from

the minister's office that the ACT government sees a sunset clause as inconsistent with the intergovernmental agreement and, as such, would need to be considered by the Australian Health Ministers Conference or COAG prior to being tabled in the Assembly.

It would seem then that this legislation, no matter its impact, ought simply to be passed by the members of this Assembly as part of an intergovernmental agreement. That, of course, is ludicrous and irresponsible. Does that mean that every single time there is an intergovernmental agreement the ACT Assembly has no capacity to take responsibility for the legislation it passes, or does it mean that this government, as a majority government, does not believe that it needs to give Assembly members, including its own members, any responsibility for decisions that are made if its ministers have made the ACT a party to an intergovernmental agreement?

In this case, whatever the advice of the department, there would be nothing stopping this project continuing if the ACT Assembly did include a sunset clause and then ran it past the other Australian governments. This sunset clause would give us five years before the legislation expired so there would be time enough to revisit the legislation—even after three or four years—once the operation of the regime has been reviewed by the commonwealth, and then we could go through this debate again. Indeed, it might be tiresome for some to hear the same fairly fundamental positions on both sides of the debate being repeated. But I would have thought that was a small price to pay for legislation which seeks to reflect current science and community perspectives.

In relation to this I want to refer to an article in today's *Canberra Times.* We understand that newspapers just pick here and there from the scientific journals those little bits of news that they think are sensational and will sell papers. This one refers to a scientist's claim of producing artificial mice sperm. It states:

> Artificial human sperm could come to the aid of infertile men, according to a team of German scientists who have used lab-grown sperm to inseminate female mice.

Of course, it goes on:

> … could also make males totally redundant—

newspapers like that one—

> permitting women to give birth without a biological male mate.

That, I think, is a fairly irrelevant comment, but what it shows is that this research is constantly on the move. This is the description of the research:

> We started out with 65 embryos from egg cells which had been inseminated by the sperm-like cells created in our lab. Of those, 12 reached full term and were born. But seven of the newborn animals died within a period ranging from three days to five months after birth of causes which we have not been able to determine …

> 'So you can see that all this is in the very experimental stages.

And, says the scientist confidently:

> 'If it works in the mouse, I'm sure it will also work in the human.'

Of course, we could be very concerned about the commercial use of technologies like this, and that certainly reinforces Mrs Dunne's and my concern to make sure that that kind of use cannot happen. It also indicates how quickly the science is moving and how closely we need to watch it. It is probably a good precautionary attitude to review it every three, four, five years.

MS GALLAGHER (Molonglo—Minister for Health, Minister for Children and Young People, Minister for Disability and Community Services, Minister for Women) (11.57): I will not be supporting this amendment for some of the reasons that Dr Foskey has explained. The government did sign up to an intergovernmental agreement on a nationally consistent regime. That is not to say that the Assembly should not have a say or that the Assembly is just here to rubber stamp the intergovernmental agreement. That is not the case. But the intergovernmental agreement certainly influences the way the government is thinking on responding to this amendment.

Specifically, the bill refers to a nationally consistent scheme. We are creating here a scheme that is the envy of the rest of the world in terms of the way that we are dealing with research in this area. There is the possibility that the intergovernmental agreement would not be seen as corresponding legislation by the commonwealth minister. Also, as a signatory to the intergovernmental agreement—this is for the consideration of the government, not the Assembly—if there was any proposal to amend our legislation, we would refer those amendments to the Australian Health Ministers Council or COAG prior to any amendment going through.

There are some other practical issues. One, there is a built-in review of the commonwealth legislation that will enable it to be dealt with more quickly than a sunset clause of five years. The act actually requires that, as soon as possible after the third anniversary of the date of royal assent, which is 12 December 2009, a review is to be given to COAG and each house of parliament and that by the fourth anniversary of the date of assent, which is 12 December 2010, there be an independent review of the current legislation. Importantly, if what the sunset clause is about is keeping pace with research, then this review is going to keep pace with research and analyse that research earlier than the sunset clause. The review is to consider reports on developments in technology and medical and scientific research, including actual or potential therapeutic applications of such research. That is already built in, and that will occur before the sunset clause comes in.

Another reason for not supporting this amendment is that it will actually mean that the ACT will become the least desirable place to do this research, if it is appropriate. If you speak to any researcher, it is often a two-year proposal to work up a research project and then have a research project go for three years. No-one is going to bother

investing in a research proposal if the legislation expires after five years. They will simply go to other jurisdictions where sunset clauses do not operate. That might be of some comfort to those who oppose this legislation, but for me, who supports this legislation—I would not mind hearing Dr Foskey's response—the timetable would act to the detriment of research actually occurring here. The time taken in labs getting a research proposal up, getting it approved, getting licences and then conducting the research I do not think allows enough time.

The other issue is that whilst a sunset clause would abolish what research can be done by the legislation expiring, importantly—I think this has been somewhat lost in the debate—it would also get rid of all the protections that exist and the prohibitions and offences that are created under this legislation. So for those reasons that I have outlined I will not be supporting the amendment.

MRS DUNNE (Ginninderra) (12.00): I thank Dr Foskey for bringing this matter forward. I will be supporting her amendment. I think that it is just good public policy, as she said. In an area where there is such a lot of debate and where there are highly charged issues in relation to the ethics and the science, where all the scientists, irrespective of what side of the debate they come down on, come out and say that most of what we are proposing now is either already redundant or will soon be redundant, it is perfectly reasonable that this legislation should lapse.

In 2013, when the second Seselja government is coming to the stage where this matter has to be considered, if the minister for health thinks that this is an important issue and that this legislation should continue, there will then be the mechanisms available to the house to continue this legislation, or the health minister in a second Seselja government who has signed up to some sort of national agreement will be able to come in here and say, "This was how things were in the past, boys and girls, but, you know, the science has overtaken it."

The health minister in the second Seselja government, whoever that person may be, will have a responsibility to take the report from the commonwealth minister and do something other than just table it. There is nothing in the current provisions requiring the tabling and the retabling of reports from ministers that requires us as a legislature to do anything about them. Dr Foskey's proposal requires us to come back in 2013 and think about it again. If I happen to be the health minister in the second Seselja government in 2013, I would relish the opportunity to do so.

MR SPEAKER: I warmly welcome students from years 5 and 6 from Curtin primary school.

DR FOSKEY (Molonglo) (12.03), in reply: I will briefly respond to Ms Gallagher's concerns about my amendment. These are very valid concerns, but I do not really believe that they are an argument against the amendment. As I said in my speech moving the amendment, it is necessary anyway for the health minister to take this issue to other Australian government ministers. If we want to even the playing field, that is the way to do it—to support this amendment and then to take it to the ministerial council on this issue.

It is an intergovernmental agreement, and I agree that that could be an issue. But perhaps, instead of throwing away the amendment and throwing away the process of review, we should look at how we can conduct that review on an even playing field. Also, we need to realise that this legislation will be being reviewed at the commonwealth level; thus there is always the opportunity for it to be changed anyway, depending on the complexion of the commonwealth government.

Like Ms Gallagher, I would be concerned if we were thinking, "Well, a different kind of government is going to throw this out all together," when so much painstaking trouble has been gone to to make a regime that protects the concerns of all the players involved, including the eggs themselves. I do not propose this sunset amendment lightly. I think that the concerns that have been raised by people in the community, by the opposition and by me are worthy enough to be the basis for review. For that reason I do commend the amendment.

Question put:

> That proposed new clause 36A be agreed to.

The Assembly voted—

Ayes 6		Noes 7	
Mrs Burke	Mr Seselja	Mr Barr	Mr Gentleman
Mrs Dunne	Mr Smyth	Mr Berry	Mr Hargreaves
Dr Foskey		Mr Corbell	Ms MacDonald
Mr Mulcahy		Ms Gallagher	

Question so resolved in the negative.

Proposed new clause 36A negatived.

Reminder of bill, by leave, taken as a whole and agreed to.

Bill agreed to.

Unit Titles Amendment Bill 2007

Debate resumed from 6 December 2007, on motion by **Mr Barr**:

> That this bill be agreed to in principle.

MR SESELJA (Molonglo—Leader of the Opposition) (12.11): The opposition will be supporting the Unit Titles Amendment Bill 2007. We will not be proposing any amendments, since this is a relatively straightforward proposal, but I will speak just briefly to the bill.

This bill simplifies existing arrangements and provides a balanced approach to dealing with cases where minor attachments to buildings encroach over public land. The

approved list of attachments which may encroach over an adjoining road or public place will be listed in the definitions of the amended act. This list is presently limited to pretty unobtrusive attachments—basically eaves, gutters, downpipes and awnings. The act will be amended so that additional forms of attachments cannot be prescribed other than by regulation.

We are satisfied that this is a pretty sensible way of ensuring that the ambit of allowable attachments will not be extended without the opportunity for review by the Legislative Assembly. If we have any problems with a future proposed regulation for this unobtrusive kind of attachment, the Assembly could debate disallowance at that time.

There is nothing new about permitting encroachments of attachments to buildings over adjoining public land. The minister said in his address in December that there has always been a legal means to provide for approval. Until now, that means has been administrative and has entailed a cumbersome process to seek a direct grant, with the payment of a fee. This process is a pretty silly way of dealing with guttering. I am very pleased that this bill will remove these unnecessary administrative hurdles for something as simple as approving domestic gutters and drainpipes.

It is a pleasant surprise indeed to see the ACT government reducing some of their fee revenue for once, as small as it is. As a government, their record has been one of successive tax increases every year. We have seen many a new tax from Labor and I thought I would never see the day they would wind back a nuisance tax, but here we have it. Of course, real credit is probably due to the Government Solicitor's Office for identifying that existing mechanisms were defective. Credit is also due to the New South Wales government for establishing a model that has worked successfully and which the ACT government has been able to cut and paste.

In complimenting the government for endorsing this reduction in revenue, the opposition notes that this is not a tax abolition; it is just a narrowing of the number of cases to which the fee applies. I was interested to see what the impact of the fee would be. In response to opposition inquiries, the government advised that the fee for a direct grant at present is $4,447 and the fee for a lease variation and consolidation is $1,510—quite a bite in the neck for someone who wants permission to attach the gutters and drainpipes to their unit. We are advised that there have been only three or four of these applications per year, so Labor will not be forgoing too much revenue. This change means little to government but a lot for individuals who have footed the bill in the past.

The opposition is satisfied with the arrangements in this bill for approving encroachments over public land. Before it automatically approves registration of the plan containing a minor encroachment, ACTPLA is required to satisfy itself that there is no danger to public safety, there is no unreasonable interference with the amenity of the neighbourhood and there is no public interest reason against approval of the application. These are reasonable tests and I think they cover the field of potential concerns in a sufficiently broad way. The opposition will therefore be supporting the bill.

MR MULCAHY (Molonglo) (12.14): I will speak briefly on and will be supporting the Unit Titles Amendment Bill 2007, which makes sensible changes to the provisions for the registration of unit titles in the ACT.

The bill allows a new unit plan to be registered even though it includes minor encroachments, such as eaves and awnings, over an adjoining road or public place. I understand from the explanatory statement on this bill that it has been the government's previous practice to allow such encroachments when there is no significant loss of public amenity. In 2000, the Government Solicitor's Office found that this practice was inconsistent with ACT law. The change will correct ACT law on this issue to allow the government to adopt its former practice of allowing minor encroachments to public land.

This is an interesting bill and it invites us to turn our attention to the notion of land ownership and the prerogatives of that ownership. I am reminded of the amusing legal principle which existed in Roman law and which was later passed on to the common law and the civil law for a period regarding the scope of ownership of land. The principle was encapsulated in a Latin maxim, which I will not attempt to repeat because Mrs Dunne will correct me on this and I have not had time to consult Father Webb, which translates roughly to the English phrase "to whoever owns the land shall belong the earth to its centre and up to the heavens". This principle meant that an owner of land was regarded as owning a conic section which went up infinitely into the heavens. As such, encroachments, no matter how high up, were regarded as trespassers to land.

This principle has now been discarded by the common law, which recognises that encroachments over property do not always affect the enjoyment of that property by the owner. In this case, we do not need to concern ourselves with a difficult analysis of land law, since the land encroached upon is public land, and the government is certainly able to allow encroachments to its own land if it feels that this is sensible. I am satisfied from my analysis of this bill and the unit titles system that there are indeed instances where it is sensible to allow minor encroachments onto public land.

The bill provides criteria in section 20 (1) (d) to deal with applications to approve encroachments. This section requires the government to consider whether new encroachments that have not previously been approved would endanger public safety or unreasonably interfere with public amenity and whether it is in the public interest to refuse to approve the application. I am satisfied that these criteria are sensible, though as with any set of subjective criteria their reasonableness will largely depend on how they are interpreted and applied by the government considering applications for the registration of unit plans. It is certainly sensible to refuse to allow such encroachments in cases where they present a danger to the public and, in my view, it is also sensible to refuse to allow such encroachments in cases where they unreasonably interfere with public amenity. I think these cases are probably sufficient to cover the relevant criteria without the more general public interest test, but I do not see any harm in such a test if it is applied sensibly.

I also understand from previous debate on this bill that the current process to deal with encroachments is to grant a stratum lease, which involves a separate payment of fees

and lodgement of documents. Whilst this may be a useful temporary measure, I am satisfied that the bill before us will create a more efficient permanent measure to deal with these kinds of situations. We certainly should not have to burden developers and government officials with the unnecessary administrative difficulties that are involved in the kinds of ingenious means of allowing encroachments that currently exist.

I am satisfied that the current bill will simplify the process for approving encroachments in unit titles and that it provides a sensible test to ensure that such encroachments do not derogate from the enjoyment of public land.

MR BARR (Molonglo—Minister for Education and Training, Minister for Planning, Minister for Tourism, Sport and Recreation, Minister for Industrial Relations) (12.18): I thank the opposition and Mr Mulcahy for their contribution to the debate and their support.

It is important to note that this is another step in the Stanhope government's delivery of a simpler, faster and more effective planning system for the ACT. The government sees it as imperative that all aspects of planning work for all sectors of the ACT community. The government made a very clear election commitment to make changes to the current planning system, to make it simpler to use, more consistent and faster for residents and for industry.

I think it is fair to say that it has been widely acknowledged that the previous planning system was very complex and that over the years it had become burdened by too many rules, regulations and guidelines, some of which were in conflict with each other, and that as a result we had a system that was resource intensive, often confusing and not able to respond quickly to changing community needs and expectations.

This amendment, although minor in nature, goes towards the aim of the government for a simpler, faster and more effective planning system. One of the most important aspects of this amendment to the Unit Titles Act is that it removes the need for the owner of the encroachment to go through an administratively complex process to apply to purchase a stratum lease by direct grant and pay additional costs prior to an approval of registration of the units plan.

There are an increasing number of older units plans, previously approved and registered, with minor encroachments that are now subject to redevelopment, requiring the registration of a new units plan which shows encroachments. Under the current legislation, the new units plan cannot show any encroachments as they cannot be approved by ACTPLA or registered by the Registrar-General unless the encroachments are removed. So, as the government is keen to assist lessees and to minimise unnecessary rules and regulations, we have brought forward this legislation and it provides a very simple solution that will speed up the unit titles process and save time. So I commend the Unit Titles Amendment Bill 2007 to the Assembly.

Question resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

Gene Technology Amendment Bill 2007

Debate resumed from 6 December 2007, on motion by **Ms Gallagher**:

> That this bill be agreed to in principle.

MRS BURKE (Molonglo) (12.21): We are presently at a crossroads as to how we deal with gene technology and what are known as genetically modified organisms. Genetic material may be altered, with methods that do not occur naturally, through genetic engineering. In this way, selected individual genes are transferred from one organism to another, even between non-related species.

Using genetically modified organisms offers both opportunities and risks. While biotechnology has revolutionised the treatment of once-lethal bacterial infections over the past 60 years through developing antibiotics such as penicillin, isolated from common bread mould, the real battleground will be in the use of gene technology in the production of food. Gene technology makes small but significant changes to a species' genetic blueprint, usually to one or two out of the 30,000 to 50,000 genes a plant or animal possesses.

On the positive side, the proponents of gene technology say that it is providing new ways of preventing, treating and curing human and animal diseases, helping farmers to improve agricultural production with less impact on the environment and will soon enable food products to be available to consumers at reduced cost.

It has already given us new products such as human insulin for diabetes, interferon and other drugs for treating some cancers and vaccines against diseases like hepatitis B. The CSIRO believes that there is a great future for gene technology in Australia to improve our health and create a safer and more secure food supply. For example, researchers are working on identifying the blood lines of high-performing prawns to enable farmers to produce their own elite brood stock of superior prawns in Australia's developing $50 million a year prawn farming industry. Cotton farmers in Australia have been able to reduce their use of synthetic pesticides by 50 per cent where the GM cotton is used, and a new variety of GM cotton has shown a 75 per cent pesticide reduction in its trials.

However, there are also large risks, as acknowledged by the CSIRO. Some laboratory studies in Europe and the US have shown that a toxin produced in transgenic crops by the insect-resistant Bt gene has the potential to affect at least two insect species apart from the pest it was supposed to target. Larvae of the ladybird beetle, which attack leaf-chewing and sap-sucking insect pests, can be killed by their eating caterpillars that have ingested a lethal dose of the toxin.

There is some evidence that crops modified for herbicide tolerance could crossbreed with nearby weeds of the same family. A study by the CRC for weed management found that pollen from herbicide-tolerant canola could travel up to 2.6 kilometres but

in very minute amounts. A UK farm study in 2003 found that growing some GM crops could potentially reduce biodiversity in fields, due to fewer insects and birds.

In Australia, no transgenic organism or product can be released into the environment or used in industry until approved by the Gene Technology Regulator, created through the Gene Technology Act 2000 which came into force on 21 June 2001. The OGTR is authorised to control GM organisms to protect the health and safety of Australians and the environment and to identify the risks posed by gene technology and manage them by regulating what scientists can do and checking what they do.

In the ACT there is one GMO trial of wheat which is now in the post-harvest monitoring phase. According to the last quarterly report of the Gene Technology Regulator, of the 34 sites subject to post-harvest monitoring in the quarter, only four were actually monitored. This represents a monitoring rate of 12 per cent of all sites subject to post-harvest monitoring in the quarter. That is from the quarterly report 1 October to 31 December 2007.

So there are clearly good grounds for opposing the indiscriminate use of gene technology. There is much community and farming disquiet over the production of GM food in particular. In February this year the moratorium on the sale of genetically modified canola seeds was lifted, allowing farmers in New South Wales and Victoria to plant GM crops. Groups of farmers and others are opposed to genetically modified plants, arguing that the risks are not understood with any certainty and the costs to the environment, trade and human health could be too great.

In February, one of the heads of Canada's National Farmers Union was touring Australia, warning about his experiences with using GM—or GE, genetically engineered, as it is known in Canada. NFU vice president Terry Boehm, who farms wheat, barley, lentils and canola in Canada, said, "It is not a magic bullet; genetic engineering nor herbicide tolerant crops are a magic bullet." That was reported on the ABC on 4 February 2008. He said farmers would see some short-term simplification of production, but that was all. He went on to say, "Very quickly you will have the whole country contaminated and you do that at your peril in terms of markets." He said segregation of GM and non-GM crops is practically impossible and farmers will pay the hefty licence fees and royalties for seeds each year or face litigation if they do not. He disputed claims by the pro-GM lobby in Australia that Canadian farmers had gained markets due to GM crops. He said this claim was bogus and that the Canadian government with the US government are lodging legal actions through the World Trade Organisation against the refusal of the European Union to open their markets to GE canola.

Reports from the CSIRO, the British government and the EU reveal significant problems with GMOs, including lack of adequate testing; failure to utilise best practice in risk assessment; new findings in relation to GMOs and soil; significant impacts on biodiversity in Britain; and failings of the regulatory system in Australia. The recent outbreak of equine influenza has been shown to be the result of such regulatory failure in Australia; the Howard government poured in millions of dollars to help keep the equine industry afloat during the crisis.

Most recently in Victoria, a South Gippsland group of business associations, health professionals, scientists, farming and community groups have signed a letter opposing GM food. The letter called on the Labor Prime Minister to fulfil his election promise to guarantee GM products are safe. One hopes that this is not as flimsy a promise as his statement that he had a plan. His only plan, we know now, was to say that he had a plan and then call a summit of people to give him one.

The safety of GM foods is still being debated. Concerns have been raised by scientists, community groups and members of the public that new allergens could be inadvertently created by transfer from traditional foods into GM foods; antibiotic resistance may develop as bioengineers sometimes insert marker genes to help them identify whether a new gene has been introduced into the host DNA, and one such marker is resistance to particular antibiotics; crossbreeding between GM crops and surrounding vegetation; pesticide-resistant insects; biodiversity may be reduced; and cross-contamination between GM plants to produce pharmaceuticals and food crops.

There are also ethical concerns about the possible monopolisation of the world food market by large multinational companies that control the distribution of GM seeds. Using genes from animals in plant foods may pose ethical, philosophical or religious problems. Animal welfare could be adversely affected. For example, cows given more potent GM growth hormones could suffer health problems related to growth or metabolism. Finally, new GMOs could be patented so that life itself could become commercial property through patenting. The use of GMOs, particularly in our food production, then amounts to opening a Pandora's box of potential harm. We must then tread very carefully.

The bill is aimed at bringing the ACT into line with nationally consistent guidelines for dealing with genetically modified organisms, GMOs. This means mirroring both commonwealth legislation and the Gene Technology Amendment 2001. The bill deals with how GMO crops and practices are licensed and how emergency situations and risks are dealt with. A more comprehensive licensing arrangement will be implemented, with the Gene Technology Regulator asked in all instances to prepare a comprehensive risk assessment advice, RAA, on applications for GMO licences. Offences relating to GMO practices, as well as compliance with licensing conditions, are also codified. The RAA will deal with such things as the actual GMO in question, containment issues and disposal of the GMO.

Given the ACT's limited exposure to crops, the bill will mostly affect how academic institutions like the ANU, CSIRO and Canberra university deal with and undertake GMO related scientific research.

The Gene Technology Act 2000, which came into force on 21 June 2001, introduces a national scheme for the regulation of genetically modified organisms in Australia in order to protect the health and safety of Australians and the Australian environment by identifying risks posed by or as a result of gene technology, and to manage those risks by regulating certain dealings with genetically modified organisms.

Finally, this is one area in which we cannot be too cautious. We must protect our markets and be aware that the future of Australia as a source of clean, green food may

be destroyed if the wrong decisions are made and the regulatory controls are too weak. We have much to lose, as Canadian farmers have testified. I support the bill today.

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 12.31 to 2.30 pm.

Questions without notice

Economy—business confidence

MR SESELJA: My question is to the Chief Minister. Chief Minister, in answer to a question you were asked on 6 March 2008 about the performance of the ACT economy, you said that the confidence that business has in the ACT economy confirms that the prospects for the ACT economy are extremely good. The latest Hudson report, released last Thursday, found that ACT employer sentiment had fallen by 13.4 percentage points to a four-year low. Chief Minister, how do you explain this decline in employer sentiment?

MR STANHOPE: I thank the Leader of the Opposition for the question. The single greatest contributor to that particular fall in sentiment or confidence is the Liberal Party's interest rate rises.

Mr Seselja: It didn't come with a change of government.

MR STANHOPE: There is nobody—there is no economic commentator worth a crust—that would argue that the greatest issues facing businesses in Australia today are issues associated with the mismanagement of the economy by John Howard and Peter Costello—the eight successive interest rate rises that have been suffered over the last three years. Ask any economist worth a crust what is the most significant issue affecting confidence in the business community today. It comes straight back to inflation; it comes straight back to interest rate rises; it comes straight back to John Howard and Peter Costello and their legacy to Australia—the Howard-Costello legacy: runaway inflation and multiple serial interest rate rises.

That is the greatest contributor to business confidence and the most significant aspect of what we see reflected. I think that Hudson himself said that. Indeed, Peter Martin and commentators in the *Canberra Times* acknowledged that businesses—in the ACT most particularly—that have expressed a drop in confidence in the ACT, those businesses that have indicated that they were concerned, attributed that concern directly to the Howard-Costello interest rate rises. There is absolutely no doubt about that.

Whilst there has been a softening in issues around confidence, the ACT labour market remains completely solid. Net employment intentions as reflected by Hudson remain positive. Over one-third of all employers in the most recent Hudson report indicated that they were looking to employ more staff. One-third of those surveyed by Hudson said, "We intend to employ more staff." Over half of all of the employers reflected in this Hudson report said that they are looking to maintain their existing staff levels. So

you have half of all employers maintaining their staffing levels and one-third of all employers intending to increase the level of employment.

That is not a bad expression of what business actually thinks about the state of business within the ACT at the moment. Despite their concern about the Howard-Costello legacy, with inflation and interest rate rises, their confidence in the ACT economy remains strong.

There are a range of other labour market indicators that are also particularly strong. The ACT has the second highest labour force participation rate in Australia, after the Northern Territory. And we have had, and continue to have, record levels of unemployment—the lowest level of unemployment ever recorded by a state or territory since the Australian Bureau of Statistics monthly labour force surveys were undertaken.

It is a great tribute to the ACT government—my government—that the economy remains as strong as it is. The only worrying cloud on the horizon is the Howard-Costello Liberal Party interest rate rises.

MR SPEAKER: Supplementary question, Mr Seselja?

MR SESELJA: Thank you, Mr Speaker. Chief Minister, what response are you planning to this decline in employer confidence?

MR STANHOPE: The ACT's economy remains incredibly strong: with private investment in the ACT—I would have thought one of the most significant predictors of confidence over and above employment intentions—we see, as reflected even through this Hudson report, the basis of the question, that half of all businesses in the ACT intend to maintain their current employment levels; one-third intend to increase them. We have near record levels of private investment in the ACT, and the only reason we do not is that last year we had the highest ever level of private investment in the ACT.

Interestingly, as revealed by the Bureau of Statistics I think just yesterday, year on year, February to February, the ACT recorded by far the highest level of housing finance commitments in Australia—13.2 per cent against a national average of, I think, 3.4 per cent. So, if you are looking for indications of strength and of how the ACT economy is performing, look at the most recent set of indicators released by the Australian Bureau of Statistics I think just yesterday. Against a national average in housing finance commitments that increased 3.4 per cent February to February, year on year, the ACT number of housing finance commitments increased by 13.2 per cent—a mile above the national average, the highest in Australia and a great sign that our housing affordability strategy really is beginning to bite.

The ACT economy under my government, as compared to that of the previous government, has continued to prosper. In fact, people within the business community here tell me that they have experienced a period of prosperity and of growth unlike any other that they have ever experienced, and they attribute that to this government and they thank this government for it. I think that is why that most singular, most

significant emanation of so-called business support for the Liberal Party, namely the 250 Club, has actually gone west. That is why the 250 Club, the singular most expression of business support for the Liberal Party, no longer supports the Liberal Party.

Mrs Burke: I raise a point of order, Mr Speaker.

MR SPEAKER: Point of order, Chief Minister.

MR STANHOPE: It is now going to support independent and other candidates.

MR SPEAKER: Chief Minister, order!

MR STANHOPE: I beg your pardon, Mr Speaker.

Mrs Burke: I think you have already got the point, sir; it is about relevance.

MR SPEAKER: Yes, stick with the subject matter of the question, Mr Stanhope.

MR STANHOPE: Thank you, Mr Speaker; I will. But I conclude on the point that even the 250 Club, the organisation of businesses that used to support the Liberal Party, no longer does. Thanks for the question.

Transport—seniors card

MR MULCAHY: My question is directed to the Chief Minister. Chief Minister, as you are aware, this week is Seniors Week. Since September 2006, when I was shadow minister for ageing, I have called for the ACT government to pursue a reciprocal agreement for the use of senior travel discount cards with other jurisdictions. Because of the unwillingness of some jurisdictions to have a national scheme, in March 2007 I urged the government to seek to enter into bilateral agreements with willing individual jurisdictions. Your government adopted this policy in October 2007. Chief Minister, can you tell the Assembly what progress has been made on this issue and whether ACT seniors are able to obtain discounts when travelling in any other jurisdictions?

MR STANHOPE: I thank Mr Mulcahy for the question. I must say I have never, with great respect, Mr Mulcahy, regarded it as one of your policy initiatives but I am happy to share it. Certainly, as Mr Mulcahy alluded to in his question, the ACT government and a number of other governments have, over a number of years, sought to achieve a national approach to the use of seniors cards interjurisdictionally. It has been the ACT government's view and position for some time—a position shared I think most visibly by Tasmania, in discussions I have had over the years—that there should be a national approach and a national agreement on the transferability of seniors cards, particularly for travel across jurisdictions.

Mr Mulcahy is quite right: all efforts through ministerial councils to achieve a national protocol, agreement or understanding on the transferability of seniors cards for travel purposes have been unsuccessful; and, as a result of that lack of success, the

ACT government did begin to pursue the possibility of bilateral negotiations and agreements. As a result of the efforts we have made to date, the governments of Tasmania and the Northern Territory have agreed to enter into bilateral agreements with the ACT government to allow seniors card holders in Tasmania, the Northern Territory and the ACT to use their seniors cards in each of those jurisdictions as if it were their home jurisdiction. We are negotiating memorandums of understanding. They have not yet been signed but we are now at the point where we are ready to enter into detailed arrangements with both Tasmania and the Northern Territory.

A sign of quite good hope is that the new commonwealth government has indicated that this is an issue on which it is now prepared to re-agitate at a national level, with a view to having national agreement. The big states have always been the sticking points—most particularly, New South Wales and Victoria. Their ministers, in forums at which I have been present, have always argued that the transferability issue disadvantages the larger states with larger transport infrastructure than it does the smaller jurisdictions. They point the finger and suggest that it is not surprising to them that the smaller jurisdictions—the ACT, Tasmania and the Northern Territory—have tended to advocate and pursue the prospect of transferability. I am not sure that their argument holds much water, but that has been the nature of the discussions that have been held in the past.

We have made good progress, Mr Mulcahy. We are at the point of entering into agreements with Tasmania and the Northern Territory, which I think is great progress.

MR SPEAKER: Is there a supplementary question?

MR MULCAHY: Thanks, Mr Speaker. Chief Minister, can you give an indication of the likely date for the commencement of those agreements and will you continue to press ahead with negotiations with other states to develop bilateral agreements?

MR STANHOPE: I will have to take the first part of that question on notice. I am not quite up to date with the extent of the progress, but I know it is advancing. Certainly, I will continue to agitate for it. I think that a national scheme is best and that it is in everybody's interests. I understand that the federal government is interested in now pursuing the possibility of a national scheme, and I will continue to strongly support that.

Economy—outlook

MR SMYTH: My question is to the Chief Minister and Treasurer. Chief Minister, the latest Hudson report, released last Thursday, concluded:

> In the current climate, the ACT economy appears to be faltering, with state final demand growth … the lowest rate in the country and well below the national average …

Further, the latest state and territories economic update from the ANZ Bank concludes:

> Economic activity in the Australian Capital Territory has slowed and the threat of cost saving measures being targeted at the federal public service pose further downside risks.

Chief Minister, how do you reconcile these statements with your comments in this place on 6 March 2008 that "the prospects for business and for the ACT economy are extremely good"?

MR STANHOPE: The statements are easily reconciled, as I have just indicated in relation to the Hudson report. It is easy. The Hudson report itself shows that one-third of all ACT businesses intend to employ more staff. The Hudson report itself shows that more than half of all employers in the ACT intend to retain their current levels of staffing.

There are a whole range of other indicators in relation to the strength of the ACT. Of course activity is slowing, because it has reached a record; it has reached a peak. It reached it last year; the highest level of private investment in the ACT since 1987-88, since the last great peak which was actually generated by the construction of the new Parliament House. Over the last few years I think we have had three of the four highest years of private sector investment in the ACT's history, peaking with the highest ever year, a record year, a year ago.

For it not to slow, you have got to keep going up. And you cannot keep going up. That was actually shown in 1987-88. You cannot actually have a record year year on year on year. Nobody ever does. Name me a jurisdiction, a place or a country in which each record year of investment and economic activity was exceeded the very next year by a new record of investment and economic activity.

We have now had a record year of investment and economic activity—unprecedented—reflected of course in the lowest unemployment in the history of Australia, reflected in the highest participation rates in Australia, reflected in levels of growth experienced only by the major boom states, the commodity states, of Western Australia and Queensland. You cannot keep going up. It is simply impossible.

Of course there has been a moderation in growth. But despite the moderation in growth, we anticipate and are aware that somewhere of the order of $1 billion of commercial construction activity will be pursued and is under way or in the pipeline and will be pursued in each of the next four years. Our advice, the advice of the Property Council and property advisers within the sector, as well as Treasury, is that there is an identifiable $1 billion worth of commercial construction under way or in the pipeline in the ACT—unprecedented levels of private sector investment and confidence in the economy of the ACT.

As I said just yesterday in relation to the latest of the indicators—housing finance approvals for February, year on year—the ACT is on 13.2 per cent, against the national average of, I think, 3.4 per cent. That is the latest of the indicators from the Australian Bureau of Statistics in relation to activity within the ACT—housing finance approvals. I would have thought it was a fairly significant indicator. The ACT led Australia.

Of course we can go to all of the other indicators. I am happy to do that. Our population last year increased at the highest level since 1993, 1.7 per cent. It exceeded the national average.

Here we have the Liberal Party talking the ACT down again, talking the economy down again, in a climate where we have the lowest unemployment; the highest participation rate; a level of population growth above the national average for the first time in 15 years, a population growth of 1.7 per cent, above the national average; the lowest unemployment; the highest participation rate; a level of population growth unheard of since 1993; and a whole range of other economic indicators that are strong and reflect a strong, solid economy that is moderating, that is slowing.

Why is it moderating? Why is it slowing? Why is retail consumption down? Why have the people of the ACT stopped spending at the rate they were spending a year ago? Because of eight consecutive interest rate rises, the legacy of John Howard and Peter Costello and the Liberal Party—the economic mismanagement, the trashing of the economy, the fuelling of inflation! Why would you be surprised that retail expenditure or spending in the ACT is down when the average mortgage has increased by $370 a month, legacy and courtesy of the Liberals? If your mortgage has just been hit to the tune of 370 bucks a month as a result of the mismanagement of the economy by the Liberals, then you probably would spend a little less on your discretionary expenditure. *(Time expired.)*

MR SPEAKER: A supplementary question from Mr Smyth.

MR SMYTH: Thank you, Mr Speaker. Chief Minister, why are you failing to act in response to the slowing of the ACT economy?

MR STANHOPE: Thank you, Mr Speaker. The ACT government is not failing to act.

Mr Smyth: Oh! What is it doing, then?

MR STANHOPE: We have acted well and strongly over the last six years in government. We have not done what the Liberals did in government. We did not actually produce five consecutive deficits—

Mr Smyth: What are you doing now?

MR STANHOPE: to a cumulative total of $800 million. Never forget this. Here we have got the Liberal Party in this place standing up and talking about driving an ACT economy. They had, what, four consecutive deficits! Go back and look at the papers, look at the record, look at the history—

Mr Smyth interjecting—

MR STANHOPE: Liberal Party deficit; Liberal Party deficit; Liberal Party deficit; Liberal Party deficit—to the tune of $800 million in four years.

Mr Smyth interjecting—

MR STANHOPE: It is probably a national record—$800 million of accumulated deficits over four years is Brendan Smyth's record in government. The now shadow

Treasurer's record in government is four consecutive deficits totalling just under a billion dollars.

Mr Smyth: So what are you doing now?

MR SPEAKER: Order!

MR STANHOPE: Compare it with our record after six years of government—six consecutive surpluses, and GFS surpluses at that.

Mr Smyth: So what are you doing now?

MR STANHOPE: We now have an economy. It is actually appropriately balanced.

Mr Smyth: So what is your response?

MR SPEAKER: Order! Mr Smyth, you have repeatedly ignored my calls for you to cease interjecting. I therefore warn you.

MR STANHOPE: We have delivered six consecutive surpluses, strength in the bottom line, a balance sheet the envy of Australia and a capacity to weather the shocks that might come our way. And one of the shocks that we have to weather, of course, is the implications and the effects of eight consecutive interest rate rises over the last three years under the Liberal government. That is a shock to any system. The mismanagement of the Liberals federally led to runaway inflation, the intervention of the Reserve Bank and eight consecutive interest rate rises. $370 on an average Canberra mortgage is the legacy of the Liberals. Never forget it—$370 a month, month after month after month.

Mr Smyth: I raise a point of order, Mr Speaker.

MR STANHOPE: Order, Mr Stanhope!

Mr Smyth: Just in case the Chief Minister forgot the question, it is: why are you failing to act in response to the slowing of the ACT economy?

MR SPEAKER: And the Chief Minister explained about past circumstances and how he has moved to fix it, I think.

Mr Smyth: Either he is or he is not, if you think. Perhaps he should come back to the answer. What is he going to do?

MR STANHOPE: What we have—

Mr Smyth: He cannot answer the question.

MR STANHOPE: What we have done is something that the Liberal Party has consistently failed to do in government. In its period of government it just ran with deficits. It did not run the economy. It did not create efficiencies. It did not put the

economy on a sustainable footing. It simply squibbed the hard decisions, did not actually get the economy under control, did not get the balance sheet under control and did not actually manage or budget or prepare the economy to actually weather the ups and the downs.

We have come through a period of unprecedented growth. We are still experiencing the benefits of that. We have an incredibly strong economy. Look around outside. Ask the people in the street and the business community what they are thinking. Ask the business community of this place what they think about their experience of the last six years and the way in which the territory has been managed by this government. I will tell you now that they will point straight to the 250 Club and the Liberal Party as a reason why they have abandoned all faith in that mob—

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

MR STANHOPE: It is because of the comparison between the two parties in government and our achievements as against theirs.

Gungahlin Drive extension

MR GENTLEMAN: My question is to the Minister for Territory and Municipal Services. Can the minister inform members what the recent completion of the Gungahlin Drive project delivers for the people of Canberra?

Opposition members interjecting—

MR HARGREAVES: Bong, bong, bong, bong! You lot are like little clowns at the circus. I thank Mr Gentleman for the question and his abiding interest in things to do with public transport in the ACT.

Yesterday marked the completion of this project, when I formally opened the last stages of the road for public use. The opening of the GDE for public use fulfils the commitment of the Stanhope government to the people of Gungahlin to connect them to the rest of Canberra with a direct road link from the Barton Highway to the Tuggeranong Parkway.

There are links from that north-south spine to all areas of the territory: Belconnen, Canberra north, Civic, Woden and the new suburbs of Molonglo when they are built. Indeed, they can take you door to door. In fact, we can go into our electorates, where we live! Except for some of them across there that do not live in their electorates—some of them will even move from their electorates; they will move further away from their electorates. The Leader of the Opposition moved further away from his electorate. How do you like that?

This is concrete evidence that this is a government that gets on with the job of building a city and territory for the future. This has been the biggest road-building project since self-government. Now that it is completed, we are not wasting time looking back; we are getting on with the next job: roadworks in Pialligo and around the airport. The Stanhope government has met the time frame for completion of the

GDE it gave in the budget last year. Indeed, it opened a few months earlier than we said it would.

Mrs Dunne: Yes, but you promised to deliver it in 2006.

MR SPEAKER: Mrs Dunne, order!

MR HARGREAVES: The GDE provides a very direct connection from Gungahlin to the rest of Canberra and it was being well used by Canberrans even though it was incomplete. I understand that recent traffic surveys showed that in excess of 20,000 vehicles a day were using the road, even before it was completed. My department will continue monitoring the use of the road.

Although it was designed and built as a two-lane road, it can be duplicated sometime in the future. The government will need to review the timing of that duplication and will rely on traffic data and other factual material to determine when the duplication will happen. We will rely on factual material—not at all like Mr Smyth's health budget in the last election. He got it wrong by $30 million. The shadow Treasurer was 30 million bucks out.

I would like the Assembly to know that the GDE project was delivered by local contractors who have come together in a consortium. I thank staff of Woden, Canberra and Guideline contractors for the work that they have done. By demonstrating they can deliver on major infrastructure projects, they can create further opportunities for local contractors to be involved in future major projects such as the Federal Highway extension—replacing Majura Road as the link to the Monaro Highway—and—

Mr Pratt: The contractors laugh about it.

Mrs Burke: I know.

MR HARGREAVES: They sound like those characters in the *Creature Comforts* program on Sunday night.

Ms Porter: Ha, ha, ha!

Mr Seselja: At least Mary thought it was funny, John. You got one laugh.

MR HARGREAVES: You ought to, because you are a joke. You are the television joke at the moment, and the YouTube joke. You want to see the ones that follow you.

MR SPEAKER: Order! Mr Hargreaves, come back to the subject matter.

MR HARGREAVES: The Federal Highway extension will have an importance beyond the territory. It obviously provides a direct link from Sydney through the territory to the Southern Alps and the far South Coast, and will be part of a national road system. There were many benefits from the GDE, including building the capacity and experience of the local construction industry.

Mr Pratt: It is actually drivers calling for—

MR HARGREAVES: This character over here continually talks down local contractors. What part of putting money into the local economy don't you understand, Mr Pratt? I also thank staff of my department—

Mrs Dunne: We wanted four lanes. Make it four lanes. Put some more money into the local economy.

MR HARGREAVES: I will get to you, Mrs Dunne, in the supp. I thank other ACT government agencies who have been involved in the planning, design and delivery of this project over—

Mrs Dunne: How do you know what the supp is?

MR SPEAKER: Order! Mrs Dunne, I warn you.

MR HARGREAVES: I told you. Johnno, one; Vicki, nil. I thank staff of my department and other ACT government agencies who have been involved in the planning, design and delivery of this project over a long period of time. The excellent job that they have done—particularly Tony Gill from Roads ACT—should be publicly acknowledged by members of the Assembly.

With the opening of the Gungahlin Drive extension, the western peripheral parkway is completed and, as members of the Assembly would appreciate, it is now time for us to focus on delivering the eastern peripheral parkway—the Federal Highway extension linking to the Monaro Highway.

MR SPEAKER: Supplementary question, Mr Gentleman?

MR GENTLEMAN: Thank you, Mr Speaker. Minister, can you detail for the information of members what were the engineering challenges encountered in the construction of the Gungahlin Drive extension?

Opposition members interjecting—

MR SPEAKER: Before you start, Mr Hargreaves: members of the opposition will cease interjecting. Two members of the opposition are on warnings for interjections.

MR HARGREAVES: Mr Speaker, thank you very much for that. The Stanhope government has already taken the lead and is funding its share of this $60 million roadwork package I just talked about a minute ago in terms of the Federal Highway extension. But it follows along all of the work, the really difficult technical work, around the Gungahlin Drive project.

Interestingly, this lot over here costed the thing at $32 million, and $32 million was going to get a double-lane highway, but it was going to stop at Belconnen Way. Can you imagine, Mr Speaker, what the traffic was going to be like on Belconnen Way

when these intellectual giants finished building that bit of the road? And, of course, $32 million is about as accurate as Mr Smyth's health budget in the last election—30 million bucks out.

MR SPEAKER: Mr Hargreaves, come back to the technical achievements.

MR HARGREAVES: I will. Thanks very much, Mr Speaker. One of the engineering challenges was the construction of a major bridge over Belconnen Way while the road was still operational—$7.1 million, I think, if my memory serves me correctly—which is about 25 per cent of the whole budget of that lot opposite, for one bridge. Members would be interested to know that the bridge over Belconnen Way is 108 metres long with a span between the piers of 53 metres. It is 12 metres wide, 5.8 metres above Belconnen Way and it contains 400 tonnes of steel and 2,000 cubic metres of concrete. That took 12 months to complete and was an engineering feat.

Mr Pratt: It was $7.1 million, was it?

MR HARGREAVES: It was $7 million that I have in front of me, Mr Pratt, but my memory says $7.1 million. But, if you wish to argue the toss over $100,000, you might like to talk to Mr Seselja about the cost of those ridiculous ads.

MR SPEAKER: Mr Hargreaves, direct your comments through the chair, please.

MR HARGREAVES: Ten thousand bucks worth of ads or something like that—more expensive, his ads, than the logo on a bus, I have to tell you, Mr Speaker.

The bridge over Ginninderra Drive was another major construction challenge, requiring the erection of six bridge beams, which was a very complex operation. The beams were transported to the site under police escort, with two large cranes then being used to lift them on to the bridge abutments.

Mr Pratt: What is the relevance of that?

MR HARGREAVES: Each beam, not unlike the width of Mr Pratt's mouth, is 40 metres long and has a depth of 1.8 metres and weighs approximately 76 tonnes. The beams were manufactured in Newcastle and are the longest prestressed concrete beams available.

The nature of the work at Glenloch interchange was very complex and involved the construction of four bridges at three different levels within a 50-metre radius. The demolition of the existing bridge was also necessary. The GDE southbound carriageway is 6.5 metres higher than the bridge for the citybound off ramp at Parkes Way, which is 6.5 metres higher than Parkes Way/William Hovell Drive bridge. In summary, there are bridges at three different levels with an overall height difference of some 13 metres.

The Parkes Way to William Hovell connection was constructed in a trench, which reduced the overall height of the structures above the general terrain by about five metres. This section of the Gungahlin Drive extension connects Caswell Drive,

Tuggeranong Parkway, William Hovell Drive and Parkes Way. Traffic lights that previously restricted traffic flow have been replaced with a system that allows traffic to move quickly and easily through the intersections.

Huge 75-tonne dozers and huge 78-tonne scrapers were used for the earthworks. During the construction, 1.1 million cubic metres of dirt was shifted and 20,000 tonnes of asphalt used. Environmental protection measures, which were developed under earlier construction packages, remained an important and ongoing component of these works. There was ongoing protection of nominated plant and animal species and heritage sites. Temporary and permanent measures to protect water quality in Lake Burley Griffin were also undertaken.

I went along that road deliberately today in the middle of peak hour traffic and it took me 17 minutes to get from the middle of Kambah to the doorway of the Assembly here, four minutes of which were spent sitting at the traffic lights at London Circuit. I understand from three reports that coming down Caswell Drive from Bruce, which was supposed to be the really heavy bit, took, door to door, 11 minutes.

Mr Pratt: I think that was the Chief Minister.

MR HARGREAVES: It was a very—

Mr Pratt: That was the Chief Minister.

MR HARGREAVES: very successful morning's travel for commuters.

Mr Pratt: 7.00 am.

MR HARGREAVES: Mr Pratt says he comes along at 7.00 am. I congratulate Mr Pratt for coming home from the party at 7 o'clock in the morning. I congratulate him, because there is nobody on the road going home after parties at 7 o'clock in the morning on a Tuesday morning.

The GDE was a very successful project and I thank the community for its patience.

Government—investment portfolios

DR FOSKEY: My question is to the Chief Minister in his role as Treasurer. On 29 August 2007, the Chief Minister informed the Assembly that the review of government investment portfolios had been finalised six weeks prior to that date, around 18 July last year. Could the Chief Minister please inform the Assembly whether any shares have been divested, any shareholder votes by fund managers on behalf of the territory have been guided or any speeches in company shareholder meetings have been delivered either as a result of ethical directions issued by the government since last July or as part of the government's response to the review of the government's investment portfolio?

MR STANHOPE: I thank Dr Foskey for her question. Mr Speaker, I think that it would be most sensible for me to take the question on notice and provide the detail for the Assembly when I have that detail.

MR SPEAKER: Supplementary question, Dr Foskey?

DR FOSKEY: I will ask my supplementary in case the answer is no. Could the Chief Minister please advise the Assembly if any shares will be divested, any shareholder votes will be guided or any speeches in company shareholder meetings will be delivered as a result of the review of government investment portfolios before the next ACT election?

MR STANHOPE: I am more than happy to take that question on notice. As members would be aware, the government did receive a report in relation to our investment policies and the government indicated that it would implement each of the recommendations of that, but in response to the specific questions asked by Dr Foskey I take the questions on notice.

Economy—outlook

MR STEFANIAK: My question is to the Chief Minister and Treasurer. Chief Minister, in evidence given to the House of Representatives Standing Committee on Economics last week, the Governor of the Reserve Bank, Glenn Stevens, when talking about the Australian economy, said: "There is at least some evidence that a moderation in demand is occurring." Chief Minister, what evaluation have you undertaken of this moderation in demand and what impact is anticipated on the ACT economy?

MR STANHOPE: Yes, there is a moderation in demand. Surprise, surprise! It seems to be something that surprises both the Leader of the Opposition and the shadow Treasurer that there is a moderation in demand. As the Reserve Bank has indicated, it is a moderation in demand that is affecting the whole of Australia, as a result of steps that the Reserve Bank has taken to address inflation—the great legacy of the Howard-Costello Liberal Party. The Reserve Bank, of course, is quite right, Mr Stefaniak. It is appropriate and convenient that you have drawn attention to the attitude, advice and evidence given by the Reserve Bank to that committee inquiry about moderation in demand, as a result of the actions, inactions and sheer negligence of the Liberal Party in driving up inflation, due to its economic mismanagement of the national economy.

Yes, there will be a flow-on effect in the ACT. There is a moderation in and a softening of activity within the territory, commensurate with what is occurring around the nation as a result of the availability of capital, as a result of some nervousness within the market about inflation, and as a result of the consequences and the impact of the interest rate rises that are a direct response to increasing inflation in the nation—the Liberal Party legacy—which is impacting on all Canberrans and, indeed, on all Australians. I refer most particularly to young families, who are finding that their mortgage payments have increased, on an average mortgage, by $370 a month, courtesy of the Liberal Party. So you are quite right, Mr Stefaniak, to draw attention to the evidence given by the Reserve Bank in relation to the causes of a moderating economy and a lessening in demand. It is directly attributable to the Liberal Party—to your party, Mr Stefaniak.

We have taken that moderation in demand into account in the decisions that we take, most particularly through our budget—a budget which I look forward very much to delivering in just on four weeks. As a result of the hard work and efficiencies that we have created, generated and pursued in our management of this economy—a management that has produced the strongest balance sheet that the ACT has ever experienced—we have a genuine capacity to respond to issues which the ACT economy faces. I look forward very much to revealing that strategy when I deliver the budget in a few weeks time.

MR SPEAKER: Mr Stefaniak?

MR STEFANIAK: Chief Minister, what will you do to ameliorate this moderation in demand in the ACT?

MR STANHOPE: The ACT government has a detailed strategy for dealing with all aspects of service delivery and the management of the ACT economy. We have the strongest balance sheet and the strongest economy, and the most significant and sustainable anticipated surplus and cash position that any ACT government has ever been able to achieve, as a result of our hard work and our management of the economy. That will be reflected in our budget in a few weeks time. And I am sure you are going to love it.

Economy—business confidence

MRS BURKE: My question is to the Chief Minister and Treasurer. I refer to the February 2008 Sensis business index for small and medium enterprises. This report showed a marked decline in the confidence of ACT small businesses from 55 per cent in November 2007 to 44 per cent in February 2008. How do you explain this decline in business confidence in the ACT?

MR STANHOPE: That decline in business confidence in the ACT is reflected in the mismanagement of the national economy by the Liberal Party. It is a direct result of the mismanagement—

Mrs Burke: Not your poor leadership and management?

MR STANHOPE: It is a direct and identifiable link. The entire business community will tell you that, to the extent to which they have concerns or anxieties at the moment, they are a result of the implications for the national economy and the ACT economy of eight successive interest rate rises over the last three years.

The fact is that an average Canberra family—young families, working families: this is an average Canberra family—is spending an additional $370 a month on its mortgage. That is $370 a month that it is not spending in the shops. It is $370 a month that it is not spending in restaurants. It is $370 a month it is not spending buying clothes or books. It is $370 a month it is not spending on recreation. It is $370 a month, courtesy of the Liberal Party, that goes straight into their mortgage. An average mortgage for a young Canberra family will now, over the life of that mortgage, cost an additional $110,000 as a result of the Liberal Party. Businesses in the ACT—

Mrs Burke: What are you doing about it?

MR STANHOPE: The first thing we did was to get rid of the government that caused the economic problem.

Mrs Burke: You did it single-handed, did you?

MR STANHOPE: The first thing that we the people of Australia—

Mrs Burke: We? The ACT Labor Party gets rid of the federal government!

MR STANHOPE: The first thing that we the people of Australia did was to get rid of the cause of the problem. And didn't they do that in spades where the Prime Minister Mr Howard was concerned? They not only got rid of the government; they got rid of the major driver—after Peter Costello, probably, who just did not have the strength, character or capacity to stand up.

Mrs Burke: Is this relevant to the question?

MR STANHOPE: You asked. Just now you asked what we are doing. One of the things we did—

Mrs Burke: No, I am asking how you explain the decline.

MR STANHOPE: I must say that I played my small part in that particular national movement to ditch your side of politics from the national landscape completely and ensure a clean sweep, a clean slate—a decision by the people of Australia that the damage that had been done, not just to the economy but across the board, was more than could be borne.

What we did collectively was ditch him. We sent a message that it was "through your incompetence, through your management or mismanagement of the economy, through your eight interest rate rises in three years, through your $370 a month on the mortgage of a young Canberra family". And there are the implications of that. That is $370 a month of discretionary expenditure that is no longer going into the ACT community; it is just going into the banks. It is not going into the small businesses; it is not going into the restaurants; it is not going to the bookshop; it is not being spent on sport.

If you were a businessman in this town, where even an average young family on an average mortgage had lost $370 a month from its disposable income, you would probably be a little bit shaky in terms of your confidence.

Mrs Burke: What are you doing to help, though?

MR STANHOPE: What we have done is manage our economy effectively. We have produced the strongest balance sheet of any government in Australia—it is the envy of Australia—with a strong, sustainable surplus. There is a strong balance sheet, an enviable cash position.

As a result of the hard work we have done in the creation of our budget, we will outline in detail in our budget our policy responses to all of the circumstances and situations which we face here in the ACT, whether it be in relation to the economy or whether it be in relation to health, education or community safety. We will outline in detail our policies and our prescription for meeting the future. We look forward to just a single suggestion or policy from the Liberal Party in relation to what it would do about a single thing in the ACT.

Mr Barr: They remember growing up in Tuggeranong, but that is about all.

MR STANHOPE: That is right. We await a single suggestion, a single idea, a single hint that you have a policy on anything or that you stand for anything.

MRS BURKE: Chief Minister, I ask again: what action are you taking to rebuild business confidence in the ACT?

MR STANHOPE: Certainly there is a softening and a moderation in the economy—a softening and a moderation driven entirely as a result of the flawed economic policy pursued by the previous government that led to multiple interest rate rises that have driven up interest rates. It is actually a direct response to the inflation which was generated by mismanagement by the previous government of the economy.

We have not done that here in the ACT. We have done the reverse. We have actually restored the budget fortunes of the ACT. We have created the strongest balance sheet any government has ever achieved in the ACT, which has given us the capacity to respond to challenges which we meet from time to time as we experience the different cycles of the economy and of activity within our community. We have the capacity, and we will respond in full with a raft of policies which, of course, will be explained in detail through the budget process in a few weeks time.

We await a single idea, a single policy, a single hint of a policy from the Liberal Party. You will see in very stark detail precisely what our responses are and you will see it starkly. I look forward to and await with great interest, of course, your response to policies and initiatives which we pursue in our stewardship of the ACT and our management of this economy.

Of course we are concerned about the continued growth and strength of the ACT economy—an enviably strong economy which the Liberal Party continues to seek to talk down but an enviably strong economy with a government which has produced, through its fiscally responsible approach to its duties and to the economy, a budget position that allows us the capacity to respond to all the emerging issues which the territory faces, whether they be in relation to health and our ageing population, whether they be in relation to our need or demand to ensure that we remain at the pinnacle of achievement in relation to education and education outcomes or whether it be in relation to community safety.

We have the capacity to respond to all of this community's emerging needs and priorities. We, as a government, have ensured that the ACT is ready to meet the future.

Economy—outlook

MR PRATT: My question is to the Chief Minister. Chief Minister, on 15 March 2008 the economics editor for the *Canberra Times,* Peter Martin, wrote:

> The economic chiefs at both Westpac and the ANZ believe that economic growth is now heading south.

Earlier this year, Access Economics had this to say:

> Canberra's construction boom is heading back down the mountain, taking some heat out of the city's private sector boom … a developing risk for 2009 is if Federal spending cutbacks also occur.

More recently Access Economics commented on the latest state final demand figures by saying:

> When you are being beaten by NSW, you know you're a loser.

Chief Minister, what action are you taking to position the ACT to cope with the anticipated economic slowdown?

MR STANHOPE: Thank you, Mr Speaker. The ACT government has acted and has been acting for six years to ensure that we have the capacity to meet the challenges of a slowing economy. I must say that when we began the process of seeking to fireproof the ACT economy against the shocks that we might have anticipated, such as the need to respond to the challenge that a rapidly ageing population presents to our health system, we were not perhaps quite prepared for the extent of this economic mismanagement that has now been revealed at a federal level.

I must say that as we sought to fireproof the economy and as we sought to ensure that we had a balance sheet that would allow us to respond to emerging needs we did not anticipate that the federal government would drive the economy down to the point where there were eight interest rate rises in three years and where an average young Canberra family now spends $370 a month additionally on its mortgage.

We did not anticipate the level or the nature of the economic shock that the Liberal Party would, almost by deliberate mismanagement, actually inflict on the people of Australia. It was just a frenzied panic by Howard and Costello when they saw their political fortunes going south at the rate they were. When the Prime Minister first realised that he was at risk of losing his seat—the ultimate ignominy for any leader, of course, is to lose their seat—he simply threw caution to the wind. He spent like a drunken sailor. They were throwing money out of the car window as they drove around, Howard and Costello, and they drove inflation to the point where there have been eight interest rate rises in three years.

A young Canberra family now spends $370 a month more on its mortgage than it was spending just a couple of years ago as a result of that rampant, outrageous and reckless spending and that total lack of economic management which is now a feature of what has become an infamous period in government.

We, of course, did not pursue that course. We steadied the ACT ship. We generated significant savings and efficiencies. Built into our bottom line are $100 million or thereabouts of efficiencies that we have driven through the ACT public service, which has strengthened our economy and our balance sheet through a period of significant economic growth to the point where we now have a capacity to weather some of the shocks that emerge from time to time and confront governments, such as rapidly increasing demand for health services and such as a slowing of an economy as a direct result of the reckless mismanagement of the national economy by a national government.

So what we have done over time is secure the position of our budget, our bottom line. We now have a capacity to respond to the challenges which will emerge as a result of a slowing of the economy as a result of the steps which the federal government feels it needs to take to ensure that inflation is kept under control—the great Liberal Party legacy which the entirety of the Australian nation is now paying a very significant price for.

Australian Defence Force Academy

MRS DUNNE: My question is to the Chief Minister. I refer to reports in the *Australian Financial Review* of April 2004 that the federal government was seriously considering axing ADFA, which has 600 students and employs hundreds of staff. What actions, if any, have you taken to go into bat for ADFA, its students and its staff?

MR STANHOPE: I have made regular representations to senior members of the federal government, including the Prime Minister, the Treasurer, the Minister for Finance and the Minister for Home Affairs, in relation to the need to ensure that any steps which the federal government takes to deal with the very unpalatable legacy that they inherited from the Howard-Costello government does not involve a disproportionate impact or effect on the ACT or the people of Canberra.

I might say that the ease and the level of access which this government accords to me and to my ministerial colleagues within the ACT and, indeed, to other governments around Australia is in marked contrast to the level of access the previous government provided. It is now possible for me, as the Chief Minister and the head of government of the ACT, to actually meet regularly and without any particular fanfare with my federal colleagues. I think that is precisely and exactly the experience of all of my ministerial colleagues, in stark contrast, of course, to the attitude of the previous government.

I have said before that I sought no fewer than, I think, four specific meetings with the previous Prime Minister to discuss the centenary of Canberra. The Prime Minister refused every single one of my requests for a meeting. The invitation for two of those meetings actually was facilitated by the ACT Liberal senator, Gary Humphries. One was sought using the good offices of the previous Chief Minister of the ACT, Mrs Carnell. Neither of them could get an appointment for us either. I think it provides some relevance to questions about what I have done about the level of access

and the representations I have been able to make to say that the previous government simply and flatly refused to deal with the ACT government, even when people as significant as our previous Chief Minister and, indeed, the current Liberal senator were actually part of the group that sought the meeting to actually pursue issues around our centenary.

I have had the opportunity to meet and discuss these issues with the Prime Minister, the Treasurer, the Minister for Finance and the Minister for Home Affairs. Indeed, I have met separately with the Deputy Prime Minister and the minister for innovation and science in just the last few weeks to talk about issues of significance to the ACT. I have made and continue to make representations.

Of course one has to acknowledge and accept that the federal government is facing a serious threat with the threat of inflation. The implications of runaway inflation are quite dire. And we see it already in the additional $370 which young Canberra families now pay on their mortgages. That is an incredible impost on young Canberra families, courtesy of the Liberal Party, that they are all paying an additional $370 a month. This is young Canberra families, with average mortgages, now paying an additional $370 a month. That is $370 a month that they cannot spend in any other way; it goes straight to their mortgage—$110,000 over the life of the mortgage.

That is the price that the people of Australia are paying for the Howard-Costello mismanagement of the ACT economy—the Liberal Party mismanagement. That is your legacy. That is your party. That is what you have done to young Canberra families trying to make their way in this community.

MRS DUNNE: Chief Minister, when will you stop your forelock tugging and your coat-tail love fest with the Rudd government and take a stand in support of ADFA?

MR STANHOPE: I have a history of expressing myself reasonably straightforwardly and forcefully. I have a history and habit—at times productive, at times less than productive—of speaking forcefully. I have done it for six years under a Liberal government, and I will do it for the next 12 years that I am Chief Minister under a Labor government.

Education—early childhood schools framework

MS PORTER: My question is to Ms Gallagher, in her capacity as Minister for Health, Minister for Children and Young People and Minister for Disability and Community Services. Minister, you and the minister for education today launched the early childhood schools framework. Could you provide details to the Assembly of what this framework means for future services provided to support families and children in the ACT?

MS GALLAGHER: I thank Ms Porter for the question. These are certainly exciting times regarding the way we work with children and families, particularly in the delivery of the new early childhood schools. As a community, we are already recognising the importance of investing in all aspects of our children's futures.

As part of the schools renewal initiative, the ACT government committed to the establishment of four new early childhood schools, at Southern Cross, Lyons, Isabella Plains and Narrabundah. These schools will be the first of their kind in Australia and will provide families with a comprehensive model of care in education at what we hope will be a one-stop shop.

The framework has been developed to underpin the establishment and operation of these early childhood schools. The framework provides a rationale for the early childhood schools to develop as early learning and development centres from birth to eight years; the common goals for the early childhood schools; core elements of service provision; and critical success factors. These schools will be built upon the very successful and very popular model which is already in operation at the O'Connor cooperative school, which was where Minister Barr and I launched the framework at lunchtime today.

The location of the schools in Lyons, Isabella Plains, Narrabundah and Scullin will mean that integrated early childhood education programs and services can be accessed across all areas of Canberra. That is a fantastic choice that has not been available to parents with young children in the past, when we have only had one early childhood school—the cooperative school in O'Connor.

These purpose-built schools will provide a coherent approach to early childhood learning and wellbeing. They will encourage and draw on family and community participation to ensure children are provided with the best possible comprehensive care and education. The early childhood schools represent a very collaborative endeavour between government agencies, including the Department of Education and Training, ACT Health and the Department of Disability, Housing and Community Services, and also with our non-government partners.

The importance of the early years to children's lives is beyond question. There is overwhelming evidence that the first five years of life can affect an individual's whole life course and that a good beginning to life is the foundation for future development. The policies of the ACT government around early childhood align closely with those of the Council of Australian Governments. COAG has already identified early childhood as a major component of its productivity and participation agenda. With our early childhood schools, the ACT is well positioned to take a leading role in progressing this agenda, with its comprehensive preschool program and new models of early childhood programs. It will be exemplified in these four new schools.

The services provided within each of these schools will vary from site to site and will be available from a number of government and community agencies, including education, childcare, health, parenting, early intervention and preschool programs. The framework we launched today ensures that government and non-government services within each of these schools are connected to the needs of young children and their families in our community.

The P-2 schools reference group supported the development of the framework for early childhood schools. The reference group included representatives of the

Department of Education and Training, Chief Minister's, ACT Health, the Department of Disability, Housing and Community Services, the University of Canberra, the ACT Parents and Citizens Association and the Canberra Preschool Society. Throughout the development of the framework, the communities of each of the early childhood schools were consulted. This engagement of the community will be evident in all aspects of the development and operation of the early childhood schools.

This framework provides an exciting opportunity for the future of public education in the ACT. It supports the integration of services providing regional hubs. The framework shows the commitment and the strength of the work that has gone into preparing these early childhood schools for their opening next year, and also the commitment of the community in supporting them. I was advised at the launch today that enrolments for all of the early childhood schools are going very well. I imagine they will be well supported in the community. I look forward to their ongoing success.

MR SPEAKER: Supplementary question, Ms Porter?

MS PORTER: Thank you, Mr Speaker, and thank you, minister. How does this framework provide for services to better support children and families in areas such as health, therapy and parenting?

MS GALLAGHER: Thank you, Ms Porter. As the framework says, an integrated service model puts the rights and needs of families and their children right at the centre. The framework recognises that services from different government and community agencies are linked so that each child and each family has easy access to the programs they need when they need them. As Dr Morag McArthur, Director of the Institute of Child Protection Studies at the Australian Catholic University, says in the framework:

> In an integrated service model, there are no wrong doors. Knocking on any door will lead families and children to the services they need.

As health minister, I am particularly interested in the way ACT Health will integrate its services into this new model. Services will be delivered by the community health child, youth and women's health program, focusing on early intervention and prevention. ACT Health is in the planning stages with the department of education to scope the services that will be provided, but at this stage at Narrabundah and Southern Cross schools ACT Health will be available to work collaboratively on site to provide maternal and child health services and at Isabella Plains and Lyons schools ACT Health will be supporting outreach services in collaboration with the child and family centre at Tuggeranong to provide maternal and child health services.

We will be using the expertise and the learning that we have managed to get through the ongoing work of the child and family centres, which have been in operation in Gungahlin and Tuggeranong for some time. These centres offer the one-stop shop to families so we can learn from them and look at how we provide services into the early childhood schools. For example, the Gungahlin centre offers ACT Health maternal child health services, allied health services such as orthoptics, nutrition, women's

counselling and the child health medical officer. Therapy ACT has speech and physio drop-in services on a monthly basis. Relationships Australia is involved. Child and adolescent services provide outreach from the centres when they are required. But they also run a number of drop-in information and education sessions such as parenting information, parents as teachers, individual case management if it is required and group programs such as the PPP.

Whilst we often talk about the child and family centres in here, I think these will be a key legacy of the Stanhope government, particularly our second term, where we have opened two child and family centres and the success of these centres now is undeniable. There are 479 families who have accessed the child and family centres in the last quarter—479 families, 142 parenting sessions and 64 community education sessions. Never before in the ACT have we been able to offer families the range of services in a one-stop location that we can offer in Gungahlin and Tuggeranong. What we will be doing is taking the lessons we have learned from those—the successes, the connections we have made with business and community organisations—and looking to build on that as the four new early childhood schools open next year.

Taxation—relativities

MS MacDONALD: My question is to the Treasurer. Treasurer, much has been said in recent weeks about the territory's taxation levels in relation to those of other jurisdictions. Can you explain to the Assembly the basis on which the government can claim that this is not a high-taxing jurisdiction?

MR STANHOPE: I thank Ms MacDonald for the question. Indeed, there has been much, and continuing, discussion about the territory's taxation. The government's claim that the ACT is not a high-taxing jurisdiction is based essentially on advice from the Commonwealth Grants Commission and the Australian Bureau of Statistics and their regular reports.

It is important to remember in any discussion on taxation that the important point is that it has to do with reference to something. Discussion of taxation in absolute terms and without a context does not mean anything. There is more than one reference point that the government can use to argue that it is not a high-taxing jurisdiction.

Taxation serves a purpose. It provides the capacity to deliver the sorts of services that Ms Gallagher just spoke about in relation to our Australian first, and unique, child and family service provision. But, given the context, expenditure effort is an important reference point. The ACT government's level and quality of services are exceptional. Data from the Commonwealth Grants Commission indicate that the territory's level of service provision is the highest in Australia, at 122 per cent. In the context of expenditure on services, it is reasonable to ask whether the services are being delivered efficiently. Of course, as I indicated in response to an earlier question, members would be aware that built within our budget estimates is more than $100 million per annum of efficiencies.

Another reference point would be the amount of taxation revenue relative to tax-raising capacity. This is a pertinent concept in the discussion of taxation—how much

tax a jurisdiction raises relative to its capacity to raise tax. The Commonwealth Grants Commission makes an assessment of taxation effort. The taxation effort is determined as a ratio of what a jurisdiction actually raises in taxes to its taxation capacity. The ACT's taxation effort in 2006-07 was 105. I should draw members' attention to a comparison of taxation effort and the level of service provision: taxation effort of around 106 per cent compared to a level of service provision of 122 per cent. The Grants Commission data show that the territory's taxation effort declined during 2005-06.

One should also view taxation in comparison with other states and territories. Both the Australian Bureau of Statistics and the Grants Commission provide data that allow those comparisons. The ABS data indicate that the total state and local government taxation in the ACT is $2,386 per capita, lower than the national average of $2,594 per capita. The ACT's per capita state and local government taxation is lower than in Western Australia, New South Wales, Victoria and South Australia.

Data from the Commonwealth Grants Commission indicate that the ACT's taxation effort in 2006-07, at 105 per cent, was broadly in line with that of New South Wales, at 104 per cent; Victoria, at 103 per cent; and Western Australia, at 102 per cent. And it was lower than that of South Australia, at 112 per cent.

One could compare individual revenue lines, although some care has to be taken as the taxation mix varies across jurisdictions. For members' information, I can provide comparisons on some revenue lines that have been the subject of much discussion.

Contrary to the suggestions of high taxation, general rates on the average land value in the ACT are about $140 lower than the rates on equivalent-value land in Queanbeyan. That is an interesting point to make to members: rates on average value land in the ACT are $140 less than on the same value land in Queanbeyan. The ACT's taxation effort on land tax as assessed by the Commonwealth Grants Commission is 100.8 per cent. This means that land tax revenue raising is almost exactly in line with capacity, at 100 per cent.

In summary, no matter how one looks at it—whether it is with reference to expenditure, other jurisdictions or capacity—the ACT is not a high-taxing jurisdiction.

Members will have heard the argument that taxation receipts have gone up so how can the government claim that it is not a high-taxing jurisdiction? That is quite disingenuous. Taxation revenue has gone up in nominal terms. But in nominal terms state final demand went up by almost 10 per cent in 2006-07 and private gross fixed capital formation was up by over 15 per cent over the time. And that is not forgetting that the ACT recorded its strongest population growth in 14 years.

The government does not deny that it has increased taxation. It was part of the structural reform to put the territory's finances and service provision on a sustainable footing. What is important is to remember that taxation relative to capacity did not increase; it actually decreased. It is also important to remember that the ACT's taxation remains within the norm of the other states.

The Canberra community benefits from the government's service provision remaining above the norm for other states while the taxation effort is essentially on the average.

MS MacDONALD: Mr Speaker, I have a supplementary question. Treasurer, can you say what comparisons of taxation effort across jurisdictions reveal in relation to the growth in the rate of taxation in the ACT, other states and the commonwealth?

MR STANHOPE: Once again, I thank Ms MacDonald for raising an important question. Meaningful comparisons are important as they provide a measure of reasonableness. I note that a suggestion has been made that the government is comparing itself only with other governments which are all high taxing. The proposition that all Labor government are high taxing could again be tested with a reference to their expenditures or with reference to a Liberal government.

Between 2000-01 and 2005-06, the fiscal imbalance between the commonwealth and the states and territories increased. The commonwealth's share of total taxation by all levels of government has increased. The share of taxation by state and local governments has actually decreased. In 2000-01 commonwealth taxes comprised 82 per cent of the total taxation by all levels of government. In 2005-06 that share had increased to 82.3 per cent.

Commonwealth taxes grew at a much faster rate compared to states and territory taxes. From 2000-01 to 2006-07 commonwealth taxes increased at an average annual rate of 6.6 per cent. On the other hand, state government taxes increased at an average annual rate of 5.8 per cent. ACT taxes grew at an even slower rate of 4.2 per cent per annum.

Despite increasing its share of taxation, the commonwealth reduced its contribution to key services such as acute care, disability services and housing assistance. State governments were left to make up the difference in costs as the population ages and housing stress increases.

For the ACT specifically, between 2001-02 and 2005-06 per capita specific purpose payment funding decreased by more than 10 per cent in real terms. In other words, the commonwealth contributed in real terms 10 per cent less in 2005-06 than it contributed in 2001-02. In 2001-02 the commonwealth contributed 31 per cent of the acute care costs in the ACT. By 2006-07 that had dropped to 23 per cent.

In summary, Labor states' taxation grew at a smaller rate than that of the Liberal federal government. Over the last five years the highest taxing jurisdiction with the greatest increase annually in taxation was the one and only Liberal government in Australia. The highest taxing government in Australia between 2000-01 and 2006-07 was the one Liberal government in Australia.

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

Cultural Facilities Corporation—quarterly report
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): For the information of members, I present the following paper:

> Cultural Facilities Corporation Act, pursuant to subsection 15 (2)—Cultural Facilities Corporation—Quarterly report 2007-2008 (1 October to 31 December 2007).

I seek leave to make a statement.

Leave granted.

MR STANHOPE: As members are aware, the Cultural Facilities Corporation delivers a range of arts and cultural programs and services for access by the ACT community at a number of key cultural venues. Under the Cultural Facilities Corporation Act, the Cultural Facilities Corporation is required to provide quarterly reports on its activity and to table these in the Assembly. I am pleased that the corporation has completed its report for the second quarter, being the period 1 October to 31 December, and I present the report for members' information.

Papers

Mr Corbell presented the following papers:

> Justice and Community Safety Legislation Amendment Bill 2008—Revised explanatory statement.
>
> **Subordinate legislation (including explanatory statements unless otherwise stated)**
>
> Legislation Act, pursuant to section 64—
>
> Births, Deaths and Marriages Registration Act—Births, Deaths and Marriages Registration Amendment Regulation 2008 (No 1)—Subordinate Law SL2008-6 (LR, 11 March 2008).
>
> Canberra Institute of Technology Act—
>
> Canberra Institute of Technology (Advisory Council) Appointment 2008 (No 1)—Disallowable Instrument DI2008-34 (LR, 6 March 2008).
>
> Canberra Institute of Technology (Advisory Council) Appointment 2008 (No 2)—Disallowable Instrument DI2008-35 (LR, 6 March 2008).
>
> Crimes (Sentence Administration) Act—Crimes (Sentence Administration) (Sentence Administration Board) Appointment 2008 (No 1)—Disallowable Instrument DI2008-46 (LR, 31 March 2008).
>
> First Home Owner Grant Act—First Home Owner Grant Regulation 2008—Subordinate Law SL2008-4 (LR, 11 March 2008).
>
> Gas Safety Act—Gas Safety (Provision of Compliance Indicator and Certificate of Compliance) Code of Practice 2008—Disallowable Instrument DI2008-41 (LR, 27 March 2008).
>
> Housing Assistance Act—Housing Assistance Regulation 2008—Subordinate Law SL2008-7 (LR, 18 March 2008).

Legal Profession Act—Legal Profession Amendment Regulation 2008 (No 1)—Subordinate Law SL2008-13 (LR, 31 March 2008).

Magistrates Court Act—

Magistrates Court (Building Infringement Notices) Regulation 2008—Subordinate Law SL2008-10 (LR, 28 March 2008).

Magistrates Court (Occupational Health and Safety Infringement Notices) Amendment Regulation 2008 (No 1)—Subordinate Law SL2008-9 (LR, 31 March 2008).

Magistrates Court (Planning and Development Infringement Notices) Regulation 2008—Subordinate Law SL2008-11 (LR, 28 March 2008).

Pest Plants and Animals Act—Pest Plants and Animals (Pest Plants) Declaration 2008 (No 1)—Disallowable Instrument DI2008-44 (LR, 31 March 2008).

Planning and Development Act—

Planning and Development (Fees) Determination 2008 (No 1)—Disallowable Instrument DI2008-42 (LR, 27 March 2008).

Planning and Development (Fees) Determination 2008 (No 2)—Disallowable Instrument DI2008-43 (LR, 28 March 2008).

Public Place Names Act—Public Place Names (Kingston) Determination 2008 (No 1)—Disallowable Instrument DI2008-36 (LR, 13 March 2008).

Residential Tenancies Act—Residential Tenancies Tribunal Selection 2008—Disallowable Instrument DI2008-40 (LR, 27 March 2008).

Road Transport (Driver Licensing) Act—Road Transport (Driver Licensing) Amendment Regulation 2008 (No 1)—Subordinate Law SL2008-5 (LR, 11 March 2008).

Road Transport (General) Act—

Road Transport (General) (Application of Road Transport Legislation) Declaration 2008 (No 3)—Disallowable Instrument DI2008-38 (LR, 18 March 2008).

Road Transport (General) (Application of Road Transport Legislation) Declaration 2008 (No 4)—Disallowable Instrument DI2008-45 (LR, 28 March 2008).

Road Transport (Public Passenger Services) Regulation—Road Transport (Public Passenger Services) (Authorised Fixed Fare Hiring) Approval 2008 (No 2)—Disallowable Instrument DI2008-39 (LR, 20 March 2008).

Taxation Administration Act—Taxation Administration (Amounts payable—Utilities (Network Facilities Tax)) Determination 2008 (No 1)—Disallowable Instrument DI2008-37 (LR, 13 March 2008).

Roads—drug testing
Ministerial statement

MR HARGREAVES (Brindabella—Minister for Territory and Municipal Services, Minister for Housing, Minister for Multicultural Affairs) (3.46): I seek leave to make a statement concerning roadside drug testing.

Leave granted.

MR HARGREAVES: I thank members for giving me leave to make a statement on the government's intention to consult the community about an important topic—random roadside drug testing of drivers of motor vehicles.

Mr Smyth: Must be hurting—

MR HARGREAVES: Have you got a problem?

MR SPEAKER: Order! Mr Hargreaves, you have been given leave to make a statement.

MR HARGREAVES: In 2006, I asked my department to establish a working group to watch what was happening in other jurisdictions and report to me on the findings. At that time, roadside drug testing had been trialled in Victoria and nowhere else in this country. The technology was new and largely untried, and there was debate about whether the testing was about road safety or whether it was about catching drug users and punishing them for using drugs rather than endangering other road users.

That is an important distinction and one that worried me. As a minister, I will do whatever I can to improve road safety, but I am not going to be involved in punishing ACT drug users for their addiction. The government's attitude in relation to that is clear. We have adopted a harm minimisation approach to drug users and we will stick to that.

Although believed to be not as prevalent as drink driving, the rate of drug driving—that is, driving under the influence of a drug other than alcohol—is a concern. According to the latest national drug strategy household survey, 3.3 per cent of drivers reported driving under the influence of a drug other than alcohol in the past 12 months. The rate of drug driving was even higher among young people, and males in particular. A recent analysis of the first year of random roadside drug testing in Victoria in 2004 showed that 2.4 per cent of drivers were driving with the presence of THC, which is the active constituent of cannabis from recent use, methamphetamine, commonly known as speed or ice, and/or MDMA, commonly known as ecstasy.

In a recent ACT experiment in conjunction with the University of Canberra, which was publicised a couple of weeks ago, six per cent of volunteer drivers tested positive to the presence of illicit drugs. If six per cent of volunteers—that is, people who know they have been using drugs—tested positive, we have to wonder how widespread drug driving is.

At the end of 2006 and through 2007, a number of states and the Northern Territory legislated to permit the introduction of roadside drug testing. The ACT is now the only jurisdiction in Australia that does not have a regime for random roadside drug testing for drivers that is similar to roadside testing for alcohol. That is not to say that drug driving is permitted. Our legislation already provides for blood analysis where the police suspect a driver of driving under the influence of an impairing drug, and

makes it an offence to drive under the influence of a drug. However, the legislation does not authorise random roadside drug testing. In considering whether the ACT should adopt such laws, it is important to weigh the road safety arguments for preventing drug driving against human rights considerations and the harm minimisation approach generally taken towards drug users in the ACT.

Over the last few years, RDT programs have been introduced in almost all Australian jurisdictions, with Victoria putting in place a world-first random RDT program in 2004. These RDT programs test for a variety of drugs and use a number of legislative measures to allow saliva or blood samples to be taken. The Australian Drug Foundation recently released a report titled *Drugs and driving in Australia* based on an online survey of over 6,000 Australians relating to their drug driving habits. While the report notes that the media tend to exaggerate both the prevalence and impact of illicit and licit drugs on driving, its key findings are that while alcohol remains the drug of most concern in relation to road safety, drug driving is also of considerable concern.

There is evidence to suggest that illicit drugs impair driving ability and that driving under their influence increases crash risk. Of particular concern are THC—the active constituent of cannabis—methamphetamine, commonly known as speed or ice, and MDMA or ecstasy, as I said before.

The findings of the internet survey suggest that the proportion of people driving within three hours of using cannabis is comparable to the proportion of people who reported driving under the influence of alcohol. Pharmaceutical drugs such as benzodiazepines—for example, valium—are also implicated in a significant number of accidents and road trauma, although research is still ongoing regarding the prevalence and road safety impact of driving under the influence of prescription medications.

Victoria ran a trial during the first year of its RDT program, the results of which showed that more than twice the number of drivers tested positive to recent use of one or more of the three illicit drugs—cannabis, methamphetamine and ecstasy—than to levels of alcohol over the prescribed blood alcohol concentration limit, or BAC. These results should not, however, be directly extrapolated to the general driving population, as the Victorian RDT program targets particular subgroups of drivers, notably rave party-goers and truck drivers.

Anecdotally, driving under the influence of drugs is becoming increasingly common as young people in particular use drugs such as cannabis or methamphetamine rather than risk being caught over the BAC limit. This is supported by data from a small controlled study of RDT in Canberra in 2006, in which six per cent of the voluntary participants tested positive for one or more of the three drugs cannabis, methamphetamine and ecstasy—a figure much higher than expected in an opt-in trial. These participants had all passed the test for blood alcohol—that is, they had a blood alcohol concentration of less than 0.05.

Alcohol continues to be the drug found most often in the bodies of fatally and non-fatally injured drivers, followed by cannabis, amphetamines and benzodiazepines.

While the research into the impact of drugs on driving is a relatively new and rapidly expanding field, there is increasing evidence to suggest that certain illicit drugs—namely, cannabis, methamphetamine and ecstasy—and some prescription medications like benzodiazepines can impair driving ability and increase the risk of collision.

While recent studies have found drugs to be present in a significant number of fatally and non-fatally injured drivers, a direct causal relationship between the use of particular drugs and crash risk has yet to be established. To get around this issue, Victoria, South Australia and Tasmania have adopted a zero tolerance approach to any presence of drugs in drivers' bodies, largely because in contrast to alcohol there is no agreed dose of drugs which is accepted as a threshold above which driving will be impaired and/or below which driving will not be impaired.

When introducing RDT programs, other jurisdictions have mirrored drink driving offences and penalties for their new drug driving legislation. The main difference between drink and drug driving offences is that the provisions can necessarily refer only to the presence rather than the level of a drug. For example, in New South Wales it is an offence to drive with the presence of any of the following drugs in oral fluid, blood or urine: active THC—cannabis; methylamphetamine—speed or ice; or methylenedioxymethylamphetamine—MDMA or ecstasy.

If an RDT program were to be introduced in the ACT, the simplest way of structuring the offences and penalties would be to mirror the drink driving provisions, replacing blood samples with oral fluid/saliva samples where appropriate. These offences would also need to take into account the difficulties posed by being unable to establish a level of a drug from an oral fluid sample.

Prior to announcing the introduction of random roadside drug testing, the Western Australian government introduced amendments to enhance their current legislation and was working towards the introduction of standardised impairment assessment procedures, which would be used by police to help facilitate proof of a new offence of driving under the influence of drugs. Studies into the accuracy of field sobriety tests, for cannabis at least, have found results from these tests accord well with toxicological results. Following the introduction of random roadside drug testing, Victoria also required mandatory testing of all blood samples taken from people who had been the driver or suspected driver of a vehicle involved in a motor vehicle accident for drugs as well as alcohol.

I have provided a brief outline of some of the issues involved in this vexed question of drug driving. It remains only to say that my department will issue a discussion paper for public scrutiny in the near future. I had asked my department early in the new year to give me advice on the issue and a draft paper was prepared. I asked for further advice about the logistics of introducing RDT here—for example, whether there are laboratories that can give us the results quickly—and obtained that advice only in the last week or so. I have also taken notice of the work of the University of Canberra.

As I said when we opposed the legislation brought forward by the opposition, I wanted to see what was the case in the other jurisdictions when they did it and I wanted to have some academic rigour about testing the efficacy of those processes.

We also needed to see whether or not the processes were efficacious in a court of law. For example, we needed to ensure that the processes employed in taking someone before the courts were sufficient to enable a conviction to be recorded and not to have the case thrown out because of a technicality. I wanted to ensure that. That, in fact, is the bit that has been tested in recent times. I am satisfied now, and I have been satisfied for a little while, but I still wanted to have that information about whether or not the pathology laboratories could be geared up quickly to take the testing and how it would be done.

I expect the discussion paper to be released in early May. I look forward to receiving well-considered comment from the AFP, the Director of Public Prosecutions, the Law Society and Bar Association and ACTCOSS. I would also like to see comment from Family and Friends for Drug Law Reform and from the citizens of the ACT. When those comments are received and considered, the government will act on the issue.

I will conclude by making two points. We wanted to see how things would go in the rest of the country. We are satisfied that we now know that. This discussion paper will result in legislation being placed before this place. However, we want to make sure of a number of things before we move forward. We want to make sure that this is a road safety issue and not just some other way of detecting whether people have been using illicit drugs. Also, we want the community to come on board before we enact this legislation.

The taking of a saliva sample from the body of a human being involves an invasive procedure. We need to make sure that the community at large is comfortable with that. We will consult with the community and then introduce the legislation. We are not going to have a good idea in the middle of the night, introduce legislation and then tell the community what they are going to get. It is very important in this particular issue around saving lives and preventing road deaths to make sure that people's human rights in terms of invasive procedures are protected.

Mr Pratt: Madam Assistant Speaker, could I ask the minister to move that the statement be noted?

MADAM ASSISTANT SPEAKER (Mrs Dunne): Mr Hargreaves, you could assist the chamber by tabling the paper and moving that it be noted.

MR HARGREAVES: Madam Assistant Speaker, I got into some difficulty last time we spoke. I had received such a request from Dr Foskey, you may recall, and I was quite happy to move that a statement be noted, but there was nothing to be noted. If, in the next little while, you want to find out how that obstacle was overcome, we can repeat that process right now. I am happy to do it but I cannot move that the statement be noted because there is nothing to table.

MADAM ASSISTANT SPEAKER: Mr Hargreaves, you could solve the problem by physically tabling the statement that you read from and then moving that it be noted.

MR HARGREAVES: All right. I present the following paper:

> Roadside drug testing—Ministerial statement, 8 April 2008.

I move:

> That the Assembly takes note of the paper.

MR PRATT (Brindabella) (4.03): I am pleased to see the minister has at least tabled this statement. I want to talk to that issue. Firstly, I would like to make the point that we did think, of course, that, according to the draft business paper, there was to be the tabling of a statement about the Gungahlin Drive extension, which is why we were quite pleased to agree to provide leave. So we really have been misled on this matter. I will let my colleague Mrs Burke speak more about that.

I turn now to the substance of the matter tabled. I would like to raise a couple of issues. Firstly, it is peculiar that this statement has been made today in knee-jerk anticipation of the opposition's tabling of new legislation tomorrow. I make the point for the record that this is a very, very interesting turn of events that the government should jump in some panic. Perhaps it demonstrates that the government are all at sea on providing sensible law and sensible protections and have found themselves wanting here today in anticipation of the opposition's intentions in this place tomorrow.

A couple of points were made by the minister. First, the minister talked about a couple of dilemmas that he seems to have when it comes to the subject of introducing legislation on random roadside drug testing. Those two points were: (a) the invasion of human rights and (b) the issues of harm minimisation.

There are a couple of points that I would like to make right now. Firstly, on harm minimisation: does avoiding random detection of drug driving in the interests of a harm minimisation program do anything to minimise the harm that can come to other innocent drivers or pedestrians, for that matter, who are impacted by drug-affected drivers?

If there are concerns about an invasion of human rights or harm minimisation being compromised by such a policy, what the hell is RBT, random breath testing? Is random breath testing, in your definition, minister, therefore not also an invasion of those two particular principles? Surely the biggest invasion of human rights is when a fool on cannabis and methamphetamines, in a V8, flies through a red light, ploughs into your car and kills a child in the backseat. How is that for damn human rights?

Let the record show that the minister has a dilemma in reconciling himself with these conflicting principles. The government in general, by the way, has too. I would have thought the minister had a better approach. I have heard the minister talk about this in the past. Perhaps he is being restrained by his human rights-driven colleagues, this human rights-driven government.

The best thing that this minister could do in the salvaging and the protection of human rights is ensure that he and his government address a growing problem in our

community, one that every jurisdiction in this country shares. It is clear from a range of studies and surveys across every jurisdiction in this country that drug-affected driving is on the increase.

I will have a lot more to say about this tomorrow to justify why I will be tabling legislation in this place to address this issue, why there is an urgency for that legislation to be tabled and why there is an urgency for that legislation to be implemented. I will have a lot more to say tomorrow about that.

Today all we have heard is that the government's working group, its study into the concept of random drug testing, has been underway for something like two years now—almost two years. I think, minister, if you go back and check the record, you were talking about this two years ago. Perhaps you were talking about it two years ago and perhaps it only became a fact a year ago. But the government has done nothing but talk about the need to study. And there was a working group put in place.

Now we are going to have a discussion paper on the subject and we hear today from the minister that the discussion paper will be issued in early May. How long will the discussion process go beyond May 2008 before there is any decision taken in this place? Why cannot the government, on the basis of the evidence available in every other jurisdiction and on the evidence coming out of the University of Canberra's own study into drug-affected driving—and we saw the results of that study spoken to some two weeks ago—have the guts to make a sensible decision?

Where is the leadership of this government in protecting its community against the sorts of threats which are becoming more commonplace in this territory? Get on with it, government. Make a damn decision.

We will take action here tomorrow. In this vacuum we will take action tomorrow. We will table legislation in this place. We will argue an ironclad case for the immediate introduction of random roadside drug testing. We will show the government how to take the action. We will lead the way while they flap around with yet another discussion paper and another talkfest and wring their hands over harm minimisation and wring their hands over the dilemma they have about human rights.

I finish on this note: what about the human rights of the vast majority, about 93 per cent, in fact, of Canberra drivers who do not drive drug affected but who are at risk of collision with those who do?

MR CORBELL (Molonglo—Attorney-General, Minister for Police and Emergency Services) (4.10): I welcome the statement by my colleague Mr Hargreaves today. I think it needs to be put on the record, first and foremost, that the whole basis of Mr Pratt's argument is false because his suggestion is that the government is not going to do anything on this issue when, if he had listened to what Mr Hargreaves was saying, he would have heard that Mr Hargreaves has said the government will legislate on this matter. What part of that do you not understand?

The government will legislate on this matter. But what Mr Hargreaves has said very clearly is that the government will not legislate until the community itself has had

a broader discussion of these issues. And what is Mr Pratt afraid of? Why is he not willing to have a discussion about it in this community? This community has not had the discussion about a range of issues which are very, very important.

For example—and indeed Mr Pratt has failed to address these in his comments today—in a number of jurisdictions a zero tolerance approach is adopted in relation to the presence of any of the drugs identified for testing in a person's system, in particular THC. THC can remain in the bloodstream for a considerable period of time after somebody has consumed it, say, through the use of cannabis. Is it a risk to the community for the presence of THC to be in the bloodstream for an extended period of time?

Mr Hargreaves: Say, two weeks.

MR CORBELL: For example, up to two weeks, as my colleague Mr Hargreaves said. These are important considerations.

Other considerations, of course, are: will this lead to the prospect of people being convicted of driving under the influence of drugs subsequently facing problems with their employment because they have been deemed to have been driving with illegal drugs in their system? Will that be a consequence of these new laws? Again, this is an issue that warrants more serious consideration.

Of course it is worth while looking at the approach adopted in other jurisdictions. And this is indeed why the government believes a more detailed assessment by and conversation with the Canberra community is required. For example, in Victoria legislation was passed that provides for the random roadside drug testing for THC and methamphetamine but did not include MDMA until July 2006.

In New South Wales legislation was in force allowing random roadside saliva drug testing, charging motorists with driving under the influence of drugs if impairment is suspected and blood sampling for drivers involved in fatal traffic accidents. Victoria does not have blood sampling for drivers involved in fatal traffic accidents, for example; so there is an inconsistency there.

THC and methamphetamine are tested for in South Australia, and MDMA was added later. RDT legislation was passed in Queensland, trials were conducted and a more comprehensive program started in December last year. Such a program does not exist in the Northern Territory at this time. In Tasmania a broader range of drugs are tested for, not just MDMA, THC and methamphetamine. So there are different approaches across different jurisdictions.

But the most important consideration is to understand what level of drug in a person's bloodstream should be considered to be dangerous or a threat. We have established this after a period of time in relation to alcohol but we have not done so yet in relation to drugs. The research into the impact of drugs on driving is a relatively new but rapidly expanding field and there is increasing evidence, although no direct causal link at this point, that certain illicit drugs such as cannabis, methamphetamine and ecstasy and indeed some prescription medications, such as benzodiazepines, can impair driving ability.

Again, will our legislation potentially capture people who are taking legal drugs which result in them being impaired? And should they face the risk of prosecution in those circumstances? These are the sorts of issues that legitimately require further discussion with the community.

The approach adopted by Mr Hargreaves is a sensible one and one which the opposition would welcome if indeed they were serious about the notion of engaging with the community and talking with the community on these issues. For example, we could analyse the question: when Mr Pratt introduces his legislation tomorrow, what consultation will Mr Pratt have engaged in to develop his legislation? How will he have engaged with lawyers, how will he have engaged with the courts, with the police, and with the broader community about these provisions? What steps will he have taken? This is the issue that the government is seeking, to make sure that policy is grounded in evidence and based on feedback and consultation with our community.

Of course the Liberal Party will go on about consultation when it suits them but when they need to apply the same test to themselves they refuse to do so. When they are asked to apply the same test on consultation as they expect of government legislation they refuse to do it themselves. And that is the real issue here—their reluctance to go out and engage with the community in a consultative process prior to introducing legislation.

This government overwhelmingly engages in a consultative and deliberative process before bringing legislation into this place, particularly on matters as significant as this. But of course it would appear that in this case the Liberal Party do not believe that consultation is warranted. In this case they are deriding the efforts of Mr Hargreaves to go out and engage with the community on these issues. They oppose doing it. They are saying: "Do not worry about that; do not worry about consultation; just do something." That is what they are saying.

The issue is quite clear. This is a rapidly emerging but changing field of evidence on the impact of drug use on driving behaviour. The issues are complex. The issues on certain prescription drugs such as valium are important considerations. And I would be interested to hear whether Mr Pratt is going to send pensioners to the court because they are using valium and are caught driving with valium in their system. Of course these are issues of very genuine concern today.

What about those people who need to use other drugs that have benzodiazepine in them? I refer to legal medications prescribed by their doctor, dispensed by a chemist but potentially putting them in the circumstance where they will be captured by roadside drug testing and all of the embarrassment that that will cause for those individuals in the event of them being pulled over by the police in those circumstances.

These issues, in the government's view, warrant further discussion with the community. There is a need to legislate—there is no doubt on that matter—and the minister has indicated that the territory's assessment of the experience of other jurisdictions now places us in a position where we can legislate.

But the issue is: what should be the extent of the legislation? What should be the thresholds, if any, of the application of testing for levels of prohibited substances in people's blood?

Mr Pratt: Making excuses.

MR SPEAKER: Mr Pratt, cease interjecting.

MR CORBELL: The difficulty that the Liberal Party have is that they cannot deal with a more complex argument. The difficulty that the Liberal Party have is that they are very happy to take a gung-ho approach but they are not prepared to engage in a more complex debate. *(Time expired.)*

MRS BURKE (Molonglo) (4.20): The difficulty the government clearly has is saying sorry and meaning it. Today I stand up here as opposition whip to say that we granted leave on the basis that this ministerial statement was going to be about the Gungahlin Drive extension. But obviously what we have got is a churlish move by the Minister for Territory and Municipal Services to pre-empt a very serious debate tomorrow—one that my colleague Mr Pratt talked about in 2005, and he tabled legislation then. The government have had three years. They have been put on notice for three years. We have seen nothing but indecision over the last three years. They have been caught napping—absolutely caught napping on this matter. They have been shown up.

At the heart of it all are embarrassment and a community that they know they are not listening to. Mr Pratt has been listening to his community for 20 months or more. We talk about consultation—we do. Mr Corbell stands up there and waffles on for about eight minutes or whatever. I would tell Mr Corbell that we know. We have dealt with state authorities, the NRMA, community groups and the police for 20 months.

The Minister for Territory and Municipal Services stands up today without a by-your-leave, not having the grace to let this place know what he is doing, after advising us that he was going to talk about the GDE. Let me just say this: even the government whip did not know what Mr Hargreaves was doing. The government whip reportedly told me that the last thing she was aware of was that the Minister for Territory and Municipal Services would be talking about the GDE today. Has he sprung the surprise on all of you? Interesting. There was no advice given to the opposition or the crossbench on this matter, I understand. Nobody was advised what the territory and municipal services minister was going to do today. It is arrogant and shows scant regard for the processes that we hold high in this place.

The draft program always keeps the word "draft". I concede that the government can change their mind at a moment's notice. In their arrogance, they are doing that more and more, as we see.

Mr Corbell: It's not a formal document.

MRS BURKE: I have just acknowledged that. Didn't you hear me? What didn't you get, Mr Corbell? What didn't you get about "I did say it was draft"?

Mr Corbell: It was not a formal document.

MR SPEAKER: Order! Mr Corbell, cease interjecting.

MRS BURKE: Thank you, Mr Speaker. What did the manager of government business not get about that? He leads the arrogance in this place by abusing his position as manager of government business by not conducting and carrying on the affairs of this place in a proper manner.

Mr Corbell: Oh, diddums.

MRS BURKE: No, it is not diddums; it is childish behaviour that has been revealed today—very childish behaviour. Mr Pratt tried to get a briefing on this matter and was denied. We have a letter here that Mr Pratt received from Mr Hargreaves. It says:

> Thank you for your letter dated 3 April 2008 about a briefing on roadside drug testing and your offer to have your staff liaise with departmental officers to arrange it.

There was then some diatribe in the middle about protocol and all this stuff. Mr Pratt has been trying to work with the government for 20 months.

Mr Hargreaves: Give me a break.

Mr Pratt: Let the record show it then. Let the record show this.

MR SPEAKER: Order! Mrs Burke has the floor. Mr Pratt and Mr Hargreaves!

MRS BURKE: Now we have this because of some sort of male pride or some such knee-jerk, scaring reaction: "My goodness, the opposition might actually get this through or get this out before I can." We have only given you nearly three years to do it. Where have you been, Mr Hargreaves? You then said in this letter to Mr Pratt:

> When the Government announces its position on this issue, I will arrange a briefing for you.

I think that is total arrogance. I seek leave to table that letter.

Leave granted.

MRS BURKE: I table the following paper:

> Roadside drug testing—Briefing—Letter to Mr Pratt from Mr Hargreaves, dated 7 April 2008.

The shadow minister has tried a number of times to work with the government on this. We have shown our hand to the government on good legislation, which the government has been at least 20 months behind on. This was something that was noticed in 2005 that was going to become a really big issue for the future. The amount

of drug driving going on at that time had started to increase. The figures are there. The research was there. The NRMA had been consulted; many groups had been consulted. This is just a case of the government being embarrassed. It is yet another delay. They have been caught napping; they have been shown to be wanting in this.

We need to make sure that, when this is debated, people know the games that the government are playing over this matter. They knew full well that we were bringing on the move tomorrow. My colleague Mr Pratt was prepared and ready to go.

Mr Pratt: They're playing with people's lives.

MRS BURKE: They have been playing with people's lives. Mr Pratt is right in his interjection. The government purports to care about people. I have yet to see that manifested. To sit on something this serious for three years beggars belief.

We ask the government and the manager of government business to show due courtesy. It is by your leave; I can read the blue as well as you, Mr Corbell. If you are going to change it in the future, you can have the courtesy to at least tell the rest of the house that you will be announcing something so serious. You are embarrassed and you have been caught out.

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

> That debate be adjourned.

Mr Hargreaves: I want to speak against that.

MR SPEAKER: You cannot; there is no debate on it.

Question put:

> That **Mr Smyth's** motion be agreed to.

The Assembly voted—

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

Question so resolved in the negative.

MR HARGREAVES (Brindabella—Minister for Territory and Municipal Services, Minister for Housing, Minister for Multicultural Affairs) (4.30): A couple of things need to be addressed. Mr Smyth tried his best—

Mr Pratt: And also your indecisiveness needs to be addressed.

MR SPEAKER: Order!

MR HARGREAVES: Mr Smyth tries his best to use parliamentary process to squirm out from underneath the carpet of accountability. How is this, Mr Speaker? Those opposite say, "You've been naughty because you've changed something on this paper and you did something without telling us." How was I to know the subject of the legislation Mr Pratt is tabling tomorrow, presenting tomorrow—not debated tomorrow, as he insinuated in his speech? No, what he was going to do was present the legislation, milk that cow for everything he could and bring it on later.

In the history of government business meetings in this Assembly, those opposite have never given the manager of government business the courtesy—not once have they given him the courtesy—of telling him the content of their legislation or motions coming forward. Where is this so-called courtesy that the former and recently sacked Deputy Leader of the Opposition has to talk about? Where is that courtesy? It never existed.

In every single meeting, the manager of government business says, "What are you going to present to the Assembly in this sitting week?" What do they tell him? "We haven't decided yet. Sorry, we can't tell you just yet?" There is any number of mumbled excuses. Did those opposite tell the manager of government business what legislation was going to be presented tomorrow morning? Short answer: no. What happens? They squeal, Mr Speaker. They squeal like recently opened piggy banks. They squeal because they say I have usurped them.

Mrs Burke: It is just your underhandedness. You are underhanded.

MR HARGREAVES: Mr Speaker, I seek your protection.

MR SPEAKER: Order! Members of the opposition will cease interjecting, but it might help, Mr Hargreaves, if you direct your comments through me and wave your finger at me, not them.

MR HARGREAVES: Mr Speaker, I ask that you get Mrs Burke to withdraw the accusation of my being underhanded.

Mrs Burke: It wasn't open, was it? It wasn't unparliamentary.

MR SPEAKER: I think—

MR HARGREAVES: All right, let the record show that there is no protection for that kind of abuse. They might as well go for them. Now they have licence to go for them. Look at them squealing. Look at this—a cacophony of cow bells.

Mr Smyth: On a point of order, Mr Speaker: is that a reflection on the decision of the Speaker—

MR SPEAKER: I will look after myself. It will be okay. Mr Hargreaves, I think it is a debating point in an adult chamber.

MR HARGREAVES: Thank you very much, Mr Speaker. I thank you for your guidance, because these guys are going to get it for the rest of the term.

A number of things need to be put on the record about this. This classic class of clowns over here said, "We said three years ago to do it." They did not. They came in here and said, "You have to adopt the Victorian method." They were rejected in 2005, because there was no academic rigour around the research. The other jurisdictions had not picked it up; it was just a red-necked approach to make sure that we can ping people for taking drugs.

Let us go through this list here. Victoria passed theirs in 2003.

Mr Pratt What a bag of wind!

MR SPEAKER: Stop the clock, please, Clerk. Minister, resume your seat. Members of the opposition, my patience is about to run out. Cease your interjections. Mr Hargreaves, I directed you to put your comments through the chair.

MR HARGREAVES: I am.

MR SPEAKER: I insist that you do that.

MR HARGREAVES: I am doing that to the best of my ability, and I will continue.

MR SPEAKER: Do not be distracted; do not let yourself be distracted.

MR HARGREAVES: Mr Speaker, I will not be. Good advice, thanks, Mr Speaker. New South Wales—when did they introduce their legislation? December 2006. South Australia—they put in RDT for THC and methamphetamine in July 2006 and for MDMA in September 2006. When did Queensland do it? February 2007. When did the NT do it? In 2006. When did Western Australia do it? August 2007. I told this chamber that we were waiting to see what the other jurisdictions do.

Mr Pratt: Oh, yeah.

MR SPEAKER: I warn you, Mr Pratt.

MR HARGREAVES: Those opposite do not remember me saying so. Nor do those opposite remember me saying that I wanted to see some academic rigour around it. I also wanted to see its efficacy at court. We have seen all of those; now the government has been prepared to move.

The watching brief we have had on it has now been concluded. We are now in a position to go to the people of the ACT and talk about it. Do they talk about their consultation process, Mr Speaker? Do they say "community groups"? I will wager that they have not spoken to the family and friends of drug law reform. I will wager that. I will wager that their consultation process has been particularly selective.

At any time in this period, they could have made a referral for an inquiry by our legal affairs committee. Did they do that? No. No, they did not. Did they consult by having a public forum on it? No, they did not. Their consultation process has been exposed to be a sham.

Mr Pratt, through Mrs Burke, tabled in the chamber a letter from me telling Mr Pratt, "When the Government announces its position, I will arrange a briefing for you on the roadside drug testing." The letter said "when the government announces its position". What do these folks think I was doing today? I was announcing the government's position on it.

Mr Speaker, let me tell you for the record that the offer of a briefing contained in that piece of paper is withdrawn. Furthermore, Mr Speaker, let me tell you about the reason he was very lucky he did not get this offer. The last time he requested a briefing, he asked for the briefing and then promptly went out the very next day issuing press releases belting the government's position on something without having had the briefing. Then he has temerity to say to me, in a letter which caused this one to be sent to him, that he had got enough information and did not need the briefing. Well, hello. Stand by. Get with the program, guys.

This is nothing short of a squeal on the part of these people. Had they, for example, told the manager of government business the content of the legislation, the manager of government business and I would have had a conversation about it. Whether it would have changed my mind, who knows, but we would have had a conversation about it. We did not.

For Mrs Burke to suggest that we have done anything dishonest is an exercise in hypocrisy. She sits—and has sat—in that government business group. She has been asked that very question by the manager of government business and she has not had the courtesy since day one—or her predecessors, a long line of whippets.

Numerous whippets over there have said nothing to the government. They expect the government to put every single piece of its legislation on the table. That is what the manager of government business does, because he respects the parliamentary process. These folks over here—because of the petulant wish for the Deputy Leader of the Opposition to get a pay rise as the presiding officer of a committee—have decided to withdraw pairs. Petulant behaviour in the sandpit, Mr Speaker, does not wash in a parliamentary process. They are accusing me of doing this in this regard, and I reject that.

What is more important, Mr Speaker, says Mr Pratt—the life of a child in the back of the car? What a hysterical piece of arrant nonsense. There is no-one in this community who would condone any activity that causes that—nobody. If these guys watched any television at all, they would have looked at every time I have gone on TV around Christmas time and said, "You have a responsibility for the children in the car coming at you." That is what I have said, and I have said it time and time again. I want to make sure.

When we come up with a process to protect the life of those children, we can—if we are really clever—protect the human rights of other people as well. Mr Corbell was a fine example. Can you see Constable Pratt—of course, he is a relative of the member—sitting on the side of the road with his spatula, sticking it in the mouth of a 75-year-old woman and saying, "I've done you. You've taken valium over the last couple of days. You're gone".

What is in the legislation? I would not know. He calls us for not giving this briefing. Where is the offer from those people over there to discuss the issue, let alone brief on the content of their legislation? It does not exist. *(Time expired.)*

Question resolved in the affirmative.

Federal government—spending cuts
Discussion of matter of public importance

MR SPEAKER: I have received letters from Mrs Burke, Mrs Dunne, Dr Foskey, Mr Gentleman, Ms MacDonald, Mr Mulcahy, Ms Porter, Mr Pratt, Mr Seselja, Mr Smyth and Mr Stefaniak proposing that matters of public importance be submitted to the Assembly. In accordance with standing order 79, I have determined that the matter proposed by Mr Smyth be submitted to the Assembly, namely:

> The adverse impact of the Rudd razor gang cuts on jobs and business in the ACT.

MR SMYTH (Brindabella) (4.42): Mr Speaker, I welcome the opportunity to speak to this matter of public importance today, because it provides the platform to do two things: firstly, to make some pertinent observations about decisions that have been taken by the Rudd government with respect to the ACT; and, secondly, to make some further observations about the response of the Stanhope government to the actions of the Rudd government.

The particular focus of this matter of public importance is about jobs and about prospects for Canberra businesses. As we heard today in question time, there have been four or five reports in recent months from some major economic institutions around this country, a couple of banks and from the Governor of the Reserve Bank to say that things are not well with the Australian economy. You only have to read about the latest job cuts in the ACT today where 61 IT contractors working for the Australian Federal Police have had their positions axed to know that. It is evidence that these cuts are a direct result of the intentions of the Rudd government, and, in this case, the intention to save around $24 million.

The significance of this particular announcement of the loss of the 61 IT contractors' jobs is, in fact, twofold. It is a further indication of the disdain with which the Rudd government is treating the ACT. So much for having three federal Labor representatives! There are also serious implications for people who have information technology qualifications and expertise.

I will return to the issue of the Rudd government's decision in a moment, but it is worth reflecting on the state of the IT industry. For a number of years this industry has been in a position where demand for people has outstripped supply, and we only have to remember the loss of the Australian Taxation Office IT contract to Melbourne because of concerns about having sufficient IT people available in the ACT. Now we are seeing a reversal of that balance such that the ACT might have a surplus of IT professionals chasing a smaller pool of work, and, indeed, a smaller pool of work at cheaper rates per hour. If the evidence of action that should have been taken by the Stanhope government is anything to go by, the ACT is, in fact, not prepared for such a slowdown.

There was no evidence that the Stanhope government had any idea of the taxation office decision under the previous government. That, of course, was a Liberal government. But it seems that the Stanhope government is not even capable of being aware of potential decisions or being informed of decisions that could have an adverse impact on the ACT economy under the current federal government, a Labor government. You have to question the relationship that the Stanhope Labor government has with a federal government of any ilk, and then you have to question what plans, if any, it has to respond to such decisions. I have to say that you have to sadly assume that, one, the relationship with any federal government will not improve, and, two, the response to any such downturn will continue to be inadequate.

The portents from this latest evidence are not good for the local IT industry, and they are not good for the management of the ACT economy in general. In reality, we have an ACT government that does not attempt to understand what is happening, does not prepare a response to those circumstances and is incapable of having a relationship with the feds of any ilk. What does it do—simply wait for things to happen and then try to respond? We heard the pat answers from the Chief Minister today where he went to things like the current rate of unemployment and said that unemployment is so low that things must be good. But you only have to look at the indicators and how they work to know that unemployment and downturn in employment comes, the experts would say, some six months after the downturn has already occurred. So, six months from now, what we will be hearing from the government will be very, very interesting.

What appears to be happening with the approach of the decisions being taken or proposed by the Rudd government is that this government seems not to have an answer ready to address those issues. There has been a strong telegraphing of the nature of the Rudd government cuts towards the ACT for many months. They foreshadowed big cuts, enormous cuts, in the lead-up to the budget, but they were light on detail. We only have to see the latest example on the front page of the *Canberra Times* last Wednesday where the headline was about expected budget pain in the ACT and that federal Treasurer, Wayne Swan, was warning of pain in his first budget to be brought down in less than six weeks.

The federal Treasurer was reported as saying that, and the early shots that were telegraphed by the Rudd government have already seen some significant slashing of jobs and programs in the ACT, whether they be capital or recurrent. We saw

$46 million go from the Griffin legacy, with attendant consequences throughout the ACT economy in the number of projects along Constitution Avenue that can now no longer go ahead. We also saw in recurrent terms the loss of 36 positions at the National Capital Authority, which will now, of course, be followed by an inquiry chaired by the senator who is responsible for the cuts in the first place with her bitterness and her approach to her relationship with the National Capital Authority.

We saw $2.8 million taken from the national gallery, $3.8 million from the library and $2.6 million from the national museum. Centrelink will lose 2,000 jobs and defence IT contractors will be cut by 388 jobs, 91 of which will be in Canberra. We have seen the human rights commission cut. Can you believe a Labor government would do that, Mr Speaker? Well, yes they would. Of course, we saw cuts to DFAT as well. My understanding is that industry programs have also suffered.

Of course, the loss of these jobs and the spending on such essential projects as maintaining and enhancing Canberra as the nation's capital is regrettable. But there is an equally profound impact, and that is the follow-through of this onto the Canberra business community. Now there is an assumption, both by the Stanhope government—clearly seen in its business-bashing approach to industry policy—and by the Rudd government with its almost unthinking cuts to programs directly affecting Canberra that business does not matter and that, irrespective of what each Labor government does, business will quietly get on with what it does best. The reality is quite the opposite, particularly here in Canberra.

The private sector in Canberra, the business community, is getting to the point where it is saying that enough is enough. You only have to see comments and recent articles in the *Canberra Times* to see the chamber of commerce and the Canberra business council saying that they regret what is about to happen. But more than that, it is interesting to read the approach from the Canberra business council where they say that the ACT government should do more to broaden the territory's economy, which would mean fewer peaks and troughs. Of course, when asked today what he was doing to address this issue, the Chief Minister could not come up with a single initiative that he has put in place since the advent of the Rudd government that will slow down or ameliorate the effect that we are seeing from the impacts of the Rudd government.

We have got the reports now: we have got Hudson's, we have got Sensis, we have got commentary from Westpac, we have got a report from ANZ, we have got commentary from Access Economics and, of course, from the Governor of the Reserve Bank of Australia, all of whom are saying that the economy is slowing, and we have got Jon Stanhope with his head in the sand. You only had to listen to him today. In answering the first two questions he was quite strident. There he was out there saying, "There is nothing wrong with my economy. Don't you know?" Obviously then he got the notes and he paid attention and he countered by saying, "Yes, we understand there is a little bit going on, but it's okay; we'll get through." When you ask him specifically to nominate what he will do, he says, "Well, we've done lots, but you will have to wait until the budget."

The reality is the government has done nothing. The government has done absolutely nothing except attack business since it got in. We see it in the announcement of their

squeeze-them-till-they-bleed policy on land release and the property sector. We see it in the damage that they have done to business development and research development in the ACT through their unwarranted and enormous cuts in the 2006-07 budget. We have seen it with their attacks on tourism where they have gutted the tourism budget and made it more difficult for tourism operators to operate effectively in the ACT. We see it every day in the way that they behave towards business, because they refuse to listen to business. The reality is sad.

The results that we see from the latest Hudson report that were released last week demonstrate this most emphatically. Overall business confidence has collapsed; confidence among government employers has also collapsed. What is the Chief Minister's response to this latest business news? "Well, I am not surprised. I am not surprised," he goes on. That is said following his comments only a few short days ago in the Assembly, when he said that prospects for the ACT economy were extremely good. That is absolutely astounding. I do not know who the Chief Minister is listening to and I do not know what the Chief Minister is reading, but how you can take those lists from Hudson, from Sensis, from Access, from ANZ, from Westpac and from the reserve governor and ignore all of that, as is being done, is absolutely astounding to me.

I expect that, if the Chief Minister is true to form, when he gets up here—if he deigns to return, because, of course, in his own arrogant way he never sits through these speeches because he does not believe in the supremacy of the Assembly but only the supremacy of the executive and himself—he will come down and he will tell us that we have never had it so good, that there is close to full employment and so on. It is quite interesting. He quoted Peter Martin during question time today, and I am pleased he did, because Peter Martin makes some comments on this. In an article of 15 March entitled "The day we heard the economy snap", Peter Martin writes:

> Job offers react to spending and investment with a lag—six months is one estimate. They tell you where you've been, not what lies ahead.
>
> It's a lesson the Macquarie Bank's Rory Robertson says he learned painfully when he worked for the research department of the Reserve Bank at the time when the economy snapped in the late 1980s.
>
> He says once a month at the Reserve Bank's headquarters in Martin Place Sydney a gaggle of economists (often including the present Governor Glenn Stevens) would huddle around the single news-screen to read the employment numbers, often marvelling at the ongoing strength of full-time employment and still-sliding unemployment.
>
> 'Later, it turned out that the economy actually was heading south, not waiting for the jobs data to catch up,' he said this week.

He goes on to say that the economic chiefs at both Westpac and the ANZ believe that economic growth is now heading south. This is the dilemma. If economic growth is heading south—all the pundits and all the experts seem to say it is—we are not preparing for what might occur in the ACT. We are not preparing for this, despite all the indicators that have been on the table for the Chief Minister to take note of.

For years I have been saying—we took it to the last election—we need to diversify the ACT economy. What is the Chief Minister's response to that? Simply, "Woe is me. I've got a very narrow economic base and I don't know what to do with it." There has been no genuine attempt, either through encouragement of research and development of new industries or through the creation of new—

Mr Stanhope: Heard of NICTA? Have you heard of NICTA?

MR SMYTH: The Chief Minister interjects, "NICTA." Well, the bid for NICTA started under the former Liberal government, as did things like Epicorp. Epicorp is a prime example of what is going on. Epicorp is at risk because the Chief Minister does nothing to assist it. Epicorp, I understand, is potentially about to lose its accommodation at the CSIRO building at the base of Black Mountain. Epicorp was a bid put together under the auspices of the then Liberal government to secure a research and development facility to diversify the ACT's economic base. We beat all comers. We took the majority of the funding that was on offer from the then federal government and we set up Epicorp in the ACT, and it has been very successful. The question now is: what will happen to it under a Rudd government with the assistance of a Stanhope Labor government? There is a classic example of what we did, and it worked.

Mr Stanhope is very, very keen to take the credit for NICTA, but they were in the race for NICTA because we started the race. They are only there today because we started the race.

Mr Barr: Right, yes! Absolutely!

MR SMYTH: It is interesting that Mr Barr wants to join the event.

Mr Stanhope: You were going to do something, were you?

MR SMYTH: No, no, we did it. We started the race. We started the work on that. We came up with the ideas. You may have finished it, as you finished things like the link and as you finished things like GDE, but we started that work, and you know it. You should give some credit where credit is due.

The interesting thing is that Mr Barr joins the fray. He interjects to protect his Chief Minister. It is interesting. The planning authority under Simon Corbell set back the building of the NICTA building how many times? How many times did they have to go back and have their plans reassessed? Was it two? Was it three? Was it four? Perhaps the planning minister will get up and talk about how the planning regime—

Mr Stanhope: Is it the best building in Canberra?

MR SMYTH: I like the building; I think it is a great building. I think there are a number of buildings in that quadrant that are very attractive buildings. But it was slowed up so much, and it was not the outside appearance that slowed it up, and you know it.

Mr Seselja: They could not get aged care through because of the planning system.

MR SMYTH: Aged care, there is another industry that is being affected. But the Chief Minister will get up in a few minutes and give us his tirade—

Members interjecting—

MR SPEAKER: Order, members! This is a one-hour discussion. Other members will have a chance to have their say—not by way of interjections, though.

MR SMYTH: Mr Speaker, of particular note is the decision by the Rudd government to chop the project to redevelop Constitution Avenue. This is actually taking money back that was already appropriated for this. We see the consequences just spiralling down Constitution Avenue where we want to bring life to the city, and the Rudd government is going to strangle it. We see developments on sites like the current RSL headquarters, which are a bit dated—I think we all agree with that—and which will not go ahead because the Rudd government has slashed this money, and we are waiting for an answer as to what the Stanhope Labor government will do. That decision will have planning implications for a range of sites up and down Constitution Avenue. The real problem that we have in the ACT is that we have a Chief Minister who cannot or will not take off his rose-coloured glasses and stand up for business and jobs in the ACT.

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) (4.57): I welcome the opportunity again to highlight that issues that we face in the ACT in relation to a tightening of the belt by the commonwealth. They are, of course, a direct response to 10 years of Liberal government mismanagement, eight interest rate rises in the last three years and an additional monthly mortgage bill for young Canberra families of $370—an increased cost of $110,000 over the life of an average mortgage for an average young Canberra family entering the housing market. That is what this motion is about—the incompetent economic management by the Liberal Party federally. That has meant for young Canberra families $110,000 over the life of the mortgage—370 bucks a month. That is the Brendan Smyth legacy—the Liberal legacy, a legacy of incompetent Liberal Party economic management.

It is interesting that Mr Smyth continues to raise these issues that highlight the incompetence of his party in government. It is incompetence, of course, that he shared during his time in government when the then Liberal government in the ACT delivered budget deficit after budget deficit after budget deficit, so that by the time they had been in government for five years they had accumulated deficits in excess of $800 million, which was probably an Australian record in the context of the size of the budget at the time.

In the context of cuts to business and jobs in the ACT, it really is a bit premature, having regard to the fact that the budget has not yet been delivered, to be talking about cuts in jobs and business. That was the focus of the presentation or contribution by the

shadow minister in relation to this issue. It has to be said that the opposition really is continuing to do what it has developed into an art form—scaremongering, talking down local business and talking down the Canberra economy. It does it well, and it does it continually and repeatedly.

The opposition talks down the town, talks down business and impacts on business confidence. It does everything it can to actually create a perception within the nation that this is not the place to do business, that there is very little business confidence and that the economy has stalled. We hear it all the time from Mr Smyth. He talks the economy down. He claims that it is busted, it is going backwards, that it is slow and that it has hit the wall. It is the cheap political language of a shadow minister who really has no particular commitment to the town—actually, no particular interest.

We can tell this, of course, through the paucity of their policies, and that point was just made. In a 15-minute presentation or contribution, the opposition still, after three and a half years in opposition in this particular term, has not detailed a single policy that would address the very issues that the shadow minister stands and condemns—not a single policy, not a skerrick of a policy, not an idea, let alone a policy about a way forward or what a Liberal government would look like in the ACT today. It is a pity that we see again through this matter of public importance the Liberal Party once again taking the cheap and easy option or opportunity of talking down the Canberra economy.

If we put that to one side, it is interesting that the opposition raises this issue. It does beg the question—this was essentially my opening comment—why does the Rudd Labor government need to implement the budgetary reform that it is implementing? We know that those budgetary reforms are necessary to reduce the ongoing inflationary pressures which continue to impact directly on businesses and households alike as a result of the Howard-Costello Liberal legacy of economic mismanagement.

It was only last week—and this was raised by Mr Stefaniak, I think, in question time today, without any shame—that the Governor of the Reserve Bank, Mr Glenn Stevens, in his opening statement to the House of Representatives Standing Committee on Economics, said that over the course of 2007 public final spending rose at about twice—double—its trend pace. This constitutes enormous inflationary pressures on an economy that is operating at its capacity. That is the Governor of the Reserve Bank commenting on the Liberal Party's management of the economy during 2007.

Public final spending rose at about twice its trend pace. Supply constraints were apparent with low unemployment, yet the commonwealth continued to spend, especially during 2007, at twice its trend rate. With strong demand and inflation continuing to rise, the Reserve Bank was faced with one option, which was, and continues to be, tightening monetary policy through the increases in interest rates. Whilst last month saw no rise, the pressures continue to be present.

It is also important to acknowledge that the budgetary impacts that the shadow minister refers to will be felt across Australia. The Rudd Labor government is not singling out the ACT for punishment. The financial burden of the Howard-Costello Liberal legacy of financial incompetence will be a burden felt across Australia. The

ACT economy is a strong and resilient economy. It has the capacity to absorb the impacts that will occur as a result of the budgetary reforms of the current commonwealth government. Just like the Rudd Labor government is having to do now, this government made some hard decisions in its 2006-07 budget, and the ACT economy is enjoying those benefits derived through a surplus budget.

Some facts might convince the opposition spokesperson that the ACT economy is resilient, though they still will not resist the temptation to talk the economy down. The ACT's gross state product rose by five per cent in real terms in 2006-07, higher than the national GDP growth rate of 3.2 per cent. Year on year to November 2007, Australian weekly ordinary time earnings in the ACT rose by 4.9 per cent. Nationally Australian weekly ordinary time earnings rose by 4.5 per cent.

In trend terms the number of residential building approvals in the ACT in February 2008 was 200, up 5.8 per cent from the previous months. This is higher than the five-year monthly average number of approvals for the ACT. Year on year to February, the number of approvals in the ACT rose by 13.2 per cent. A final statistic that looks at the retail trade indicates that, while the ACT is doing well, there is evidence emerging of the impact of interest rate rises directly attributable to the Howard-Costello Liberal legacy of economic mismanagement.

Year on year, growth in retail turnover in the ACT has grown steadily, reaching a high of 8.2 per cent in May 2007. However, this trend has reversed in recent months, with year-on-year growth to February 2008 moderating to 5.5 per cent. This trend follows three increases in official interest rates of 0.25 per cent each in August and November 2007 and February 2008—surprise, surprise!

Further, more Canberrans than ever are currently employed, with unemployment at a record low of 2.4 per cent. We have a unique situation in the territory where there are still more vacant positions than there are people unemployed. I understand that the Chief Executive of the ACT and Region Chamber of Commerce and Industry, Mr Chris Peters, has been quoted recently as saying that the private sector in the ACT could easily and readily absorb 1,000 jobs.

I took the opportunity to see what policy contribution the shadow Treasurer has made to the debate on the Rudd Labor government's responsible economic commitment to bringing down a surplus budget. Mr Smyth's recent media releases indicate that we should be doing more to diversify the ACT economy as well as investing in infrastructure, but that is the extent of the Liberal Party's policy in relation to economic diversification—that is, that we should diversify the economy and invest in infrastructure. That, I think, is the Liberal Party's business policy.

The ACT has 25,000 private sector businesses in our economy, and private sector employment now exceeds public sector employment levels. I acknowledge that the ACT does have a limited economic base. Our population is largely urban. There is limited agricultural and manufacturing activity and mining is negligible. We do not have access to the natural resources of other states such as Queensland and Western Australia, which are currently enjoying the benefits of the resources boom. So whilst opposition members may have ideals about the need to diversify the ACT's

economy, we have to acknowledge that economic diversity opportunities are limited, but we do have strengths in other areas.

Canberra was established to provide governance for the nation, and it is these intellectual resources that provide Canberra's natural advantage. Last month I launched the report on the study of the innovation system. The report outlines the ACT government's commitment to enhancing Canberra's knowledge economy credentials—our natural economic strength—as well as capabilities in research and development and innovation to ensure that the ACT economy continues to expand and is globally competitive.

By facilitating ongoing enhancement of these tertiary sectors, the ACT government can continue to harness its R&D and creative innovation capabilities and maintain its competitive advantage. The ACT has experienced significant growth in infrastructure investment from all sectors of the economy. In fact, according to the statistics released by the ABS in March 2008, investment spending in the ACT set a new record of $5.3 billion during 2007. ACT Treasury anticipates that there is over $4 billion in major projects committed or proposed, with a high degree of certainty in the ACT commercial property market over the next three years. That is a position supported, too, by Access Economics.

Some of the more significant projects include construction of the Australian National University Exchange for around $600 million; construction of a $460 million office building to house ASIO and the Office of National Assessments; new Department of Defence office buildings for around $300 million to $600 million; construction and redevelopment of office buildings along Constitution Avenue, at a cost of $250 million; a $350 million development at York Park for the commonwealth Department of Environment and Water Resources; and a $200 million development of section 63.

In addition to this construction, almost $300 million has been budgeted by the ACT government for capital works over the next four years. That includes a new secondary school in Gungahlin, a new school in Tuggeranong, major roadworks around the airport and in Tuggeranong, and a multistorey car park at the Canberra Hospital.

Residential construction is also strong. The annual value of residential construction in the past five years has been just under $900 million. There are expectations that this should increase further, with large land releases planned by the LDA over the next two to three years and demand for new housing expected to remain strong. It is likely that the value of the ACT's construction sector will be in the vicinity of $1.5 billion annually over the next two to three years.

Unlike the opposition, the ACT government looks for the opportunities that could be derived from the budgetary reforms of the commonwealth that the commonwealth has to implement as a result of the Howard-Costello legacy of incompetent financial management. I recently announced that the ACT government will commence a recruitment campaign in the coming weeks aimed at attracting the commonwealth workers potentially affected by federal budget cuts to the ACT public service. Our

aim is to keep these workers in Canberra. The ACT has a low level of unemployment, and both the private sector and the ACT public service are struggling with skills shortages. Encouraging this potential pool of workers to remain living and working in Canberra would make a real difference in tackling the skills issue.

We are not developing this campaign in isolation. We are working with key organisations, including the Canberra Business Council, the ACT Region Chamber of Commerce and Industry, the ACT Skills Commission and the *Canberra Times*. It is a positive collaborative approach that is being implemented. We have also met with the commonwealth Public Service Commission to gain a better understanding of the likely impacts of the commonwealth Labor government's first budget.

There are undoubtedly some troubled times ahead for the ACT; there is no doubt about that. But I am confident that the ACT economy is resilient, structurally diverse in its intellectual capabilities and capable of absorbing the budgetary impacts. We are on the front foot, and I look forward to the support of the opposition in positively espousing the benefits of what Canberra has to offer its current and future residents and for the Liberal Party to resist the temptation to continually talk down the ACT economy and the ACT.

They need to do that, because they are embarrassed by the fact that, after three and a half years on the crossbench, the Liberal opposition in the Legislative Assembly does not have a single policy position on a single item or issue of policy. They have spent their time unproductively—productively for us—fighting amongst themselves. Mr Smyth has launched campaign against campaign. He has managed to—

Dr Foskey: It is not the crossbench.

MR STANHOPE: Well, it is across from here. He has managed to actually force the expulsion of his competitor for the leadership and, in so doing, of course, has mortally crippled the opposition and turned it into a laughing stock. Even the Liberal Party's basis of support—namely, the business community of the ACT—has abandoned the Liberal Party as a credible party—not just a credible alternative government but a credible opposition. Actually, Mr Pratt did rise in my estimation, at a time when Mrs Burke and Mr Smyth went along like the jolly little jumbucks that they are to this breakaway group of disaffected Canberra businessmen and Liberal Party members.

MR DEPUTY SPEAKER: Order, Chief Minister! Tediousness and irrelevance—

MR STANHOPE: They actually joined an organisation devoted to campaigning against the Liberal Party!

MR DEPUTY SPEAKER: I ask you to consider relevance, Chief Minister.

MR STANHOPE: Well, I was actually praising your particular insight—

MR DEPUTY SPEAKER: I am not here to be praised, thank you, Chief Minister. I am in the chair.

MR STANHOPE: Not just your insight, but your integrity. Unlike Mr Smyth, you would not associate yourself with a party or a group that was formed to campaign against the Liberal Party. *(Time expired.)*

MR DEPUTY SPEAKER: Thank you very much, Chief Minister. Wonderful debate!

MR MULCAHY (Molonglo) (5.12): I enjoyed those words from the Chief Minister; he is always enlightening. I do welcome the opportunity to speak on this MPI. I do note, of course, it is rather similar to a motion that we debated in the March sittings but I am more than happy to participate in another discussion about the impact of federal cuts on the ACT.

As I said in March, Canberra historically is a public service town and, although the city's base has diversified somewhat, the commonwealth government remains easily the biggest employer in the ACT. Indeed I remember, when I lived in Wanniassa and Mr Seselja was riding his bike in 1978 and it was the outer suburb of the valley, when my wife and I were establishing our first home, it was something of a wasteland down there, thanks to the cutbacks from the Fraser razor gang that decimated the city. It had quite an adverse impact on both people's—

Mr Seselja: They still have got a two-lane freeway, though, do they not?

MR MULCAHY: That is right. There was the federal idea of cutting back and what other states consider as appropriate to cut back. But the fact of the matter is that Canberra did go through a pretty bad time there. Probably prices took a fair hammering, aided and abetted later by Rosemary Follett's brilliant idea to flood the market with land, when many people then took a bath as well in the early 1990s.

But the fact is that we are sensitive to changes in the commonwealth. When the federal government, Mr Rudd, Mr Tanner and others, declared that they are going to slash public sector expenditure, then there is obviously heightened concern in this territory.

If you look in terms of numbers, according to the 2006-07 *State of the service report* by the Australian Public Service Commission, there were 143,525 ongoing employees in the public service as of June 2007. There were another 11,957 non-ongoing employees, as they call them—contractors and the like. Of these numbers, over one-third of ongoing employees are in fact located here in Canberra. This equates to about 51,240 people employed in the public service in the ACT. Clearly, when roughly a sixth of your total population and a higher proportion of the working population are employed by the federal government, any changes or cuts will have a considerable impact on jobs in Canberra.

Mr Smyth's MPI is quite correct, although not particularly insightful. Cuts to the Australian public service will have an impact on the Canberra community. It is, of course, worth noting, however, that the ABS March employment figures show that the unemployment rate in the ACT is down to an extraordinary 2.4 per cent. I do not care

what one says. That is an extraordinarily positive result in a territory that does boast the strongest balance sheet in Australia. That is not just the Chief Minister's assessment; that is the view of the independent credit agencies. So we are coming from a very, very strong position as we weather whatever cuts may be ahead.

But regardless of what the federal government has planned for the public service, I think it is safe to say that we are not on the verge of an employment crisis. What the Chief Minister said about there being more jobs to fill than there are people to fill them is valid. I consistently hear of people who change employment and the next day they are employed somewhere else. This certainly was not the case in other periods of modern Australian history, when people have often had to go for long periods without employment if they have lost their job, resigned or been made redundant.

As I have said before, if one takes the time to speak to the employment and recruiting industry, they will tell you that the problem facing that industry is finding people to fill jobs, not finding jobs for people. Nevertheless, it is naive to think that the razor gang will not cause public service employees some distress. Although we do not know the exact extent of the planned efficiencies—and this debate would be more useful probably after the federal budget is handed down—the exact extent of the planned efficiencies is, it is safe to assume, that there will be jobs lost and spending cuts. This will obviously have an impact on the Canberra community.

It should not be criticised out of hand, though. I said in the debate on Mr Seselja's motion in March that it is somewhat ironic for the Liberal Party to be attacking efficiencies in government. And this continues to remain my position. You cannot advocate small, responsible government, which I assume the Liberal Party still purports to be committed to, without acknowledging that it is the responsibility—

Mr Barr: I think the jury is out on that one.

MR MULCAHY: The jury may be out, Mr Barr, but this is what the official record claims. But you cannot take that position without acknowledging that it is the responsibility of governments, at all levels, to search for efficiencies and savings in government. I have argued for that in this territory. I know it made some of my former colleagues terribly nervous, but it is an objective that all of us should be striving for, because waste in government, no matter who is in power, is not a good outcome for the community because ultimately the least able end up paying more in taxes and suffer as a consequence of government waste.

Ultimately, all of government is funded by taxpayers and there must be a high standard applied to the application of taxpayer funds. If efficiencies can be made in the public service, then it is a good thing. This is particularly true in a time of international economic pressures. It is the responsibility of governments to prudently expend public moneys. To do otherwise is reckless in the extreme. I will always have great difficulty in roundly criticising efficiencies in government. Yes, they can have a negative impact on a community, particularly when, as is the case of Canberra, so much of the population is employed in the public service. But governments have an overwhelming responsibility to expend public funds prudently.

I am surprised that the ACT Liberty Party has completely departed from this position, and it is certainly not a position that I thought Mr Seselja previously subscribed to. Certainly, it is clear that the last six to 12 months have seen the global economy shift to a less stable position. This has had an inevitable impact on the Australian economy and will probably continue to create some shockwaves in our economic base.

I am not surprised to hear the ACT government use today's MPI as an opportunity to attack the Howard government's economic management. As I have said before, this attack is really not justified. The economic achievements of the Howard government should be lauded, as they have been by leading think-tanks and institutions abroad, rather than criticised.

The Labor Party claim that we are in some sort of economic crisis is baffling in the extreme. We have never seen prosperity such as we have seen in the last decade. A crisis is when businesses and home owners face interest rates of 20 or 22 per cent. It is when businesses fail because they simply cannot afford to operate. It is when you have soaring unemployment. It is in fact what we faced in the Whitlam years in the 1970s.

Yes, there are pressures but these are global pressures that are facing every nation in the world. When an economy the size of the United States starts heading south, it is naive in the extreme to think that smaller economies can continue to operate independently of those difficulties. It is certainly naive and simplistic to think that inflationary pressures are the result purely of the government of the day. Are we to believe that the problems besetting the American economy are because of the Howard-Costello government, the problems facing the German economy are because of the Howard-Costello government or the problems facing the French economy are because of the Howard-Costello government? For heavens sake, that is arrant nonsense and we all know it.

I have digressed slightly, but to return to the main point of this MPI: I am conscious that job cuts in the APS will have a disproportionately heavy impact on Canberra and, similarly, a reduction in commonwealth spending may well impact on Canberra businesses who supply the APS. We do not know what the impact will be because the exact nature of the cuts has still not been announced.

In our debate in March, I stated that it was important that the ACT government stood ready to react to the changes when they happen, and I welcomed the Chief Minister's announcement that he was working with the commonwealth and the business council to absorb workers in the ACT who may be let go at the commonwealth level. I note his press release of 2 April and welcome the recruitment campaign that he announced. I agree with Mr Stanhope that it is important to keep workers in Canberra. Clearly with unemployment at 2.4 per cent, there are jobs available and it is important and represents an opportunity for the ACT public service and businesses to try to fill these jobs.

While I acknowledge that the Rudd government's razor gang will, in all likelihood, have an impact on the Canberra community, I would caution against jumping to the

conclusions Mr Smyth has in his MPI of assuming that the impact will be massively adverse. As I have said, efficiencies should not be opposed just because they are hard or because, unfortunately, they can translate into people losing their jobs. Governments should look for efficiencies and should not be automatically criticised for doing so.

I also would express the view that, as we talk about diversifying the economy, I too would love to hear what these initiatives are. It is very easy in politics to advocate more and more spending. It takes one hell of a lot more courage to actually suggest areas where governments need to trim back. Anyone can go out and dish out a lump of money to a company—and there are plenty of companies that will take advantage of gullible politicians—who will set up airlines, as we saw in this territory, or companies that are in the copying business and whatever else, and who will promise you the world.

I saw it when I worked for the Victorian government. By and large, we were careful to avoid the carpetbaggers who would come to town promising the world and ask government to fund it. I think we used to give them cheap telephone calls on the home of the CEO, and that was about where our assistance ran out. I think that is what the Liberal Party ought to think about.

MR SESELJA (Molonglo—Leader of the Opposition) (5.22): I like hearing about the courage of the crossbench. The crossbench tell us about having the courage to come up with policies which everyone knows they will never, ever be able to implement.

Mr Mulcahy: Well, we share that in common, Mr Seselja, because you'll never be there either.

MR DEPUTY SPEAKER: Order, Mr Mulcahy! Don't get too excited.

MR SESELJA: We look forward to finding out how popular Mr Mulcahy is at the next election. Mr Mulcahy misread the matter of public importance, I think, when he referred to the "massive adverse impact". There is no mention of the word "massive". It refers to "the adverse impact of the Rudd razor gang cuts on jobs and businesses in the ACT". We should try and get the details right.

We have heard from the Chief Minister consistently, and the message we get consistently from the Chief Minister on this is that he does not care about these cuts. In fact, we have seen how little he cares in his response to some of these cuts. We have seen his fence-sitting approach to this issue, whereby he has refused to criticise any of the cuts. Mr Mulcahy talks about efficiency dividends, but when you cut 37 jobs from 88 in an agency, it is difficult to describe that as an efficiency dividend. It is very difficult to say that what they were really looking for when they slashed the NCA was an efficiency dividend. It was, perhaps, a gutting of the organisation. I think that is what people see.

It was, in fact, a revenge attack by Kate Lundy, backed by her local colleagues, supported by Jon Stanhope, to absolutely slash the NCA. We now see the review, in retrospect. After making cuts to about 40 per cent of the organisation, we now have a

review to determine whether it was a good idea or where there might be overlap. That is not about efficiency dividends. Those cuts to the NCA were clearly about payback for an organisation that the Labor Party in the ACT does not agree with and does not like. It should be stated for what it is rather than couched in the terminology of efficiency dividends.

Those NCA employees who are going to lose their jobs, and also the broader ACT community which has enjoyed much of the work which the NCA has done, particularly in promotions, marketing and events, would be very disappointed. They would be disappointed by the weak response of their ACT Labor representatives, who have really done nothing to oppose these cuts. We know that the chief cheerleader for the cuts to the cultural institutions was Mr Barr. The chief cheerleader went on radio and said, "These cuts to the cultural institutions are actually good." He did not say, "Well, look, these are efficiency dividends and we need to find efficiency dividends." He said, "This is good because with fewer roadshows there'll be more coming to Canberra." We know what the Stanhope Labor position on these cuts is: they are a good thing and they are welcome.

In fact, when we couch it in terms of efficiency savings and efficiency dividends, it belies the other reports we have recently heard and read about, involving the proposal to end ADFA—to actually kill ADFA. Is that about efficiency dividends, if they are considering that? Are they seriously telling us that would be a good thing for the military—that by cutting the $200 million that ADFA represents and by not providing training for the best and brightest in our military that would actually lead to a more productive defence force and a more capable defence force? Those are the kinds of ludicrous cuts that are being considered at the moment. We can only hope that they are not serious about those kinds of cuts and that these are just some sort of ambit claims whereby all things are on the table. But given what we have seen with the NCA and the serious cuts to that organisation, everything is on the table and we just have no way of knowing how these cuts will go.

It is disappointing that our local Labor representatives are so weak and timid in their opposition. The fence sitting of the Chief Minister, particularly on the issue of the NCA, where he was not able to clearly articulate a position as to whether these cuts were a good thing or a bad thing, is very disappointing. It is particularly disappointing for those people in the ACT who would expect their local representatives to look after their interests.

We see in today's *Canberra Times* that 61 IT staff working for the Australian Federal Police will have their contracts ended because of resourcing adjustments required to achieve an efficiency dividend of $24 million. The *Australian* newspaper reported late last month that the razor gang was looking at options to wipe out one-quarter of CSIRO's research budget. The report revealed that up to 1,000 front-line scientists could be lost in 2008-09, with a further 500 in the next year. Let us, once again, put it in the context of efficiency savings. This is not about efficiency savings. Some of the proposals that are on the table are about mindless cutting. We tended to hear from the opposition leader, as he was then, now the Prime Minister, Kevin Rudd, a lot about productivity. He was in trouble whenever he was pinned down on the details of productivity, as we saw in the embarrassing interview with

Chris Uhlmann, where he could not explain any of the productivity figures which he had been espousing.

Putting that aside, we did hear a lot about productivity from the then opposition leader. Cutting one-quarter of CSIRO's research budget, with the loss of up to 1,000 front-line scientists in 2008-09 and a further 500 in the next year, to me, does not seem like something that will improve this nation's productivity. It does not seem like a policy that will see this nation move forward in the way that we would want. It would seem to be a mindless attempt to get to their 1.5 per cent of GDP surplus.

We read at the weekend an analysis in the *Weekend Australian* of what the government is putting out—that there may be a slowing in revenue as a result of the downturn in the stock market and as a result of a number of other factors. If that is actually the case and it is not just a matter of spin and pretending that things are getting tougher than they are and if we accept that revenue is actually slowing, you do need to question where the federal government's head is on this issue. Is it going to mindlessly pursue a 1.5 per cent of GDP surplus, come what may, regardless of whether revenue is slowing significantly? If it is, and if it does pursue that in a slowing economy and in slowing revenue circumstances, the effect on Canberra could be much more significant than we would now think.

That is fundamentally what the federal government will have to explain. Is it going to demonstrate its fiscal conservatism by sticking to the 1.5 per cent of GDP surplus, regardless of the economic conditions and regardless of the changing revenue conditions? If it goes down that path, we may well see some of the serious cuts that have been talked about and speculated on in the papers. If that is the case then there will be a serious adverse impact on people in the ACT.

As a representative of Canberra, I certainly hope that is not the case. I hope that, whatever efficiency savings are found, they do not involve mindless cutting and that we do not see slashing for the sake of it. I hope we do not see Canberra, the people of Canberra and workers in Canberra sacrificed so that, come what may, Kevin Rudd can prove once and for all that he is an economic conservative.

Mr Corbell: Do you mean like 1996?

MR SESELJA: Let us compare it: a $10 billion deficit with $96 billion of debt is a serious issue.

Mr Barr: What was inflation in 1996?

MR SESELJA: Let us talk about that, but if the federal government is going to pursue, regardless of the changing economic circumstances, a 1.5 per cent of GDP surplus, the impact on Canberra could be serious. It must be said that in those circumstances, if they eventuate, many Canberrans and the ACT economy will be sacrificed in order for Kevin Rudd to be able to show what a true fiscal conservative he is.

There is nothing wrong with reasonable efficiency savings. The Howard government had efficiency savings throughout its term of government. It is a reasonable thing to

do. My concern is about the slashing of the NCA, which is not an efficiency saving, potentially the complete cutting of ADFA, which is not an efficiency saving, and the cutting of CSIRO, which is much more than an efficiency saving and seems to go against the idea of improving productivity. These could be serious cuts for Canberra and it is time that ACT Labor representatives took a stand for the people they are elected to represent.

MR BARR (Molonglo—Minister for Education and Training, Minister for Planning, Minister for Tourism, Sport and Recreation, Minister for Industrial Relations) (5.32): The stated aim of the federal government's expenditure review is to reduce wasteful government expenditure. Surely, that is a commendable thing, but it would appear from what we have heard from those opposite that it is not, and that savings that are aimed at realigning expenditure to higher priorities and aimed at delivering more significant and ambitious reform agendas—

Opposition members interjecting—

MR DEPUTY SPEAKER: Order!

MR BARR: Thank you, Mr Deputy Speaker, for your protection against the interjections of those opposite. As I was saying, the savings are aimed at realigning expenditure to higher priorities. It is interesting that Mr Seselja, in his speech, decided that the efficiency dividends that were required of all of those cultural institutions from 1996 through to 2007 were insignificant and were worth supporting, but this year's efficiency dividends—

Mr Seselja: Did I say that?

MR BARR: Yes. You took me to task, Mr Seselja, on the comments I made in relation to efficiency dividends for cultural institutions. It is worth noting, and I state it again—

Opposition members interjecting—

MR DEPUTY SPEAKER: Order! I say to those on the opposition benches that you guys were heard in some quiet. Quieten down a bit. Mr Barr has the floor.

MR BARR: I stated that, from a tourism perspective, when the cultural institutions hold events that are held only in Canberra, that do not go on the road and that are uniquely available to the people of Australia in the ACT, we get a local tourism benefit. That is undoubtedly so. So I am quite comfortable, as the ACT's tourism minister, with the cultural institutions in the ACT, those national institutions, holding more blockbusters and more major events that are Canberra-only. That will undoubtedly benefit our tourism industry. The greater risk to our tourism industry is from continually rising interest rates. Mr Deputy Speaker, if you look at what will impact on discretionary expenditure and the ability of people to take holidays, you should think about the impact of interest rates and inflation.

Again, I have no problem at all in repeating the comments I made. Those cultural institutions faced efficiency dividends during every year of the Howard government.

To suggest that the efficiency dividends required this year are abnormal or unusual and that public sector organisations should not be required to make efficiency dividends is a ridiculous proposition. If the suggestion is that the ACT will not benefit from having exhibitions held only in the ACT and that the ACT tourism industry will not benefit from that, we should look, for example, at the *From Turner to Monet* exhibition being held at the moment. The fact that it is only being held at the National Gallery of Australia has meant that we have had a significant increase in the number of people coming to the ACT, in order to view that exhibition. And may there be many, many more that are Canberra-only. I look forward to there being more Canberra-only and ACT-only major blockbusters by our cultural institutions.

But I digress, Mr Deputy Speaker, because it is worth noting that the fundamental reason for undertaking these sorts of reforms, looking for efficiency dividends and looking to reduce expenditure is to realign expenditure to key priority areas in order to undertake the massive reform agenda that is necessary in this country. It is worth noting that, for the final 10 years of the Howard government, reform was off the agenda. The only area that they thought worthy of reform was effectively to go into competition with the states and territories on service delivery. I refer, for example, to the Australian technical colleges or to seeking to purchase a hospital in a marginal seat in Tasmania. Going into direct competition with the states and territories was their idea of reform.

We need national leadership on a national reform agenda, and that is what we are getting out of COAG. It is terrific to see that, under the leadership of Prime Minister Rudd, COAG is revitalised. It is signalling a fresh and genuine approach to making our federation work. This reform agenda is a historic opportunity, a once-in-a-generation opportunity, to achieve significant reform across a range of areas in our federation. The Council of Australian Governments is now meeting four times a year and it has established seven working committees, in the areas of health and ageing, productivity, skills and training, early childhood, climate change and water, infrastructure, business regulation and competition, housing, and Indigenous affairs.

These are ambitious issues, but the ACT fully supports this national reform agenda. There will be a change in the nature of commonwealth-state funding arrangements as a result of these reforms. The federal government is seeking to focus more on outputs and outcomes, underpinned by a commitment from the commonwealth government to provide incentive payments to drive these reforms. This will include reforms of specific purpose payments to the states and territories.

Already, in the area of health, we have seen the commonwealth put additional money on the table where it was needed—a reinvestment back into the public health system, and a crucial investment for our country. The other areas of reform, and those most particularly related to my portfolio areas, are around a range of initiatives in education and training—the national secondary schools computer fund—

Mr Smyth: What about jobs and business in the ACT?

MR BARR: the broadband rollout for our schools, early childhood education, the investment of $45 million in trades training centres in the ACT, the additional training

places available through Skilling Australia, the additional funding available for Asian languages in our schools and a commitment to increase retention rates. Mr Smyth, that is important for local business—providing a trained workforce into the future. Another initiative, of course, is the development of a national curriculum. There are a range of areas across my portfolio responsibilities where the commonwealth government is showing interest in working with the states and territories rather than against them. That is a significant change that we have seen in the last three or four months, since the election of the new government, and reprioritising expenditure.

Surely, when you look across a commonwealth government budget of more than $100 billion, there is room for some reprioritisation of expenditure to areas that are important for our community—investment in public health, investment in public education, investment in Indigenous affairs. All of these areas are important. There is no doubt, when you look at history in the long run, that changes of government have impacted on the ACT. There is no doubt that, through that transition period before new government policy priorities come to fruition, there is always an impact on the ACT. The question is: do we and are we able to respond and do we have in place a range of measures of our own? I think that is very clear, again, just in my portfolios alone, with $350 million worth of investment in education infrastructure, not to mention the investment in new facilities and opportunities in the tourism portfolio.

I note that Mr Smyth is a constant critic of Stromlo forest park, but for that $7½ million investment, we will be hosting, amongst other things, the 2009 world mountain bike championships, as well as a number of Australian mountain bike championships. If he wants to talk about diversifying our economy, there is an area within the tourism portfolio where this government has invested. If we are not already the number one city in Australia for cycle tourism and for cycling, we are well on our way to achieving that goal. That is just one small area within tourism. There are a range of others where we continue to invest locally and we continue to work in partnership with the commonwealth government. I am particularly interested in the rollout of hundreds of millions of dollars worth of education infrastructure and support across the ACT.

Mr Smyth: Why don't you talk about the MPI?

MR DEPUTY SPEAKER: Mr Smyth, you are already on the edge of a warning. Order!

MR BARR: I refer to the rollout of those hundreds of millions of dollars worth of commonwealth investment, of which the ACT will receive a significant share, and we are very well placed—*(Time expired.)*

MR DEPUTY SPEAKER: The time for this discussion has concluded.

Gene Technology Amendment Bill 2007

Debate resumed.

DR FOSKEY (Molonglo) (5.42): We are having a day of interesting and complex discussions regarding the overlapping of science, ethics, the precautionary principle

and the balance between the means and the outcomes. In considering the issues proposed in this amendment bill today, I have to consider the regulatory processes which the safety of the community relies on. Although many parts of this bill are very sensible, mostly relating to the requirements and offences relating to GMO licences, the Greens are in particular opposed to the sections introducing emergency dealing determinations.

The current Gene Technology Act has a number of precautionary and preventative mechanisms for good reason, which this bill before us today seeks to override. One of the main functions of the Gene Technology Regulator is to assess the risks posed to the health and safety of people and the environment. One of the major differences between this bill and the embryo research bill is that this bill proposes a rushed approvals process to enable a genetically modified organism, henceforth GMO, to be released, potentially as vaccines for a large proportion of the population. Given that the only reason the process would be rushed would be to bring in a GMO-based solution that quite likely had not been rigorously tested to an emergency, this could have the effect of using the populace at large as the base for a large-scale experiment.

This afternoon, Mrs Burke gave us a general picture of some of the advantages and disadvantages of genetic engineering. But there are, of course, myriad such examples. I just want to quote from Jeffrey Smith's book, *Genetic Roulette*, which I know every member has:

> The discovery in the mid-1970s that scientists could transfer genes from the DNA of one species to another was heralded as a major scientific breakthrough.

And, as so often happens with these scientific breakthroughs, it was seen as a potential saviour of mankind. It continues:

> Plants, animals and other organisms could now become equipped with genes that they could never acquire naturally and exhibit traits not previously found in their species or even their kingdom.
>
> Scientists have since worked on some interesting combinations. Spider genes were inserted into goat DNA, in hopes that the goat milk would contain spider web protein for use in bullet-proof vests. Cow genes turned pig skin into cowhides. Jellyfish genes lit up pigs' noses in the dark. Arctic fish genes—

Mrs Dunne referred to this this morning—

> gave tomatoes and strawberries tolerance to frost. Potatoes glowed in the dark when thirsty. Human genes were inserted into corn to produce spermicide.

And so on. So genetic modification has a chequered history and, therefore, I think that we need to be very circumspect whenever we speed up any process around it.

Under this bill, a GMO specified in an emergency dealing is not treated the same as a GMO covered by a licence. Certainly Greenpeace, in its verbal submission to the Senate committee considering these issues, were also concerned about it. Their representative, Louise Sales, argued about the commonwealth bill:

> However, part 5A of the bill as it currently stands is not intended to protect against risks posed by or as a result of gene technology but rather to bypass the regulatory process and to approve GMOs in cases where the minister is satisfied that there is an imminent threat.

Here we have another problem, which is that the term "threat" is not clearly defined or constrained. Bob Phelps of Gene Ethics, in his submission to the Senate committee, was concerned that:

> For example, 'threat' includes 'pests and diseases' but there is no requirement that the threat be of a particular imminence, severity or scale. The word 'threat' is not explicitly defined yet the Bill proposes that the Minister merely be satisfied that a 'threat' is imminent without requirements or procedures to prove that a 'threat' of the sort envisaged really exists.

He was also concerned that the minister's proposed discretion to make an emergency determination was broader than that envisaged or agreed to under the review of the act. However, the bill that was passed federally allows the minister, through his or her use of emergency powers, not only to approve the use of a GMO in relation to a medical emergency, say a vaccine or other drug, but also to override state moratoria on cultivating genetically modified crops. This is a huge concern and one which I believe goes beyond what should be allowed within the provision of emergency dealings. Arguing for a narrow potential for application of the powers, Gene Ethics submitted that:

> The Act should be clear that any real threat, of a specified scale, scope and severity to justify the use of the emergency powers, is reviewed and confirmed by all jurisdictions and that the circumstances are so exceptional as to justify an emergency response to avert widespread impacts on human health or the environment.

The broad potential application also allows for the potential release of GMOs without that material having undergone a full risk assessment. There is a serious concern that the current checks and balances could be skipped if an emergency is declared. Before I could agree to this bill, I would need to be assured that all relevant checks and balances are still fully included in the approvals process, even if the timing has been expedited.

For the safety of people and the environment in the ACT and in general in Australia, we need scientific risk assessments to ensure that the introduction of any and all novel organisms is orderly and trouble free, including GMOs. Relying on the advice of a couple of prescribed persons in determining whether a substantial emergency exists does not seem like a precautionary or a sensible measure in lieu of a full safety assessment. Instead of only consulting with a few experts like the Chief Medical Officer and/or the Chief Veterinary Officer, there should also need to be approval by all the states and territories.

I understand that the intent of this bill is to limit the emergency provisions to the absolute minimum. However, I am always wary of processes that leave such decisions

to the minister rather than using mechanisms with built-in safeguards developed over time with expert advice. Bird flu and equine influenza have been used as examples of such emergencies but, with such a broad definition of threat, an economic threat could be a trigger for an emergency, and the potential for a rushed GMO import could instead lead to a further disaster—of a genetically modified kind. The Greens do not accept that an economic threat would be significant enough alone to justify the release of possibly experimental genetically modified organisms which have not been properly tested and assessed and which may pose an unknown and potentially unacceptable risk to human health or the environment. If this bill is passed today, it would be preferable to confine emergencies to medical emergencies.

In her dissenting report to the federal bill, Australian Greens Senator Rachel Siewert included some examples of the consequences of lack of sufficient testing GMOs:

> There are a number of other international examples of the release of genetically engineered organisms resulting in harmful unintended consequences, despite some testing prior to their release. For instance in Brazil GE soya beans incorporating a nut gene produce severe allergic reactions in some people and had to be withdrawn. In the US the release of herbicide tolerant GE crops has led to an escalation of their weed problem, and there is a higher number of people manifesting allergies to GE corn and soya products.

Senator Siewert also questions how a situation might arise where there was a vaccine for a serious livestock disease that posed a major economic threat to Australian livestock that was already in use, for instance in the USA, and yet Australian livestock authorities were not sufficiently forewarned of this threat to get the assessment process underway before there was a major outbreak. She said:

> We already have more than enough examples in Australia of hasty interventions were the 'cure' has proved a greater problem than the 'disease'. We do not want to see another repeat of the Cane Toad merely because corners were being cut to minimise economic impacts of a known threat to a particular industry.

Another issue raised by Greenpeace suggested that the findings of the review of the act actually required the emergency provisions to be able to quickly respond to an emergency situation or imminent threat created by the release of a genetically engineered organism, so the emergency situation or imminent threat could actually be created by the release of the genetically engineered organism that was used to avert a threat. Given all the problems that I have just raised, I will not be supporting this bill.

MRS DUNNE (Ginninderra) (5.53): As I said earlier this morning in another debate, upon which I do not reflect, Mr Assistant Speaker, I gave it as a challenge to Dr Foskey to use her vote wisely in support of genetic engineering, and here she is this afternoon, in a bill which is really about regulatory matters around the edges, saying that there are not enough precautions in relation to the creation of genetic crops or genetically modified organisms in the plant world, or even the animal world. But when it comes to the human world, Dr Foskey would not use her vote to ensure that there were more precautions. I think it is ironic that the Greens are prepared to vote, at every turn, against the establishment of genetically modified crops.

There are concerns, there are problems; that is the case. But genetic engineering in crops and in livestock has been going on since man first sowed crops and put together the first grains of wheat and replanted them. Genetic engineering has been going on since that time. Once upon I time it was a long, drawn-out process of crossing and re-crossing and ensuring that you got strong strains. There are different ways of doing this now. Sometimes, of course, there are problems that arise and, yes, there should be safeguards. But I do think it is ironic, as I said this morning, that Dr Foskey is prepared to use her vote in favour of tomatoes' rights but not in favour of human rights.

MS GALLAGHER (Molonglo—Minister for Health, Minister for Children and Young People, Minister for Disability and Community Services, Minister for Women) (5.55), in reply: I thank members for their contributions. I think that last line from Mrs Dunne probably was a bit of a simplification. These matters are difficult, but we do have to rest on our own consciences and what we think, and that is what has happened here today, which is the beauty of democracy.

The Gene Technology Amendment Bill 2007 represents the ACT component of a nationally consistent regulatory scheme for gene technology established by commonwealth, state and territory legislation. The background to this legislation is that an intergovernmental gene technology agreement was established in 2001, to which the territory is a party. The intergovernmental gene technology agreement 2001 committed jurisdictions to introducing nationally consistent legislation to establish and maintain a national regulatory scheme in relation to certain dealings with genetically modified organisms, GMOs.

The object of the bill is to protect the health and safety of people and to protect the environment by identifying risks posed by or as a result of gene technology, and by managing those risks through regulating certain dealings with GMOs. This is achieved by the establishment of an independent statutory office holder, the Gene Technology Regulator, who is charged with administering the act and making decisions about the development and use of GMOs. This bill has no bearing on the moratorium on genetically modified food crops, including canola, the current arrangements through which the ACT may prohibit the cultivation of designated GM food crops in the ACT. That is a separate issue, which the government will consider and provide advice on in due course.

The amending legislation is required by the statutory review of the commonwealth Gene Technology Act 2000, which was undertaken in 2005-06. The amending legislation is consistent with the ACT government's response to the review report recommendations. The states and the ACT undertook to use their best endeavours to introduce corresponding legislation into their parliaments by 31 December 2007. The review found that the commonwealth act and the national regulatory scheme had worked well in the five years following introduction and that no major changes were required. However, it suggested a number of minor changes aimed at improving the operation of the commonwealth act at the margins.

In April 2006, the Gene Technology Ministerial Council, comprising state, territory and Australian government ministers, agreed that work should begin to implement the

recommendations of the review. The review recommended a number of administrative changes intended to improve the operation of the act. ACT officials participated in a working group of the Gene Technology Standing Committee, which advised the ministerial council on an intergovernmental response to the review's recommendations. In March 2007, the ministerial council gave out-of-session approval for the Gene Technology Amendment Bill 2007 and the explanatory memorandum.

Some people have questioned why this legislation lies within the health portfolio in the ACT, as in some states the responsibility for this issue lies with the agriculture minister. It should be noted that at a federal level this issue and the Office of the Gene Technology Regulator lie within the Department of Health and Ageing.

Arguably the most significant amendment made by this bill is the introduction of emergency powers which give the commonwealth minister the ability to make an emergency dealing determination to expedite the approval of a GMO in an emergency. This would allow an identified GMO to be used quickly in response to an emergency without going through the lengthy licensing application process. The commonwealth minister is, of course, required to obtain scientific advice before making such determination, and this advice must state that there is an emergency, that an identified GMO can be of assistance and that the GMO can be appropriately managed. States and territories must also have been consulted about any proposed emergency determination. Some examples of where it may be appropriate to use these powers are where there is threat of a disease, where there is threat from an animal or plant such as a pest or alien invasive species or where there is a threat from industrial spillage.

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.

MS GALLAGHER: These emergency powers were enacted in 2007 when an emergency determination was issued to allow for the introduction into Australia of a live genetically modified vaccine to address the equine influenza outbreak. Earlier this year, the amendments were again enacted, following extensive consultation with all jurisdictions, to allow the extension of this determination to ensure effective administration of the vaccine beyond the initial six-month licence period.

The bill gives examples of conditions that may be imposed upon a determination relating to factors such as the quantity of GMO, the scope of the dealings and the identity of the person who may deal with the GMO. Additional information may be required by the Gene Technology Regulator, such as matters relating to distribution, containment, storage and disposal of the GMO.

The second key area of change relates to improvements which have been made to the mechanisms for providing advice to the Gene Technology Regulator and the Gene Technology Ministerial Council on ethics and community consultation. The two relevant committees, namely the Gene Technology Ethics Committee and the Gene Technology Community Consultative Committee, have been amalgamated into the Gene Technology Ethics and Community Consultative Committee to reduce what the

review process identified as an overlap. The new committee will carry the combined functions of both former committees, as well as providing advice on risk communication and community consultation in relation to intentional release licence applications.

In summary, the amendments made by this bill will implement the recommendations of the review requiring legislative change, namely introducing emergency powers, giving the commonwealth minister the ability to expedite the approval of dealing with a GMO in an emergency; improving the mechanism for providing advice to the Gene Technology Regulator and the Gene Technology Ministerial Council on ethics and community consultations; streamlining the process for the initial consideration of licences; reducing the regulatory burden for low-risk dealings; providing clarification on the circumstances in which licence variations can be made; clarifying the circumstances under which the regulator can direct a person to comply with the act; providing the regulator with the power to issue a licence to persons who find themselves inadvertently dealing with an unlicensed GMO for the purpose of disposing of that organism; and making technical amendments to improve the operation of the act.

The Victorian parliament has already passed nationally consistent legislation which applies the Gene Technology Act of the commonwealth as a law of the state. New South Wales and the Northern Territory automatically refer to the commonwealth act and do not require amending legislation. The ACT introduced this amending legislation on 6 December 2007. The remaining states undertake to use their best endeavours to introduce corresponding legislation into their parliaments by the end of 2007.

This bill continues to require the Office of the Gene Technology Regulator to prepare comprehensive risk assessment advice on applications for licences, including consideration of containment and disposal issues, before circulating the RAA to all jurisdictions for comment prior to the issuing of any licences for GMOs.

I would also like to take this opportunity to advise that, due to an administrative error, new text is required for clause 25 of the explanatory statement to this bill. This substitution is a correction and in no way alters the substance or intent of the bill. Clause 25 should read:

> Omit everything after "earlier" and substitute "than-" and insert new sub-paragraphs 52 (2) (d) (i) and 52 (2) (d) (ii).

Clause 25 would provide for a longer consultation process where the regulator considers that the GMO poses a significant risk to the health and safety of people or the environment and contains a statement to that effect. The item proposes to insert two new subparagraphs into section 52 (2) (d) of the act. The proposed section 52 (d) (i) would provide that the time period for submissions must be at least 50 days if the regulator is satisfied that the dealings pose a significant risk. The proposed section 52 (2) (d) (ii) would provide for a 30-day time period for all other dealings.

I believe that the Gene Technology Amendment Bill, in conjunction with the commonwealth act, meets the objective of providing a nationally consistent regulatory

regime in relation to certain dealings with GMOs. The passage of this bill will secure the ACT's participation in the cooperative national regulatory scheme. It will ensure consistency of decision making across Australia and maximise the ability of the scheme to protect the ACT community and the environment. I thank members for their contribution.

Question resolved in the affirmative.

Bill agreed to in principle.

Leave granted to dispense with the detail stage.

Bill agreed to.

Adjournment

Motion by **Ms Gallagher** proposed:

> That the Assembly do now adjourn.

Mr Charlie Fletcher

MR SESELJA (Molonglo—Leader of the Opposition) (6.05): I would like to take the opportunity to say a few words tonight about Charlie Fletcher, whose funeral I attended on the Tuesday after Easter. Much of this is taken from the eulogy that was given, and I wanted to put some of that on the record.

Charles Patrick Fletcher was born in October 1918, on a property in Eucumbene Road between Berridale and Adaminaby in the Snowy Mountains. Charlie's family has lived in the Snowy Mountains since the 1860s, when two brothers from Sheffield arrived in Kiandra looking for gold. They did not find any gold and became farmers instead. Farming has run in the veins of the family ever since.

Charlie had eight brothers and sisters. From the late 1920s, the family lived at Bellevue, a property just down the road from Charlie's birth place. Charlie and most of his siblings went to a little school at Rocky Plains, travelling on horseback or in a dray.

He left school during the Depression and, like many young country boys, found work where he could—rabbiting, ringbarking, fencing, hiring himself out as a farm labourer. In the late 1930s, he helped a number of his brothers build the old Alpine Hut. Over several winters he worked at the hut as a cook. This was a wonderful job for a young man who loved to ski. He worked in the mornings and skied in the afternoons. A little later he became a champion skier. More generally, he was a fine athlete.

Charlie enlisted in the army in December 1942 and was discharged in 1946. He served in Papua New Guinea and Singapore. In 1950 he married Gert. When the family moved to Queanbeyan in the late 1950s, Charlie and Gert bought a block in Caley Place, Narrabundah, and then over the next four years or so Charlie built the

family home, mostly on weekends. Caley Place, or Mosman Place as it is now called, is still the family home.

Charlie was a bricklayer most of his working life, but that does not really describe the man, except for his capacity for hard work. He was a farmer at heart, deeply attached to the land and endlessly curious about its moods and the animals and birds which he observed all his life. He owned and loved dogs, a good many of them unsuited to city living. Anyone who ever encountered Lassie, Rover or Snow is unlikely to forget the occasion.

The garden was his special domain. It provided him with satisfaction and purpose the year round. There were the beehives in the backyard; honey making was his cottage industry.

For a man who worked in a backbreaking occupation, Charlie remained fit and strong into old age. His physical stamina and resilience until near the end were remarkable. As far as can be recalled by his family, his recent stint in hospital was the first time in his life he had been seriously ill. In sickness, like many of his generation, he was inclined to downplay the gravity of his predicament. He would say he felt a bit rackety, meaning he felt a bit lousy.

Charlie was deeply attached to his religious faith and to his church. He was proud of his sons, not least of whom Steve, who celebrated the funeral mass which I attended. He was proud of his daughters-in-law and, of course, he was immensely proud of his grandchildren.

I knew Charlie only in the last few years of his life. I knew him to be a good man, a man who loved his family, a hardworking man, an old fashioned man in the best sense of the term. He was one of those salt-of-the-earth types; one of those honest, trustworthy, hardworking people who helped to build this country, particularly in the post-war period. I would like to take this opportunity to pay tribute to Charlie's life. I send my condolences to the Fletcher family. May he rest in peace.

Jewish food festival

MR PRATT (Brindabella) (6.08): I rise to talk about and celebrate the very effective function at the Jewish synagogue at Forrest on Saturday, what they call their Jewish food festival. I was very impressed by the size of the crowd. They really parked the place out for about half a kilometre radius. It was a very, very busy day. They had a lot of Jewish folk-dancing; the sound of violins and squeeze boxes dominated the atmosphere. I was quite impressed.

My wife, Samira, and my daughter, Yasmina, accompanied me and bought out all of the sweets from the sweet stall, which the people selling them were very impressed by, because they could pack up and go home early. Jewish sweets and Arabic sweets are almost exactly the same. The cultural similarities between both cultural groups are quite startling.

If I might say, too, there was a sweet moment when Bill Arnold, the senior in that particular community, who was taking photographs all over the place, embraced my

wife, my daughter, their Arabic-Christian friend, along with their Yemeni-Jewish friend in one nicely cross-cultured photograph. That was quite a nice little event. All in all, congratulations to that community for a very impressive and very active function on Sunday at Forrest. I wish them all the best.

Veterans community—wreath-laying ceremony

MS PORTER (Ginninderra) (6.10): I was pleased this morning to have the opportunity to represent the Chief Minister at the annual veterans community aged care wreath-laying ceremony at the western court of the War Memorial. Mr Seselja also attended this ceremony. This event has been initiated by the Australian War Memorial and the Department of Veterans Affairs in order to give veterans and war widows and widowers an opportunity to attend a ceremony as they may not be able to attend the actual Anzac ceremony on the day.

It is a chance for them to pay their respects and remember this very significant day in our history. Of course, the day and the service will have different personal meanings for each of those who gathered together today to lay wreaths, reflect on all wars and conflicts and on our peacekeepers. As I watched the sometimes very frail and elderly proudly lay their wreaths, I remembered my own father's war service in the British armed forces—he served on many fronts in the Second World War—and my mother's service in the women's forces back in Britain. Whatever we feel about the futility of war—and surely by now we all know its futility and its great cost to humanity—we must pause and remember those who, in serving their country, died or who were injured and those who lost loved ones or friends.

I was pleased to see residents from the following aged care facilities attend on the day: Ginninderra Gardens Hostel, Page; Goodwin at Ainslie, Farrar and Monash; Linton RSL Veterans Retirement Village, Yass; Mirinjani Nursing Home, Weston; Morshead Home for Veterans and Aged Persons, Lyneham; Mountain View Aged Persons Hostel, Narrabundah; Queanbeyan Legacy Village, Queanbeyan; St Andrews Retirement Village, Hughes; St Nicholas Home for the Aged, Kingston; and Villaggio Sant'Antonio Aged Care Home, Page.

I would like to acknowledge and thank the organisers of the day and the young people from Campbell high school who were on hand to assist those that needed their assistance during the ceremony and during the very pleasant morning tea that followed.

Environment—Switch to green expo

MR GENTLEMAN (Brindabella) (6.13): I would like to speak briefly in the adjournment debate tonight about a function that occurred at the National Convention Centre over Friday and Saturday—the switch to green expo. It was a conference and expo targeting the move towards a carbon-neutral capital and was initiated by the United Nations Association of Australia here in the ACT. We had a couple of our Assembly colleagues attend, too—Dr Deb Foskey and Simon Corbell. I thank them for their contribution to the conference.

Switch to green brought together the four key stakeholders in Canberra—government, community, business and the scientific community—to talk about our future. Over 1,500 people visited the expo, with over 30 commercial exhibitors and 15 community groups, and 80 attended the conference. I am advised also that stallholders there received several orders while the conference was going. I am also pleased to hear that the Jamison Sea Change Group have just made a bulk purchase of solar hot water heaters and photovoltaics from a new group called Amala Solar here in the ACT, at a much less expensive rate than normal.

The Chief Minister opened the expo on Thursday evening. The expo included a practical workshop program showcasing what government advisory services can offer and what community groups are doing locally to reduce carbon emissions. Some of the keynote speakers at the conference were Dr David Mills, the founder and CEO of the California-based Ausra Pty Ltd, one of the world's leading solar thermal power station providers; Professor Will Steffen, Director of the Fenner School of Environment at the ANU; architect Caroline Pidcock, chair of the Australian Sustainable Built Environment Council; Professor Peter Newman from Curtin University; Molly Harris Ollson, the Director of Ecofutures; Gesa Ruge from the Property Council of Australia; Dr Steven Crimp from the sustainability program at CSIRO; and Noel McCann from the Canberra International Airport.

Some of the key themes to emerge from the conference were: a zero emissions target is necessary to avoid dangerous climate change and is achievable; solar thermal electricity generation could easily meet the energy needs of the ACT and the whole of eastern Australia—according to David Mills, he wants to see a large solar thermal farm here in Canberra; and Canberra needs to reduce its car use by 50 per cent by 2050. There were some quite interesting targets there.

We also need to address the hassle factor in helping home owners to green their houses. The conference suggested a street-by-street approach, with teams trained to assist sustainability. We need to provide advice to householders on travel, energy, water and waste options to reduce emissions. We also need to adjust our building regulations to make green buildings more affordable. There is also the need for new financial models to assist innovation, and a greater emphasis is needed on solar passive design in urban planning renewal. There was also discussion on retrofitting investment houses and on energy efficiency remaining the low-hanging fruit in reducing emissions.

So what is next for the switch to green? They want to maintain the stakeholder process to promote action to achieve the ACT climate change strategy and to annually measure progress towards the goal of a carbon-neutral capital. The co-hosts will meet in two weeks to review the first switch to green event and begin planning for next year.

I do want to congratulate Russell Rollason and Harold Wilkinson from the United Nations Association of Australia in the ACT for the switch to green conference, a fantastic expo.

Business—predatory pricing

MR MULCAHY (Molonglo) (6.17): Late today I received two media releases by fax—I am not sure whether other members received them—from Eric Koundouris of the Supabarn supermarket group. They raise issues of real concern to the people of Canberra, and I wanted to read out aspects of these two releases. The first one is headed "Woolworths scuttles Supabarn's attempt to bring real competition to help battling Queanbeyan families". The release says:

> At a time when grocery prices are escalating and the ACCC is conducting a major review into supermarket prices, Woolworth strikes at a small independent grocer right in the ACCC's backyard.
>
> Woolworths is determined to continue its dominance in the ACT and region with the end result being continued higher prices for groceries in the ACT and Queanbeyan.
>
> In December last year the Koundouris group, who operate Supabarn supermarkets in Canberra was negotiating to purchase the separately owned Supabarn at Karabar in Queanbeyan. Contracts for the sale between Koundouris and the Karabar owners were drawn earlier this year but not exchanged.
>
> In recent days Supabarn became aware that Woolworths had become interested in acquiring the Karabar store despite stating to various people that it was not interested in the store.
>
> Supabarn sees the Woolworths move as seeking to stop a real competitor entering the Queanbeyan market. Woolworths already has two stores in Queanbeyan and the Karabar store sits strategically between the two. A small supermarket at the current site at Karabar is not a threat to Woolworths but Supabarn is a full service operator and will convert Karabar to that format which will challenge Woolworth's dominance.
>
> Woolworths is the major player in both markets of Canberra and Queanbeyan. Supabarn is a minnow when compared to Woolworths.

The release goes on to note:

> This attempt to remove competition in the Queanbeyan grocery market could not be more blatant and it is not the first time that Supabarn has been in Woolworth's sights.

I am aware of previous actions, and I have spoken with Supabarn on matters that have come before the ACCC where selective pricing has been engaged in by Woolworths in parts of Canberra to try to damage this competitor. Predatory pricing came into place when Supabarn opened a full-service supermarket at Wanniassa in Canberra in 2007, and Woolworths seems determined to make sure that the Supabarn does not expand.

The second release went on to talk about the evidence they gave in Canberra today before the ACCC groceries inquiry and certainly highlighted some of the evidence

given by Eric Koundouris of Supabarn. The manner in which the major supermarket chains have worked against competitors and other small businesses is legendary. Australia has the greatest concentration of supermarket ownership in the world of any country, and the methods that will be applied by some of these chains is quite galling and quite disturbing in terms of providing competition in the marketplace and reasonable value for money for Canberra families.

In my previous career as a private business operator, I gave expert evidence in relation to matters the ACCC brought against Coles and Woolworths where they focused on the way in which they attempted to squeeze small liquor retailers out of the market, particularly in New South Wales. AC Nielsen data shows that the market share of full-line supermarkets of Woolworths and Coles is at 77 per cent nationally. Interestingly, in Canberra, the combined market share of full-line supermarkets of Coles and Woolworths is at 90 per cent, with Woolworths commanding 63 per cent and Supabarn commanding eight per cent.

As was pointed out in the evidence given by the Koundouris family today, independent supermarkets should be encouraged to develop and expand, and planning authorities should consider taking competition issues into account in planning decisions on any new supermarket developments. I am not sure whether they legally can, but there is certainly a very real issue in this region of a smaller competitor being crushed at every opportunity.

I hope other members will share my concern and will express to the ACCC their disquiet at these arrangements in the hope that we can try to preserve some measure of competition for the sake of families trying to make sure that their grocery dollar goes a little further and that they are not the victims of a duopoly which is largely becoming the case in so many areas of our Australian society.

Question resolved in the affirmative.

The Assembly adjourned at 6.23 pm.

Schedules of amendments

Schedule 1

Human Cloning and Embryo Research Amendment Bill 2007

Amendments moved by Mrs Vicki Dunne

2
Clause 7
Proposed new section 16
Page 7, line 1—

omit proposed new section 16, substitute

16 Offence—creating or developing hybrid embryo

A person commits an offence if the person intentionally creates or develops a hybrid embryo.

Maximum penalty: imprisonment for 15 years.

4
Clause 7
Proposed new section 22A
Page 11, line 20—

omit

9
Proposed new clause 16A
Page 17, line 29—

insert

16A New section 29 (3)

before the note, insert

(3) An application under subsection (1) must also include details about—

(a) any collaboration or arrangement the applicant has with an entity that may manufacture, process, produce or market any material discovered or derived from research carried out under the licence; and

(b) any financial relationship the applicant has with an entity mentioned in paragraph (a); and

(c) any other matter that may be seen as a conflict of interest for the applicant.

Schedule 2

Human Cloning and Embryo Research Amendment Bill 2007

Amendment moved by Dr Foskey

1
Proposed new clause 36A
Page 25, line 20—

insert

36A **Proposed new section 55**

insert

55 **Expiry of Act**

This Act expires 5 years after the day the *Human Cloning and Embryo Research Amendment Act 2008* commences.
