



# Debates

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**Wednesday, 24 June 2009**

**MR SPEAKER** (Mr Rattenbury) took the chair at 10 am and asked members to stand in silence and pray or reflect on their responsibilities to the people of the Australian Capital Territory.

### **Auditor-General Amendment Bill 2009**

**Mr Smyth**, pursuant to notice, presented the bill and its explanatory statement.

Title read by Clerk.

**MR SMYTH** (Brindabella) (10.03): I move:

That this bill be agreed to in principle.

I welcome the opportunity to introduce this bill into the Assembly. This is a very timely bill, given the extraordinary outburst last week from the Chief Minister, the elected leader of our community, about the way in which he intends to deal with the Auditor-General and her office. This was a disgraceful outburst in which the Chief Minister, obviously reacting to a report that had criticised his government, suggested that the Auditor-General was not efficient, that the Auditor-General had too many resources and that a rigorous audit be undertaken of the ACT Auditor-General's Office.

The question that the Chief Minister's outburst raises is: how could the community trust a Chief Minister who, in the face of criticism of a government program, reacts as he did to such a balanced report from the ACT Auditor-General? Indeed, there has been such a negative reaction to Mr Stanhope's outburst that we see in today's *Canberra Times* an attempt by the Chief Minister to retreat from this position. The Chief Minister said he was not reacting to the Auditor-General's report; rather, he was just responding to questions from a journalist. How irrational is that? This really is a policy on the run from a Chief Minister who has clearly lost the plot.

Moreover, what a contrast there is between this outburst and the scene that was set by the then Leader of the Opposition, Jon Stanhope, eight years ago, when in a speech in Canberra on 14 March 2001, the then Leader of the ACT Opposition, Jon Stanhope, said:

Openness is one of our core values.

Let me repeat that comment from 2001. Jon Stanhope said:

Openness is one of our core values.

What has changed over the intervening eight years? Jon Stanhope has become the Chief Minister and is determined to stay there by whatever means are required, including suppression of criticism. What the Chief Minister said last week is very scary and should concern everyone in the ACT. Indeed, it should concern people generally. It is in this new environment that I introduce this bill today.

I have been working on this bill for some time, to respond to a longstanding issue over the provision of adequate funding of the functions of the Office of the ACT Auditor-General. It is coincidental that I had planned to introduce this bill in an environment where the Chief Minister has just threatened the Auditor-General with a reduction in funding.

As if the concerns that were highlighted by evidence that has been presented to the estimates committee inquiry into the ACT budget for 2009-2010 are not bad enough, we now face a Chief Minister who is intent on suppressing any form of opposition to him and his form of government, to reducing scrutiny of his government's actions. It is something more appropriate to a totalitarian regime in, say, Burma or Iran, to name but two.

But the current Auditor-General, Tu Pham, in her evidence to the committee painted a very bleak picture for her office. When she appeared before the estimates committee on 25 May 2009, she immediately set out the disturbing scenario for her office:

The government's proposed funding for the audit office, of \$2.1 million in 2009-10, will not be sufficient for us to maintain the current audit capacity, nor will it be sufficient to increase our capacity to respond to the increase in government spending.

In 2009-10, without any additional funding, the office will seek to reduce employee costs to return to a balanced budget, because ... this year, 2008-09—we are operating at a deficit of \$199,000.

In a small office, we have very little capacity to cut costs elsewhere, so we had to forgo some employee costs. This is the biggest cost pressure on our office and, ultimately, it will lead to a reduction in our capacity to conduct our work, especially in performing audits.

Ms Pham continued:

I believe that it would be prudent for the Assembly to ensure that we receive additional funding to provide independent advice to the Assembly on the delivery of government services, especially given the large amount of new and increased government spending under both local and commonwealth stimulus packages in the next year and the years to come.

At the end of the day, I will deliver to the best of our office capacity within our allocated budget, but the lack of adequate resources for our office will affect our ability to provide independent advice to the Assembly to assist the Assembly to do its job.

Is this the Chief Minister's intent? You can only assume that it is. What we have is an Auditor-General who, in this financial year, will run at a \$200,000 deficit and, next year, what we will do is make it even harder for her to operate, even harder for her to expand what she should be doing and do more performance audits, particularly of this government.

The Auditor-General's comments strike at the heart of some of our most critical and most precious democratic processes; that is, the capacity of the parliament and, through it, the community to hold the executive accountable for its activities and for the financial transactions that it undertakes. It is the independent Auditor-General, the unique Office of the Auditor-General, which contributes substantially to this capacity.

What is worrying for the ACT Auditor-General is that the effective reduction in her budget has already forced the Auditor-General to consider reducing her staff. Moreover, the future looks even worse. Ms Tu Pham explained:

To return to the balanced budget in 2009-10 and forward years, we need to cut around \$200,000 off our budget. For \$200,000, we are looking at cutting at least one senior staff or two staff. The reduced funding means that we will not be able to employ people from outside as we have in the past.

The Stanhope-Gallagher government has placed the ACT Auditor-General in a position of having to reduce staff so that the office can achieve a balanced budget. How this flies in the face of the credentials of the Chief Minister and the Treasurer in this government! They proclaim openness, they proclaim accountability, they proclaim responsibility. But the reality is that these are just meaningless, hollow words that are used hypocritically and mischievously.

As if the reduction in staffing is not bad enough, it is the consequences of that reduction that will be significant. The reduced capacity of the office could translate to a reduction in one or two performance audits in the coming year. That is a reduction from eight performance audits currently to six or seven under the decreased budget for the office; that is, the Auditor-General will have less resources to devote to that activity which delves into government organisations and processes and seeks efficiencies in the use of resources, in program delivery and in other matters.

It is difficult to imagine a more unsatisfactory situation for a parliament in a democracy such as ours. As the Auditor-General also explained, this reduction in the capacity of her office was occurring at a time when there were increased calls on the Auditor-General to perform performance audits, let alone having the capacity to scrutinise the government's bigger budget and the government's increased spending. Ms Pham provided a dramatic insight into the reduction of her resources. She said:

... since 2007, the percentage of funding allocated to our budget, to our appropriation, has declined as a percentage of the total government spending. In 2006-07, the government appropriation to our office was 0.06 per cent of the total government funding. In 2009-10, it will be 0.053 per cent of total government funding. So we are not keeping pace with the government's increased funding, even though our work and the demand for our work link very closely with the government's spending and activities.

So, at a time when the overall budget continues to grow and, during the year 2009-10 the budget will grow even more quickly through the addition of various stimulus packages, the resources available to the Auditor-General must keep pace with this growth.

It is revealing to relate the Auditor-General's resources to the task at hand. In the 2007-08 financial year, the ACT Auditor-General provided audit reports on 68 agencies or particular funds. In addition, some agencies may require more than one audit. For instance, four audit opinions were provided for Actew and ActewAGL. A number of audits were provided for entities falling within the Treasury portfolio.

Ms Pham told the estimates committee that she had a list of 100 prospective performance audits. If there are seven such audits each year, these will take 14 years—yes, at the current rate, 14 years—to conduct. And that is without considering any requests for audits from members of the Assembly or indeed from the community. And the Chief Minister wants to reduce the number of performance audits, because he cannot reduce the number of mandated financial audits.

It is interesting that, when you look at the government's response to the recommendation of the estimates committee, not only are the government intent on reducing the funding for the Auditor-General's Office, they also now want to attack her independence in another way, by seeking to guide what performance audits she will undertake. The paragraph above the recommendation on page 11 of the government's response is interesting. I will read it:

The government intends to seek external advice on a methodology to support the Auditor General identifying and prioritising activities for the performance audit program. Following consideration by the government, this advice will be provided to the Public Accounts Committee for wider discussion.

So not only are we going to attack her funding, the basis of where she works, we are now going to seek to be able to direct what the independent auditor can and will do. I suggest that the Chief Minister read section 9 of part 3 of the Auditor-General Act, which says:

#### Independence

The auditor-general is not subject to direction by the Executive or any Minister in the exercise of the functions of the auditor-general.

Again, this is what makes this position unique. So we need to ask whether this approach to determining the budget and the work program of the Auditor-General is followed anywhere else in the world. Indeed, there are two strong democracies in which this is the case. In the United Kingdom, the budget of the National Audit Office is set by the parliament and not by the government of the day. I refer members to the National Audit Office of the UK website which, again, stresses independence. It says:

The Comptroller and Auditor-General is an officer of the House of Commons—

as is the Auditor-General an officer of this Assembly—

appointed by the Queen on an address proposed by the Prime Minister with the agreement of the Chairman of the Committee of Public Accounts and approved by the House of Commons.

You go down further and the website says:

Our budget is set by Parliament, not the government of the day. About a fifth of our budget comes from income generated ...

from other sources. There you are. The British parliament can set independence for their Auditor-General. It should not be hard for us to do the same.

In New Zealand the Auditor-General is paid by standing authority from the parliament and the quantum of the budget for the Auditor-General is determined independently by the remuneration tribunal. Importantly, the Auditor-General makes requests for funding directly to the parliament, not through the executive. If members go to the Controller and Auditor-General for New Zealand website:

The Auditor-General:

- makes requests for funding directly to Parliament (rather than through the Executive Government).

Why? Because at the heading of that section it says:

How does the Auditor-General maintain independence?

It maintains independence from the executive that it investigates by having the resources and the independence to do so.

I have not checked the debates about these decisions in each of these parliaments. I simply note that these countries have already gone down this path. At this time, no jurisdiction in Australia sets the budget for the auditor-general, other than by including the appropriation in the annual budget.

In this context, it is also pertinent to note some research to which the Auditor-General referred in her evidence to the estimates committee. Ms Pham referred to studies that have been done in the United Kingdom which indicate that, in the case of the United Kingdom, for every £1 spent on a performance audit, the government will get a return of £9 in terms of increased efficiencies and through savings. I would have thought that, at a time when we were looking for increased efficiencies and indeed savings, having the expert guidance of the Auditor-General would be a useful tool to a government that cannot make those decisions or will not make those decisions or simply refuses to make those decisions. There is evidence, I understand, that the joint standing committee in the federal parliament has a number that is basically \$1 to \$10. That shows the effectiveness of auditors-general.

What Ms Pham continued to say, however, was that performance audits can lead to important outcomes such as improved transparency, improved accountability, protection of community safety, enhanced government decision-making processes, increased efficiencies and generated savings in expenditure. I would emphasise, as did the Auditor-General, that achieving monetary savings is only one possible outcome from a performance audit and, as she said, there are a number of possible outcomes that will benefit the community in terms of the use of the community's resources.

There is one further matter that I need to mention. The ACT parliament is unicameral. This means there is no other parliamentary check or balance, as there are in most other jurisdictions. Section 9 of the Auditor-General Act says:

The auditor-general is not subject to direction by the Executive or any Minister in the exercise of the functions of the auditor-general.

This is what makes this position unique. This is why this position has its own line in the budget, because of the unique nature of the job that it is there to do. It is there to hold the government accountable. As is reported in the *Canberra Times* today, the Chief Minister has displayed his ignorance of this legislation. He is quoted as saying that, if the Auditor-General is dealt with in this way, every agency and department could argue that, to maintain independence from the executive, the Assembly should set its budget. What absolute nonsense!

The departments are created by the government. They are the creatures of the government. They can change them at any time. Departments are not created by acts of this place. They are created by the actions of the Chief Minister and his ministers, through the cabinet, to create departments. So it is ridiculous to suggest that the head of a department created by the Chief Minister would come to this place to seek an independent budget.

I do not believe that occurs anywhere else in the world. I had a quick look on the web this morning. I cannot find an example of that anywhere. What absolute rubbish! The departments and agencies are established by the government of the day, by the executive, and they are set out in the administrative arrangements. They are not set out by legislation. If you simply look at the administrative arrangements, Chief Minister, you will see that. I repeat: the fact that this position is created in this way, through an act independent of the executive, and has its own line of appropriation in the budget, makes it unique. In the ACT the Auditor-General provides a critical, independent role in this regard.

I commend this bill to the Assembly. I commend it because it will increase the independence of the Auditor-General and her office from the executive. I commend it because of the importance of the Auditor-General having the resources to carry out her functions properly and effectively.

It is common thinking and practice now around the world that the balance between financial and performance audits should be about fifty-fifty. It should be 50 per cent of the work that the auditor-general's office does. In the ACT it is about 67-33; 67 per cent are financial audits, 33 per cent are performance audits. This shows that we lag dramatically. As I have said, the auditor says she has 100 proposed audits she thinks worthy of being conducted; yet, at the current rate of six or seven a year, you are talking 14 or 15 years. That is a joke; that is ridiculous; and that is not appropriate scrutiny.

I commend this bill to the house because of the need to avoid the Auditor-General being subject to those who make intemperate outbursts when things do not go their



own way. I commend it because, at its most fundamental, the role of the Auditor-General is a key activity in any democracy for ensuring the integrity of the government of the day and the decisions that it makes.

I had some conversations with members of the Greens yesterday about this matter. The suggestion was made to me that perhaps this bill should go to a committee. I think that would be excellent. To scrutinise this in a public way would be a worthy thing for a committee of the Assembly to do. The opposition, if the Greens intend to move that motion, would have no objection to it.

Again, I note the letters in the letter page of the *Canberra Times* where people are outraged at the attacks of the Chief Minister and are outraged at any attempt to muzzle the Auditor-General. I commend the bill to the Assembly.

Debate (on motion by **Ms Le Couteur**) adjourned to the next sitting.

## **Auditor-General's Office—funding**

**MR SESELJA** (Molonglo—Leader of the Opposition) (10.22): I move:

That this Assembly:

- (1) supports the important role played by the ACT Auditor-General in monitoring government agencies and programs;
- (2) notes:
  - (a) that the ACT Auditor-General is held in high regard by the Assembly and the ACT community;
  - (b) that the Chief Minister:
    - (i) warned the Auditor-General on 19 June 2009, that “I think there’s potential for a very hard look at efficiencies within the Auditor General’s office ... I think perhaps it’s time for the Auditor-General’s office to be audited so we can have a look at the appropriateness of the level of her funding”;
    - (ii) referred to a finding of the Auditor-General on Rhodium as a gratuitous, throwaway remark in September 2006; and
    - (iii) stated on 3 May 2005 that reading an Auditor-General’s report on payments to a former head of his department was “low priority during budget week”; and
  - (c) that recommendation 14 of the Select Committee on Estimates 2009-10 was that the Auditor-General’s funding allocation be increased to allow for the target number of performance audits to be reached without running a deficit;
- (3) calls on the Stanhope-Gallagher Government to adequately fund the Auditor-General;

- (4) commends the ACT Auditor-General's Office for its past work on behalf of the community; and
- (5) condemns the Chief Minister for his veiled threat against the ACT Auditor-General made on 19 June 2009.

The reason I am moving this motion and the reason the opposition feels it is important to move this motion today have arisen out of Mr Stanhope's remarks last week. It is in the motion, but it is worth highlighting just what the Chief Minister said. Of course, we all know exactly what he meant. We saw him warn the Auditor-General on 19 June:

I think there's potential for a very hard look at efficiencies within the Auditor-General's office ... I think perhaps it's time for the Auditor-General's office to be audited so we can have a look at the appropriateness of the level of her funding.

Those of us who have seen Jon Stanhope in operation for some time know exactly what he meant by that: he did not like what was in the Auditor-General's report. There have been a number of reports over the years which this government has not enjoyed. All governments, from time to time, do not enjoy reports of auditors-general when they are critical of the performance of governments. But we have seen his behaviour over a period of time, which I will come back to in a few minutes.

We know exactly what he meant. What he was saying was: "Get back in your box or what you will find is that you will actually have less funding. You think it is hard to survive on the funding you have now? Well, wait till I'm done with you." That was the subtext of what the Chief Minister said. Everyone could see it. Everyone knows it. Jon Stanhope's attempts to back away from it today are embarrassing, and we will come back to them in a minute.

It is worth looking at what Tu Pham had to say at estimates in relation to funding. This is a very important point. She stated:

The government's proposed funding for the audit office of \$2.1 million in 2009-10 will not be sufficient for us to maintain the current audit capacity, nor will it be sufficient to increase our capacity to respond to the increase in government spending. In 2009-10, without any additional funding, the office will seek to reduce employee costs to return to a balanced budget, because, as you know, this year, 2008-09, we are operating at a deficit of \$199,000. In a small office, we have very little capacity to cut costs elsewhere, so we had to forgo some employee costs. That is the biggest cost pressure on our office and ultimately it will lead to a reduction in our capacity to conduct our work, especially in performance audits.

I believe that it would be prudent for the Assembly to ensure that we receive additional funding to provide independent advice to the Assembly on the delivery of government services, especially given the large amount of new and increased government spending under both local and commonwealth stimulus packages in the next year and the years to come. At the end of the day, I will

deliver to the best of our office capacity within our allocated budget, but the lack of adequate resources for our office will affect our ability ...

It might be worth just reflecting on that statement from Ms Pham for a moment. I suspect that the report that Mr Stanhope was responding to on Friday was only part of the story. I suspect that that statement from Tu Pham to the estimates hearing is part of why Mr Stanhope felt that he needed to put her back in her box.

Tu Pham came to the Assembly, came to the estimates committee and appealed directly to us as an Assembly, saying, "We do not have adequate funding to do our job." She does not have adequate funding to do her job. I suspect that that was what first raised the ire of the Chief Minister—which eventually led to his intemperate remarks, which have already been referred to, that she dared to go above his head: she dared to go direct to the Assembly and appeal for more money.

Ms Pham talked about the effect of not getting the kind of funding that they need. To return to a balanced budget in 2009-10, they need to cut around \$200,000 off the budget. They are looking at cutting at least one senior staff or two staff. Ms Pham went on to say:

The reduced funding means that we will not be able to employ people from outside, as we have in the past. That could translate to a reduction of one or two performance audits. So we not only reduce our current capacity; we will not have improved capacity to respond to the government's bigger budget and the government's increased spending.

She went on, and I touched on this yesterday, about the proportion of spending under this government. She said:

So we are not keeping pace with the government's increased spending, even though our work and the demand for our work link very closely with the government's spending and activities.

I asked her what this would actually mean in terms of performance audits. Ms Pham said:

I think we may have to reduce performance audits by one or two a year.

I said:

So that would be down to?

Ms Pham said:

It will be down to six or seven per year instead of a target of eight.

We are talking about bare bones in terms of performance audits, going down to around six performance audits a year.

Isn't that exactly what the government wants? That is exactly what this government wants. The fewer performance audits the better. There is nothing like having a

performance audit from an independent Auditor-General to actually show up government mismanagement and government waste. Mr Stanhope could not have that, so what does he do? He attacks the Auditor-General.

Ms Pham went on and cited a number of studies, which Mr Smyth referred to in his speech this morning. She went on to talk about the fact that performance audits are about savings and efficiencies, but not only about that. She said:

I also would like to add that our performance audit works are not always aimed at saving money. We aim at improved transparency, improved accountability, the protection of community safety or look at the government decision-making process.

All of these are critically important to the community. We want to see our government being as efficient as possible in using taxpayers' money. The Auditor-General does that and provides that role. She went on to say that it is about improved transparency, improved accountability, the protection of community safety and looking at government decision-making processes. These are critically important to the community. I do not think there would be anyone in the community who would say, "It would be better if we had fewer audits, if we had less of a look at how they are dealing with community safety, if we had less of a look at how they are spending our money and whether they are spending it wisely, if we had less transparency, less accountability." But going down to a bare-bones six performance audits is exactly what we will be getting. Tu Pham went on to say:

If we continue the way we are doing now, it will take at least 10 years to make sure that we cover all key risks and key activities of the government ...

Essentially, there will be a massive backlog. Ms Pham went on to say that at the moment they do not even have enough desks for the office. It is outrageous that we have got an Auditor-General, an independent Auditor-General, whose task should be to keep the government accountable—to do the performance audits, or as many as possible, and to look into government activity—and who instead has to worry about whether they have enough desks for the number of staff they have. If the Chief Minister gets his way, there will be fewer staff and therefore they will have enough desks, but it is far from an adequate outcome when we see that kind of strain on resources.

It is worth going through some of the reports that they have done in recent years, some of the very valuable reports for the community. In 2009, we have seen *Road projects: Fairbairn Avenue*; *Follow-up audit: implementation of audit recommendations on road safety*; *Management of respite care services* and *Delivery of ambulance services to the ACT community*. Are there any of those that anyone here thinks was not a worthy audit, was not useful to government, was not useful to the community? Which of those audits do we not want to see take place in the future? Which of those do we want to see cut? Is it about ambulance services? Is it about respite care? Is it about road safety? Which of those won't we see in coming years as they run the budget down?

In 2008 we saw *Management of Calvary hospital agreements*, *Records management in ACT government agencies* and *Maintenance of public housing*. There was *Proposal*

*for a gas-fired power station and data centre: site selection process.* We know the government did not like that one, but of course that was a very important report, given the sketchy information we were getting and the misleading information we were getting from government.

It is important that we have an Auditor-General who is adequately resourced to come in on these issues. If you run down the funding, it is those kinds of things that will not get done because they simply will not have the resources to do them. I suspect that is exactly what this government wants.

We can go through 2007. There was *The FireLink project*, which showed us how much money the government had wasted on a FireLink project which was never delivered, a communications project which was never delivered. I think it was around \$5 million simply wasted. Of course, if it was not for an Auditor-General's report we would not have had the kind of detail that we otherwise would have.

The question for the government becomes this: which of those are not important? Is it respite care that is not important? Is it road safety that is not important? Is it ambulance services that are not important, that we are happy to not see audited? And we know that there are many more that they could be doing. That is what the Auditor-General has told us—that they are way behind even on current funding. And, as it gets run down more, they will be further behind because they will be cutting the number of audits by one or two, down to as little as six per year—six per year.

We do see that this Chief Minister has form. That is why it is very important that some of what is in the motion does set the scene. We quote the Chief Minister. We know he has form in attacking independent individuals who find against him—and nowhere more than Coroner Doogan. We know that Jon Stanhope initially praised Coroner Doogan. He described Doogan as “an excellent coroner and an excellent magistrate; somebody who will do a thorough job”. He said:

I respect the separation of powers—it is a very significant doctrine ... There is to be absolutely no suggestion that this government seeks to undermine or affect the independence of the judiciary in the pursuance of its duties in any way whatsoever.

It is worth reflecting on that comment for a moment in the context of the Chief Minister backing away from his criticism of the Auditor-General and now claiming that actually, no, he does not want to undermine the Auditor-General; he was not attacking the Auditor-General. That is what he said about the coroner—that there is “no suggestion that this government seeks to undermine or affect the independence of the judiciary”. Of course, that changed very quickly when he did not like how the coronial was going. He did not like—

**Mr Stanhope:** How did the appeal go? How did the Supreme Court go with the appeal?

**MR SESELJA:** Well, it is interesting. What did they find about the apprehended bias? Did they find that Coroner Doogan had bias? How did apprehended bias go? No,

it did not get up. It is interesting, isn't it? That is the approach. You have a coroner, an independent coroner, a member of the judiciary, and somehow she is part of the conspiracy against Jon Stanhope; she must be part of the conspiracy against Jon Stanhope. He attacks her because he believes he is not getting a fair deal simply because it is not going his way—simply because it is not going his way.

**Mr Stanhope:** What was that *Canberra Times* headline again? “Stanhope vindicated” I think it read, didn't it? “Stanhope vindicated” is what it said.

**MR SESELJA:** He was hoping for a “vindicated” headline today and he did not get it. This is his form. He attacks the independent umpire. He did it with the coroner and now he is trying to do it with the Auditor-General.

We in the Liberal Party are saying, “No; we will not stand for it.” We will stand up to him. It is important that this Assembly stand up to him. That is why I think that it is very important that the Assembly and committees consider Mr Smyth's bill as part of this process. It is critically important that we take this out of the hands of Jon Stanhope. We know what he wants to do to the Auditor-General. He wants to see the funding run down; he wants to see fewer performance audits. He wants to see less scrutiny, because he does not like it.

We saw his response to the coroner. It was outrageous. He attacked her personally. The court action questioned fundamentally her integrity, which was a low moment in the history of the ACT. We had the Attorney-General of this place, the Chief Minister of this place, attacking, without foundation, the integrity of a coroner.

We see the misunderstanding of this Chief Minister in today's *Canberra Times*. Mr Smyth has touched on this, but it is worth reflecting on it for a moment. Mr Stanhope rejected Mr Smyth's proposal. He is reported as saying:

... every agency and department could argue that to maintain independence from the executive the Assembly should set its budget.

What a stupid comment. What a ridiculous comment. What part of the Auditor-General's statutory role does Mr Stanhope not understand? Comparing the Auditor-General to the department of education or the Department of Health is ridiculous. It is ridiculous. The Auditor-General is not a department. The Auditor-General is not a part of government.

**Ms Porter:** You are missing the point too, I am afraid.

**MR SESELJA:** Ms Porter interjects. She is defending Mr Stanhope's comments that, if the Auditor-General were given some independence in funding, the head of the department of education would come and say, “We want independence,” and the head of the Department of Health would come and say, “We want independence for our funding.” It is ridiculous. It is a stupid argument. It is not backed by a shred of evidence. They are in a different category. The Auditor-General is independent, set up by legislation to inquire into government activity to ensure that we improve accountability. It is not the same as a department that answers to a minister and works for a minister.

It is a ridiculous comment and it demonstrates how he will seek to muddy the waters. I am disappointed that Ms Hunter appears to have in some way supported the comment. I am sure that she will clarify her statements when she gets up. It is a silly comment from the Chief Minister to try and compare the Auditor-General to any other department and it demonstrates how they will try and muddy the waters on this issue.

**MS LE COUTEUR** (Molonglo) (10.37): I move the following amendment circulated in my name:

Omit all words after “programs” in paragraph (1), substitute:

“as expressed by the Latimer House Principles as adopted by the ACT Legislative Assembly;

- (2) notes the ACT Auditor-General is held in high regard by the Assembly and the ACT community;
- (3) commends the ACT Auditor-General’s Office for its past work on behalf of the community; and
- (4) calls on the ACT Government to ensure adequate funding for the Office of Auditor-General, including the capacity to maintain the current level of performance audits.”.

I will start off just by saying that I think that basically we are all in furious agreement about one thing: the Auditor-General is important; the Auditor-General is a very important part of scrutiny of the executive. I believe that we all in this house support an independent Auditor-General because we believe this is a very important role in our parliamentary democracy.

On that, I would like to say that I think Mr Smyth’s bill is very important. I have at this stage a totally open mind as to whether or not it is the way to go, but I think it is very important because it will give us a chance to sit back and really look at what is the best way of funding the Auditor-General so that we do not have debates like this every year.

Mr Smyth mentioned that he had spoken to the Greens, who I believe will probably support sending the bill to a committee inquiry. It would seem to me that it needs detailed consideration. The government will have a view, we will have a view and, importantly, the Auditor-General and the public will have a view. Those views all need to be taken into account.

Mr Seselja’s motion to some extent seems irrelevant given Mr Smyth’s bill. Mr Smyth’s bill seems like possibly the way forward and Mr Seselja’s motion seems to sort of assume that nothing is going to happen as a result of Mr Smyth’s bill. So maybe I will just move on to my amendment and why I am making it.

I am not amending the first paragraph, as I am sure that we all agree with it: “supports the important role played by the ACT Auditor-General in monitoring government

agencies and programs”. This is what I am sure the whole house is in furious agreement on. But my amendment seeks to add to that sentence the words “as expressed by the Latimer House Principles as adopted by the ACT Legislative Assembly”. The reason for putting that in there is to make it even clearer that an auditor-general is something that all Westminster systems have. This is not an ACT issue; this is an important thing for all legislative assemblies.

Then, too, we do not differ from Mr Seselja’s motion in paragraph (2)(a) “that the Auditor-General is held in high regard by the Assembly and the ACT community”. That is abundantly clear from the last couple of days. The outpouring of support in the *Canberra Times* has been truly remarkable, and I hope very heartening for the Auditor-General. I probably do not need to say much more because we have already spent two or three hours yesterday and today on the subject of how important the position is and what high regard we hold the Auditor-General in.

But paragraph (2)(b) of Mr Seselja’s motion we are not putting in. It talks about a number of statements that the Chief Minister has made on the subject of the Auditor-General. While we have no doubt that he has made these statements, there is really no particular point in repeating the statements. We need to look at going forward. What do we actually want the Assembly to do, rather than repeat Mr Stanhope’s statements?

Given that the standing order that says that the Assembly cannot increase budget items, we believe that the most important and relevant thing for us to say—and this is paragraph (4) of my amendment—is that the Assembly “calls on the ACT Government to ensure adequate funding for the Office of the Auditor-General, including the capacity to maintain the current level of performance audits”. We have all spoken about the importance of performance audits, and I am hopeful that we are all in agreement that there should be adequate funding for the Auditor-General. The performance audits she does at present are important and our amendment says that we would like to see the level of audits maintained.

I commend my amendment to the Assembly.

**MR SESELJA** (Molonglo—Leader of the Opposition) (10.43): We will not be supporting the amendment, and I would like to put a couple of things on record in relation to it.

Ms Le Couteur, in just speaking, has not actually given any substantive reasons why the Greens disagree with any parts of the original motion. It is a matter of emphasis, it would seem, and I think that it is very important in this place that, if two parties are going to from time to time work together to get outcomes, we are not simply handed amendments like this, with no consultation and with no basic rationale as to why the motion is being amended. If the Greens want to get outcomes with us from time to time, they will actually have to work with us and show us the courtesy of negotiating with us and putting reasons why they do not support us, rather than that they simply want to word things differently. They could have brought forward a motion on this issue if there was such a strong feeling. I am particularly disappointed at the way this has been handled. I do not think it will be a good way forward in the future for the



Greens. What will end up happening is that there will be no outcome, because we will have three different positions.

We will not support this amendment and we will not support an amended motion to that effect, because we constantly see this watering down, really just for the sake of it. I can understand if there is a fundamental difference of opinion; vote against the motion if you do not like it, or give us a substantive reason to amend it. But this to me seems simply an attempt by the Greens to have their version of the motion, which really in substance is not that different. But we will not support it, and I think it is a very poor way of going forward. It will not lead to outcomes where, particularly from time to time, the Greens and the Liberal Party are able to combine to keep the government accountable, if all it is about is putting in the Greens' words rather than the Liberals' words.

If there is no fundamental problem with the motion, you should vote for it and you should not seek to amend it. I did not hear anything from Ms Le Couteur in that speech that suggests that there is any fundamental problem with what we have put forward. The quotes that are in there actually set a very important context, which is why I referred to them in my speech. For that reason, we will not be supporting the amendment.

**MR HANSON** (Molonglo) (10.45): I commend Mr Seselja for bringing forward this motion, and I support him in the comments he just made about the Greens' amendment. It is a very important motion here today and it needs to be put in the context of Mr Smyth's bill that he introduced this morning, and also in terms of Mr Stanhope's attack last Friday on the Auditor-General. So it is a very timely motion and very appropriate.

We all here had a chance to reflect on the importance of the Auditor-General, the role that she plays in the community and the importance of the role that she provides. I will quote from the annual report, and I think we can all agree with this:

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

Indeed, that is the nub of the matter. That is the importance of the audit office, of the Auditor-General, and that is why it is so important that she maintains her independence and she maintains her line of funding that enables her to do that immensely important job both for the community and for the Assembly.

If we look at the list of audits that she has conducted in recent years, we will see things like management of respite care services, delivery of ambulance services, the Calvary hospital arrangements, administration of the Freedom of Information Act, aged care assessment program, Rhodium Asset Solutions Ltd, reporting on ecologically sustainable development, courts administration, workers compensation, waiting lists for elective surgery—and on and on. As we can see, these are not trivial matters; they are matters that go to safety, workplace safety, emergency waiting lists

and elective surgery waiting lists. These are matters of immense importance to the community and they should not be treated lightly.

The role of the Auditor-General, the values of the Auditor-General, the mission and objectives of the office, are all clearly articulated within the annual reports, documents and also on her website and they are worth reflecting on. It is worth reflecting on what her role is to the community and what she does. It is to promote public accountability in the public administration of the territory, to audit annual financial statements of the territory and departments, and to conduct performance audits. These are immensely important roles.

I turn to the values of the audit office. First:

**Independence:** our views are impartial and objective.

And they should be, and they should remain so.

**Integrity:** we exhibit the highest standards of ethical behaviour.

Yes, we would agree with that.

**Professionalism:** our work reflects our commitment and is consistently of a high standard.

Yes, that is true.

**Respect:** we are trustworthy, honest and respectful in our dealings with stakeholders.

**Learning and innovation:** we continually seek improved ways of performing our work.

They are aspirations and values that we can commend. I refer you also to the Auditor-General's mission and objectives, and I will, if I get time, refer to those later.

The independence of the audit office is an issue that is very much at stake and is in large part the subject of Mr Smyth's bill. I refer you to the Auditor-General's website, and it is through various pieces of legislation as well:

The Auditor-General is not subject to direction by the Executive or any Minister in the exercise of the functions of the Auditor-General.

That is worth bearing in mind in terms of Mr Stanhope's comments, Mr Smyth's bill that he introduced this morning and the motion that we are discussing here today.

A key part of this has arisen from the report into the ambulance services and also from the estimates committee review and report that was tabled about the resourcing. It is fair to say that it is a fairly small organisation; it is not a department. I have her organisation chart here. We have got 12 senior auditors, seven auditors and two corporate services officers. Her operating budget is \$4.6 million a year and she employs around 30 staff. So this is not a huge organisation.

The Chief Minister went after the Auditor-General in such a way, demanding audits into her performance. There is also the issue of the amount of money that has been put in the appropriation bill. We are not talking about vast sums of money, but what we are talking about is a role that is of immense importance to the Assembly. Certainly there are problems with her resourcing; these have been articulated. They arose out of estimates. I refer to the annual report 2007-08 and the Auditor-General's view in that document, so this is not news:

It has been increasingly difficult to provide sufficient audit coverage of all important ACT public services, given the increased costs of audits and the limited resources of a small Office.

So certainly she is experiencing a reduction in her capability. But what does that actually mean? We can throw dollar signs around and we can say it is 30 staff, 40 staff or 20 staff; but what does that actually mean in real terms? I have looked at the number of audits that were conducted in the time of the Stanhope government. Let us turn to when Mr Stanhope first was elected under the aspirations of open and honest and accountable government and a certain approach. Certainly his statements at that time were admirable. There were 12 audits, so 12 audits were conducted. We would always want more, but that was a good starting point, based on his aspiration for open and accountable government.

But, if you review the number of audits that have been conducted over the years since he got into government, you will see that that figure has steadily been eroded to the point at which in the last couple of years we have had a figure of eight audits that have been conducted, and the Auditor-General—

**Mr Smyth:** Or six next year.

**MR HANSON:** Indeed, Mr Smyth; the Auditor-General has said that, because of the amount that has been appropriated in the bill that we discussed yesterday, that is going to be reduced to a figure of six.

How is it that a government that has lauded its performance in terms of openness and accountability, has said that these were its very principles, its core values, when it went to an election in 2001 has in effect provided a drip feed of funding to the Auditor-General which has resulted in that reduction. It is not a myth. It is not something that we are simply making up here for a political purpose. This is clear evidence that we are now going into a situation where the Auditor-General's performance audits in the ACT will be halved under a Stanhope government. Is that openness and accountability? I would think not. I would like to have seen a position where we went from 12 audits to 24 audits; that would have been far more in line with the Chief Minister's rhetoric.

So, moving forward, what does this mean? What does this mean for the Auditor-General? We have heard that it means six audits and in her words:

The Audit Office expects that there will continue to be a significant number of requests for performance audits and investigations from the community,

Legislative Assembly and public sector agencies. As a result, the Office will have to continually reassess the priorities of its performance audits, to provide adequate audit coverage of services provided by the ACT Public Service ...

So, as she moves forward, it is going to be difficult for her to do so. She has increasing complexity. She asked for additional funding. The office sought additional funding. The funding was supported by both the public accounts committee and the committee on estimates but was not provided by the Treasurer. The Treasurer knows that she is restricting the Auditor-General in her ability to conduct the full range of performance audits that she wants to do to hold this government to account, to be open to the Assembly, to let the people of the ACT know how their important agencies and services are being delivered—things like ambulance services. The Treasurer knows, because she has been told by the Auditor-General, that the Auditor-General needs more money to do her job—and the Treasurer simply said no.

The Chief Minister of the territory has said that he wants to have an audit into her affairs. Clearly it was a threat. Let us have a look, though, at what the report of factual findings into the Auditor-General was in this year's financial reports. It says:

Based on our procedures, no matters have come to our attention which indicate the Statement of Performance of the ACT Auditor-General's Office for the year ended 30 June 2008 does not fairly present the performance of the Office in accordance with the *Financial Management Act* ...

So I do not know where his evidence is—

**Mr Smyth:** Who said that?

**MR HANSON:** This is the people who did the audit on the—

**Mr Smyth:** Oh, the independent people.

**MR HANSON:** Yes, indeed. So I do not know where the—

**Mr Stanhope:** Every department gets one of those. So we don't need an Auditor-General, do we, Mr Hanson?

**MR HANSON:** No, we do. And in actual fact those occur on a regular basis, Chief Minister.

**Mr Stanhope:** Every department has one of those statements.

**MR HANSON:** These occur in—

**MADAM DEPUTY SPEAKER:** Mr Stanhope!

**MR HANSON:** Thank you. We commend the Auditor-General. We commend her for the work she does, the important work, and we condemn the Chief Minister.

**MR STANHOPE** (Ginninderra—Chief Minister, Minister for Transport, Minister for Territory and Municipal Services, Minister for Business and Economic Development,

Minister for Indigenous Affairs and Minister for the Arts and Heritage) (10.55): Madam Deputy Speaker, it is important that we accept the simple politics of this motion, but in accepting that we also need to acknowledge just how wrong many of the premises contained within the motion are and the fact that they basically reflect political opinions and political posturing by the Leader of the Opposition.

There is part (1) of Mr Seselja's motion, for instance. I think there are four motions today seeking to condemn me. It is quite a remarkable notice paper.

**Mr Hanson:** Take a hint, Jon.

**MR STANHOPE:** We could take a hint; we could actually put the motions put before the Assembly in some perspective today as we read through them. There are three motions, all from the Liberal Party. The Liberal Party has three motions on the paper today. They all commence with "that the Chief Minister be condemned".

**Mr Seselja:** Point of order, Madam Deputy Speaker.

**MADAM DEPUTY SPEAKER:** Stop the clock, please.

**Mr Seselja:** As much as Mr Stanhope would like to, we will discuss other motions at other times. What we are discussing at the moment is a motion on the Auditor-General. I ask you to ask the Chief Minister if he could confine his comments to—

**MR STANHOPE:** How fragile! What a fragile Mr Seselja.

**Mr Seselja:** You don't want to talk about the Auditor-General?

**MR STANHOPE:** How fragile! Mr Seselja does not want me to speak, but we have three motions today from the Liberal Party with the fragile Mr Seselja jumping to his feet immediately as I begin to respond—

**Mr Seselja:** Madam Deputy Speaker—

**MADAM DEPUTY SPEAKER:** Mr Stanhope.

**Mr Seselja:** Madam Deputy Speaker, I ask you to give us a ruling.

**Mr Hanson:** That is simply not true. You have got a bill that does not even mention it. You have got another one that says it supports it—

**MADAM DEPUTY SPEAKER:** Mr Hanson!

**MR STANHOPE:** The fragile little violet!

**MADAM DEPUTY SPEAKER:** Mr Stanhope!

*Members interjecting—*

**MADAM DEPUTY SPEAKER:** Could we just have a little hush. There is no point of order.

**MR STANHOPE:** Thank you, Madam Deputy Speaker. The point of order was simply about wasting time because the fragile little violet that is the Leader of the Opposition is the wobble, wobble man, the flim-flam man, the man without a plan, the opposition for opposition's sake Mr Seselja. We have three motions today on the notice paper from the Liberal Party, and each of the three motions essentially proposes that the Chief Minister be condemned. Why should the Chief Minister be condemned? The Chief Minister should be condemned for being the Chief Minister—for daring to win the last election!

It is interesting that here we are, eight months after the election, and the Liberal Party have not yet come to terms with the fact that they lost—that they are not in government, that they lost the election, that in fact Mr Seselja, the great white hope of the Liberal Party, produced the second worst result ever produced by a Liberal leader in an ACT election. It was second only to Trevor Kaine. Interestingly—I think most interestingly—Mr Smyth, I must say with quite becoming modesty as he sits there as the deputy, has not in the last months taken the opportunity presented to say, “Actually, I did do far better as leader than Mr Seselja.”

**Mr Hanson:** If everyone knew you were being condemned today, where are your mates?

**MR STANHOPE:** It is most becoming of you, Mr Smyth—most becoming that, as the deposed leader, you actually did better than your successor.

**Mr Seselja:** It hurts that I got more votes than you, Jon.

**MADAM DEPUTY SPEAKER:** Stop the clock for a minute, please. Order, members!

**MR STANHOPE:** I have been impressed, Mr Smyth, that you have managed to contain yourself.

**MADAM DEPUTY SPEAKER:** Mr Stanhope, could you resume your seat for a second. I wish to hear what Mr Stanhope is saying. It is very difficult to hear what he is saying above the baiting across the chamber. And could you please stop baiting the opposition, Mr Stanhope.

**MR STANHOPE:** Thank you, Madam Deputy Speaker. I accept your admonition, but I had for some time wanted to take the opportunity to acknowledge Mr Smyth's particularly modest—

**Mr Seselja:** And that I got more votes than you. Have you acknowledged that yet?

**MADAM DEPUTY SPEAKER:** Mr Seselja!

**MR STANHOPE:** Mr Smyth's modesty—

**Mr Seselja:** I think you denied it on the night.

**MR STANHOPE:** Mr Smyth was a far more successful leader than Mr Seselja.

**Mr Hanson:** Madam Deputy Speaker, on a point of order: he is clearly ignoring your ruling.

**MR STANHOPE:** I had wanted to acknowledge that.

**MADAM DEPUTY SPEAKER:** Stop the clock, please. Your point of order?

**Mr Hanson:** On a point of order, he is clearly ignoring your ruling.

**MR STANHOPE:** No; I was explaining why I transgressed.

**MADAM DEPUTY SPEAKER:** Mr Stanhope, please continue with the subject of the motion.

**MR STANHOPE:** Thank you, Madam Deputy Speaker. But we do need to put this motion in that context—that every motion today invites the Assembly to condemn me. There is just a touch of a pattern there. It is in that context that we should address this particular motion by Mr Seselja with the lack of seriousness that it deserves.

Having said that, it is important that we do recognise, as we always have, the important role of the Auditor-General in our system of government, which is based on checks and balances and which places the Auditor-General in a very significant position in that role of checks and balances.

For instance, if it had not been for the Auditor-General we would never have received findings in relation to the Bruce Stadium redevelopment—the findings of the then Auditor-General. We would not have had the advantage that we have of findings such as that the payments made by the Liberal Party for the redevelopment of the Bruce Stadium were in excess of the amounts appropriated, that they were not lawful and that the overnight borrowings contained within that particular budget were also unlawful.

We would not have had rulings from the then auditor, for instance, that would have informed us and advised the community that the Liberal Party, in its management of infrastructure, most particularly the most significant piece of infrastructure that it managed, the Bruce Stadium redevelopment, had in place governance and management arrangements that were simply ineffective; that the negotiation by the Liberal Party for the hiring of the stadium did not contribute, and will never contribute, to the commercial viability of the stadium; that the management and market research and marketing undertaken by the Liberal Party in relation to Bruce Stadium were not contained within cost estimates on which the cabinet decisions were based, in other words that the cabinet decision had simply been ignored; that the management of the financing arrangements for Bruce Stadium given to meet the costs was ineffective; or that the decision to redevelop the stadium was made without the aid of relevant,

accurate and complete information et cetera. It just goes to show how important the Auditor-General is in our system of government in relation to checks and balances. We can look at those findings in relation to Bruce Stadium just as a reminder of how important the role is.

And then we can go to the Auditor-General's report into Fujitsu Australia. It is sobering and depressing reading, but once again it is very important. It is very important that we have audit reports into issues such as that.

**Mr Hanson:** Why are you halving her capability?

**MADAM DEPUTY SPEAKER:** Mr Hanson!

**MR STANHOPE:** And then, if we needed to be further informed about the importance of the role of the auditor, we could go to the audit report into the V8 car races in Canberra. But for the report of the Auditor-General in relation to that particular matter, we would never have known or understood the extent to which the Liberal Party simply could not manage a chook raffle in a pub.

There is no doubt that the Auditor-General plays a most significant role, a vital role, in informing the ACT Assembly and the community about the performance of the ACT public sector. It plays an equally important role in assisting public sector agencies to improve their processes, their operations more broadly, and their performance in the expenditure of public moneys and delivering services. While the motion by the Leader of the Opposition suggests otherwise, the government recognises absolutely that fundamentally important role; I have just given some examples of how important the roles of auditors have been.

It is as a consequence of that that this government has allocated significant additional resources to the Auditor-General over the last few years. We allocated an additional \$500,000 in the 2006-07 budget alone. That is very significant, because that was the budget following the functional review, when agencies across the ACT government suffered significant cuts. The agency, the Auditor-General, through that budget, in a pro rata sense, attained the greatest boost in funding of any ACT government agency, including the department of health, including education, including housing, including disability services. The biggest single boost achieved by an agency in that budget three years ago was by the Auditor-General. In that budget we increased funding for the Auditor-General by 36 per cent—a 36 per cent boost in funding in a single budget to the Auditor-General three years ago.

That rather flies in the face of this litany of abject treatment or behaviour by this government to the Auditor-General: in a budget, a single budget, three years ago, we increased funding for the Auditor-General by 36 per cent. Over the last five years we have increased funding for the Auditor-General by an average of 17 per cent a year. Name one other ACT government agency or ACT government funded agency that can point to a 17 per cent average increase in funding over the last five years. Name one. Department of health? No. Disability services? No. Homelessness services? No. Mental Health services an average of 17 a year? No. Auditor-General? Yes.



Those are the facts; that is the history of this government's response and responsiveness to the needs of the Auditor-General.

Of course, every agency would like more money. What if you had asked every single agency that appeared before you at the estimates committee, "If you had more money, could you provide more occasions of service"? You asked that question of the Auditor-General. She said, "Yes; if I had more money, I could do more." If Mental Health had more money, they could do more. If Housing had more, they could do more.

She has received an average increase in funding of 17 per cent a year. And in one year, 2006-07, a year in which we cut funding across the board, the Auditor-General had a 36 per cent increase in funding.

It is in that context and in the context of recommendations that the estimates committee makes—that the Auditor-General, on top of an average 17 per cent a year, should again receive additional funds—that the government says, "That is a reasonable recommendation, particularly in the context of our history, a history in which we have consistently boosted funding for the Auditor-General." The government says: "We need to look at that. We need a rigorous, objective basis on which to make decisions about increasing funding for an organisation that in recent years has received an average increase in funding of 17 per cent." That is a simple fact. That is the response that I was making. There was an increase.

Most significantly, in the environment we are in—there is a global financial crisis, the world is in recession, the world is suffering the worst financial meltdown that it has suffered in a century—we have signalled that we will be imposing a one per cent efficiency dividend on major departments and a 0.5 per cent efficiency dividend on agencies under \$20 million, with two exceptions. Who are the two organisations that are not to be subjected to a significant cut in funding next year? The Auditor-General and the Legislative Assembly, out of respect for the role that each of those organs plays. Which two organs are not to be subjected to an efficiency dividend next year? The Auditor-General and the Legislative Assembly. The estimates committee ignores that.

Through that particular structure, in recognition of the fact that our budget was turned over by more than \$200 million, we are cutting every agency in the ACT public service, except two. But ignoring that, not commenting on the effect or the implications through the estimates process of that one per cent efficiency dividend, that one per cent cut that every other agency is going to face next year in response to these century-worst economic circumstances we find ourselves in, the estimates committee, acknowledging that everybody else is taking a one per cent cut—and for some departments, like Health, that is tens of millions of dollars—in an environment where the government has signalled that it is cutting Health by tens of millions of dollars, the estimates committee recommends an increase in funding for the Auditor-General. So the government says, "Well, we need to have a look at this."

**Mr Hanson:** That's not true. You're not cutting Health. You're spending an additional—

**MADAM DEPUTY SPEAKER:** Mr Hanson!

**Mr Hanson:** You're spending extra hundreds of millions. That's not true, you're spending hundreds of millions.

**MR STANHOPE:** We are cutting their growth. They are required to find a one per cent dividend on their funding, as it is across the board. It is interesting that Mr Hanson actually accepts that that is reasonable. In the first actual response that we have had from a member of the Liberal Party about the efficiency dividend, Mr Hanson now agrees with the efficiency dividend of one per cent for the department of health. That really is some additional significant information that we have about the Liberal Party's attitude to these issues. Thank you, Mr Hanson, for the first bit of clarification we have had from the Liberal Party on this issue.

The government's position is that this is an issue that should be looked at independently, objectively and rigorously based on the facts and the evidence. That is what the government in the estimates response by the Treasurer proposes to do and that is what I signalled last week, in response to a question about the estimates report, we would be doing. When one looks at the proportion of total government expenditure that the Auditor-General provides in the context of the claims, "Well, it's going to drop from what it was last year," it is important to look at the context and the history. Since 2003-04, the ratio, which in that year was 0.39, has increased in 2005-06 to 0.47 and in 2009-10, on advice to me from Treasury, to 0.54. The trend is up, up, up under this government. Under this government the trend as a proportion is up, is up, is up again, is up again, is up again. We have consistently supported the Auditor-General. We have consistently supported the importance of the work that she does and we have reflected that as a government through significant additional expenditures.

In that regard, the government believes that the Greens' amendment is appropriate. It essentially reflects the decision reflected in the estimates report. We are more than happy to support the good sense which Ms Le Couteur has shown today in relation to this. I will conclude on the point: at the end of the day, it cannot be ignored that the ACT Auditor-General's Office is the most heavily resourced Auditor-General's office in Australia—\$5 per capita in New South Wales against just about \$17 in the ACT. *(Time expired.)*

**MRS DUNNE** (Ginninderra) (11.12): Madam Deputy Speaker, this is a very important amendment. It is quite important that the Assembly places on record its support for the Auditor-General's Office and that it clearly and unreservedly condemns the Chief Minister for his outrageous attack upon the Auditor-General which culminated in his intemperate comments last week. We have heard it here today. There has not been an occasion when the Chief Minister has come in here in the last two days and said: "I apologise to the Auditor-General. I apologise to the members of this place and through them to the people of the ACT for my intemperate comments." He has had plenty of opportunities—he was challenged to do it yesterday—and he has not done it.

Today we are discussing the Auditor-General and the importance of the funding of the Auditor-General's Office and we have had the same constant carping that they are overfunded. In some sense, there is a view that the Auditor-General's Office is some sort of overfunded, overpadded, bloated, spendthrift organisation—

**Mr Stanhope:** Well-funded—the best funded Auditor-General in Australia; the best funded in Australia.

**MADAM DEPUTY SPEAKER:** Mr Stanhope!

**Mr Hanson:** It's not the best funded in Australia.

**MADAM DEPUTY SPEAKER:** Mr Hanson, you are not having a conversation across the chamber.

**MRS DUNNE:** According to the Chief Minister, it is a bloated, spendthrift organisation that needs to have its wings clipped. Let us again, Madam Deputy Speaker, have a look at the entirety of what the Chief Minister said today. Mr Seselja quoted some of it, but I will go to all that he said in his press conference yesterday:

We're currently funding the auditor general four times more than New South Wales funds their auditor general's office and I think there's some issues for us there as well as for the auditor general and it's probably time we had a look at that.

I think there's potential for a very hard look at efficiencies within the auditor general's office, I think perhaps it's time for the auditor general's office to be audited so we can have a look at the appropriateness of the level of her funding

When he was asked whether he was proposing cuts he said:

Most certainly. I wouldn't anticipate that but when we have a situation where the ACT's auditor general's office—

**Mr Stanhope:** Just repeat that bit: "I wouldn't anticipate that".

**MRS DUNNE:** I will repeat the whole lot. "Were you anticipating any cuts?" "Most certainly."

**Mr Stanhope:** "But I would not anticipate that," yes.

**MRS DUNNE:** No, not a "but". "I wouldn't anticipate that but when we have a situation"—

**Mr Stanhope:** That's right. Repeat it again.

**MRS DUNNE:** "where the auditor general's office on early advice to me receives four hundred per cent more funding than the NSW's auditor general's office, then that's an issue I want to look at." Most certainly he wanted to look at cuts. That was a clear threat.

**Mr Stanhope:** On a point of order, Madam Deputy Speaker, is it possible for me to move to have that document inserted in *Hansard*?

**MADAM DEPUTY SPEAKER:** Yes, you may.

**Mr Stanhope:** Thank you, Madam Deputy Speaker. I want to move that the—

**MRS DUNNE:** You can have it tabled. It is already inserted in *Hansard*.

**Mr Stanhope:** No, I want to insert it. I am moving that it be inserted in *Hansard*.

**MRS DUNNE:** I have read it out. It is already inserted in *Hansard*.

**Mr Stanhope:** I will not take the time of the Assembly, but I would ask Mrs Dunne to agree to its inclusion in the *Hansard* record.

**MRS DUNNE:** There is no problem in having it inserted in the *Hansard* record. I read it out today and I read it out yesterday. If members would like me to table it I will, but I will table it later because it is the only copy I have with me. When I get another copy I will be quite happy to table the document.

**MADAM DEPUTY SPEAKER:** Thank you, Mrs Dunne.

**MRS DUNNE:** What we have here today is a really tetchy Chief Minister. He is in flight here today because he has spent his entire time, again, berating the Auditor-General for her budget. Let us look at what he said. He said over and over again that there is an average 17 per cent increase in her funding. Averages are wonderful things. It is a good way of manipulating statistics. We all know that in 2006 there was a substantial increase in funding to the Auditor-General on a one-off basis so that the Auditor-General could adopt the new accounting standards and auditing standards which have become the national practice. Without that substantial increase in funding she could not have done her job according to the national practice.

Of course, because there was such a substantial—I think 35 per cent—increase that year, it is easy to run up your averages and suddenly say, “She’s got a 17 per cent increase.” But her base funding has not been subjected to a 17 per cent increase. In fact, this year, when most agencies are receiving increases of two, three and four per cent, the Auditor-General’s funding increased by \$90,000, which is slightly more than a one per cent increase, which is much less than CPI and considerably less than WPI.

**Mr Seselja:** And much less than virtually every other agency.

**MRS DUNNE:** And much less than virtually every other agency in the territory. Mr Hanson made it perfectly clear that when the open and accountable Stanhope government came to power in the ACT the Auditor-General was performing 12 audits a year. In the current financial year she is down to eight, and next year it may be as few as six—but six to seven on her evidence. She is not being funded to do more; she is being funded to an extent where she has to do less.

In a global financial crisis it seems extraordinary that a government should be cutting its audit functions. When we are looking at increasing capacity to ensure that we get good value for money it would be the last place that we would be cutting. We have to look at this for what it is. It is the Chief Minister who is really unhappy about what the Auditor-General says to the community about the quality of services in the ACT and the quality of funding that she receives to provide those services.

It is on the public record—two estimates committees in a row—that the Auditor-General has come to this Assembly and said, “I am underfunded and I cannot continue to do my work properly.” I was a member of the estimates committee last year when she said: “I can’t keep staff because we can’t pay them enough. I’ve become a training ground for other audit offices. I train people up and I get them to a particular level of seniority and experience. Other audit offices and other audit organisations can pay them more and they move on and I have to start again.”

All of these things affect the quality of audit in the ACT government. The Chief Minister does not care. He did not care when he was the Treasurer and he does not care now. It all culminated on Friday when he was put under pressure about a very adverse finding from the Auditor-General’s Office. He had a political aneurism and a most disgraceful outburst against the Auditor-General. It is time that this Chief Minister got on top of his emotional outbursts and remembered his position in the ACT.

As Mr Seselja said, the Liberal opposition cannot support this amendment from the Greens. It is time that the Greens started to negotiate openly with people. If they want to change things, they should come to us and talk to us and give us some suggestions. They should not just come into the chamber and drop amendments like this and expect everyone to come on board.

It is interesting, however, that the Chief Minister is prepared to support this amendment. I would have thought that he would not be able to support the amendment because part (3) calls on the ACT government to ensure adequate funding for the office of the Auditor-General, including the capacity to maintain the current level of performance audits. By signing up to this, Chief Minister, you are going to have to agree to increase the funding of the Auditor-General’s Office in the next financial year so that she can do at least eight performance audits. I would like to see that happen.

**MS BURCH** (Brindabella) (11.22): I am speaking here today mainly on the motion from Mr Seselja. His motion implies that the government does not value the work of the Auditor-General or appreciate the independent advice and recommendations her office provides. This is just not the case. This government holds the ACT Auditor-General’s Office in the highest regard.

The Auditor-General has a statutory mandate to audit public sector agencies and undertake financial and performance audits. The Auditor-General Act ensures that the Auditor-General and the audit office are independent and are not subject to direction from the executive or a minister.

The Auditor-General not only audits the financial reports of the territories, its departments and authorities under the Financial Management Act 1996 but also audits the financial reports of all territory-owned corporations under the Corporations Act 2001. The Auditor-General's Office also, when necessary, has authority for the receipt of disclosures under the Public Interest Disclosure Act 1994. The office also has an important review role under the Procurement Act. These are important functions in a robust, democratic system of government.

One role that generally gets overlooked is the improvement in efficiencies in public administration. Governments do not pursue efficiency for its own sake. It means governments are able to deliver more to meet more needs with the same amount of resources or, at times, with fewer resources.

Efficiency allows governments to meet more of their objectives without the need for more taxation, and this is where the Auditor-General's functions, besides ensuring accountability, have a vital role for any government that wants to pursue its policy objectives. Prudent governments recognise this importance. That is why this government has increased funding for the Auditor-General's Office by more than 36 per cent in the same budget as it sought efficiencies of more than \$100 million across the public service.

It is in this context that the motion from Mr Seselja should be viewed. Its imputations are wrong. The Auditor-General plays an important role in directly reporting to the ACT Legislative Assembly on any matter relating to the exercise of its functions. The Auditor-General's Office is to be commended for its work on behalf of the community.

**Mr Seselja:** You are actually supporting No (1), Joy.

**MADAM DEPUTY SPEAKER:** Order, Mr Seselja!

**Mr Seselja:** I am just trying to help Ms Burch.

**MADAM DEPUTY SPEAKER:** Ms Burch does not need your help, Mr Seselja.

**MS BURCH:** The work of the office provides the assurance that the territory's financial and performance information is accurate. We rely on the Auditor-General to inform the ACT Legislative Assembly and the community on the performance of the ACT public sector. Through the work of the office, the performance of ACT public agencies is improved. Agencies report that performance audits help improve effectiveness and efficiency of the services being audited.

Financial auditing processes assist agencies in improving accountability, governance arrangements and internal controls. The audit office's strong relationship with the Legislative Assembly and agencies ensure that its legislative functions are able to be effectively discharged.

The government is mindful to ensure that the Office of the Auditor-General is provided with adequate funding. However, it is appropriate that the levels of increases

in this funding are determined by the government, taking into account benchmarking and other considerations.

I should point out to the Assembly that, under the Auditor-General Act, there is a formal process for the Auditor-General to request additional funding. The Auditor-General, under section 22A, can inform the public accounts committee, which in turn informs the Treasurer.

For some reason, this year the funding request from the public accounts committee was not submitted in time to be considered alongside other competing budget priorities. The 2009-10 budget was also developed in the context of the global financial crisis and uncertain revenues from the commonwealth. Additional funding for the allocation in the budget was provided to the areas of greatest need.

It is up to an elected government to make decisions on resourcing priorities. In the case of the Auditor-General, prior to finalising the budget, the government had considered a budget proposal from the office. This proposal was considered alongside other proposals in areas of core government services. Taking into account available benchmarking, information from other jurisdictions and the level of funding already provided, the government decided that the current funding was adequate.

I am sure the community would understand why we chose to fund services such as the emergency department of Canberra Hospital over providing increased funding to the Auditor-General in this year's budget. While we recognise the important work of the Auditor-General and the work that the office undertakes, it is difficult to justify an increase in funding when there are areas of greater need upon which the community relies. This is a hard decision, and it was made in a challenging financial climate. If more resources were available, the government's decision may well have been different.

This government remains supportive of the Auditor-General's Office and the valuable role it plays in maintaining accountability and confidence in the public service. This government has a productive working relationship with the Auditor-General, which is based on mutual respect and understanding of each other's roles and responsibilities, and we look forward to continuing and maintaining this relationship.

It is important that this Assembly recognise the importance of the Auditor-General's Office. The roles and functions are far too important to be dragged into politics. Put simply, the public accounts committee and the estimates committee made recommendations to increase funding for the Auditor-General's Office. The government considers neither the estimates committee nor the public accounts committee has provided the adequate and substantial information required to support the argument that its resources are manifestly inadequate. The government has indicated that it will adopt a rigorous approach to establishing resource adequacy.

These are the simple facts, and I urge the Assembly to stay well clear of making this a political issue. As indicated, I will not be supporting Mr Seselja's motion but I do support the amendment put forward by Ms Le Couteur.

**MR SMYTH** (Brindabella) (11.29): It is interesting, when you look through the government payments for outputs, to see who got the bucks and who did not. If we go to page 23 of the Auditor-General's operating statement, her government payment for outputs goes from \$2,072,000 to \$2,112,000—a two per cent increase.

How much did the executive give themselves in terms of an increase? If you go to ACT executive, payments on behalf of the territory—let us do the right comparison here—it goes up by four per cent, which is 100 per cent greater than what they are willing to give the Auditor-General. They will look after themselves but they will not look after the Auditor-General.

You have to go to the heart of why this man, this Chief Minister, will not fund the Auditor-General appropriately. It is because he does not like the scrutiny. And he read out a litany of reports that had some of the failings of former governments. That is what she is there to find but she is also there to find them for the current government. Governments do not always get it right. And the Auditor-General is fundamental in making sure that it is at least brought to the attention of the public and that we learn.

I can go back to all the reports as well. I have got them all on my shelf as well. I will just read one. I will not waste the time of the house on this. If you go to page 38 of the Auditor-General's report, financial audits for the year ended 30 June 2002, report No 7, right from the start of the Stanhope years, it talks about \$10 million that was moved from the Treasurer's advance late in June 2002. The Treasurer's advance is for unexpected events. Some \$10 million was moved. It was spent on fire safety in public housing, which is a worthy cause, but the Auditor-General of the day questioned the legality of that move. So right from the start, the Auditor-General has been looking at, has been scrutinising, the Stanhope government in the way they do business and, consistently since then, the auditor has been finding fault.

How has the Chief Minister treated the Auditor-General of the day? It is a continuous stream of contempt. And the mind boggles as to why the Greens would take away what are simply statements of fact that the Chief Minister has made. The mind boggles as to why the Greens will not hold the government to account. And the Greens can answer for themselves.

In regard to Mr Seselja's motion, they accept point (1), which is that we all support the role played by the ACT Auditor-General in monitoring government agencies and programs. Even Ms Burch got that. She is in favour of that. So thank you for that support of Mr Seselja's motion in that regard. No (2) is that we note that the Auditor-General is held in high regard by the Assembly and the ACT community, which the Greens will accept and which apparently the Chief Minister will accept.

We then get to 2(b). There are just three selections of what the Chief Minister has said about the Auditor-General. These are statements of fact. How can you object to statements of fact being in the motion? You talk in this place all the time about context. The Chief Minister gets away with context all the time. Here is some context. The Chief Minister warned—these are his words—on 19 June:



I think there's potential for a very hard look at the efficiencies within the Auditor-General's office ... I think perhaps it's time for the Auditor-General's office to be audited so we can have a look at the appropriateness of the level of her funding.

In the context of what the auditor had said, these are blatant threats and an attack on the independence of the Auditor-General, the independent watchdog.

But then you go back to 2006, when we had a report on Mr Stanhope and Ms Gallagher's behaviour as the shareholders of Rhodium. And what did the Chief Minister think of the Rhodium report? They were "just gratuitous remarks, throwaway remarks, from the Auditor-General". They are not gratuitous and they are not throwaway remarks. Auditors-general, by their very nature, are cautious in their language and very exacting, and they mean what they say.

We go back to 2005. The Chief Minister, on reading the Auditor-General's report on payments to a former head of his department, said, "It is a low priority during budget week." Everything that is not acceptable to him is a low priority or he does not read the report.

For the life of me, I cannot understand why the Greens would take the context, would take the facts of what he said, out of the motion. Somebody reading *Hansard* in later years would read that and understand what we were talking about.

I notice that part (c) of Mr Seselja's motion also disappears. It was:

- (c) that recommendation 14 of the Select Committee on Estimates 2009-2010 was that the Auditor-General's funding allocation be increased to allow for the target number of performance audits to be reached without running a deficit.

I think it is quite important. We can reach the number of audits but it will push her into deficit. If that is acceptable to the Greens, if the Greens think that is good management, if the Greens think that is holding them to account, that is fine. But it is not. I do not see what the problem with that is. It is a recommendation in the report agreed to by the majority of members, and that included two Greens. It is beyond comment, I suspect. The problem here is that the Greens refuse to hold the Chief Minister to account. Part (5) is removed. It reads:

- (5) condemns the Chief Minister for his veiled threat against the ACT Auditor-General made on 19 June 2009.

If you look back at what people have said, people are concerned by his comments but we let him off scot-free. He is not held to account in this place. There is no record of him being held to account if that is removed from this motion. For the life of me, I am not sure why the Greens want to remove that. Do they agree with his comments? Should he get away with these comments? Should he not be held account for his comments? Apparently not!

This is fine. Verbal the Auditor-General, attack the Auditor-General, threaten the Auditor-General, do not hold the Chief Minister to account. Isn't that funny? The Auditor-General, the person's whose independence is guaranteed by her legislation to hold the judiciary to account, gets verbally, gets assaulted, by the words of the Chief Minister, has imputations cast on her reputation and her efficiency, but the Greens will not hold him to account for that. The Greens think that is okay. Removing that line from this motion is a clear signal to the Chief Minister: continue on your way, because we are not going to stand up to you, we are not going to hold you to account.

Then we get agreement from the Chief Minister to the Greens' amendment. He does not want this on the record, so he will go for the other option. But even before the motion is passed, he is squirming out of it. Part (4) of Ms Le Couteur's amendment states:

- (4) calls on the ACT Government to ensure adequate funding for the Office of Auditor-General, including the capacity to maintain the current level of performance audits.

So the Chief Minister said, "She can do this with greater efficiency." Yet we know she cannot. She ran at a loss last year because the government has squeezed her funding. Go to the budget papers. There was a \$199,000 deficit because the Chief Minister does not like scrutiny. But the Greens think that is okay. Then he says in this place, "We will force efficiency on her, even though she is independent." You only have to read the recommendation. I have read it twice. I will read it a third time. Have people not read the government's response? It is:

The government intends to seek external advice on a methodology to support the Auditor General identifying and prioritising activities for the performance audit program. Following consideration by the government, this advice will be provided to the Public Accounts Committee ...

This is what he is saying: "I'm going to interfere. I'm going to manipulate this. I'm going to be in charge. What don't you understand? I'm in charge and what I say goes." And the Greens are going to let him get away with it. He said he is going to take your recommendation and he is going to laugh at it. That is how he behaves, and the pattern of behaviour is here.

He laughed at the coroner. We heard all the quotes from Mr Seselja: "She's great; she's going to do a good job; she'll be a great coroner. Until she gets close to the truth, and then what do I do? I go to court. I slow her down; I stop her; I attack her. What am I doing with the Auditor-General? I slow her down; I stop her; I attack her." That is his pattern of behaviour and I do not understand why you will not hold him to account. What are you afraid of?

He is not afraid. He is just taking your amendment, as he did your agreement, and twisted it against you. "Yes, she can do eight; I'll make her do eight." He actually cannot. He can fund her to do eight. She is independent. She sets her own priorities. She talks with the public accounts committee about it, but it is not for the Chief Minister to do that.

This amendment is worthless because the Chief Minister laughed at it. He laughed at it in this place. That is how he behaves. People do not hold him to account, because people do not stand up to him and say, "It's unacceptable to verbal the Auditor-General. It's unacceptable to threaten her. It's unacceptable to treat her in this way." I think it is unacceptable to take these quotes out of the motion.

The quotes are just some of the quotes over the last eight years that we have heard when the Chief Minister does not get his way. The quotes are just some of the way he behaves. The quotes are some of the disdain with which he treats people who want to hold him to account. And if this motion is amended today, then he has got away with it again. He has already told you he is going to weasel out of it. He is going to walk away from the commitment. He is not going to honour it. He treats you with the same contempt. You let him get away with it and you need to answer it.

We will stand up for the Auditor-General, as we always have. She deserves to be independent. She deserves to be treated with the respect that the office is due. She deserves to have your support, Chief Minister, and she does not. (*Time expired.*)

**MR SESELJA** (Molonglo—Leader of the Opposition) (11.39): I thank members for their contributions to the debate.

**Mr Stanhope:** That is all right.

**MR SESELJA:** Except Mr Stanhope, whose contribution was ridiculous. I point out again Mr Stanhope's comments in today's paper. You can never quite tell with Jon Stanhope whether he does not understand or whether he is pretending not to understand, and there is often a mix of the two. He said, "Every agency and department could argue that to maintain independence from the executive, the Assembly should set its budget." It is ridiculous to compare the Auditor-General with other agencies, to compare the Auditor-General with the department of education, the department of health, with the Department of Justice and Community Safety. It is a ridiculous misunderstanding of the role of the Auditor-General.

The Auditor-General does not answer to the minister. The Auditor-General reports to the Assembly about the activity of government and looks to scrutinise the government and hold it to account. The Auditor-General is not part of the government in the way that a department is part of the government. That is the fundamental point, and this attempt to muddy the waters in today's *Canberra Times*, which appears to have been accepted by Ms Hunter is, I think, just a reflection either of Jon Stanhope's misunderstanding or of his attempt to mislead the community on what this actually is and what this actually means.

There is nothing that the Greens have said—and we have heard only one speaker from the Greens—that actually refutes anything that is in the original motion. There is nothing that says which part of it they do not agree with, and I am particularly interested in the fact that Ms Le Couteur's proposed amendment actually takes out reference to the recommendation from the estimates committee. The estimates committee made this recommendation and apparently the Greens are not standing by it, even though they signed off on it in the committee.

We see this constant attempt by the Greens to water things down. You know that an amendment holding the government to account is not as effective as it should be when the Chief Minister agrees with it. When the Chief Minister is so comfortable with an amendment, you have got to step back and question whether it is actually going to achieve what it is meant to achieve.

We have a Chief Minister who has put his stake in the ground on the Auditor-General. He has gone after her. Let us make no mistake about it. He can try and weasel out of it now, but he has gone after her. He has said, “Well, if you are going to be critical of us, we will look very, very closely at your funding.” That is the message he gave to the Auditor-General, and it is up to us as an Assembly to stand up and say that that is unacceptable.

The fact that this amendment from the Greens is so wholeheartedly supported by the Chief Minister suggests that it is an amendment, if it goes through as an amended motion, that he is exceedingly comfortable with and that he will continue along his merry way in running down the resources of the Auditor-General, attacking the Auditor-General and launching veiled threats against the Auditor-General. All that this amendment does is to give him the imprimatur to do so. It once again waters it down to the extent that he is comfortable with it.

Jon Stanhope supports wholeheartedly this amendment, and that is a very good reason not to support it. We are trying to hold him to account for his inappropriate statements and inappropriate actions in relation to the Auditor-General. He is a minister who has form on attacking independent officers. He has done this before. He did it to the coroner, he has done it again to the Auditor-General and it is up to us to stand up. We are prepared to do it. The motion has not been argued against by the Greens at all. They simply want to water it down to the extent that the Chief Minister agrees with it. We will not be supporting the amendment. I commend the original motion to the Assembly.

Question put:

That **Ms Le Couteur’s** amendment be agreed to.

The Assembly voted—

Ayes 9

Noes 5

Mr Barr	Ms Hunter	Mr Coe
Ms Bresnan	Ms Le Couteur	Mrs Dunne
Ms Burch	Ms Porter	Mr Hanson
Mr Corbell	Mr Stanhope	Mr Seselja
Ms Gallagher		Mr Smyth

Question so resolved in the affirmative.

Question put:

That **Mr Seselja’s** motion, as amended, be agreed to.

The Assembly voted—

Ayes 9

Noes 5

Mr Barr	Ms Hunter	Mr Coe
Ms Bresnan	Ms Le Couteur	Mrs Dunne
Ms Burch	Ms Porter	Mr Hanson
Mr Corbell	Mr Stanhope	Mr Seselja
Ms Gallagher		Mr Smyth

Question so resolved in the affirmative.

Motion, as amended, agreed to.

## Visitors

**MADAM DEPUTY SPEAKER:** I welcome students from St Clare's College.

## Schools—performance monitoring

**MS HUNTER** (Ginninderra—Parliamentary Convenor, ACT Greens) (11.50): I move:

That this Assembly:

- (1) notes that the Ministerial Council for Education, Employment, Training and Youth Affairs (MCEETYA) has announced plans to publish the performance of schools in national tests and, in addition, that information on each school's student and teacher numbers, attendance and financial resources will be made publicly available;
- (2) recognises that while transparency in the education system is important there needs to be safeguards in place around the release of test data;
- (3) notes:
  - (a) the concerns expressed by school leaders across Australia who consider that publishing data which could lead to comparisons between schools could have a negative impact on school communities and would not be useful in improving the performance of schools; and
  - (b) the research from the United States and Britain which shows that assessment programs, such as the National Assessment Plan for Literacy and Numeracy, can have an unintended, negative impact on the quality of teaching and learning when low performance is sanctioned; and
- (4) calls on the Minister for Education and Training:
  - (a) to advise the Assembly of what action he will take with his State and Federal colleagues to limit the publication of data based on national literacy and numeracy tests; and

- (b) to outline how the performance monitoring system will operate and what guidelines will be put in place to ensure:
- (i) privacy will be protected as outlined in the MCEETYA agreement the Minister signed in December 2008; and
  - (ii) harm is not caused to school communities through the publication of school league tables created with this information.

Madam Deputy Speaker, the ACT Greens are concerned that the publication of information which effectively compares schools based on student assessment programs, attendance and student and teacher numbers in what are known as league tables will have a significant impact on our education system here and across Australia. As part of the Melbourne Declaration on Educational Goals for Young Australians at the Ministerial Council for Education, Employment and Youth Affairs in December 2008, education ministers agreed, among other things, to the following:

... the community should have access to information that enables an understanding of the decisions taken by governments and the status and performance of schooling in Australia, to ensure schools are accountable for the results they achieve with the public funding they receive, and governments are accountable for the decisions they take.

This includes access to national reporting on the performance of all schools, contextual information and information about individual schools' enrolment profile.

Parents, families and the community should have access to information about the performance of their school compared to schools with similar characteristics. Australian governments will work together to achieve nationally comparable reporting about schools.

Under the agreement—and this is consistent with advice we have had from briefings with the ACT Department of Education and Training—the Australian Curriculum, Assessment and Reporting Authority, ACARA, will publish nationally a profile of each school in Australia on a central website. Each profile is to include a range of school results, such as average score on literacy and numeracy tests and average improvement over time.

Already we have seen how easy it is to collect this data from each school and compile national and state or territory league tables. On 6 May 2009 the Hobart *Mercury* published a league table of school results. The government had published results online and these were then converted by the newspaper to show school rankings—all of this in spite of an undertaking in the Melbourne declaration, which stated:

... in providing information on schooling, governments will ensure that school-based information is published responsibly so that any public comparisons of schools will be fair, contain accurate and verified data, contextual information and a range of indicators.

Like many educational organisations, the ACT Greens support the need for transparency in the education system and have no problem with the aims of the Melbourne declaration. It is unfortunate, Madam Deputy Speaker, that the Melbourne declaration was not agreed earlier than December 2008. The declaration states:

... the community should have access to information that enables an understanding of the decisions taken by governments and the status and performance of schooling in Australia, to ensure schools are accountable for the results they achieve with the public funding they receive, and governments are accountable for the decisions they take.

Had this been the case prior to our school closures, perhaps we in the community may have been provided with the information needed in relation to these closures.

It is the lack of safeguards around this new, more accountable approach and the system of comparisons of school performance that we are drawing to the attention of the Assembly through this motion. I am asking the minister to address this with his colleagues, here and nationally.

Despite the fact that the Melbourne declaration states that governments will not themselves devise simplistic league tables or rankings and privacy will be protected, we have seen in Tasmania, with the publication of the comparative information in the *Mercury*, that others do this from the data provided by government. It can be done.

Last week, on 19 June, the New South Wales State government introduced a bill to lift its 10-year ban on the creation of school league tables. The New South Wales regulation preventing publication of school league tables using exam test scores is the only one of its kind in Australia. This regulation was introduced several years ago due to an incident involving the publication of school results that singled out one particular school. It prevents the public release of student results in a way that ranks or otherwise compares the results of particular schools. This has prevented the publication of school league tables using raw, HSC and basic skill test results and university entrance rankings for the past 10 years.

The New South Wales education minister, Verity Firth, said that, despite the state government's previous opposition to the public release of comparable data, New South Wales was required under the national education agreement to provide national literacy and numeracy test data to the commonwealth. The President of the Australian Education Union, Angelo Gavrielatos, has said that if New South Wales changes its legislation preventing league tables, it would only be a matter of time before they appeared across the country. Teachers have said that changes would not prevent the creation of league tables using data from the Australian Curriculum and Reporting Authority website, which will provide parents with results for every school in the country later this year.

It appears, therefore, that unless some safeguards are put in place nationally by the ministers who signed up to the Melbourne declaration, comparative data or league tables will likely be published. Teachers and principals consider that even after the education ministers met in Tasmania on 12 June 2009 and adopted a set of principles

for reporting on schools as part of the commonwealth's new transparency to discuss the issue, among other things, they are no longer committed to avoiding possible harm to school communities in publication of these league tables. The previous set of protocols released last July included the following key principle:

The avoidance of harm to members of the community: this could occur whether the privacy of individuals would be compromised or where the reputation of an institution or a group of people would be damaged through the publication of misleading information or stereotyping.

The new protocol statement does not include any reference to avoiding harm or damage, but says that data will not be published in a form that compares the performance of individual schools without contextual information. They did not introduce any measures to stop the creation and publication of league tables, despite their opposition to simplistic league tables. The President of the Australian Secondary Principals Association, Andrew Blair, said the omission of the 2008 principle appeared deliberate. He said:

I fear the worst. I think what the protocols have done is to essentially put in place a process to deal with arrangements where they have failed to protect schools and have failed to protect the disadvantaged.

What does this mean, Madam Deputy Speaker? It means that the tables will provide potentially misleading and inaccurate comparisons of school performance because school results are significantly affected by the socioeconomic background of school communities. For example, the Tasmanian table shows that schools in higher income areas have better average results than schools in lower income areas. This does not necessarily reflect differences in the quality of teaching and curriculum, but more the impact of differences in the social backgrounds of students.

Following release of this information in Tasmania, Rob Banfield, President of the Tasmanian Principals Association said that while his members supported the release of data on schools, they were opposed to league tables. He said:

Simple averages or totals of things measured in schools does not tell the important, complex story of what is happening in a school.

There is a risk in only looking at the quantitative picture without the qualitative information and stories to give context.

Many other factors outside the control of schools can influence a school's results. These include student absenteeism and mobility between schools, the extent of parent involvement in learning at home and the extent to which students are engaged in after-hours tutoring. Overseas experience shows that some schools respond to test-based accountability by manipulating their results in various ways. They may remove low-achieving students from test days by placing them in special education streams, suspending them or encouraging them to be absent on test days. This, in effect, shifts the focus from working on individual student outcomes to working the system.



As the more selective schools attract the better students, the better teachers and associated funding, the unpopular schools become the dumping ground for disadvantaged students and demoralised teachers. The result is a two-tier school system: one group of schools for the well-off and the best teachers and another for the least well-off and least qualified and experienced teachers. This has occurred in England, New Zealand and the United States. There is a real risk of this type of divide occurring in a small geographical area like Canberra where travel time and distance from home to preferred schools is seen as achievable.

An extensive review of research studies published last year by the Federal Reserve Bank of Chicago concluded that the students who exercised choice do not experience achievement gains and that school choice does not induce public schools to improve their performance. Recent research on the impact of greater choice and competition between primary schools in England published by the London School of Economics also shows no effect on the performance of schools or students. Their study concluded that choice and competition does not seem to be generally effective in raising standards.

On the other hand, there is extensive evidence that increasing choice and competition between schools tends to increase social segregation between schools, which exacerbates achievement gaps between rich and poor students. It is argued that like-school comparisons will show which schools are making a difference and help identify good practice.

However, existing models of like-school comparisons used in Australia failed to compare like with like and therefore do not accurately measure schools. They do not distinguish the ethnic profile of a school, they do not consider students of low socioeconomic status and they do not consider minority families. For example, area-based indexes of socioeconomic status used in New South Wales and Western Australia do not distinguish between households with or without children at school and some schools may be classified as in a low socioeconomic status group because there is a large pensioner population in their area, even though families with school-age children may be well off.

This matter needs the urgent attention of the minister to ensure that this information is not used in an inappropriate manner. He should then let the Assembly, concerned parents and teachers know how he will go about this. The Australian Education Union and the ACT Council of Parents and Citizens Associations have called for legislation banning the media publishing league tables. At their meeting on Friday 12 June 2009, the education ministers agreed to develop strategies to manage the risk of third parties producing such tables. We ask that, among other strategies, the ACT education minister and his colleagues around the country at least give strong consideration to adopting the current New South Wales legislation, which prevents the publication of school league tables.

**MR BARR** (Molonglo—Minister for Education and Training, Minister for Children and Young People, Minister for Planning and Minister for Tourism, Sport and Recreation) (12.02): The motion before us today does note a number of recent

developments in education policy. It raises some important questions and, as Ms Hunter has indicated, calls on me to explain the safeguards that will be in place around the release of school-related information.

I have to say from the outset that I am pleased that Ms Hunter does not go as far as some and completely reject this important reform agenda. She is refreshingly looking at the big picture and she is recognising that transparency in education is important. So I welcome the opportunity to discuss this issue today.

Why do I say this? I say it because education is a powerful force for change. Education changes our economy and our nation. Education changes lives, and that is why we all want the best possible education for ACT students. We want this generation of students to do better than we did. We want them to find their passion, we want them to be confident and achieve their full potential. That is why parents are eager for more information. When I meet parents, there is only one question they really want me to answer: how can they choose the best school for their child?

As minister, it is not good enough for me not to have a decent answer to that question. It is bad enough if I do not know, but it is worse still if I know but I cannot say. Parents want to know how their son or daughter is tracking at school. They want to know whether a school excels in history or maths and they want to know the areas where a school needs to improve. We can always do better, try harder and achieve more. But first we need to know how our schools and our students are tracking. Before education can be this great force for change, we need to know what needs changing in education.

Ms Hunter's motion notes a recent decision of the Ministerial Council for Education, Employment and Youth Affairs to make our education system more transparent and accountable. Let me reiterate from the outset that I oppose simplistic league tables. League tables are not part of the reform agenda. Of course, we all know that results currently published in ACT school annual reports and information currently available under ACT freedom of information laws can already be used by our local media to derive league tables, if that is what someone wanted to do. Frankly, the league table obsession, for and against, is a massive distraction.

What we are doing is calling on us to move beyond this false debate. We are looking at practical measures: firstly, the privacy of individual students must be protected. The principles and protocols for reporting on schooling in Australia place a very strong emphasis on this. The Australian Curriculum Assessment and Reporting Authority, or ACARA—another new acronym for us all to know—will be supported to prevent the identification of individual students and to promote the contextualised and meaningful use of data by any third parties.

Secondly, reporting will be in the broad public interest. It will balance the community's right to know with the need to avoid misuse and misinterpretation of information. Reporting will be based on data that is valid and reliable. ACARA will work actively with third parties and explain the published information.

Thirdly, reporting will be detailed enough to enable accurate interpretation and understanding of the data. Simply, we here in the territory, the federal government

and other state and territory governments want parents to be able to monitor the performance of their child. Understanding how an individual child fits within a particular class will help teachers and parents to engage with their child's learning. Parents regularly ask each other about the goals, values and educational approaches of different schools. They ask about the extracurricular activities and how good the teachers are. With more accurate information, parents can make better choices and schools can keep improving.

Ms Hunter's motion reflects the complex nature of this policy area and there are areas that we are still working on—for instance, defining "like schools". This is complicated. I acknowledge that, but it cannot be used as an excuse for inaction and delay. I am particularly impressed by the innovative proposal to publish the best-performing school in each cohort of "like schools" as a benchmark. This is a great way to have a race to the top—a virtuous circle of evidence and excellence. I am also impressed that the results will apply to both government and non-government schools. It is another great demonstration that the old public versus private debate is over.

Madam Assistant Speaker, there is no doubt these reforms are hard. So why are we pressing ahead? It is because I sincerely believe more and better information is good for schools and their students; it is good for parents and families; and it is good for the community as a whole. More information is good for schools and students.

Schools have the primary accountability for improving student outcomes. So principals and teachers need reliable, rich data on the performance of their students. This is how they can improve outcomes for all of their students. It supports effective diagnosis of student progress and the design of high-quality learning. It is the evidence base for a schools approach to everything from program design, to school policies, to relationships with parents, and to partnerships with the community and business.

More information is good for parents and families. Information about the performance of individuals, schools and education systems helps parents and families make informed choices and engage with their child's education and their school community. Parents and families should have access to data on student results. If they want to assess a school's overall performance and to improve school outcomes, I support them. If they want to consider the philosophy and educational approach of schools, their facilities, programs and extracurricular activities, I support them. If they want information about a school's enrolment profile, I support them.

More information is good for the community as a whole. Community access to information enables an understanding of the decisions taken by governments and the status and performance of schooling in Australia. Schools should be accountable for the results they achieve with the public funding that they receive, just as governments should be accountable for the decisions they take. We owe it to the community, which ultimately pays for education in the government and non-government sectors. I want the community as a whole to know more about how we deliver education in Australia. Why? Because we have got a good story to tell.

This ACT government is getting on with the job of improving our schools. Last week I announced the release of a new school improvement framework for ACT public schools. This framework reflects our push for accountability and transparency in education. Firstly, the new framework requires ACT public schools to publish their school plans on their websites from 2010. I can advise the Assembly that many plans are already publicly available.

Secondly, ACT public schools will undergo a four-year continuous cycle of review and improvement. This will include providing better information to parents and families, and assessment by independent panels. As part of this review cycle, each school will develop a comprehensive four-year school plan and an annual operating plan. Schools will check their own progress against their plan each year and report the outcomes to parents, students and the broader school community through their annual school board report.

This will ensure that everyone knows the educational goals and the direction of the school and how that school is tracking. Schools will be evaluated by an external and independent expert panel. That panel will occur in the fourth year of the framework and they will then receive a report on their achievements. In a cycle of continuous improvement, the external report will inform the school of areas for further improvement.

Madam Assistant Speaker, every school's final report will be publicly available. Why are we doing this? It is because we can always do better. We are delivering better schools and better futures for ACT students. The framework will make sure that schools monitor and improve their performance in the areas of learning and teaching, leading and managing the student environment and community involvement.

Our plan to further improve schooling over the next four years builds on the government's drive to improve what, where and how in learning. We are working with the commonwealth government to develop a new national curriculum. We will build over half a billion dollars worth of new classrooms, libraries, gymnasiums and other school improvements in all ACT schools. We are committed to paying the best teachers six-figure salaries. There will be greater accountability and transparency for all of our schools.

The real question in this debate though, Madam Assistant Speaker, is: what do parents want? That is a question that all opposition parties have to ask themselves. The Liberals have declared no position in this debate. They are essentially irrelevant. Their only stance, as usual, is opposition for opposition's sake.

The Greens party, however, is in a different category. I am concerned, though, at some of the contradictions in their arguments. Across the board, the Greens have been demanding greater public accountability of government, even on matters of school closures. Yet they demand stronger limits on accountability for schools. Ms Bresnan, the chair of the committee, pressed me on this in a recent committee hearing. She literally asked a question and then warned me against giving her an answer. The transcript read in part like this:

**THE CHAIR:** So you are stating that they—  
she is referring to Hall, Tharwa and Flynn—  
were not getting good educational outcomes?

**Mr Barr:** I am saying that there are a range of issues that are relevant in that consideration across some of those schools that are not, or were not at the time, able to be publicly released, but, happily, as a result of ...

Ms Bresnan intervened there and said:

I think we probably need to be careful about what you are saying there, Mr Barr.

**Mr Barr:** No. This is coming to the real point.

at which point Ms Bresnan again said that I needed to be careful and I reiterated:

This is coming to the real point, Madam Chair. I was not able to release some of that data ... through the new agenda, that data will be publicly available.

I hope, Madam Assistant Speaker, that the Greens note this contradiction and join with me in supporting this important reform. Parents want it and students need it.

In conclusion, accountability and transparency in education are important. Parents want more information. With more accurate information, parents have greater choice. Parents can chat with their kids and make better decisions about education. With more accurate information, teachers will know not only how their students are tracking, but they will get to see how similar schools are going. They will look across to the next suburb, meet other teachers and principals, and compare notes.

Using this information, teachers can reassess their classroom plans and teaching strategies. With more accurate information, governments will know where resources and specialist expertise need to be allocated. Governments can then use taxpayers' money more wisely and create better schools and better futures for our students. This, Madam Assistant Speaker, is why transparency and accountability in schools is such an important and progressive reform for this city and for this country.

**MR DOSZPOT** (Brindabella) (12.15): I must say before I start, Mr Barr, that it would be very appropriate for you to listen to what our point of view is before prejudging what we are going to do.

The issues raised today in Ms Hunter's motion are really very obvious, and I think all parties agree on the basic premise that any information on school performance, socioeconomic status of students and numbers of staff at ACT schools that is made public must not be able to be manipulated for the purposes of misuse and misinterpretation.

The Ministerial Council on Education, Employment, Training and Youth Affairs—MCEETYA—has put in place principles and protocols on this reporting, and specific

attention is already paid to the responsible use of data that measures the performance of Australian schools. I understand that the data collected will be provided to the national data repository which is housed by the Australian Curriculum Assessment and Reporting Authority—ACARA—and that ACARA is tasked with providing the governance of this resource.

Many of the concerns raised by Ms Hunter are covered in detail in a document of the Ministerial Council on Education, Employment, Training and Youth Affairs, *Principles and protocols for reporting on schooling in Australia*. I will quote a very brief part of a detailed 10 to 12-page report:

#### **Responsible use of data measuring the performance of Australian schools**

Ministers are aware that under Australia's new school reporting framework, a greater range of data on individual schools will be publicly released. With the release of this information, Ministers are committed to reporting which is fair and accurate, and that:

- information approved for publication on schools contains accurate and verified data, contextual information and a range of indicators to provide a more reliable and complete view of performance
- protects the privacy of individual students
- governments will not publish simplistic league tables or rankings, and will put in place strategies to manage the risk that third parties may seek to produce such tables or rankings.

We do agree with the premise that the new system will not help people to rank schools according to test scores. We also observe that most of the data we are referring to can already be obtained through freedom of information, and the proposed league tables provide information that parents want—information about how their son or daughter is performing at school.

The opposition have always placed great importance on giving the best possible opportunities for our school children. Federally, a wide variety of policy approaches have been put forward over time targeted to the challenge of improving teacher quality. These include merit or performance pay, payment by student examination results, raising entry standards to teaching, higher teacher pay generally, smaller class sizes, standardised testing, and publishing of data associated with school performance.

While it is obvious that there is no single solution to improving educational outcomes, the opposition believes that there must also be accountability at the individual school level and that the provision of comparative data is essential to achieve this.

When in government, the federal opposition introduced requirements that schools must report a range of indicators, including professional engagement, key student outcomes, including literacy and numeracy benchmark information, and parent, student and teacher interaction. We believe information about how schools are performing not only helps parents to make informed choices but also creates an

incentive for the school to continuously improve. However, measures must be based on quality outcomes so as not to discourage or penalise schools that require extra assistance.

Information gleaned from this data will provide accountability that encourages school communities to strive for better outcomes. That is a certainty. Information will also allow governments to have a greater understanding of the need for investment. Fundamentally, school communities do want to know how their school is performing. In the first instance, when families are looking for a school for their child, it is no different from shopping for anything else. Families need to be able to make an informed choice.

In relation to what parents really want, an interesting article came across my desk just this morning from St Edmund's College, Canberra. It is in the newsletter called *Vortex* and it is an article written by the principal, Peter Fullagar, and I quote from this document:

On a related theme to reports, I was reading an article recently which focused upon research commissioned by the Australian Parents Council (APC) on what parents want from schools and school performance. It is worth noting that for parents of Catholic and Independent schools—both primary and secondary—the highest importance was given to *'people related factors rather than to academic performance of schools. The happiness of students, the direction of the school, the quality of the relationships between staff and students, the quality of the teaching staff and behaviour management topped the list'*.

The first of these—*'happiness of students'*—is the most difficult to measure and no school report that I have ever seen reports upon it. As parents it is ultimately what we would want most for our children. In an era where outcomes need to be measured and reported, perhaps there are some things that are beyond our capacity to report and yet are really what is most important.

Choice, Madam Assistant Speaker; this is all about choice and transparency for parents. Information made public on schools will assist families to be better informed and enable them to better engage with each individual learning environment. We will not be supporting this motion today. We believe that the issues raised in this motion are already being addressed.

**MS PORTER** (Ginninderra) (12.21): Ms Hunter's motion deals with one of the most important issues in education—the issue of how our students and schools are performing. There is much anxiety about these reforms that we are discussing today, and it appears that the debate has been polarised around the league table issue. But let us deal with the facts. Parents want more and better information about how their child is doing at school. I certainly did when my children went to school.

The evidence on this is clear. Parents want to know about their child's education and about what kind of education their child will receive, as Mr Barr has said. So Australia's education ministers have agreed to develop a system which allows parents and students to receive nationally consistent information about schools. Of course, we do not want to see this information misinterpreted. That is why Australia's education ministers also agreed to national protocols around school reporting and data.

What does this reform mean practically? First, everyone should be aware that there are a number of safeguards in place. Education ministers agreed on a framework for the publication of comparable information about school performance. Australia's state and territory governments emphasise the importance of this data being used within a broader context. The Australian Curriculum, Assessment and Reporting Authority will control the publishing of relevant nationally comparable information on all schools. This will include the 2008 NAPLAN data and associated contextual information.

Second, everyone should know what parents are actually going to be able to see on the Australian Curriculum, Assessment and Reporting Authority website. Usefully, parents will soon have an online one-stop shop to help them learn more about their child's education. A draft online school profile has been prepared for national consultation. In the central section of the web page will be information about how every school, government and non-government, is faring in comparison with other similar local and national schools and systems.

Comparisons will be made in relation to the important areas of reading, writing and arithmetic. It will also include spelling, punctuation and grammar. Data will span years 3, 5, 7 and 9. For schools and colleges with students in senior years, the portal will include information about performance in vocational education and training. It will also show parents and teachers the proportion of students attaining a year 12 certificate or equivalent.

Third, everyone should know that governments have been listening. We all know that this issue is a contentious one and this government is consulting widely with the community. Of course, there are multiple ways of presenting and interpreting types of data and statistics. The NAPLAN student reports are a good example. On 17 April 2009, the Ministerial Council on Education, Employment, Training and Youth Affairs approved the inclusion of "a school average on the 2009 NAPLAN student reports to parents". But the council has made sure that a nationally consistent methodology will be developed. Also, where an average is not statistically valid, it will be excluded from reporting.

The Minister for Education and Training recently wrote to all school communities, both government and non-government, and asked for advice, preferences and comments from school communities about how this reporting should be undertaken and presented in the ACT. The minister expects to receive the report on their feedback by the end of the month and this will help the government to decide what information the 2009 NAPLAN reports to parents will contain.

These reforms are essential to underpin our investment in education. There has been controversy recently about whether the building the education revolution program and our \$350 million investment in capital works in schools will enhance the educational outcomes of students. If we have a more transparent education system, we will be able to see how new classrooms, gyms and libraries can help ACT students.

I believe we will find that our investment in school buildings will help our students to reach their full potential. That is why we are upgrading every primary school—and, I am happy to say, every primary school in my electorate.



How will our investment in education do this? Our investment in education is in new and refurbished classrooms, libraries, gyms and school halls, to improve our students' educational experience. It will make sure our students are workplace-ready and learn the latest and most important skills. And it will provide greater choice to parents, too. Our students will learn with the latest technology. New electronic whiteboards, new computers and flexible learning spaces will ready our students for the workplace.

We will invest \$5.4 million to deliver the new Gungahlin college. Part of this funding will provide new information and communication technology infrastructure for the college. This funding will also enhance kitchen facilities so that Gungahlin students can complete certificate III courses through CIT. Specifically, a full commercial kitchen will be installed and a walk-in fridge and a dining room will ensure that our students are some of the best trained hospitality staff in Australia. The Gungahlin college performing arts centre will also be available for community use, thanks to enhancements to the stage and lighting design. I very much look forward to seeing many wonderful plays and musicals in the performing arts centre.

Integrating sustainability into classrooms and libraries will teach our students about the value of our environment and the importance of water and energy efficiency. Four million dollars worth of solar panels and water tanks in schools will ensure that students learn in sustainable schools. It will ready our children for an economy where sustainability and its auditing are integral to business.

We are also constructing new schools in the outer suburbs. We will invest \$43.5 million to construct Harrison high school. The new school will service the expanding communities of Harrison, Franklin, Forde and Gungahlin. The high school will open in 2012 and provide a state-of-the-art facility for the local community. The master plan for Harrison high school reflects our commitment to an average class size of 21 students in primary and high schools. The new project will include classrooms, specialist teaching areas, a gymnasium, external play areas, performing arts facilities and new furniture and equipment. Almost \$1 million will be invested in our gifted and talented students through the in pursuit of excellence program.

With more transparent reporting of school results, we will be able to see how our brightest students are tracking. This government wants them to be reaching their full potential, to be extending themselves in school. We have no need to be concerned about improvements to transparency and accountability in schools. The ACT has a good story to tell, and we should be telling it.

The 2008 NAPLAN results show that the ACT is performing well on the national and international stage. As Minister Barr has said, we can always do better, try harder and achieve more, but we are doing well. With greater transparency and accountability, we can help our students to reach their full potential, and that should always be our aim.

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

**Sitting suspended from 12.29 to 2 pm.**

## Questions without notice

### Land—rent scheme

**MR SESELJA:** Mr Speaker, my question is to the Chief Minister. During the estimates hearing on 28 May 2009 you stated:

We are not lenders; we are not a financial institution; we do not lend money for the purchase or construction of houses.

In the half-page advertisement you placed in the *Canberra Times* today, the copy states:

The ACT Government is pleased to partner with Community CPS Australia ...

Furthermore, the Community CPS website states:

We have partnered with the ACT Government ...

Chief Minister, what is the precise nature of this partnership between the ACT government and Community CPS, and will you table the details of the agreement with the CPS credit union by close of business today? If not, why not?

**MR STANHOPE:** I thank Mr Seselja for the question. The nature of the partnership is that the land rent scheme requires the provision of land that is in the possession of the ACT government. We are providing land for the land rent scheme and we are making land available to be rented, to facilitate the introduction of a land rent scheme.

But we are not financiers. In order to build a house on land provided by the ACT government, there is a need, a need which Mr Seselja has pointed out regularly in recent times—indeed, until yesterday, a facility which Mr Seselja stated dogmatically, absolutely, without equivocation, would never be achieved. Up until lunchtime yesterday, the dogmatic, categorical, unequivocal statement was “no financial institution will ever lend against this product—ever”.

As of today, the mantra has changed from “no lender will ever lend against this product” to “no borrower will ever borrow against this product”. We see this rapid change from the categorical condemnation of the scheme on the basis that no lender would ever be prepared to be associated with the scheme to the position of “all right, there is a lender, and of course we are happy to trash the lender as well as trashing the scheme of the government”. The lender, the CPS, the most significant credit union in Australia, is just expendable in the context of Mr Seselja’s political ego and his, quite frankly, frenzied, pathological opposition to families on incomes under \$75,000 ever daring to want to own their home.

At the heart of this, when one tries to drill down into what is the basis of Mr Seselja’s pathological objection to a land rent scheme so that families on household incomes of less than \$75,000 might own their own home, one is really forced to the conclusion—I am sure there is a PhD at the ANU for somebody in this—that what is at the heart of

Mr Seselja's objection is that young Canberra families on incomes of less than \$75,000 should own their own home—

**Mr Smyth:** On a point of order, Mr Speaker: the question is about the relationship of the partnership between the ACT government and the Community CPS credit union. Perhaps the Chief Minister will come back to the nature of the question.

**MR SPEAKER:** The point of order is upheld. Mr Stanhope, can we stick to the partnership.

**MR STANHOPE:** Thank you very much, Mr Speaker. Yes, of course, but that context is very relevant—the context in which the Liberal Party continue to attack not just the government and land rent but everybody associated with it: young Canberra families being attacked for daring to want to own a home, lending institutions for daring to enter into a partnership. It is now forbidden to declare that one has a partnership with the ACT government.

**Mr Smyth:** Mr Speaker, he cannot ignore you. He has got to come back to the nature of the partnership. The question is about the partnership.

**MR STANHOPE:** These are relevant considerations. Yes, we do have a partnership. The nature of the partnership is that the ACT government will provide land under a land rent arrangement. The CPS credit union have indicated that they will provide mortgage finance to eligible applicants or customers. It is a wonderful outcome, an outcome which the Liberal Party said we would never, ever see come to fruition.

We are proud of it. We are proud of what we have achieved. It has been something of a long battle, but it is important that governments have some stickability, that they not wobble all over the place like Mr Seselja has on this. Essentially, the mantra is: "It's taken a year; you should have abandoned it. You should have folded; you should have given in. You shouldn't have shown a bit of mettle." That is the sort of response you get from the flim-flam man: "This is a bit hard. We don't know why you persisted with it. We don't know why you persisted with this really significant piece of social policy and progressive work. Why have you persisted with this, Chief Minister? Why have you been stubborn? Why have you stuck with it?"

I have stuck with it because this government cares. I have stuck with it because it is good policy. I have stuck with it because I want to see young Canberra families own their own homes.

**MR SPEAKER:** Mr Seselja, a supplementary question?

**MR SESELJA:** Thank you, Mr Speaker. Chief Minister, is the ACT government underwriting, indemnifying or in any way guaranteeing the facility that is being provided by the CPS credit union? If there is any such assistance, what is the extent of this assistance?

**MR STANHOPE:** The ACT government is providing no loans. We are not a financier. We are not in the business of negotiating with people in relation to the

provision of finance. The ACT government is under no financial obligation in relation to the arrangements that have been entered into to deliver land rent for young Canberra families.

The ACT government's interest, and the nature of an understanding or arrangements between the ACT government and CPS, goes essentially to those issues, as you would expect that they would, that would need to be resolved in the event of a foreclosure. To the extent that this product has been considered by APRA, the Australian Prudential Regulation Authority, part of the reason for the delay, which has been of great interest to people, is that CPS has, over the last couple of months, been seeking assurances or comfort from the Australian Prudential Regulation Authority that a loan, a mortgage, under land rent would actually fit the definition of a standard mortgage product; that the CPS is not exposing itself to unnecessary risk and that it will be appropriately capitalised in relation to loans.

Of course, this issue of the level and nature of the risk in an environment that is unusual, that is unique, has required the development of an understanding between the ACT government and the CPS in relation to the nature of the arrangements that would apply in the very unlikely event that there is the need to foreclose, in the event that a mortgagee does not maintain their mortgage. Of course, in circumstances where the first call on the land would be by the ACT government but the first call on the house, secured by a crown lease over the land, would be a major interest for CPS, then, yes, there are arrangements.

The ACT is not indemnifying; the ACT is not financing; the ACT is not involved in the selection of people that will be financed. But the ACT is, of course, concerned about the nature of the arrangements that would apply in the event of a foreclosure, understanding that in the last 15 years, CPS has, on only two occasions in 15 years, ever sought to foreclose.

### **Energy—electricity concessions**

**MS HUNTER:** My question is to the Minister for Community Services and it concerns concessions for energy. In their report No 3 of 2009 the Independent Competition and Regulatory Commission recommended an increase in electricity concessions. Will the ACT government increase concessions on electricity as of July 2009?

**Mr Corbell:** As Minister for Energy, I am better placed to answer that. I am sorry, but I missed the last part of Ms Hunter's question. Could I just ask her to repeat it, please?

**MS HUNTER:** In their report No 3 of 2009 the ICRC recommended an increase in electricity concessions. Will the ACT government increase concessions on electricity as of July 2009?

**MR CORBELL:** There is no provision in the budget for an increase in concessions for electricity from July 2009—it will not occur from that date—but the ACT government is very conscious of the issues raised by the ICRC in relation to concessions for all utility services, including, particularly, electricity. The government

is currently considering the issues raised by the ICRC. I have tasked my department—the Department of the Environment, Climate Change, Energy and Water—given its responsibilities for energy policy more broadly, to look at the issues raised by the ICRC, to work with the Department of Disability, Housing and Community Services to administer the concession scheme and to identify mechanisms to make sure that we can update the concession arrangements to make sure they keep in pace with increases in utility prices, particularly electricity.

### **Land—rent scheme**

**MR SMYTH:** My question is to the Chief Minister. Chief Minister, the Community CPS website states as of today that they are willing to fund up to 95 per cent of a home loan. However, as revealed in the *Canberra Times* article this morning, they will only fund your land rent scheme up to 80 per cent of the value of the home. Has the lender informed you as to why they have a different lending standard for your scheme, and what is the reason for this?

**MR STANHOPE:** These are commercial decisions, of course, for CPS. The basis on which CPS chooses to lend and to whom it chooses to lend are issues for CPS. But I understand, from advice I have received from Treasury in relation to issues around loans, deposits and ratios, that an 80-20 loan-deposit ratio represents the standard mortgage arrangement in the context of most financial institutions. That is a starting point, I understand; I will probably have to get some slightly more fluid advice in relation to this, but the standard mortgage loan arrangement is an 80-20 arrangement. Most financial institutions vary that. I think the standard mortgage arrangement is 80-20, but I understand that most lending institutions actually require a 10 per cent deposit. In the context of standards I understand it is 80-20, but I will just confirm that. Most lending institutions have variables of that, depending on the client and the nature of the loan.

These are issues for lending institutions. Really, I am not able to answer for commercial decisions that CPS have taken, and whether or not indeed CPS will maintain an 80-20 ratio or indeed whether they will maintain it for some candidates or applicants for loans and not for others.

It does need to be understood that the essential nature of the land rent scheme is that the loans that CPS will be offering are loans on essentially half only of a traditional house-land mortgage package. In the context of land rent, it is relevant, I would have thought, that a lending institution that is careful, that is responsible, that is prudent and that is exploring a brand-new product—a product that does not exist anywhere else in Australia and, as far as I am aware, a product that does not exist anywhere in the world—a lending institution with the background and the lending history of CPS, would approach the issue prudently and responsibly. Indeed, in discussions between my officers and CPS there has been a real concentration on the need for CPS to maintain its traditional standard responsible approach to lending.

The last thing we want in relation to this particular scheme or indeed for any member of this community borrowing is that they overstretch themselves and put themselves into a position where they cannot maintain or sustain their mortgage payments. CPS

are best placed to make those decisions and to make the conclusions that they need to make in relation to this product.

The nature of loans that CPS issue under the land rent scheme is an issue for CPS. But I am advised that, of all of those people, particularly those people seeking to access land rent at two per cent, that is at the concessional rate—and I think there are about 45 or 46—every single one of them through the process has been appraised of the likely deposit required by CPS of them; in other words, 20 per cent. Every single one, I am advised, of those people seeking a concessional rate under land rent is aware that they will be required to pay 20 per cent. Every single one of them is prepared to pay 20 per cent—because they know how attractive this is. They know what is needed for them to take that first step into home ownership—and of course it is always the first step into home ownership that is the most difficult; it is the entry that is most difficult for most people—and they are desperate for this product. They are desperate for land rent. They are desperate to own their own home and they have given every indication to my officers that they are aware of the likely requirement. They might not like it, they might have preferred something else, but they are aware of it, they understand it and they are prepared to remain with the scheme in the event—so 100 per cent.

I see references today that 99.9 per cent of potential applicants will not apply. Well, of the ones that we know of, the ones that actually have reserved land, 100 per cent know of it and 100 per cent intend to proceed.

**MR SPEAKER:** A supplementary question, Mr Smyth?

**MR SMYTH:** Thank you, Mr Speaker. Chief Minister, why do your written press statement and your latest taxpayer-funded ad both fail to disclose that the land rent deposit required is four times the size of a normal loan provided by the lender?

**MR STANHOPE:** Once again, you do need to bring some perspective to this. I really would urge on the opposition, on the Liberal Party, in relation to what is, for some people, an incredibly exciting opportunity to own their own home, that they have some regard to the implications for all of those young—

**Mr Hanson:** Who is that, Jon?

**MR STANHOPE:** They are actually young Canberra families that earn less than \$75,000. You do not come in touch with these people, I know, Jeremy; they are alien to you. Not only do you not come in touch with them, Jeremy, you do not like them. And we know that.

**Mr Seselja:** Keep your eye on the ball; you aren't playing too well.

**MR STANHOPE:** Nor does Mr Seselja. I say that there is an interesting pathology in relation to this. What is it that Zed Seselja—

**Mr Hanson:** We don't want them to get sucked into this dreadful scheme.

**MR STANHOPE:** How patronising is that! Mr Hanson does not want young families earning \$75,000 or less to be sucked into home ownership. Mr Hanson does not want

young, struggling families to be sucked into owning their own home. The rest of us can own their own home—real people, people who actually earn more than \$75,000, people that Mr Hanson associates with, the silver spoon brigade, Mr Hanson's friends and relatives—but Mr Hanson does not believe that, if you earn less than \$75,000, you should be sucked into home ownership. Here we have the pathology.

**Mr Smyth:** On a point of order, Mr Speaker: the question was why his ad does not contain the information that they need four times the normal deposit. Perhaps he could come back and answer the question.

**MR SPEAKER:** There is no point of order. Unfortunately, Mr Hanson provided sufficient bait that the Chief Minister was taken away from relevancy. I am sure he will return to it now, if Mr Hanson can contain himself.

**Mr Hanson:** In fact, New South Wales—

**MR SPEAKER:** Order, Mr Hanson! Do not push your luck.

**MR STANHOPE:** I think we do need to get in touch with some of the reality of the scheme.

**Mr Smyth:** Answer the question, please.

**MR STANHOPE:** I will. That is what I am doing. We need to understand the scheme. We need to understand that, under the land rent component, for a family earning less than \$75,000—and that is a figure that changes and is variable depending on the number of children that that family may have, and it increases by just over \$3,000—if we have regard to these things, if, for instance, that family chose to rent a block of land under the land rent scheme, a block worth, say, \$150,000, then of course their annual payments in rental would be somewhere significantly less than half of the cost they would have to pay if they borrowed that money through mortgage.

I have all the assumptions here. I have all the numbers worked out. I table it, for the edification of members. I present the following paper:

Land rent scheme—Chief Minister's calculations.

They then need a loan, of course, in order to build a house. In the context of the price gouging allegations that Mr Coe made in estimates—we know Mr Coe tabled the standard Jennings product before going on to allege that Jennings were gouging people under OwnPlace—Mr Coe has tabled the standard Jennings product which you know, and Mr Coe has tabled it, is less than \$150,000.

**Mr Smyth:** Mr Speaker, the question was about the size of the deposit. Would you ask him to answer the question, please?

**MR SPEAKER:** Mr Stanhope, would you resume your seat for a moment please. Mr Smyth, did you want the call?

**Mr Smyth:** I would like him to answer the question. The question was about the size of the deposit and why it does not appear in his ad or the press release, not about what Mr Coe did or did not do.

**MR SPEAKER:** Mr Stanhope, let us try to tackle the specific question.

**MR STANHOPE:** I will. I will expand. I have the numbers in relation to these issues. If a young Canberra family wanted to borrow \$150,000 to build on land valued at \$150,000, the land rent payment of two per cent would be \$250 a month. If they then wanted to borrow \$150,000 to build a house, a Jennings house, on the Commonwealth Bank's principal and interest current loan at 5.74 per cent, the monthly repayment would be \$943. The total monthly repayment would \$1,193.

**Mr Seselja:** So you can get a house now for that price? That is in total contradiction to what you told estimates. You said you can't get it for that price.

**MR STANHOPE:** Not with all the added extras, you cannot.

**Mr Seselja:** You can't be telling the truth now and in estimates.

**MR STANHOPE:** Not with the internet connected, not with carpet, not with all the fittings, you cannot.

**Mr Coe:** Can they do it, Chief Minister?

**MR STANHOPE:** Of course they can, without carpets, without blinds, without internet connection.

**Mr Smyth:** Floorboards, tiles.

**MR STANHOPE:** No. This is what people choose to do. We are not offering anything. People choose. *(Time expired.)*

### **Budget—support**

**MS PORTER:** My question is to the Treasurer. Treasurer, in the light of the real and challenging external pressures being brought to bear on the ACT budget, what has been the response to the 2009-10 budget and budget plan, and are you aware of any arguments as to why the budget should not be supported?

**MS GALLAGHER:** Thank you, Mr Speaker. I thank Ms Porter for the question. This, indeed, has been a challenging time in which to put together a budget. The range of external pressures that have been brought to bear on our budget stemming from the flow-on of the global financial crisis has been well documented. The territory's budget has been hit by a reduced GST revenue and income from our investments, loss of income on our assets and subdued activity in the housing market. Ultimately the government made the decision that, rather than put the community through the shock of an immediate adjustment to compensate for our revenue losses by way of massive



cuts to spending or the slashing of government programs, we would take a measured, longer-term approach and return the budget to surplus in seven years.

The general response to this budget and the budget plan has been positive. While people in industry groups would like the budget to be in surplus, there is a general recognition across the board that the factors that have driven the budget into deficit are external and beyond the government's control.

The government's approach is also backed by respected economists and commentators. There is a general recognition that the government has adopted a longer-term approach due to the prevailing circumstances. There is a general recognition that, at times, services need to be preserved.

Standard & Poor's offered its support for the ACT government's budget, saying it was consistent with an AAA credit rating and that "the weaker operating position does not materially alter the robust profile of the ACT's public finances as the strength of the government's balance sheet provides flexibility to absorb cyclical deficits of this nature".

The estimates own independent analysis provided a similar position to Standard & Poor's. The government did not have to introduce urgent revenue measures because of its robust fiscal position. The strong net deposits held by the general government sector, even excluding assets held for superannuation, meant the government could ride out the immediate consequences of the recession until it set the 2009-10 budget.

Canberra's peak building and construction industry organisation, the master builders, have welcomed the 2009-10 budget for having provided a capital works program capable of enhancing the city's infrastructure at the same time as sustaining jobs through tough economic times. Similar messages of support have been received from groups such as the ACT Division of General Practice.

But let us turn now to the only people that are arguing that the budget should not pass. That is the opposition in this place. They were quick to come out and say that they thought the budget had no plan. Last week Mr Seselja was saying that the opposition's position on the budget would ultimately be determined after they read the government's response to the estimates committee report. But, lo and behold, yesterday morning, just hours before the response was tabled, Mr Seselja had one of those Turnbull moments, or what will be recognised in years to come as a Turnbull moment. He came out with a premature declaration, telling the community that they were firm—

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

**MS GALLAGHER:** A Turnbull moment. What is wrong with that?

**Mrs Dunne:** It is a besetting failure of members on the government side not to address the chair when they are speaking. Could I draw your attention to standing order 42 and ask the Deputy Chief Minister to comply? It would be handy if the Chief Minister complied as well.

**MR SPEAKER:** The Treasurer has the call.

**MS GALLAGHER:** Thank you, Mr Speaker. He was telling the community that they were saying a firm and decisive no to the budget. He went on to say, “We believe that this is probably the most irresponsible budget in the history of self-government.” He went on in his media statement to say, “My colleagues and I are unanimous that it would be irresponsible to support such a discredited budget.”

Discredited by whom—our political opponents? That certainly carries some weight, doesn’t it? Yesterday the leader took this very decisive position, a strong decisive position that “we will oppose the budget”. And then what happened yesterday? Oops, they forgot to oppose the budget. On every vote on the budget held yesterday in that tortuous debate, there were no noes. It was worse than no noes. They actually sought not to have a vote on the budget yesterday because they did not want to be embarrassed.

In the morning the position was, “We are going to vote against the budget.” Then, when they were asked to vote against the budget, there was silence. Not only was there silence, but they indicated that they do not want to have a call for that part of the budget. That would require them to vote on the budget. What a piece of strategic brilliance! Let’s oppose the budget but then let’s just go really quiet when it goes to any vote on the budget.

Today in the *Canberra Times* we finally see recognition and acceptance from the Leader of the Opposition that the savings measures they took to the election would not even pay for their election commitments. Finally, what we have been saying for months—the man with no plan, exposed by the *City News*, now confirms in the *Canberra Times* that it would not even pay for election commitments.

### **Land—rent scheme**

**MR COE:** Mr Speaker, my question is to the Chief Minister. Chief Minister, in your response to the Leader of the Opposition’s question earlier you said that the ACT government will not be indemnifying or providing financial support regarding land rent. However, you did allude to the fact that the ACT government may have first call on the land. Will you please give more details about that?

**MR STANHOPE:** I will be happy to provide that information, but I will take the question on notice to make sure that it is full and complete.

### **Energy—heating efficiency**

**MS LE COUTEUR:** My question is to the minister for the environment. Minister, last week Mr Barr stated that gas-fired water heaters are less energy and water efficient than electric heaters. However, the federal government’s technical manual on energy says, under “energy efficiency”, that “gas hot-water systems produce far fewer greenhouse gas emissions than conventional electric storage systems”. Minister, can you clarify the ACT government’s position regarding the efficiency of gas and electric heating, and is Mr Barr correct, or is the federal government correct?

**Mr Corbell:** Mr Speaker, I seek your guidance as to whether this question pre-empts a matter that is on the notice paper, because Ms Le Couteur has referred specifically to her bill in asking that question, and I think that may pre-empt the debate on that bill.

**MR SPEAKER:** Mr Corbell, there is no point of order. I suspect that you are operating under former standing order 117(g). That was abolished under the recent reforms to the standing orders. On that basis, the question stands and I would invite you to answer it.

**MR CORBELL:** Thank you, Mr Speaker.

**Mrs Dunne:** Do you want to dissent?

**MR CORBELL:** Not at all, and even for the benefit of—

*Opposition members interjecting—*

**MR SPEAKER:** Order! Mr Corbell has the floor.

**MR CORBELL:** Even for the benefit of Mrs Dunne, Mr Speaker, I will make sure that I address the chair at all times. Mr Speaker, the question Ms Le Couteur raises is a legitimate one. There is a range of issues at play when it comes to the relative efficiency of electric hot-water systems versus solar or gas-boosted or gas hot-water systems. I think the point that Mr Barr was seeking to make was that it did not make a lot of sense to ban an electric hot-water system if the person who had that system sought to run the system on renewable energy. I think that was the point that Mr Barr was seeking to make—that Ms Le Couteur’s bill proposes that even where someone uses renewable electricity to power their electric hot-water system, they would not be able to keep their electric hot-water system. I think that is a legitimate point for Mr Barr to make.

In relation to the government’s position on Ms Le Couteur’s bill, I cannot pre-empt the cabinet process on that matter, but we will be providing a detailed response on all the matters that Ms Le Couteur’s bill raises in due course.

**MR SPEAKER:** Just to clarify, Mr Corbell, I misspoke then. I meant standing order 117(f), not (g). Ms Le Couteur, a supplementary question?

**MS LE COUTEUR:** Thank you, Mr Speaker. Last December you signed up, I believe, as energy minister, to the ministerial council’s national hot water strategic framework, which aims to reduce greenhouse gas emissions by phasing out conventional electric water heaters. Do you still support these immediate home energy efficiency measures or do you agree with Mr Barr that they are objectionable because, and I quote, “it is the greenhouse gas intensity of coal-fired power that of concern” and “they will tie up home owners in green tape”?

**MR CORBELL:** Mr Speaker, I understand your ruling on the standing order and I understand the standing orders have changed but, again, this is a matter which in

many respects seeks to get the government to commit to a debate on a matter that is yet to come before the Assembly for debate. So I have some difficulty in engaging in this debate ahead of the government formulating its response to Ms Le Couteur's bill. What I would say is that the government has signed up, through the Ministerial Council on Energy, to a program to phase out electric hot water systems.

There are a range of issues associated with the timing of that phase-out that are of particular importance and which the government will need to consider further. For example, as I understand it, Ms Le Couteur's bill is proposed to take effect within the next three to four months. If that is the case then it raises some very real and legitimate questions for existing retailers of hot water systems and what they will do with orders already placed or with stock they already hold. If you were to adopt Ms Le Couteur's time frame they would not be able to make any arrangements to make a transition from their existing stock to new stock or, indeed, new products. These are legitimate issues which the Ministerial Council on Energy is progressing and having regard to. It is a matter that Ms Le Couteur's bill does not have regard to.

There are clear efficiencies to be achieved in phasing out electric hot water systems. There is no doubt about that. The issue is the timing of that change, the impacts on the retailers and the impacts on consumers. Those are matters that the government will have foremost in its mind when it looks at the implementation of such a measure. I regret to say I do not believe it is a matter that has been fully dealt with by Ms Le Couteur's proposal to date.

### **Land—rent scheme**

**MR DOSZPOT:** My question is to the Chief Minister. Chief Minister, who will be providing mortgage insurance for borrowers under the land rent scheme?

**MR STANHOPE:** The issue of mortgage insurance is an issue for the lender—CPS. I would suggest that you might wish to approach CPS in relation to that. But some preliminary advice I have—this is an issue for CPS and I cannot be held to this—is that I have an understanding that as a result of the final assessment or conclusions of the Australian Prudential Regulation Authority in relation to this product, CPS may have adopted a view that the product is so secure, so safe, that mortgage insurance is not necessary. But I will seek to confirm that from CPS. There may not be any.

Of course, in the context of all the shock, horror attempts by the Liberal Party to scuttle this—

**Mr Hanson:** If you have less than 20 per cent, you have to find your own insurance.

**MR STANHOPE:** No, that is not how it works. That is actually one of the other issues in relation to this deposit arrangement. It is any arrangement that some lenders make. I think there is a whole range of positions that different lenders put. I understand that there are some lenders currently not particularly comfortable about accepting the first-homebuyers boost as a sole contribution to a deposit, and I can understand that.

Most lenders would want the comfort of lending to a client with a savings history. They take into account issues such as your capacity to save. It has to be acknowledged that it would potentially be possible for a lender under land rent particularly, because they are only borrowing half the amount of a traditional borrower, to actually provide a \$20,000 deposit out of the first-homebuyers boost.

I would think a lender would think, “Well, that shows no history of saving. One of the indicators that we use in determining the risks inherent in a particular loan is a person’s financial history.” It might very well be that there are lenders who would be uncomfortable with saying, “We require on the mortgage you are seeking a \$20,000 deposit,” and somebody saying, “That is great. I will just go to the Commonwealth. Here is the \$20,000—in fact, \$21,000.” The lender might then reasonably say, “Well, no, hang on; we want a bit more than that.” It might be in that circumstance, indeed, that you get a whole range of variables in relation to the level or range of deposits required by different lenders. But these are issues for CPS.

Of course, inherent in the questions that are being asked now is an attack on CPS—a suggestion that CPS does not know what it is doing, a suggestion that CPS is offering a product that is not safe, a suggestion that CPS is taking a product to the market that it does not believe anybody will take up. What is it that you are saying about this? Why won’t you just give it a go? Why have you been so ungracious? Why won’t you accept that your initial opposition, that no lender would be found, has now fallen over? You have embarrassed yourselves. We all know that. We cop that in politics. You have embarrassed yourselves dreadfully. You have put a case that has not been sustained.

There now is supporting the land rent scheme a most significant Canberra-generated financial institution in Community CPS Australia—an organisation that grew out of this community, that is part of this community. It is mutually based but exists for its members. It has 180,000 members. It is one of the largest credit unions in Australia. It was the 2008 *Money Magazine* designated credit union of the year. You think it does not know what it is doing. You think that it has produced a product that will not satisfy the market. Why would CPS develop a product with a set of arrangements around it that nobody is going to access or that you believe is not accessible?

Your new mantra is “yesterday, nobody was prepared to lend; today, nobody is prepared to borrow”. Then why did CPS do it? Why do you think they do not know what they are doing? Why do you think they are incompetent? Why do you actually think they have produced a product that nobody will want? Why do you think all these things?

This is a significant national financial institution that has developed a brand new product for a brand new opportunity and you are still trashing it. Just show a bit of graciousness. Give it a chance to work. There are 116 blocks on reservation for land rent. That provides 116 blocks for people to realise their dream. (*Time expired.*)

**MR SPEAKER:** Mr Doszpot, a supplementary question?

**MR DOSZPOT:** Thank you, Mr Speaker. Chief Minister, will you table all the documents in relation to the partnership arrangements with CPS credit union by close of business today?

**MR STANHOPE:** Certainly no. There is a range. I am not just tabling documents that have been produced by a commercial entity, a financial institution, by close of business today. I am certainly not doing things like that.

### **Budget—artsACT**

**MRS DUNNE:** My question is to the minister for the arts. Minister, at the estimates committee hearing on 20 May I asked a series of questions relating to a policy of artsACT that applies to key arts organisations. That policy requires those organisations to disqualify anyone who receives any sort of remuneration from the organisations from serving on their boards. The estimates committee recommended that this policy be reviewed, and you reported back to the Assembly yesterday that it would be reviewed by the end of this year. I am pleased to note that the government has agreed with this recommendation. Minister, when I asked these questions at estimates on 20 May were you aware of this policy of artsACT and, if so, when did you become aware of it and did you approve of it?

**MR STANHOPE:** Yes, I am aware of it and I was aware of it—I am not quite sure when. I will have to do better; I will have to commit to memory the date of every brief that I see in future. I will have to take that on notice, Mrs Dunne. This, of course, was discussed yesterday in the deliberations on the budget—

**Ms Gallagher:** The budget that you can't vote against.

**MR STANHOPE:** the budget that you are opposing. I do not know what your attitude to this predicament is—

*Opposition members interjecting—*

**MR STANHOPE:** that asked to express that opposition—I guess, Mrs Dunne, I will just conclude on this point: it will be interesting to know at the end of the day which parts of support for the arts in the budget you do support, or is actually our determination to get to the heart of the Liberal Party's—

**MR SPEAKER:** Order, Mr Stanhope—relevance.

**MR STANHOPE:** I will conclude on this remark: I do invite Mrs Dunne to indicate whether or not it is actually funding for the arts that has led the Liberal Party to decide to oppose the entire budget.

**Ms Gallagher:** I think it is.

**MR STANHOPE:** It's the arts?

**Ms Gallagher:** It's the arts.

**MR STANHOPE:** It is the arts, because the arts have tipped them over the edge.

**Mrs Dunne:** Relevance, Mr Speaker.

**MR SPEAKER:** Mr Stanhope!

**MRS DUNNE:** I have a supplementary.

**MR SPEAKER:** Supplementary question, Mrs Dunne.

**MRS DUNNE:** In noting that the minister did not answer whether or not he approved of this recommendation, my supplementary is: in reviewing the policy, what consultation process will be undertaken to ensure that the views of key arts organisations are taken into account?

**MR STANHOPE:** I have not had discussions yet with officials in relation to the nature of the review. I will do that and when I have done that I am more than happy to report to the Assembly with it. I am prepared to respond.

**Mrs Dunne:** Did you approve the policy?

**MR STANHOPE:** Yes, I support the policy, but we have agreed to review it. But, armed now with the knowledge that it is the arts that have caused the Liberal Party to oppose the entire budget, I will pay far greater attention to the arts in future and ensure that we can remove arts as the reason—

**Ms Gallagher:** Controversial.

**MR STANHOPE:** the controversial arts as the reason for the Liberal Party deciding to oppose the entire budget, including support for housing, homelessness, health and mental health. It was down to the arts.

### **Oaks Estate—bridge**

**MS BRESNAN:** My question is to the minister for transport. Minister, on 13 February 2009 a bridge connecting Oaks Estate to Pialligo Avenue was closed for repairs. Since that time, residents and businesses have been given four different dates by which time the bridge would be reopened to traffic. Those dates are 6 April, 1 May, 15 June and now 30 June. Minister, can you provide assurances to the Assembly that the bridge will be completed by 30 June?

**MR STANHOPE:** That is the advice of my department, Ms Bresnan. I rely on the advice of my officials, which I relay to you. The delays that have been experienced were unexpected and I am advised by Roads ACT—

*Opposition members interjecting—*

**MR SPEAKER:** Order! Chief Minister.

**MR STANHOPE:** Thank you, Mr Speaker. Ms Bresnan, Roads ACT did not just make up the dates. These were not wild expectations; they had reasonable expectations that the times that they had set would be met. The reason why the time lines and the dates announced were not met was not through a lack of attention, desire or action; there were issues that, at the end of the day, in the main, were relating to the availability of appropriate fill. Roads ACT's expectations were not met, essentially through, I believe, access to—

*Members interjecting—*

**MR STANHOPE:** Ms Bresnan, all I can say is that my advice is yes, but you will understand that I am in the hands of my officials in relation to those dates. I do not intend to get out there with a pick and shovel myself, but I will do everything that I can to ensure that the bridge is repaired as quickly as we can.

**MR SPEAKER:** Ms Bresnan, a supplementary question?

**MS BRESNAN:** Thank you, Mr Speaker. Minister, why did ACT roads close the road prior to undertaking the geotechnical surveys that would have revealed that the foundation designs for the bridge would need to be revised?

**MR STANHOPE:** Ms Bresnan, I honestly do not know. I will ask Mr Gill. I have the greatest faith in Roads ACT, and I have the greatest faith in Tony Gill. When I reflect on the calibre and quality of ACT public servants, Tony Gill is one of those public servants that comes to my mind who is an exemplar of public service—utterly professional, profoundly professional, always seeking to carry out his duties—

*Members interjecting—*

**MR STANHOPE:** Ms Bresnan, I have utter faith in Tony Gill, the head of Roads ACT, and in Roads ACT. They are a thoroughly professional organisation. I simply do not know what the sequence of decision making was, but I am more than happy to ask Mr Gill for an explanation of the decision-making time line, the basis of the decisions that were made and the time line that they utilised.

### **Hospitals—Calvary Public Hospital**

**MR HANSON:** My question is directed to the Minister for Health and is in relation to the proposal to purchase Calvary hospital. Minister, during question time on Thursday of last week, when asked about any commitments or proposals made by the government by 7 October 2008, you stated:

There had been no commitments made ... The only commitment that was made was to continue discussions.

Minister, can you advise the Assembly whether any proposals were on the table that approached or referred to a final deal, what they were and when they were made?



**MS GALLAGHER:** I am not sure I understand the difference between the question that was asked on this on Thursday and the question that was just asked. As I understand it, the question is: can I advise the Assembly when a final deal was on the table?

**Mr Hanson:** Maybe if I read the last part of the question again.

**MS GALLAGHER:** Yes, please.

**MR SPEAKER:** Stop the clock.

**Mr Hanson:** Can you advise the Assembly whether any proposals were on the table that approached or referred to a final deal, what they were and when they were made? Were there any proposals at all on the table that referred to the final deal? When was that?

**MS GALLAGHER:** The decision that had been taken by the time we went into caretaker was to continue discussions on the possibility that the ACT government could enter into negotiations with the Little Company of Mary for the potential purchase of the Calvary Public Hospital. That was the position.

**Mr Seselja:** They were just discussions?

**MS GALLAGHER:** That is right. There were only negotiations at that point. There had been nothing formal undertaken, other than meetings between officials of the Little Company of Mary and ACT Health. The government had considered a position in terms of allowing discussions to continue but there had been no decision taken. I had not taken anything to cabinet that even goes remotely near requesting the government to consider a final position on this.

The government had considered it prior to the election. Those considerations were that, if the Little Company of Mary wanted to talk to us further, then we were happy to continue talking to them. That was the point up to 7 October which, I think, is the date that you indicate.

I have to say that we have not got much further than that now. We have continued discussions. Independent valuations are being done to give the government advice on the potential cost should this sale proceed and the Little Company of Mary have been undertaking their own processes within their own organisation to address the issues they need to address. That is where it is up to today. I thought I had been clear on that; obviously not.

**MR SPEAKER:** Mr Hanson, a supplementary question?

**MR HANSON:** Minister, can you advise the Assembly if, prior to the election, you had progressed the negotiations to the point that would have committed any incoming government to the purchase of Calvary, or attempted to do so?

**MS GALLAGHER:** No, we certainly did not.

## **Supplementary answers to questions without notice**

### **Bimberi Youth Justice Centre—needle and syringe program Budget—mental health**

**MS GALLAGHER:** I have a couple of outstanding matters, one from question time last week and one from this week.

Mrs Dunne asked me if there were any plans for a needle and syringe program in Bimberi. I answered that the answer was no but that I would check up. I can confirm that there are no plans for a needle and syringe program run by Corrections Health at Bimberi.

In relation to a question from Ms Bresnan yesterday around the supported hospital exit program, I can assure Ms Bresnan that \$48,000 will be allocated to and delivered by a non-government agency in the community sector and that the SHEP is currently being trialled at Calvary hospital by the Mental Health Foundation, as you are probably aware, and the program for ongoing funding will be subject to procurement requirements under the Government Procurement Act.

### **Organised crime—government response to resolution of the Assembly Paper and statement by minister**

**MR CORBELL** (Molonglo—Attorney-General, Minister for the Environment, Climate Change and Water, Minister for Energy and Minister for Police and Emergency Services) (2.57): Mr Speaker, pursuant to a resolution of the Assembly on 1 April 2009, I present the following paper:

Serious organised crime groups and activities—Government report to the ACT  
Legislative Assembly, dated June 2009.

Mr Speaker, I seek leave to make a statement in relation to the report.

Leave granted.

**MR CORBELL:** Thank you, Mr Speaker. I move:

That the Assembly takes note of the paper.

I am pleased to present to the Assembly the government's report on serious and organised crime groups and activities in response to a resolution of the Assembly passed on 1 April this year.

This report provides advice on the nature and operation of existing territory laws used to combat organised crime groups and any proposed review of such laws; issues arising from the South Australian Serious and Organised Crime (Control) Act 2008, including any available early evidence as to its operation and efficacy in reducing

organised criminal activity; legislation, introduced or proposed in the New South Wales and Queensland parliaments and other Australian jurisdictions to provide for special powers to combat outlaw motorcycle gangs; other legislative developments internationally that could be of relevance to combating organised crime groups in the territory and any available evidence as to the efficacy and operation of such legislation; the human rights issues raised by legislation that provides for mechanisms similar to those contained in the South Australian legislation that allow for the banning of certain organisations in circumstances where a sufficient nexus can be established between the organisation and criminal activity; and legislative changes that may be considered to enhance the ACT's response to serious organised crime groups and activities.

Mr Speaker, there is no doubt that serious organised crime continues to present many challenges for governments around the world. Organised crime has been at the forefront of media attention in Australia more recently as a result of the high-profile gangland killings in Victoria and the activities of outlaw motorcycle gangs, OMCGs, in a number of states, although events such as these are not new.

The government report that I table today is a comprehensive and factual document designed to inform the debate and provide members with the facts that exist, not idle speculation or anecdotal comment.

The fact is that it is just too early to say whether legislative responses such as those taken in South Australia and New South Wales will be effective to meet the stated objectives. Indeed, international experience may provide some evidence in support of the proposition that laws such as those in South Australia and New South Wales may actually make matters worse.

The first declaration under the South Australian legislation has only just been made and the police commissioner has commenced seeking control orders against named individuals. Legal challenges to the legislation have been indicated together with the call for legislative amendments already being made.

Victoria and Tasmania have indicated that they will not be introducing legislation of the kind currently in place in South Australia and New South Wales.

This is not to say that there is a failure of national will when it comes to the issue of effectively addressing the scourge of organised crime in our country. To the contrary. The meeting in April this year of the Standing Committee of Attorneys-General, which I hosted and chaired, agreed that organised crime is a national issue requiring a nationally coordinated response.

The commonwealth is developing an organised crime strategic framework to enhance understanding of the threats from organised crime; improve capacity to effectively prevent, disrupt, investigate and prosecute organised crime activities; and strengthen information sharing and interoperability. A SCAG officers group has been established to undertake this work. I note that the federal Attorney-General, Mr McClelland, announced the government's approach on this matter earlier today.

The Standing Committee of Attorneys-General national agreement on organised crime recognises that jurisdictions will adopt measures that consider their individual circumstances. Some of the legislative measures agreed to by SCAG have already been implemented or are currently on the ACT government's agenda.

When I introduced the first phase of the cross-border investigations legislation, the Crimes (Controlled Operations) Bill, in 2008, I announced a review of police criminal investigative powers. Since that time, I have invited key stakeholders to work together with my department to prepare a discussion paper as part of this review. The goal of that review is to reform and modernise the territory's law as it relates to police investigative powers.

The police criminal investigative powers review will comprehensively evaluate, for the first time, all police powers of criminal investigations and ancillary laws in the territory. The review is a long-range project and will result in a proposal for substantial legislation reform.

The Crimes (Controlled Operations) Act 2008 that I have already mentioned is part of a national project to develop model laws that aid criminal investigation across state and territory borders. This legislation provides ACT police with a legal framework to engage in investigative methods to identify suspects and obtain evidence for criminal prosecution.

In the future, I will introduce legislation into the Assembly that will establish a legislative scheme for assumed identities, witness protection and surveillance devices.

The government report which I table today provides members with the information and the reference points needed to allow a measured and informative consideration of the issue of serious organised crime groups and activities. One thing is very clear: that is that any approach to truly combat serious organised crime requires national coordination and collaboration with a multidisciplinary approach covering aspects from intelligence collection and sharing through to prosecutions and sentence outcomes.

The government report undertakes a thorough analysis of the relevant human rights principles engaged by potential laws directed at serious and organised crime groups.

The rights contained in the Human Rights Act 2004 are based on those contained in the International Covenant on Civil and Political Rights and the United Nations Universal Declaration of Human Rights.

It is important to remember why this Assembly should consider these rights in a meaningful way and not simply pay them lip-service. The rights contained in our Human Rights Act were not developed overnight. They draw on principles and values which have evolved over centuries. History will tell us, through bitter experience, that tyranny, oppression and fear have flourished where governments have failed to observe and respect these rights.

The advice I have received from my department, which is outlined in this report, is that any legislative regime to address serious and organised crime with a similar effect to the laws enacted in New South Wales and South Australia engages fundamentally a number of human rights. Any law that engages human rights must be carefully constructed and pay close attention to the balancing of competing rights and policy considerations.

This is reinforced by section 28 of the Human Rights Act, which deals with when limitations may be placed on human rights. This section gives effect to the well-recognised principle in international human rights law of proportionality.

I make this brief point on limitations because the detractors of the Human Rights Act would have us believe that all human rights are absolute and serve only to benefit the criminals. They claim that human rights are nothing other than a rogues' charter which ties the hands of authorities and endangers the safety of the community.

It is the ACT's experience, as well as that of other jurisdictions which have human rights legislation, that the protection and observance of human rights enhance community safety rather than detracting from it. The protection of human rights and community safety are two concepts that can and do co-exist quite happily. Indeed, a community which breeds contempt and disrespect for human rights is not a safe community at all.

Finally, I would like to draw the Assembly's attention to part 6 of the government report, which outlines a range of possible legislative announcements that could further strengthen the ACT's stance against serious organised crime groups and their activities. The government will be considering these proposals and I would ask each member of the Assembly, now armed with the facts, to also consider what is in the best interests of the territory in addressing this complex issue.

In conclusion, I would like to quote from Justice Brandeis in 1928. Brandeis was a Justice of the Supreme Court of the United States. He said something which I think is most important and relevant to this matter:

Experience should teach us to be most on our guard to protect liberty when the government's purposes are beneficent ... The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well meaning but without understanding.

This is an important quote to bear in mind as we approach this crucial but complex issue.

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

## **Schools—performance monitoring**

Debate resumed.

**MS HUNTER** (Ginninderra—Parliamentary Convenor, ACT Greens) (3.07), in reply: In closing the debate, I would like to thank those who spoke on this motion this morning and to thank Mr Barr and his colleagues for their support on this motion.

There were a few things that came out in the discussion this morning. One of the issues was around public versus private schools, that this is an issue that goes beyond that. This is an issue around parents wanting information about the quality of the schooling that their children are receiving and to get some sort of common reporting and assessment scheme right across the education spectrum regardless of whether it is a public or a private school.

My motion went to the heart of the fact that, although there had been the sign-up from all state and territory education ministers to the declaration around reporting and assessment and there were a series of undertakings around safeguarding school communities from harm and stereotyping from somebody who might decide to pull together information off the new central website, the national website, these are important. It is important that each state and territory has committed to ensuring that privacy will be protected, that there would not be harm. But it is being a little naive to just leave it up to those commitments. Quite frankly, pulling together those simplistic leagues tables and publishing them is outside the control of governments at this point in time.

We have seen it happen. A decade ago a Sydney high school was well and truly targeted on the front page of a newspaper. The final year of that school were targeted and did suffer harm from that incident. And just recently we have had something in Queensland and Tasmania. I mentioned the Hobart *Mercury* example, but it has happened in Queensland as well: a newspaper has gone to the online information that has been put up there and has pulled it together into leagues tables, which again are very simplistic ways of trying to paint a school as being substandard compared to another school.

And, as we know, the new national website that ACARA is looking after will have information about socioeconomic backgrounds. It will have information about the number of Aboriginal and Torres Strait Islander children and children from other ethnic backgrounds—a greater and richer context around those schools. That is a good thing; that is a sound thing; that is the sort of information parents need. I believe that parents do not just want to know NAPLAN results; they want to get a greater sense of what that school does offer—what sort of pastoral care, what sort of connections it has with community and so on. These are all really important things—parental involvement and so on.

Unfortunately, at this point in time a lot of that good information can be bypassed by a third party who can pull it into a simplistic leagues table and publish it in a newspaper, to the detriment of the school. It has not happened here in the ACT. I would hope that we have a responsible media here in the ACT—a responsible daily newspaper that would not go down this path. But I guess we are leaving the door open slightly by not having some sort of legislative protection. As I said, I am glad to see that state and territory ministers are committed to looking at safeguards, but I want to leave that door open—that, if it does occur, we might look at something stronger than what is currently being proposed or seems to be proposed.

On the whole, I think that all sides here in the chamber would agree that it is a good news story here in the ACT. We have an excellent education system that is delivered

through both the government and non-government schooling sector. We do have high retention rates to year 12. Obviously, there is work on improving them even further. We have good vocational education programs; we have a rich curriculum that is delivered through many different schools across the territory. That is a good news story.

The Greens certainly support the sort of funding that is put in at the ACT and federal level to ensure quality education. We are looking forward to the rollout of the stimulus funding to further enhance the physical infrastructure in schools, both government and non-government, across the territory. I note that Trinity school was having some foundations laid on a new building that it will have down in the Brindabella electorate.

I thank all those who contributed to my motion this morning. I wish all the schools the best, particularly those that have received their stimulus funding. It may be quite disruptive in the next so many months when that infrastructure is rolled out, but at the end of the day I believe that it will hugely enhance the opportunities and facilities for children across the territory who attend our schools.

Motion agreed to.

## **ACTION bus service—concession fares**

Debate resumed from 17 June 2009, on motion by **Mr Coe**:

That this Assembly:

- (1) condemns the Government for changing eligibility for student bus fares to force tertiary students to use concession fares from 1 July 2009;
- (2) notes the resulting proposed fare increase of 49 per cent on tertiary students who use Faresaver 10 bus tickets; and
- (3) calls on the Government to reinstate student fares for tertiary students from 1 July 2009.

**MR CORBELL** (Molonglo—Attorney-General, Minister for the Environment, Climate Change and Water, Minister for Energy and Minister for Police and Emergency Services) (3.13): The government will not be supporting the motion today. The government is acting responsibly to ensure that all customers contribute to the cost of providing public transport in the ACT. The proposed change in eligibility for school bus fares brings the ACT into line with other jurisdictions.

In the ACT tertiary students already purchase concession fares to travel on weekends and school holidays. Often the tertiary institution's calendar does not align with the ACT school calendar and this means that at times tertiary students pay a concession fare when travelling to attend class and at other times pay a student fare when not attending university.

The 2009 school year is 40 weeks compared to the university year of approximately 30. This arrangement is anomalous and is confusing, particularly for new students,

creating tension between students and the drivers who are required to enforce the concession arrangements. However, the ACT is the only jurisdiction where tertiary students are eligible for a school fare. All other jurisdictions require tertiary students to pay a concession fare.

Concession fares are provided to ACT residents who hold a Centrelink pension concession card, healthcare card or a Department of Veterans' Affairs gold card, holders of a seniors card issued by an Australian state or territory, a person who attends a primary school, secondary school or college or, finally, a person attending a tertiary institution full time. A concession fare is set at 50 per cent of the adult fare. The government believes that these concession arrangements provide adequate and appropriate support for those most in need in the community.

From 1 July the government proposes that concession fares for full-time ACT tertiary students will bring the ACT in line with other jurisdictions. ACT tertiary students will pay the same bus fare as other low income earners. The fare increase has been applied to ensure that customers' contribution to the bus service is maintained.

It is a well-recognised principle in public transport planning that there is an element of cost recovery as part of a public transport system. Passengers currently contribute around 20 per cent of the cost of running ACTION through the payment of fares. This is an approach which puts the ACT at one of the lowest levels of cost recovery of any jurisdiction in the country. It is also important to note that the government has not increased fares for bus services since the 2006-07 financial year.

Since that time, ACTION's costs have increased, and the fare box recovery rate has fallen. In 2006-07 the fare box recovery rate was 21.5 per cent. This financial year it is around 20 per cent. Without an increase in the level of fares, the fare box recovery rate will fall further. ACTION's fare box recovery is the lowest in Australia. In addition, ACTION fares have increased at a slower rate than bus fares in any other capital city since 2001.

The government has adopted a prudent, cautious and conservative approach when it comes to increases in bus fares and this is backed up by the figures.

**Mr Stanhope:** It is 40c.

**MR CORBELL:** The increase of 11.3 per cent is based on movements in the wage price index in the 2007-09 period and the forecast wage price index for 2009-10. As the Chief Minister makes the point, we are talking about an increase of 40c. It is 40c, Madam Assistant Speaker.

Mr Coe can try to portray it in whatever dramatic terms he likes but at the end of the day it is 40c. It is 40c. Madam Assistant Speaker, let me assure you that the government has a strong commitment to creating a more sustainable public transport system. The government has introduced a number of significant investments to encourage Canberrans, including tertiary students, to use public transport.

For example, in July 2002 the government abolished the previous government's unfair, discriminatory and expensive multizone fare structure, introducing instead a single



zone right across the city. This initiative was well received by the Canberra community. Let us remember what the multizone system did. It required you to pay twice to get from Belconnen to Tuggeranong. It required you to pay twice to travel from the city to Belconnen. That was the system that we inherited from the previous government and which put a far greater impost on all users, including tertiary students. That is why the government introduced the single zone system.

Another initiative was introduced in 2005, with the extension of ACTION's transfer ticket period from one hour to 90 minutes. Passengers could travel anywhere on one ticket with transfers within 90 minutes. This initiative assisted Canberrans, including tertiary students, to better utilise public transport in a more cost-effective way on a day-to-day basis. Since 2002, the government has committed approximately \$100 million for new wheelchair-accessible buses. One hundred and fifteen new wheelchair-accessible buses have been introduced into the fleet and there are another 100 to be introduced over the next four years. ACTION will meet the government's commitment to have 55 per cent of the fleet wheelchair accessible by 2012.

It is the government's priority to ensure that ACTION lives within its means but continues to provide a service to Canberrans that is efficient and effective. As I have already mentioned, the ACT is the only jurisdiction in the country where tertiary students have been eligible for a school fare. Here in the ACT, the scheme is confusing. It leads to conflict between drivers and passengers and it is inconsistent. Tertiary student sometimes have to pay for a concession fare and sometimes have to pay for a school fare. The reason for that, of course, is that school fares are not available during school holidays.

The government has adopted a responsible approach and, as such, does not support the motion today and does not support reinstating student fares for tertiary students.

**MR DOSZPOT** (Brindabella) (3.21): Mr Coe's motion today brings forth a number of very important issues that have been conveniently forgotten by this government. In this year's budget, hidden in the fine print, we see that ACTION bus fares will go up by a headline average of just over 11 per cent. Bus fares will go up by over 26 per cent, faresaver 10 tickets by just over 11 per cent, and school faresaver 10 tickets will go up by under 10 per cent.

Hidden within this announcement was a change of rules for tertiary students, who will now have to pay concession fares instead of student fares, meaning an increase of 49 per cent for these tertiary students. Why is it that the government has chosen this section of the community to bear the burden of the overall impost on bus commuters? Tertiary students are now disproportionately wearing the costs at a time when governments across Australia are talking about increasing the school leaving age and we face the potential of more students. Why would this cost burden be thrust upon this section of our population?

Forty-nine per cent is well above inflation for the period since bus fares last went up. Between the September 2006 quarter and the March 2009 quarter, inflation was 6.7 per cent. All this is at a time when ACTION bus on-time running has been adjusted down to 83 per cent. In essence, one in five buses are budgeted to run late.

When asked about this in estimates, all Andrew Barr, the Minister for Children and Young People, had to say was:

I would say that bus fares have not gone up for a period of time ... I did not look into the detail of each individual fare category ... it is not unreasonable for fares to increase ... look at any fee increase in the context of the history ...

I would hope that Mr Barr and the government have had a change of heart and, despite Mr Corbell's comments, will take on board the intention of Mr Coe's motion and reinstate the original fares.

**MS BRESNAN** (Brindabella) (3:23): I move the amendment circulated in my name on 17 June 2009:

Omit all words after "That this Assembly", substitute:

"(1) notes:

- (a) changes to eligibility for student bus fares for tertiary students from 1 July 2009; and
- (b) the resulting proposed fare increase of 49 per cent on tertiary students who use Faresaver 10 bus tickets; and

(2) calls on the ACT Government to:

- (a) review the impact of ACTION fare increases on students and low income earners, and other customers who cannot afford to buy pre-paid multiple tickets, as recommended by the Estimates Committee;
- (b) table the review in the Assembly; and
- (c) consider reinstating student fares for tertiary students, depending on the outcomes of the review."

The ACT Greens were a little alarmed at evidence at the estimates hearing that there had been no real social impact analysis of the decision to change the ticket pricing and structure. I understand that we do not have a lot of information on who buys cash fares on ACTION buses, and which of our tertiary students use school bus tickets and when. I would have thought there would have been some broader Australian research available on who uses cash fares, how people on very limited incomes manage their transport, and the transport employment habits of tertiary students and the unemployed. When questions were raised about what impact this understandable and desirable shift towards pre-purchased ticketing will have on these people who are used to paying in cash, ACTION and the office of transport would be prepared for it.

Constituents have contacted us about this surprise when they discovered that they faced a 49 per cent increase on some of their bus fares. What detail we do not have on these constituents is where they live, which buses they catch and at what time. This sort of information is relevant to knowing who will be impacted and how. If they are students living at home and catching the bus to uni, the impact on them may not be as

great as it would be on people who need to use buses to get to work and university at all hours throughout the week.

I think there is a question here about what is an appropriate level of concession. The unemployed used to travel almost for free in the ACT. That was a great concession for those people, although pensioners and students properly resented it at the time. The same thing applies to the free bus travel for cyclists scheme, which in my mind was a positive encouragement to bicycle commuters. I am aware, though, that bus drivers reported antagonism from other travellers who felt hard done by. In that context, pensioners and the unemployed might feel hard done by if they do not have access to school bus style fares as tertiary students on occasion do.

That is why the Greens are not prepared to accept the imputation in Mr Coe's original motion that the change of fare structure is, ipso facto, unfair and reprehensible. This motion seeks to undo a budget initiative. It is not an attempt to appropriate funds per se, but it is suggesting that when any government decision on fees or charges is unpopular and questionable, the Assembly is likely to debate the motion, directly calling for its reversal.

If the government then for whatever reason rejected that motion, there would be undoubtedly a sharp escalation. Of course, it is all a question of degree and there are no hard and fast rules. But issues surrounding standing order 200 are relevant here, given this motion is so specific. Standing order 200 states:

An enactment, vote or resolution for the appropriation of the public money of the Territory must not be proposed in the Assembly except by a Minister.

I know that Mr Coe's motion does not offend that standing order. I just wonder where we end up in a year or so if we keep heading down this path. However, the Greens are proposing this amendment for a more important reason. The underlying issue here is that policy should be well informed, and decisions on fares and charges need to be based on that information. That decision is supported by the estimates committee recommendation 82, which reads:

The committee recommend that the ACT Government reviews the impact of ACTION fare increases on students and low income earners and other customers who cannot afford to buy pre-paid multiple tickets.

The government's response is not enlightening. It simply states:

ACTION's fare price policy is monitored to ensure it is consistent with economic conditions prevailing at the time and ticketing system innovations.

While I am pleased that the fare increases are monitored in this way, this response does not address the actual question. We are dealing with one of the contradictions for public transport in this town. We want to have a more efficient and convenient bus system that meets the needs of commuters and we want an affordable, comprehensive community service transport system which meets the needs of those who are marginalised through issues of mobility, age, health and poverty.

What has happened, I believe, is that the department's enthusiasm for creating a more efficient mass transit system may well have overwhelmed its community obligations and that both elements need to be better in balance in decision making such as this. I think it makes a lot of sense to require the government to properly consider the possible social impacts of this and its other initiatives.

If that consideration is not an automatic and explicable part of its decision-making processes, then in the context of these decisions and the surprise with which they have been received, we need to ensure it is conducted specifically in this case. Through this amendment, the Assembly is asking the government to consider more carefully its approach to setting fares and to pay regard to the potential impact of those changes on students, low income earners and people who cannot afford to buy prepaid multiple tickets.

The amendment calls on the government to table this review in the Assembly so the results are available to all members and then to reconsider reinstating student fares to tertiary students in light of the outcomes of this review. We believe it is important that we have accurate information on who is impacted by these changes—currently we do not have that information—on whether the changes should have occurred or if the fares should be reinstated. We should be looking at the impact of the change to fares on each of the concerned groups, including students and low income earners, to determine where the greatest level of impact is being experienced, and what should then be done to address that.

Mr Coe stated last week in moving his motion that he would not be supporting this amendment and that the government had already done a review. I think that Mr Coe has firstly misunderstood the estimates committee recommendation as the government has not reviewed specifically the impact of these fare changes. Secondly, I am surprised Mr Coe is not supporting my amended motion to see what and where the impacts are, have that information tabled for all members to see and for the government to then reconsider reinstating the fares in light of the review outcomes. I would have thought this was something the Liberals would have wanted to see and was the most responsible and thorough course of action to take. I would also hope that the government would also see this as the right course of action to take.

**MR STANHOPE** (Ginninderra—Chief Minister, Minister for Transport, Minister for Territory and Municipal Services, Minister for Business and Economic Development, Minister for Indigenous Affairs and Minister for the Arts and Heritage) (3.30): As members know, the government announced changes to ACTION fares in the 2009-10 budget. As a consequence, all ACTION fares will change from 1 July 2009; in other words, in a week's time. The changes lead to an increase of 11.3 per cent in ACTION fares across the board.

I am sure all members would be aware that, when fares are determined, the government does need to consider how the changes will affect the use of the service or patronage of our buses, among the many things that it does consider. For instance, on-board cash fares, which slow down the efficiency of bus services, have increased the most dramatically, increasing 26 per cent to \$3.80 for an adult fare or \$1.90 for

a concession fare. These kinds of increases are deliberately used to encourage regular bus patrons to purchase prepaid tickets in the form of faresaver 10 tickets, weekly or monthly tickets. For instance, the faresaver ticket, which provides 10 rides, has increased from \$11 for a concession fare to \$12.25. That works out to be an additional 12.5c a trip. The increase in fares is necessary to ensure that the high level of service provided by ACTION can be maintained.

Mr Corbell, in his presentation, went to some of the issues in relation to the level of contribution through the fare box. It is just on 20 per cent, having dropped 1½ per cent over the last, I think, four to five years, to 20 per cent of the running costs of ACTION being contributed to by passengers through the fare box; in other words, an 80 per cent social obligation contribution through rates and charges on behalf of this community to those social obligations which we acknowledge are at the heart of a fully functioning public transport system. I do not have the dollar amount here now—and I am sorry I do not—but it is a public service obligation, I think galloping towards \$100 million in relation to the overall cost of running the ACTION bus service. It is the highest level of contribution by a community to a public transport system in Australia.

The last fare increase was in 2006-07. Since that time, ACTION's costs have increased and the fare box recovery rate, as I mentioned, has dropped 1½ per cent. Without an increase in fares, the recovery rate will continue to fall and will fall below 20 per cent. The Assembly does need to note that ACTION's fare box recovery is the lowest, as I just said, in Australia.

We, as a government, have some obligation to take account of these facts. It is relevant that we benchmark. It is relevant that we compare. It is relevant that we ensure that contributions made by the community broadly in relation to a whole range of policies, projects, policy initiatives and social obligations are consistent to a degree.

Of course, we do invest heavily in community services in this territory. Of all jurisdictions in Australia, we, the Canberra community, invest more directly in public transport than any other jurisdiction in Australia. The fare box contribution in Canberra is the lowest of any Australian jurisdiction, and that is a relevant consideration in a government's decision or decision making in relation to fares and an appropriate fare regime.

Sometimes we confuse it when we say, "Yes, our contribution through the fare box is the lowest." The converse, of course, is that the broader community's contribution is the greatest. We contribute more to that social obligation in this territory than any other government in Australia. We need to understand that when we have a discussion such as this on fares and fare structures.

The Assembly also needs to note, in a conversation, discussion or debate such as this, that ACTION fares have increased more slowly than bus fares in any other city in Australia. We have the lowest and, accepting we have the lowest, our rate of increase is the lowest of any public bus system in Australia.

The 11.3 per cent increase across the board is not exorbitant, particularly when one takes into account those two very relevant, salient facts: lowest fare box contribution,

lowest rate of increase in fares in Australia over the last eight years, resulting in this government, this community, contributing to that social obligation to a greater degree than any other community in Australia. The 11.3 per cent is not exorbitant and is based on movements in the wage-price index through 2007 to 2009 and the forecast wage-price index for 2009-10. Put simply, to continue to provide the service that Canberrans expect and rely on from public transport, we, the government, believe a fare increase is necessary.

At the heart of Mr Coe's motion today is the fact that included in the change in fares there is also a change in eligibility for the school bus ticket. Full-time tertiary students, university students most particularly, will no longer be eligible for these kinds of tickets but will from 1 July need to purchase a concession fare ticket, consistent with all tertiary students throughout Australia. This government took the decision that there was no justification equitably to treat university students, tertiary students, in the ACT in a different way than every other government, every other community in Australia, treats them. This is the only place in Australia where a tertiary student is regarded as a school student and not as a potential concession cardholder.

Why is that? How did we justify that? Why do we show this particular largesse here? Is it that the streets are paved with gold? Is it that we have access to funds or funding that other jurisdictions do not? Why is it that members think of justifying this position that we in this territory, that we, the ACT ratepayers, can subsidise tertiary students in this territory to a level and degree that other governments choose not to do? What is different about us? Where does this extra funding come from? Why is there this additional subsidy for this particular group?

Why distinguish between university students and other concession cardholders potentially, such as pensioners, war widows, people with a disability? Why provide this particular concession to a university student but not to a war widow? Why provide this particular subsidy to a university student and not to a pensioner? Why? I would be interested in hearing members' perspectives on that. What is the rationale or the basis for singling out this potential group? I would genuinely be interested in members' perceptions of why this community, this Assembly, these Canberra ratepayers, taxpayers, would subsidise this potential group over and above pensioners, war widows, people with disabilities and other people that are eligible for and receive concession status in the ACT.

Mr Corbell went into some detail in relation to some of the practical and administrative issues that ACTION, particularly drivers, face in having to shuffle between those concession periods, outside of school term, when tertiary students cannot be regarded as school students.

**Mr Coe:** Are you saying they are not capable of doing it?

**MR STANHOPE:** No, it is confusing. I said it is confusing and difficult that it is only one group: university or tertiary students. For the majority of the year, they are school students, but for a significant portion of the year they are concession cardholders. And it does cause difficulties administratively for drivers that you have one group of passengers who have a double status: for part of the year, a school student; for the rest

of the year, a concession holder. It is administratively difficult; it is inefficient; and, of course, it just highlights the inequity in relation to treating as school students a group that no other government or community in Australia treats as schoolchildren or school students when the capacity exists for them, as other governments and other public transport systems have discovered, to be treated quite appropriately as a concession holder.

I will repeat the one point that Mr Corbell made which is pertinent to this. It is 49 per cent, yes, but it is only 40c actually. Forty-nine per cent sounds fantastic, doesn't it, when you are in opposition. But we are talking about a 40c increase per trip for that particular group. So let us not over-jag it, with great big posters all around the place about an outrageous 49 per cent jag of university students. It is a 40c increase.

The government will support the amendment that Ms Bresnan moved. We are happy to refer this issue to the review of concessions, which we are currently undertaking. *(Time expired.)*

**MS HUNTER** (Ginninderra—Parliamentary Convenor, ACT Greens) (3.41): I think Ms Bresnan put forward some good reasons why she felt that Mr Coe's motion did not quite hit the mark and why she had put forward an amendment. To pick up on Mr Stanhope's statements just then and some particular issues he raised, some were about the fact that tertiary students in other jurisdictions do pay a concession rate; they do not have a student rate. He felt that that was getting us consistent with other jurisdictions across the country.

There may well be many tertiary students out there who do not know that that is the case. That might be part of the issue. A little bit more information goes a long way and it really goes to the heart of what Ms Bresnan was saying. If you can have it reviewed, then we can be looking at the social impact and be doing this on a stronger basis as to why we would increase fares at all. Her amendment does not stop us looking at pensioners, war widows and other people out there in the community. In fact, it says:

... review the impact of ACTION fare increases on students and low income earners, and other customers who cannot afford to buy pre-paid multiple tickets ...

So it is already set up to show that pensioners, war widows, those who are on some entitlement or benefit, can also be captured by looking at this review of how we go about increasing things. For many people who do not have their own transport, having access to public transport is incredibly important as far as being able to live a rich and fulfilling life is concerned. It is about being able to get to your appointments, being able to get to school, being able to get to employment and being able to have those social connections and that connectivity to your community and right across the ACT. These things are incredibly important, we know.

We do understand that there is quite a large community service obligation given to public transport, and so there should be. It is actually one of those incredibly vital pieces of infrastructure that a society which sees itself as kind and caring and wanting

to do the best by its citizens will provide. I believe that this amendment goes a long way to ensuring that others will be able to be looked at in the scope of this review.

I think we should go back a bit. Mr Stanhope did mention the slight increase in fares for ACTION, and this is the case. A number of years ago, I believe fare increases were something that was under the remit of the ICRC and there was a freeze put on raising bus fares for quite some time. When that was taken out of the remit of the ICRC, it was back with government. And I guess this is part of our argument.

When the government had to argue before the ICRC for not increasing or increasing bus fares, there was considerable research, there was considerable consultation that had to go into that. What we are saying is that now that the ICRC does not have a role in this, now that this role sits within government, it should not simply be looked at from an economic angle. We really do need to look at the social impacts of things such as bus fare increases. I know that Mr Stanhope has very much embraced a triple-bottom-line approach to things.

We also would include the environmental aspects. A robust and well-run public bus system is part of the ACT's response to reducing our greenhouse gas emissions. It is a climate change response as well. So I believe that the amendment that Ms Bresnan has put forward is very much worthy of support.

**MR COE** (Ginninderra) (3.45): We have finally heard the government's rationale for their decision to increase bus fares by 49 per cent. The Chief Minister largely spoke about how small the increases were for all the other fare types. He spoke about the faresaver 10 and the concession fare going up by \$1.25. He said that the weekly ticket would go up by \$1.20 and the monthly one by \$3.50. However, the student tickets are the ones with the biggest increase of \$4.05. I do not think we received a proper rationale from the government as to why this charge is necessary at this time. Why is it necessary at this time?

The Chief Minister said that every other state, every other government and every other community in Australia do not have the same provision that we have here. However, I do not think every other state, every other community and every other government have changed it in the last six months—in which case, why was this not done last year, two years ago, three years ago or seven years ago? They are doing it now because of the state of the territory budget. It is because of their mismanagement and their inability to manage their expenditure. That is why tertiary students are being slugged 49 per cent.

It is all very well for the Chief Minister to say, "Oh, it is only 40c." If you are going to and from a tertiary institution each day, using a faresaver 10 each week and doing that for, say, 40 weeks a year, with a \$4 increase that is \$160. That is a fair tax: \$160 for a student who may be on an income of \$10,000 or \$15,000 from a part-time job. In fact, there would be many on less than that. A \$160 tax when you are on an income of \$7,000 to \$10,000 is a lot of money. This government still has not said why this tax is necessary at this time.

The Chief Minister also pointed to the subsidy that ACTION receives. It is a huge subsidy. It is in the vicinity of \$70 million at the moment. He said that, ideally, the



fare box would be a higher percentage of the overall cost of ACTION. I think most people would agree that it would be a good outcome to reduce the subsidy so that more money can go to other things. That is a noble point. However, there are two ways you can make the fare box a higher percentage of the overall operation. You can either raise the fare box or you can make the overall operation more efficient. Perhaps there is a third way and that is to do a combination thereof.

What the Chief Minister fails to comprehend is that when you have a shock in a pricing system, like a 49 per cent shock, it may well be that people decide not to get on a bus—fewer people get the bus. In actual fact, overall revenue can go down when you drive up a price by that much. Simply increasing the price does not mean you are going to get more money. It could actually deter people from getting onto the bus in the first place. If we are genuine about trying to encourage people to get onto ACTION then surely putting a 49 per cent increase on the cost of a bus ticket is really not the best way forward.

The government have also said we have had very slow increases and fares have not been going up as fast as they have in other states. Whether that is the case or not, since it went from the ICRC to their control the government have to take responsibility for the price of bus tickets. Is this going to be a new trend? Is it going to be a new trend that we are going to have three per cent, three per cent, three per cent and 49 per cent? Is this going to be the new way of doing business? Surely that is not the best way. Surely having a gradual increase in fare prices is a better way forward. It certainly will not have as detrimental an impact to patronage as a 49 per cent increase will.

We are not at all happy with the amendment because we think it scoots around the real issue. The real issue is trying to stop this government from increasing bus fares by 49 per cent on Wednesday, a week from today. A week from today, the bus tickets go up by 49 per cent. This amendment calls on the ACT government to review the decision, or we could ask the government to review the decision. It has already gone through ACTION management and cabinet. It has been printed in the budget paper. I am sure they have had advice from Treasury. We have had advice from TAMS and many people. I cannot see a review coming back saying, "We'll revert to the original system." I cannot see it happening and I cannot see it happening before Wednesday. It will not happen before Wednesday. We have six days before the 49 per cent tax rolls into force.

I would have loved to have been a fly on the wall in the Greens party room when they were discussing this issue. I think there would have been a lot of competing forces for individuals as they were thinking about it. I find it interesting that a party that claims to be pro public transport, pro environment, pro student and pro low income earners would allow a 49 per cent tax on students. It seems to me a little bit over the top and a little bit rich that the Greens party would come to this decision.

We will be voting against the amendment. We will be curious to see what the government does. If the government decides to vote for the amendment, I imagine a member will therefore get up and there is a fair chance a motion will then get up. However, if the government votes no to the amendment, and we vote no, the amendment does not get up. Then you have the original motion on the table. What

does the government do then? The government will vote no, of course, but what will the Greens do? What will the Greens do if the position is the motion that I moved or nothing? I challenge the Labor Party to vote no to the amendment so the Greens can be put in a position where they have to make a call based on my motion. I would like to see some leadership from the Greens. I would like to see some leadership on whether they are going to support the 49 per cent tax on students. I would ask the Labor Party to vote no to the amendment and put the Greens in that position.

What we have here is a system that is not equitable. A 49 per cent increase is not equitable. It will be in force from next Wednesday, for all time, I am quite confident, because the review will come back as a negative. If the Greens were serious about trying to get a review and reinstating the student fares, why would they not have added it to my motion? Why have they sought to delete all words? Why would they not have put in a paragraph (4) calling on the ACT government to review the impact on low income earners? Why did they not do that? They could have done that. That was on the cards; that could have happened. Instead, they said: “No. We’re not going to have the part of the motion which causes the government to abolish the 49 per cent.”

The Greens have abolished the section calling on the government to do something immediately and have substituted something else. They could have had two bites of the cherry by putting in a fourth paragraph to my motion which was, in effect, their paragraph (2). That would have been a much more palatable outcome, I would have thought, for the Greens, but obviously not. There is still time, of course, for the Greens to amend their own amendment, but I am sceptical as to whether that will happen. As I said, I think the 49 per cent tax on students is inequitable. It is simply because the government cannot manage their finances and have been forced to go to students to try and bring in some revenue.

**MR HARGREAVES** (Brindabella—Minister for Disability and Housing, Minister for Ageing, Minister for Multicultural Affairs, Minister for Industrial Relations and Minister for Corrections) (3.55): In speaking to Ms Bresnan’s amendment, I think I need to address some of the things that Mr Coe said which were possibly born of ignorance because he was not here around the time when we had such enormous disruption to the bus services generally. I think he was still in school at the time—that was in 2006—primary school probably. Therefore, he would have got the benefit from the concession fares. Madam Assistant Speaker, let us just take some of the things he said. First of all, he described this thing as a tax. That is very flowery wording but it is actually incorrect. A fare increase is not a tax; it is an increase. Get it through; it is an increase.

**Mr Coe:** Tell that to someone buying a ticket.

**MR HARGREAVES:** Did I hear you in silence?

**Mr Coe:** No, you did not.

**MR HARGREAVES:** All right then. Bring, it on sunshine; I am ready for you. The first thing we will talk about, Mr Coe, is your understanding of network 06 and network 08—nil, zip, diddly-squat.

**MADAM ASSISTANT SPEAKER** (Ms Le Couteur): Mr Hargreaves, please address the chair, not Mr Coe.

**MR HARGREAVES:** I will, Madam Assistant Speaker. I ask you: does Mr Coe—

**Mr Coe:** What about phase 2 of network 08?

**MADAM ASSISTANT SPEAKER:** Mr Coe, please listen to Mr Hargreaves. Mr Hargreaves, please start. Clerk, please start the clock.

**MR HARGREAVES:** Thank you very much, Madam Assistant Speaker. What do you think Mr Coe knows about the development of bus services in this town? Absolutely diddly-squat. Network 06 was roundly rejected by the community, and quite rightly so, and then we changed it. I will tell you whose bright idea it was. The one that we inherited was a really good one, the zonal fare system. Did you know, Madam Assistant Speaker, that the concession fare that we are about to charge these students is still cheaper than when these people had their zonal fare system in place? They were actually going to charge them more under the zonal fare system than we are currently doing. In fact, it was us that brought in the single fare anywhere.

When we changed that to network 08, which was a wholesale revision of it, there was a very significant change back to the hub system, in some cases, and in more traffic. For two years at least, from memory, there had been significant disruption and uncertainty. There were a whole range of issues and certainly a loss of faith in the bus system, regardless of which user it was. When we introduced network 08—and I was minister at the time—there was a conscious decision not to increase the bus fares. We wanted people to experience the bus system, and they experienced it. The reason that Mr Coe advances for it and goes three, three, three, three, 49 does not hold water because there was not any fare increase in the previous year. So he got it wrong again.

The thing is there was a deliberate no increase. Mr Coe says it is all about the budget. It is all about an efficient bus service. He says there are only three ways to increase the fare box: raise the fare box—well, we are doing that—have a more efficient bus service—well, we are doing that—or both of them, and I said, “Yes, we’re doing that too.” The changes to the network are actually working at the minute and they are considerably better than they were when these guys were in office. They did not have the free bus travel for the over-75s, the gold pass. They had a zonal system which was the most amazingly expensive system you could possibly imagine.

What we are seeing here is an increase in a customer fare which actually brings us in line with the rest of the country. I do not see what the issue is. I do not see where the mileage is for Mr Coe. I do not understand what on earth it is about this that has upset Mr Coe so much. He is saying that we cannot increase any fares. I understood him to say: “The increase in fares”—I paraphrase it a tad; you can check the *Hansard* because I do not think I am too far out—“will make people reluctant to get on a bus. It will be”—and I use his words—“a disincentive to get on the bus.” That logic, extended by its absolute, is that we will never increase them. I know that the Greens have asked in the past—I think Dr Foskey may even have raised it—“What about

thinking about a free bus service altogether?" We gave some consideration to that. The problem with it was—

**Mr Coe:** You probably should have.

**MR HARGREAVES:** Mr Coe said, "You probably should have," without even giving it a moment's thought.

**Mr Coe:** Good consideration.

**MADAM ASSISTANT SPEAKER (Mrs Dunne):** Order, Mr Coe!

**MR HARGREAVES:** At least Dr Foskey thought about it. This guy over here does it in 30 seconds. The stalker's defence—mate, beware the stalker's defence.

**MADAM ASSISTANT SPEAKER:** Mr Hargreaves, if you could address the chair—

**MR HARGREAVES:** All right. Through you, Madam Assistant Speaker, he ought to beware—

**MADAM ASSISTANT SPEAKER:** Can you address the chair and not respond to interjections. Mr Coe, do not interject.

**MR HARGREAVES:** Through you, he ought to beware of the stalker's defence. There has to be a contribution made to the running of the bus service. We would have to find \$20 million-something a year, recurrent forever. I do not see Mr Coe saying: "Which part of a hospital would have to be burnt to the ground to actually pay for that? Which one of our schools would have to be closed to pay for that?" Do not forget that it was Mr Stefaniak and Mr Humphries that wanted to close them in the first place. Talking about Mr Humphries, you are after his job, sunshine. That is what I hear. They are yesterdays' men. We are talking about yesterday's men.

**MADAM ASSISTANT SPEAKER:** Mr Hargreaves, will you keep relevant and address the chair.

**MR HARGREAVES:** Okay, I take your point. I do beg your pardon, Madam Assistant Speaker. I will address the furniture. Turning to the amendment, as I understand it, Ms Bresnan is saying she understands what the government is all about but wants to be absolutely certain that nobody is particularly detrimentally treated by this move. I think that is a reasonable position to take. What she is saying by this amendment is that we will review the impact of the fare increases on students and low income earners. We have actually reviewed the impact on low income earners. That was partly, for example, where the gold pass came from. That was an initiative that I thought about because it is for seniors, the over 75s. The concessions for people between 65 and 75 were re-examined in the context of the concessional review. The answer to the second part is, yes, it is part of a rolling process anyway within Ms Gallagher's department to look at concessions and review them on a fairly regular basis.

As to the increases for students, Mr Coe is talking about tertiary students. I understand Ms Bresnan's amendment talks about all students. I think that is a much better way to go, quite frankly. I am quite happy to concur with that. Tabling the review in the Assembly—I do not have a problem with that; the government does not have a problem with that either. That actually gives members an opportunity, such as Mr Coe, if he wants to, instead of texting somebody, to do it. He can actually pick up that particular—

*Opposition members interjecting—*

**MR HARGREAVES:** I tell you what, Madam Assistant Speaker, I wish fishing was this easy. Having a review tabled in the Assembly allows members the opportunity to move to have the debate adjourned and therefore pick it up again later on, examine that review and make comment upon it. I think that is a reasonable ask. As to whether the government should consider reinstating student fares for tertiary students, depending on the outcome of the review, a reasonable person would not say no to that. I do not know why that is there—I think that would automatically follow—but I do not have any difficulty with it being in there. I signal that the government will be supporting Ms Bresnan's amendment—we not only support it but are quite happy to support it—and if, perchance, there is a division on it we will happily stand up and be counted. We are happy to stand up here in this chamber and support Ms Amanda Bresnan MLA.

Question put:

That **Ms Bresnan's** amendment be agreed to.

The Assembly voted—

Ayes 9

Noes 4

Mr Barr	Ms Hunter	Mr Coe
Ms Bresnan	Ms Le Couteur	Mrs Dunne
Ms Burch	Ms Porter	Mr Hanson
Mr Corbell	Mr Rattenbury	Mr Smyth
Mr Hargreaves		

Question so resolved in the affirmative.

Amendment agreed to.

Motion, as amended, agreed to.

## **Home ownership policies**

**MS BURCH** (Brindabella) (4.10): I move:

That this Assembly acknowledges the importance of policies that help households on modest incomes and Canberrans who have historically been locked out of the housing market achieve the dream of home ownership.

Affordable housing is one of the key planks of communities and families and growing communities and growing families. Adequate and secure housing is a basic need. It is one of the most important areas of concern to government: to provide the environment which enables people to meet their housing and accommodation needs. The extent to which a community seeks to meet the basic needs of its members is a key indicator of the kind of society we live in.

This government cares about making sure that this basic community need is met to the greatest extent possible. This is why the government has developed its affordable housing action plan, released in April 2007. The action plan outlined 62 initiatives designed to assist the ACT community to meet its housing needs.

While there has been some discussion here today on land rent, I would like to draw your attention to some of the other initiatives that this government is successfully putting into place. The OwnPlace initiative has seen a significant number of house and land packages costing under \$300,000 released into the housing market. These are not “bare-bones” packages, as some have tried to imply. People, often with young families, who are already stretching to be able to afford to purchase a house usually do not have the additional resources needed to fit out new houses with carpets, light fittings, curtains, heating, landscaping and other essential items. Most of these OwnPlace home and land packages include a comprehensive list of extras designed to make the new home liveable, not just a place to live.

An initiative developed to support the OwnPlace scheme is the affordable housing design competition, funded by the ACT government through the Housing Industry Association and the Australian Institute of Architects. The ACT also funded the Master Builders Association special affordable housing award and the HIA affordable housing award. Innovations in the design and construction of affordable housing will be showcased in demonstration villages in Franklin and Dunlop.

The entry cost to get people into their first home can be significant, and the government has addressed this through its stamp duty concession scheme initiative for eligible first-homebuyers, increasing the stamp duty threshold to \$120,000 and allowing the deferral of stamp duty payment for up to five years.

Many people still remain, however, in the rental market, some by choice but many by force of circumstance. The government is addressing the issue of rental affordability through initiatives in this area as well. These initiatives are designed to support the effective operation of the private rental market and to ensure that the rental market can meet a range of incomes and individual needs.

Specific measures in this area include the private rental initiative, which will deliver between 200 and 400 new private rental dwellings in Canberra as part of a broader development initiative. The government has expanded the asset base of CHC Affordable Housing by transferring 130 houses to CHC and has entered into a \$50 million agreement which will deliver 250 additional rental properties over the next five years and 500 properties over the next 10 years.

The government is working with the commonwealth on implementing the national rental affordability scheme, designed to deliver rental properties 20 per cent under market rent. CHC has won the national rental affordability scheme grant to deliver over 30 properties across Canberra by the end of this financial year.

The government is also aware of issues faced by older Canberrans, many of whom are living in family homes which far exceed their needs and, realistically, their capabilities to maintain them. In order to assist pensioners who have difficulties in moving into more suitable accommodation, the government has introduced the pensioner duty concession scheme for people on age or disability pensions or who are veteran gold card holders.

This government is keenly aware of the affordability issues facing first homeowners and renters, and we are doing something about it. These initiatives are successfully tackling the problem and these initiatives are not just about short-term fixes; they are long-term solutions.

We as a government will continue to look for new ideas and opportunities to make housing more affordable and we have now embarked on phase 2 of the affordable housing plan, which will focus on the issues of homelessness as well as affordable accommodation for older Canberrans. I commend the motion to members.

**MR HARGREAVES** (Brindabella—Minister for Disability and Housing, Minister for Ageing, Minister for Multicultural Affairs, Minister for Industrial Relations and Minister for Corrections) (4.16): I was taken a bit by surprise because I had thought that the opposition may have wanted to contribute to the debate.

**Mr Hanson:** I was here. I just did not expect Ms Burch to finish in five minutes.

**MR HARGREAVES:** I am not being critical here at all. Please do not take it the wrong way. I know you are likely to, but do not take it the wrong way. I was just taken a bit by surprise. Now that I am on my feet, I will speak to the motion. It is a bit unfortunate because I will not be able to respond to whatever comes across the chamber. I think we were all a bit taken by surprise.

**Mr Hanson:** You were sitting there reading a magazine instead of listening to the speech.

**MR HARGREAVES:** I was listening to that, and I had hoped that someone like your good self, representing the giant minds that we know and are used to in this chamber, might have actually contributed to the debate, but I was sadly disappointed. I am just so disappointed now. Life is tough.

In April 2007, the Chief Minister announced the ACT affordable housing action plan. The plan was a comprehensive strategy designed to increase the supply of affordable housing in Canberra and to help more people achieve the dream of homeownership. The action plan includes 62 initiatives focused on improving long-term housing affordability for Canberrans, rather than quick fixes. The strategy recognises that

improving housing affordability is not just about handouts but is about ensuring that supply meets demand, that there is a diversity of housing products to suit every type of housing need and that there is an efficient and responsive public and community housing sector.

The ACT affordable housing action plan includes a range of measures to help households on modest incomes and those Canberrans who have previously been locked out of homeownership. The ACT affordable housing policy, and action to implement that policy, is of critical importance in increasing community and individual wellbeing and attracting and sustaining a diverse Canberra community.

In the two years since its announcement, actions against all of the 62 initiatives have been taken. While all of the initiatives are helping to add to more affordable housing for Canberrans, I would like to specifically highlight just a few. The ACT affordable housing strategy, a nation-leading strategy still yet to be rivalled by other jurisdictions, acknowledged the extreme impact that a shortage in land supply can have on affordability.

We have sought to ensure that supply of land meets the demand for new housing. In 2007-08, land supply strategy in the ACT was accelerated from a target of 2,400 dwelling sites to 3,400 sites. This target was the largest residential land release program set in the territory since self-government. By 30 June 2008 the government had exceeded this target and had released 3,470 dwelling sites. In April 2008 this government published a five-year land release program which set a target of 4,208 residential dwelling sites to be released in 2008-09. The program also set a target of an average annual release of 3,100 dwelling sites for the remaining four years of the program. It is expected that the 2008-09 target of 4,208 sites will be exceeded.

The residential land release program published in May this year proposes a release target of 3,014 dwelling sites in 2009-10 and an average annual increase of 3,194 sites for the balance of the program. This accelerated release of residential land will be maintained until there is an appropriate inventory of serviced land available for purchase. In addition to accelerating land supply, the government has recognised the importance of continuing to monitor supply and demand to ensure that the land release program always appropriately addresses the demand for new housing in the future.

The land release program is not only offering releases through the Land Development Agency, where land is now available over the counter from the Land Development Agency, but also through joint venture projects and englobo releases. In fact, we have seen recently an extremely successful englobo release, including a significant amount of affordable housing in west Macgregor. All new land releases in the ACT are now required to deliver at least 15 per cent affordable house and land packages to ensure that the supply of affordable housing is increased for Canberrans.

The ACT affordable housing action plan seeks not only to make sure that we have enough land to meet the demand for new homes; it goes another step further by seeking out new and innovative ways to help more people access a home of their own. The ACT does not shy away from any new ideas or from being the first to try a new



way forward; our innovative affordable housing strategy is testament to that. The strategy includes a range of new initiatives designed to help more people into a home of their own.

Some of these initiatives include: a new OwnPlace scheme, which offers quality house and land packages to first-homebuyers for less than \$300,000 on land sold by the Land Development Agency; developing a shared equity scheme so that public housing tenants can purchase their own home; support for excellence in affordable housing design and construction, which has already seen impressive examples of innovative affordable housing through design competitions and construction industry awards; stamp duty concessions and deferrals for first-homebuyers and people on age or disability pensions; and, of course, the innovative land rent scheme, which will reduce housing costs for people who otherwise would not be able to achieve their dreams of being homeowners. The affordable housing action plan demonstrates how seriously the government takes the responsibility to ensure that affordable housing is available to all Canberrans.

The significant part about this, though, is that everybody, I would think anyway, in Canberra would want to be a homeowner. I know there are some who do, but, generally speaking, people do not prefer to be tenants, whether they be public, community housing or private tenants; it does not matter. People would prefer to own their own home, to buy their own home, to have an asset to leave to their children.

What we understood we needed to do, basically from when we took the reins of government in 2008, was to see how we could have a range of options that people could pick up and run with, knowing that at that stage the price of houses was starting to go through the roof. Some years ago the average price of a house was \$320,000. That house price was in fact \$100,000 beyond the capability of most people.

We needed to bring the prices down, while also giving incentives to investors to get into the marketplace, but also, most importantly, to give people a range of options to enable them to buy their own home. That is where our shared equity scheme had its genesis, that is where the land rent scheme had its genesis and that is where the affordable housing strategy around land release had its genesis. It was all about the opportunity for people to pick up what suited them.

What is a bit disappointing from the opposition's tirade around the land rent scheme is that it seems to have missed the point that we are trying to develop a number of opportunities, a number of options, for people to pick up as it suits their particular circumstance. If people are able to earn enough money to buy their own home in the open marketplace, everybody is a winner there; they are successful and that is wonderful.

**Mr Hanson:** Our criticism has been that it has taken you two years to get there.

**MR HARGREAVES:** We have been accused of taking a really long time to do this. I have to put on the record that the fact is that these things have been delivered; they are there. People can whinge and carry on about how long it takes to get somewhere—but they are actually there. He is still gnashing his teeth over the jail. It is there; people are

already there. Everybody is in. It is the same thing with the land rent scheme—it is now there—and in the next couple of months the shared equity scheme will be there.

It was prudent to make sure that we did have the support and the encouragement of the financial institution that is going to support this. Remember: we are not going to oblige anybody to go and use the land rent scheme. If people do not like it, they do not have to pick it up. But it is an opportunity for some people to get into the marketplace that would otherwise never have got there. And I think we ought to be receiving encouragement from those opposite to do just that, to give people an opportunity to own their own home when previously they did not have any hope at all.

This is a good motion and I urge the Assembly to support Ms Burch's motion.

**MR SESELJA** (Molonglo—Leader of the Opposition) (4.26): We will be supporting this motion. I think it is a very important issue. Ms Burch was talking about why she actually brought it forward, and I suppose the fact that she spent five minutes of her 15 and has not hung around for the actual debate perhaps suggests she was told to by the Chief Minister's office. I think that is probably the rationale for her bringing this motion.

I know the Labor Party were very keen not to debate this and the motion following today. They were very keen to talk about other things. Even though the Treasurer was not going to be here, they wanted to talk about the budget, rather than talk about things like housing affordability and land rent. You can see why, and we will get into that in the next motion in relation to some of the devil being in the detail for Mr Stanhope, as always.

I wanted to talk particularly at this stage about Ms Burch's motion. Whilst it is a short motion and it was a short speech, it is actually quite broad because it is looking at the importance of policies to help households on modest incomes and Canberrans who have historically been locked out of the housing market.

There are a number of things you need to do to get this right, and it is worth looking at what needs to be done and what the government has done. One of the key issues in making housing more affordable is land release. No-one is more culpable for pushing up land prices for first-homebuyers and young families in Canberra than this Labor government. Under, it must be said, the previous planning minister, Simon Corbell, we saw one of the most disgraceful, deliberate efforts to actually make housing less affordable in the territory. Simon Corbell and this government—approved by this government, so all members of this cabinet need to share responsibility for this—deliberately slowed down land release. For what purpose we are not sure but they deliberately slowed it down, and the effect of that was to dramatically push up prices and to push homeownership out of the reach of many young families.

That is a matter of fact, that is a matter of record and it is a matter of great shame. Whenever we discuss housing affordability it needs to be remembered that the reason it first got out of control and out of reach was as a result of deliberate actions by this government. They slowed land release significantly. They cut competition in the

market and as a result we saw prices go through the roof. That is a matter of fact that has not been disputed and cannot be disputed, and anyone who ever talks about housing affordability in this place needs to remember always that the reason it is still hard for young families in Canberra to buy a home is because this government squeezed land release deliberately.

We can only speculate as to what some of the motives were. One of them, of course, was for the Land Development Agency to get more per block. We can go back and forth, but the end result of their deliberate actions was far higher prices for first-homebuyers. It was a disgraceful way of handling land release.

The other part of the land release equation, of course, is who you release the land to—competition in the market. This government sought to set up a monopoly land developer in this town and for some time we had the Land Development Agency having a hand in all the developments in Canberra. What did that serve to do? It served to slow things down. It served to reduce competition in the market. What does that do? It pushes prices up. There is no doubt about it. The flawed policies of this mob have made it so much harder for young families in this town to get access to their own home.

It is quite laughable when Jon Stanhope tries to take credit when private builders and developers are actually getting the job done from time to time now through englobo release. This is something that this government banned. They got rid of it. They got rid of it in order to keep it all to themselves. They socialised it under Simon Corbell and now, when they trickle it back to the private sector and the private sector, lo and behold, it actually delivers a product that people are interested in buying and delivers a diversity of product, they try and claim credit. They try and claim credit for something they were opposed to.

Simon Corbell was militantly opposed to this idea, and Mr Hargreaves knows it. It is unfortunate that Mr Hargreaves is the only one here to defend the government. It would be great if the former planning minister could come and defend his legacy on this. He deliberately slowed things down and he deliberately made it harder for the private sector.

I was chatting recently to a representative of the building and construction industry in the ACT. He said, “The problem with this mob is their attitude to development is that you can be a developer in this town, but just don’t make any money.” It actually nicely encapsulates what the government put in place. It might seem like a great socialist utopia where developers are not able to make money—and who wants to support developers anyway?—but this is about first-homebuyers. It is about ordinary low and middle income Canberrans who are looking to buy a home.

Because of an ideological attack on private industry and private enterprise, we do not see the kind of product offered. We do not see the kind of opportunities offered to these potential first-homebuyers as a result. Simon Corbell’s left-wing colleagues in the Labor Party have applauded him for getting at those greedy developers, but the end result was that there was less product on the market, there was less diversity and a flood of young Canberra families continually had to look over the border in order to have opportunities to purchase a home.

The way they handled this and the way they helped create this crisis has been quite shameful. They squeezed land supply. Nowhere else in Australia does a government have so much ability to influence these things. We have a unique situation here in the territory with the control of territory land by the territory government. The government have a unique opportunity, and what they have done for many years serves to make homeownership harder.

The government need to get the fundamentals right. They are land release and competition in the market to ensure that the people who do this best are able to go out there and compete so that we do not have monopolies, we do not just have a couple of major players and we do not just have the Land Development Agency and their joint venture partners. We need to have genuine competition so that those who want to provide affordable product are competing against other providers of affordable product and we see downward pressure on prices. This is what we have argued for for so long. Occasionally this government will accede to that idea and then claim credit when, lo and behold, the private sector actually delivers for them.

Much of the cost of building is due to the planning system. We know that this is the other fundamental that this government has so consistently failed to get right, and it is so important. The cost of building in the territory is still very high by national standards. One of the reasons for that, apart from the lack of competition or the stifling of competition by this government, is the planning system and some of the delays we have seen in it.

Whilst some improvements have been made through legislative change, we continue to see the cultural legacy within ACTPLA. I think we now need to put on the record what industry is saying about the current planning minister. It was not so long ago that the industry was just so happy that Simon Corbell was not the planning minister because of those flawed policies that he put in place in relation to the Land Development Agency and the attitude that he brought to this issue. They thought Andrew Barr would have a more enlightened approach to economics and to industry, and for a while there was a lot of positivity towards the new planning minister. But the feedback we are now getting is that indeed the planning minister is simply not interested. He is just not interested in planning.

**Mr Hanson:** Not enough photo opportunities?

**MR SESELJA:** Well, apparently the photo ops are all in education. He simply is not interested. This is the consistent feedback we are hearing, that this is a planning minister who simply allows bureaucrats and, to some extent, people in his office, although not particularly even in his office, to actually run the show. What we elect governments to do and what we have ministers for is to actually give guidance and policy direction and show leadership. When you have got a planning minister who is so obviously disinterested in his portfolio, it is difficult. It is very difficult for industry, and this is what we are hearing consistently now about the current planning minister.

That does not help to get the kinds of structural and cultural changes we need to get better outcomes in terms of building and building costs, better outcomes that actually

help to relieve the malaise that we see from time to time—the slowing down of development application approvals. This is something that the government needs to address.

I welcomed the Chief Minister's removal of Simon Corbell from the planning portfolio because I thought his ideas on planning were really destructive. They were destructive particularly to housing affordability. His ideas about keeping it all centrally controlled by government failed, and they failed badly, and we still see some of that legacy. In fact, some of those settings are still there, although there have been changes.

Another aspect of housing affordability is taxation. This is a government that, for all the talk of helping first-homebuyers, continue in most cases to impose significant taxation on first-homebuyers. They do not seem to care. Their criticism of our policies was that it was about helping millionaires. What a ridiculous comment—what a ridiculous statement, the idea that an ordinary family, trying to purchase a home for around \$400,000 or even \$450,000 is somehow wealthy. Many of them are taking out very big mortgages. They are often people working in ordinary fields, such as teaching and nursing. They are middle income earners, working hard and saving hard, and this government goes and slaps them with a \$10,000, \$15,000 or even a \$20,000 stamp duty bill. That kind of taxation obviously has an impact. It impacts on first-homebuyers in particular.

Those are the fundamentals. I am interested that the Chief Minister has not joined us for this debate. We know that he did not want this debate to go ahead because of the bad coverage that he got in the *Canberra Times* today, which we will deal with. He constantly talks about his interest in this issue. I thought this was something he was committed to. He is so committed to it that he could not be here. Of course, they did not want this debate to go ahead.

But it is worth mentioning that the Chief Minister made a very significant statement today in relation to the cost of building in the territory. He claimed in estimates, in fact, that the cheapest you could actually get a house built for in the territory was around \$200,000, that what was being offered under OwnPlace with blocks going for \$100,000 and buildings going for a tick under \$200,000 was the cheapest you could get.

Yet today, because he had a different message to sell today, he had to talk about what the deposit would be. He was saying this to journalists and he said it again in the Assembly: "You can get them for less than 150—even less." Apparently what he said to the estimates committee was wrong. Now he is saying, "You can get houses, and people will be getting houses, under land rent, for 150." Will it be 140? Will it be 130? How much will it be? How low will it go?

The Chief Minister was adamant when it was put to him that this was absolutely the cheapest you could get a house built for in the ACT—around about \$200,000. He has now changed his tune. There is a significant contradiction on the record between what the Chief Minister said in estimates and what he said here today and what I understand he also told journalists today—that now, apparently, you can get a house for under \$150,000.

He needs to clarify that; he needs to say what he meant. Is he saying that under land rent they would get a substandard house that really does not meet any of the standards, a house with no carpet, a house that has none of the basic fittings or fixtures, just a shell of a house? Is that what he is saying he is offering to people, to low income and middle income families under land rent? There is a significant contradiction there.

Madam Assistant Speaker, in the time I have left, I will just conclude by saying this to the government: you need to get the fundamentals right. Clearly, in all of those areas of land release, competition, planning reform and taxation you have not got it right. What you have done instead is put all your eggs in schemes such as land rent, and we will touch on that in the next motion. You have put all your eggs in that one basket, and we seen what a struggle it has been. Of course, it has all come at the expense of actually getting the fundamentals right.

**MS BRESNAN** (Brindabella) (4.41): I will not be making extensive comments on this motion or, I have to say, on Mr Seselja's motion on the land rent scheme, which is coming up, seeing as they are essentially two sides of the same coin.

In terms of affordable homeownership more broadly, this government has taken a number of welcome steps in the past few years. Mandating 15 per cent of new greenfield developments for affordable homeownership will make a difference. The transfer of assets to CHC Affordable Housing may well result in an increase in supply of affordable homeownership through a different path. Both of these actions by the ACT government should be acknowledged.

The other points I wish to make about affordable homeownership centre on the cost of living, the cost of energy, good planning and design. It is not just about having houses available at a particular price. It is also about having energy efficient, warm and comfortable homes well served by public transport and close to health, community and retail facilities.

The Greens are not convinced that home building and suburban design yet delivers adequately on these aspects of affordability. I know that government agencies would claim that they have lifted their game; but the bottom line is still a bottom line of house size rather than the quality of construction.

With regard to the land rent scheme, we are pleased that a credit provider has signed up. I am not convinced that the land rent scheme will provide access to homeownership for as many people on low incomes as has been claimed, simply because the deposit that will be needed, at least while there is only one credit provider, will be substantial. The lender at this stage is asking for a 20 per cent deposit. On the other hand, with \$21,000 being handed out to all first homeowners for a few months more, that deposit is much more achievable now than it would have been in the past or is likely to be in the future.

The Greens have supported the land rent scheme because it is an innovative program providing access to homeownership to some people for whom it would otherwise probably be out of the question.

There is no single answer to housing nor even to homeownership. The land rent scheme is just one component of an effective, wide-ranging affordable housing strategy. The Greens will be supporting Ms Burch's motion because it is important to have policies that help households on modest incomes and people who have been locked out of the housing market.

However, the constant debating about such matters in recent months I have to say probably does little to instil confidence in the community. Basically, let us just get on with affordable housing policies and schemes such as land rent and give them a chance to work.

**MR BARR** (Molonglo—Minister for Education and Training, Minister for Children and Young People, Minister for Planning and Minister for Tourism, Sport and Recreation) (4.44): I thank Ms Burch for raising this matter today. It is an important area of public policy and one in which there is a clear contest of ideas. It is in that context, around that contest of ideas, that the government engaged in a major reform of the planning system, most particularly over the last few years, making the system simpler, faster and more effective.

This has been about a number of key things. It has been about supporting building jobs in the ACT through the global financial crisis. It is about making it easier for mums and dads out there in the suburbs to deal with our planning system. But it has also been about making housing more affordable and it is about the dream of homeownership.

As everyone in this place knows, anything that makes a complex development approval process simpler and faster makes the end product cheaper. The fees, assessment time frames, holding costs and building times are all costs that developers and builders face. But they are costs that are not ultimately borne by the construction industry; they are all passed on to those buying houses, in the form of a higher purchase price. Therefore, any efficiencies in the planning process inevitably end up as savings to those entering the housing market.

The government flagged its intention to aggressively address housing affordability in 2007 and across a range of portfolios has worked tirelessly since then to deliver on that. From the moment I became planning minister, I made it clear to the community and to the planning authority that affordable housing was my first priority. I quote from the 2007 statement of planning intent that I gave to the Planning and Land Authority:

Canberrans need to have access to safe, secure and affordable accommodation. This government believes safe, secure and affordable housing is one of the most basic of human needs, and the dream of owning a home is one shared by most Canberrans.

Over the next few years the government aims to build on Canberra's unique heritage while ensuring this dream is kept alive.

It is our view that simpler, faster and more effective planning systems deliver better and cheaper housing.

I would like to take this opportunity to quickly run through the sorts of reforms that I am talking about. A significant number of development proposals in residential areas have been exempted from the requirement for a development assessment application. Over the last 12 months, around 1,000 developments were newly exempt from the requirement to lodge a development application; only a building approval was required in these cases. The number of exemptions will continue to rise over time as the full effect of the existing exemption regulations is realised. We will also look for new opportunities to remove classes of minor development from the development application system.

For instance, it is now no longer necessary to lodge development applications for home businesses, sheds, roof slope changes, skylights and demolitions. The list of building approval exemptions has continued to grow. A range of minor works are now exempt, including fences, walls, retaining walls, portable pools and pool fencing, garages and other class 10 structures, water tanks, doors, windows and the like. This is a simpler, faster and more effective planning system leading to better and cheaper housing.

The size and complexity of the territory plan and related instruments have also been slashed; 87 different concept plans, master plans, neighbourhood plans, registered and unregistered guidelines were collapsed into the three-volume territory plan. The territory plan codes provide a vehicle for government agencies to document their development standards into the territory plan. In turn, this will reduce the need for agency referral. Over time, the DA process will become a one-stop shop and this will create a new opportunity for reform of whole-of-government processes—an element that I will return to shortly.

The new planning system also created a technical amendment process and this enables the Planning and Land Authority to quickly rectify or refine the territory plan with minor or technical changes which do not change the policy intent—so, again, simpler, faster, more effective planning systems leading to better and cheaper housing.

The housing investments developed in response to the commonwealth funding that Mr Hargreaves is working on provide another opportunity for the planning system to adapt to ensure more and better housing for Canberrans. The government was able to respond to the commonwealth package with a regulation change which allowed the building of social housing with the time-limited commonwealth funding. This in turn will lead to the development of a social housing code, which will further speed up approval processes for putting social housing applications on the code rather than the merit track. This will have the effect of stretching the social housing dollar further, allowing efficiencies to be spent on more and better housing.

The government's response to the commonwealth funding package is a great example of the new act providing the flexibility to respond to unforeseen circumstances while protecting planning standards—so, again, a simpler, faster and more effective planning system leading to better and cheaper housing.

Not content to address the processes which approve development, the government has also worked on what we call the long pipeline for land release. The estate



development plan process has recently been reviewed in line with the new legislation and the territory plan to further speed up the delivery of affordable housing to the market. As part of the review, the Planning and Land Authority undertook extensive consultation with industry representatives and agencies.

The territory plan, through the residential subdivision development code and the precinct codes, requires the provision of a mix of block types, including those for affordable housing. In assessing proposals for residential subdivisions, the Planning and Land Authority ensures that at least 15 per cent of the blocks are able to accommodate affordable housing in accordance with government policy, including, importantly, the delivery of compact blocks and multi-unit development sites. This is further enforced through the deeds of agreement with private developers as part of a direct sale or joint venture arrangement. All deeds of agreement for residential estates require at least 15 per cent of blocks to be provided for affordable housing.

The Planning and Land Authority has recently approved a number of subdivisions, including a number of affordable housing options in west Macgregor, the Flemington Road corridor, Crace, Bonner, Dunlop and Phillip, with future proposals to be considered for Franklin, Watson, and west Macgregor—once again, a simpler, faster and more effective planning system, delivering better and cheaper housing.

In conclusion, I am very glad to have the opportunity to support Ms Burch's motion today. She is absolutely right to bring this to the Assembly. It is in the interests of her constituents in the electorate of Brindabella.

We know from their fairly aggressive stance against the government's affordable housing action plan that the Liberal Party clearly oppose diverse measures to achieve housing affordability. We know that they oppose progressive measures that the Labor Party have put in place in this area. So it is important to have a member like Ms Burch who will stand up for households on modest incomes and Canberrans who have been historically locked out of the housing market. I know Ms Burch takes this matter very seriously and will continue to advocate very strongly for affordable housing in this city. It is because Labor believes in the dream of homeownership; that it is for the many, not a few. I commend Ms Burch's motion to the Assembly and thank her very much for putting this important matter before us this afternoon.

**MR CORBELL** (Molonglo—Attorney-General, Minister for the Environment, Climate Change and Water, Minister for Energy and Minister for Police and Emergency Services) (4.53): I am very pleased to join the debate this afternoon and I thank Ms Burch for raising this very important issue of the importance of homeownership policies as a mechanism to encourage and assist Canberrans to achieve secure housing.

Secure, appropriate and affordable housing has long been recognised as one of the key contributors to a person's quality of life—and not just homeownership but also appropriate and affordable rental accommodation and appropriate and affordable supported accommodation. Homeownership is something we are all entitled to aspire to, and to aspire to a form of accommodation that is appropriate to our needs, our desires, our lifestyle and our circumstances.

When the Labor government determined back in 2007 to tackle the increasing issues around housing affordability, it looked at all aspects of housing—at public housing, at community housing, at the experience of homebuyers, first-homebuyers, second-homebuyers, and those wanting to downsize later in life. The result was a comprehensive and integrated package of 62 measures, which the government has been progressively implementing.

In many senses the package is indivisible. Getting more Canberrans into homeownership frees up rental properties for others. Increasing stocks of student accommodation also has an effect on the rental market and on the level of rent. Helping older Canberrans downsize frees up the larger, family-sized properties for new owners, and accelerating the release of land helps stabilise land prices. Mandating that 15 per cent of all new developments be devoted to affordable house and land packages encourages the construction of more homes at the affordable end of the market, and refurbishing and retrofitting public housing improves the quality of life for the government's own tenants.

Everything touches upon and affects everything else. And this week, of course, Community CPS Australia has announced that it will become the first major financial institution to offer loans under the ACT government's land rent scheme. Land rent is not, as the Liberals have serially and deliberately misrepresented, the centrepiece of the government's action plan. It is one of 62 integrated measures. It is geared philosophically and practically at those households on modest incomes that perhaps have dealt themselves out of the dream of homeownership or have been dealt out by the sheer impracticality of servicing a very large mortgage.

That is the beauty of the land rent scheme: it structurally changes the game. It means that people of modest means can take out a more modest mortgage without overextending themselves. Let us take a look at the practical difference land rent would make for a household buying a \$150,000 house on a \$150,000 block of land. Let us assume that it is one of our target households earning a combined income of \$75,000 a year or less. The mortgage payment on the house and the rent payment on the land combine to \$1,193 per month. The monthly repayment for someone who has bought both house and land as part of a 25-year mortgage at a 5.74 per cent interest rate would be \$1,886 a month. That is a saving per month to that household of \$693—month after month after month, year after year after year—a significant saving. What a significant contribution to assisting with the price of housing.

The average monthly cost of renting a three-bedroom house in the ACT in the March quarter was \$1,680. In other words, the land renter in the above example would be almost \$500 a month better off than a renter. It is extraordinary that, in a circumstance where you have a scheme that will save households nearly \$700 a month in mortgage payments, or comparably make them \$500 a month better off than if they had been renting, the Liberal Party think that this scheme is a bad idea. That is the real and meaningful contribution that this scheme makes to tackling the issue of housing affordability.

Evidently, Mr Seselja believes that people with a dream of homeownership should squash it down inside where it belongs and continue to rent, rather than availing

themselves of the opportunity of land rent. He is not even willing to give it a go. He is not willing to wait and see. Indeed, the man with no plans promised efficiencies. He promised to the people of Canberra in the lead-up to last October's ACT election the abolition of land rent. He was going to rip away from low income earners the opportunity to save \$700 a month on their mortgage repayments—\$700 a month more under Mr Seselja's plan on your mortgage payment. That was his position.

The ACT Labor government's housing affordability action plan is designed to increase the supply of affordable housing in Canberra and to help more people into homeownership. It is carefully calibrated to stabilise prices over time. I am sure that Mr Seselja would be the first to squeal if the government suddenly flooded the market with land and the value of his lovely home plummeted. It also allows the government to react and respond more quickly and sensitively than ever before to fluctuations in demand.

I know it is hard for the Liberal Party to get their head around a policy that has more than one part to it. But, please, Mr Seselja, please try to get your head around this. This policy has 62 parts, going to every aspect of affordability. It is a strategy that targets those who need the most help, and in our society that means helping those on modest or low incomes.

Land release is also central to affordability. The government has released a record 7,600 dwelling blocks over the past two years and we propose another 3,000 or thereabouts in the coming two years.

I would like to take the opportunity to respond to the claims that are made by those opposite about previous policies around land release. It is a myth, propagated by those opposite, that there were policies in place that sought to deliberately constrain the release of land. There is no evidence whatsoever to support that claim. There was no deliberate policy to restrain the release of land—and they know it. They know they have no evidence to support the proposition that there was a deliberate policy; they have no evidence whatsoever. They have no evidence whatsoever to back up that claim.

The bottom line is that this government, throughout its term, released more land to the market than the previous Liberal government, in each and every year, and I reject categorically the claim that there were policies in place that deliberately restrained the release of land. Every land release program was predicated on market advice from the Land Development Agency and the Department of Treasury. Every year the land release program was predicated on that advice—and there is no evidence to the contrary. If the Liberal Party are saying that I should not have taken the advice of the Land Development Agency and the Department of Treasury in formulating land release policy, I would be very interested in their views to the contrary.

**MR SMYTH** (Brindabella) (5.03): Mr Speaker, I was quite stunned when this debate started and, after about five minutes, Ms Burch's speech petered out. All Ms Burch could do was gather up a rag-tag collection of random thoughts, spit them out over five minutes and disappear from the chamber. That is the sum total of her commitment to housing affordability in the ACT.

You hear this stuff—I was going to call it garbage, but I would be a bit more respectful—that comes from Mr Corbell’s mouth about this. You only have to go to the UDI report on housing affordability across this country, the urban design institute of Australia report. I think it is page 68 that says—

**Mr Corbell:** Urban Development Institute.

**MR SMYTH:** Okay; he knows the report. The Urban Development Institute. Thank you, Mr Corbell; you know the report. It says that there were two things that were destroying housing affordability in the ACT: the planning policies of the government and the land release policy of the government. We went from housing affordability in the ACT in 2001 being affordable across the board: whatever sector you looked at, whether it was the north, the south, the east or the west of the ACT, housing was affordable.

This man single-handedly destroyed housing affordability in the ACT and lost his planning minister job over it. I know he is still the planning minister in waiting. He is the planning shadow shadow: he has to come down and critique Mr Barr on every occasion.

**Mr Seselja:** He is studying planning, you know.

**MR SMYTH:** He is studying planning, isn’t he? He is studying. He is still studying planning. That is the problem; that is the problem with this former planning minister. He personally, single-handedly, destroyed housing affordability in the ACT by his planning regime and through his land release program. When he got a little bit hairy-chested and he stood up to his boss, he got slapped and got the flick.

This is the minister who single-handedly destroyed housing affordability in the ACT. To have him stand up and lecture this place about how well the government have done because they have released more land since the previous government—well, they have been in office longer than the previous government. You only have to hark back to the Labor government’s policies of 1993, 1994 and early 1995. They destroyed the housing market in the ACT. They flooded the market with their failed land release. They had economic problems; they could not balance their budget. It kind of sounds like now. They could not balance their budget and they flooded the market.

The reason we did not release land for a long period of time was that there was so much land that in the first two years of the former Liberal government they could not afford to release land because nobody would buy it. There was so much land out there. There was a failed Labor government and now we have another failing Labor government—because of the policies of this man, who single-handedly destroyed housing affordability in the ACT and was then relieved of his job. A little bit hairy-chested, he stood up to the boss, got slapped, got relieved.

**Mr Seselja:** It was the excuse they needed.

**MR SMYTH:** That was the excuse they wanted. The sighs of relief around this city when he lost that portfolio were enormous—just enormous.

Mr Corbell then jumps forward to today. He has the gall to come in here and say that we have got this major financial lender. But look at the word “only”. Large or small, east or west, north or south—whatever measure you want—it is the only lender. It is two years, one lender, no detail.

It was up to the *Canberra Times* this morning to reveal some of the detail—some of the detail that the Chief Minister avoided through many questions this afternoon. Yesterday, we had to wait till the very last question of the day before the Labor Party had the gall to ask their dixer—the last question. He could not answer any of our questions.

We now know that they are in partnership. He will not detail what the nature of the arrangement is. He will not detail the nature of the arrangement. The problem for this government is that they have failed. Mr Corbell says that you cannot point to any policy. The former Treasurer pointed to the policy succinctly when he spoke to the Real Estate Institute. What was the policy on land? Squeeze them till they bleed but not until they die. Never a more accurate summary of the government’s policy into land release, into taxation, has ever been heard in this place: squeeze them till they bleed, but not until they die. That is the problem.

**Mr Corbell:** If the land is leasehold, it is leasehold.

**MR SMYTH:** That is the approach that the government take to it. They constrained land release. Mr Corbell is still against englobo.

**Mr Seselja:** He says it is community land.

**MR SMYTH:** It is community land. The socialists are alive and well in the ACT. The comrades are marching; the revolution will come; it is a community asset. Mr Corbell is damned by his own words. He is damned by his own words. He wants to go back to the policies that forced the price of land through the roof. He wants to go back to the policies that caused the squeeze, that caused the lack of housing affordability in the ACT. He has not learnt his lessons.

We have it there. The confession is there from the man who single-handedly destroyed homeownership aspiration in the ACT. He refuses to recant; he refuses to apologise in this place for what everybody knows to be the truth. It is succinctly summarised in the UDIA report: two things drove housing affordability up in this place, in this territory—the planning polices for which this minister was totally and solely responsible and the land release policy.

The problem is in the failure of this minister to acknowledge his mistakes and at least come down here and have the decency to apologise instead of perpetuating the mistruths that are spoken in this place. It is interesting that he continues. When he knows he is on a hiding, he goes through this—

**Mr Corbell:** Come on, Brendan. Substantiate your argument.

**MR SMYTH:** Mr Corbell, you stood there for 10 minutes and you did not put a single fact on the table.

**Mr Corbell:** Which planning policies, Brendan?

**MR SMYTH:** You babbled for 10 minutes. Go to the UDIA report. They will tell you. They outline it quite succinctly.

**Mr Corbell:** No, no. You are making the argument, Brendan. Which planning policies?

**MR SMYTH:** Yes, and I am making it very well—that Mr Corbell as the minister single-handedly destroyed homeownership in the ACT.

**Mr Corbell:** You know it so well that you cannot tell me.

**MR SMYTH:** We do know it so well.

**Mr Seselja:** You hit a nerve.

**MR SMYTH:** The nervous tic, the twitch, is there.

**Mr Seselja:** Because he knows; he knows he is responsible.

**MR SMYTH:** Yes. The colour is up; you can see it, Mr Speaker.

**Mr Seselja:** Deep down you know.

**Mr Corbell:** I do not like liars very much.

**MR SMYTH:** The assistant planning minister came down to criticise his junior, to make sure that people knew he still knew more about planning than the current planning minister does—

**Mr Seselja:** Who are you referring to, Simon?

**Mr Corbell:** I am referring to you, Mr Seselja.

**MR SMYTH:** He is caught out, Mr Speaker.

**Mr Seselja:** Point of order, Mr Speaker.

**MR SPEAKER:** Order, Mr Smyth!

**Mr Seselja:** We know that Mr Corbell is very, very sensitive, but calling me and presumably Mr Smyth liars is unacceptable. I would ask him to withdraw.

**MR SPEAKER:** Mr Corbell?

**Mr Corbell:** I withdraw it, Mr Speaker.

**MR SMYTH:** That is standard operating procedure for Mr Corbell. He says these things knowing that he will have to withdraw them but he likes to get them on the record. He will not step outside this place and say it, Mr Speaker. He will not step outside this place and repeat what he said here outside this place, because he knows that he is wrong—absolutely wrong.

Mr Speaker, it is an interesting motion from Ms Burch today. Perhaps somebody should talk about it. She could not talk about it. If you really want to get people into homeownership, and we know there are many examples of young Canberrans—

**Mr Seselja:** You have got it wrong. It is terrible when your conscience starts to get to you.

**Mr Corbell:** The real reason that you guys do not like land rent is because it is based on a leasehold.

**MR SPEAKER:** Order, members! Mr Smyth has the floor.

**MR SMYTH:** We know that there are many examples of young Canberrans who in the Stanhope years could not afford to live in Canberra and had to go to Queanbeyan. We know about young families starting out; we know many examples. We know these people. We will not name them and we will not embarrass them, but they had to go. They had to leave the city they love, where they grew up, where they wanted to live, because they could not afford to pay for the land that Mr Corbell drove the prices up on, they could not afford to go through the planning system that Mr Corbell created, they could not afford to pay for the stamp duty Mr Corbell and others put in place. They went to places like Queanbeyan because they could not afford to live here—young Canberra families, starting out.

We took a policy at the last election to lift that burden of stamp duty for young homeowners, first homeowners, in the ACT. We wanted to help them. We have got a government that will not acknowledge the effectiveness of this program, even though it is going on in jurisdictions all around us.

**Mr Corbell:** That is the real reason, isn't it? You probably want 999-year leases too. How long is it going to be before you bring back 999-year leases?

**MR SMYTH:** Now we hear the man who personally drove homeownership out of the range of so many prattling on. He does not like hearing this. He has got no response to it. He throws the red herrings out. He cannot address the reports. He refuses to address the facts. He ignores the reality that he—he alone—is single-handedly responsible for driving homeownership beyond the means of many ordinary Canberrans. He should stand up and apologise to them instead of sanctimoniously standing and lecturing us about our failings.

**MS BURCH** (Brindabella) (5.13), in reply: Mr Speaker, I have been absent from the chamber, but I have picked up a couple of things. What I have picked up is that

Mr Seselja referred to flawed policies—our robust, innovative, affordable housing policies. At least we have a policy. We document our policy; we share our policy.

**Mr Seselja:** Can't they give you a longer speech in the Chief Minister's office?

**MS BURCH:** Silence, please. At least we do have policies and we are happy to share them. We are happy to document. We are happy to support Canberra families into affordable housing. It is a cliché, but in the Canberra local press Zed is the man with no plan. He gets up and walks away and has the hide to talk about our flawed policies.

In response to Mr Smyth—you mentioned a collective sigh. I have no doubt that there will be a collective sigh of relief. I could not even be bothered responding to his arrant nonsense. What I did speak about when I was here was the affordable housing action plan, released in 2007, which is moving into phase 2 and which will focus on homelessness as well as affordable accommodation for older Canberrans.

I and others have spoken about the OwnPlace initiative, which has seen a significant number of house and land packages costing under \$300,000 being released to the market—the same plan that those opposite cannot get right and have accused local builders of having a price hike of \$60,000 within. There is an affordable housing design competition.

I mentioned and others have spoken around land rent. Land rent is an innovative scheme. It is something that the Liberals oppose. They seem to oppose opportunities for Canberra's families. There is a cliché of opposition for opposition's sake, but when it involves denying opportunities to Canberra families it is really quite appalling.

Another thing I mentioned earlier was the entry cost of getting people into their own homes. I spoke about the stamp duty concession scheme. We spoke about the private rental initiative and community affordable housing. I also made mention of how the ACT government—this government; this active, working government—is working with the commonwealth on implementing the national rental affordability scheme, designed to deliver rental properties 20 per cent under current market rent.

Minister Barr spoke around this being an important area of public policy. He went on to say that many of us—and many of our families, our friends, our neighbours—have a dream of homeownership. That is what our affordable housing policy is about—as opposed to the Liberals, who seem to be trying to pull the rug out of innovative policies that will provide opportunities for our Canberra families.

The Minister for Planning went on to say that his approach to affordable ownership was around providing simpler, faster and more effective planning systems; he made mention of a significant number of dwellings that have been exempted from the need to lodge DAs and that the number will continue to rise over time. They are easier, simple, proactive approaches to ensure that our Canberra families are in housing of their choice—their choices, the opportunities that they seek out for themselves.

Another document tabled this week was the report on the implementation of the Canberra plan. If I can read—



**Mr Seselja:** Her close is longer than her opening.

**MS BURCH:** It is around affordable and appropriate housing as a basic right. This government has made upholding that right one of its highest priorities.

**Mr Seselja:** You have normally got something to say when you move a motion.

**Mr Smyth:** Normally you say things so that people can respond to them.

**Mr Seselja:** That is right. Don't raise new stuff in your conclusion.

**MS BURCH:** This has included the establishment of the Affordable Housing Steering Group to advise on real and practical ways in which the government could help increase the supply of affordable housing.

Since the release of the affordable housing plan in 2007, implemented actions have included releasing more land to ease demand, with more than 3,400 dwelling sites released in 2007-08, a further 4,200 new dwelling sites scheduled for release in 2008-09 and an average of 2,750 dwelling sites to be released per year in the following four years.

**Mr Seselja:** I think she read the wrong speech.

**Ms Porter:** You are schoolboys. You really are.

**MS BURCH:** This is also working towards a streamlined planning system, enhancing stamp duty concessions for first-homebuyers, introducing the land rent scheme and supporting affordable housing through the community housing sector to deliver a thousand new properties for sale or rent over the next 10 years.

**Mr Seselja:** Schoolboys? What does that make you? The schoolmarm? Yes, ma'am.

**Mr Corbell:** I think you have just confirmed Ms Porter's point.

**MS BURCH:** I missed the point, because—

**Mr Seselja:** Yes, we know you have missed the point.

**MS BURCH:** No, because the Speaker earlier—when there is a rabble going on, I must admit that sometimes Speakers do apply different levels of discipline and it is noticed by those around.

I also note that Ms Bresnan rose in support of the motion. I welcome the support of Ms Bresnan and the Greens; they recognise that it is important to have policies that support low income earners.

In conclusion, it is an important area that we need to bring in. Affordable housing should be a central plank of any government. Thinking outside the square and

bringing in innovative policies should be first and foremost in our thinking. I am glad that this government does it; it is just a pity that the opposition and the Liberals seem to want to try to pull that plank out from underneath Canberra families.

Motion agreed to.

## Land—rent scheme

**MR SESELJA** (Molonglo—Leader of the Opposition) (5.20), by leave: I move:

That this Assembly:

(1) condemns the Chief Minister for:

(a) misleading the community about the level of support for the Land Rent Scheme by failing to notify the public prior to the 2008 election that a major mortgage insurer had withdrawn support and claiming that the scheme was supported across the board; and

(b) failing to:

(i) inform the public of the onerous deposit and insurance requirements of the only lender willing to provide finance for the Land Rent Scheme; and

(ii) provide to the Assembly a detailed timeline of the advice received by the Chief Minister's office and department, cross-referenced with information provided to the public regarding land rent; and

(2) calls on the Chief Minister to inform the Assembly what the full details of the lending requirements of the current lender will be, including deposit, interest rate, and all fees and charges.

We now come to the motion which the Chief Minister and the Labor Party did not want to debate today. And we know why; we know why they did not want to debate it; we know why they tried to adjourn private members' business today before we actually got to this. It was because Jon Stanhope wanted to make his announcement, claim his victory and then not have to answer any questions about the detail.

We saw it yesterday. He had 20 minutes in which to give us some detail. He refused. He had the opportunity today to give us detail and, in fact, he took it on notice. It actually reminds me a bit of when Mr Corbell, some time ago, did not quite get the headline he wanted on a thing called EpiCentre. I think we had a similar thing from the Chief Minister today. Far from the "Stanhope vindicated" headline that, no doubt, he had been hoping for and expecting, we saw a fairly balanced article, I think, from the *Canberra Times* this morning in relation to the reality of what has happened. Indeed, there are a number of further questions on the land rent scheme.

But it is worth going through some of the key bits which I am sure Jon Stanhope would not have liked. I know he has already ordered an ad; I know he pre-empted it;

and he ordered an ad, with no information. But it will be interesting to see whether or not there is an ad or a letter to the editor to respond to some of this or at least to say, "Come on, where is my vindication headline." He did not get it. He did not get it because there are still some serious reservations.

In fact, the first paragraph actually does what the Chief Minister refused to tell us yesterday. He refused to tell us yesterday that low income earners seeking to own a home under the ACT government's controversial land rent scheme will require a 20 per cent deposit to qualify for finance. He neglected to mention this yesterday. In fact, he had ample opportunity yesterday in the chamber to actually tell us this but he chose not to. This is the debate he did not want because he actually has to go into some of the detail. He actually has to be examined on some of the detail.

We had the deputy chief executive of Community CPS Australia, Robert Keogh, say the company would lend 80 per cent of the cost to build. He said:

Let's say the building cost is \$200,000 ... the person that is going into the Land Rent Scheme would need to save \$40,000 ...

A Canberra mortgage broker said he would be surprised if low income earners could save the deposit. He said:

It will cut out 99.9 per cent of the low income earners.

I think that may be an exaggeration from the mortgage broker; nonetheless, he is expressing a concern about how many low income families will actually be able to access this scheme as proposed now by the government in partnership.

**Mr Corbell:** He did not think any of them would. That same source said there would be no lender ever secured.

**MR SESEJLA:** We actually have him saying 99.9 per cent. I think that probably is an exaggeration. It must be said it is an exaggeration. But it is fair to say that a \$40,000 deposit for a family on around \$50,000 a year, which is what Jon Stanhope yesterday in the chamber talked about as the target group, is a big ask. I take my hat off to any young family who is able to save \$40,000 on that kind of income; that is a fundamentally impressive effort. But there is no doubt that, for many, that will prove simply too much. This is what the Chief Minister did not want to talk about yesterday and did his very best to avoid talking about it.

Indeed, we saw a number of contradictions. In terms of the motion, in a moment I will go to some of the misleads before the election. But we did see some contradictions, even in what I have just quoted, between what Mr Keogh had to say and, in fact, what Mr Stanhope is now saying. In fact, Mr Stanhope has contradicted himself on this issue, and that is the cost of building.

Mr Keogh took a cost. He said, "Let's say the cost of building is \$200,000, with a \$40,000 deposit." That is a pretty reasonable assumption, about \$200,000. The Chief Minister, who told us in estimates that, indeed, you could not get a house built in the

ACT for \$200,000, is now saying, in the context of the size of the deposit—he was cornered by journalists asking, “Isn’t \$40,000 a lot?”—“It’s not \$40,000; you could get a house for much less than \$200,000.” He used the figure of \$150,000. I am not sure whether he actually used an even lower figure.

Mr Stanhope now needs to actually say is it \$150,000, is it \$120,000, is it \$180,000 or is it \$200,000, as he previously said, or is he saying that not only should those who access the land rent scheme be content with not owning the land but they should also be content with a substandard house which does not have any of the basic fittings? Is that what he is saying? It would appear that that is the only conclusion we could draw, based on the evidence we saw before us in the estimates committee when this issue was raised.

The other part of the article which, of course, Mr Stanhope would not have liked and which would not fit with his message was that Australia’s biggest mortgage insurer, Genworth Financial, refused to support the ACT land rent scheme because it was too high risk. A company spokeswoman told the *Canberra Times* in May it abandoned the land rent scheme following a risk assessment which raised significant concerns. Mr Stanhope said Genworth withdrew because it was hit by the global financial crisis.

I will repeat that. Genworth said it abandoned the land rent scheme following a risk assessment which raised significant concerns. But Mr Stanhope said Genworth withdrew because it was hit by the global financial crisis. So Jon Stanhope says they are liars, essentially. That is what he is saying about Genworth; he is saying that what they said in their letter was a lie.

**Ms Porter:** The two things are not mutually exclusive.

**MR SESELJA:** He cannot have it both ways. He is saying that they are not telling the truth. They said it was not. I understand that Mr Keogh, yesterday when asked, in the coverage I saw on the television last night, also said that it was not the global financial crisis.

So Jon Stanhope’s narrative about the flaws in the scheme, where it was all about the global financial crisis, was thoroughly rejected by Genworth. His response to that is to call them liars; presumably he is also calling his partners liars. If it was true for Genworth that it must have been the global financial crisis, as Mr Stanhope claims, then surely what Mr Keogh is saying is also a lie. Is he also calling into question the integrity and the truthfulness of Mr Keogh, his partner?

We had this letter—and it is worth referring to this letter—which goes to the truthfulness of what Mr Stanhope had to say prior to the election. We had this letter to Elisabeth Judd on 14 October 2008, four days before the election, where, indeed, Genworth set out a number of reasons why it would not support the scheme. The government was told four days out that the major insurer of financial institutions would not support the scheme. It gave a number of reasons—seven. Mr Smyth may well expand on them if he has time. There are a number of them. Of the seven reasons, none of them is the global financial crisis.

When that was put to the Chief Minister and his office, they essentially said they were not telling the truth; they said that is not the reason; the reason is the global financial crisis. Why a member would—

**Mr Corbell:** You're a shocker, Zed.

**MR SESELJA:** What part of it is not true? Mr Corbell interjects. How disgraceful is it for the Chief Minister's office, who actually were told before the election, not to tell anyone. I will go to some of the quotes. They would not tell anyone. And they get caught out. What is their response? They call them liars; the other people must not be telling the truth. That is the implication of what was said. There is no other implication that you could draw. "No, what they said was not true; it was the global financial crisis." It is absolutely disgraceful behaviour.

It actually fits in with the pattern of behaviour and the misrepresentation that we saw in estimates on other issues from the Chief Minister, to the extent that the estimates committee actually had to write to builders to correct the record because the Chief Minister could not be straightforward and truthful with them and had to misrepresent what was being said.

**Mr Corbell:** Point of order.

**MR SESELJA:** Could you stop the clock, Mr Speaker?

**MR SPEAKER:** Stop the clock.

**Mr Corbell:** Mr Seselja has asserted that the Chief Minister was not truthful.

**Mr Smyth:** No, he said "not straightforward".

**Mr Corbell:** No. He said he was not truthful. That is disorderly and unparliamentary and I would ask you to ask Mr Seselja to withdraw. It is an improper imputation. The imputation is that Mr Stanhope lied, and that is an imputation. It is disorderly and he should withdraw it.

**MR SESELJA:** Mr Speaker, on the point of order—

**MR SPEAKER:** On the point of order, yes?

**MR SESELJA:** I was referring to conclusions drawn by the estimates committee which talked about—

**Mr Corbell:** No, you said—

**MR SESELJA:** Yes, I was. You will have to read *Hansard*.

**Mr Corbell:** You are outrageous.

**MR SPEAKER:** Order, Mr Corbell! Mr Seselja has the floor. We can come back to you.

**MR SESELJA:** I will finish. I was referring to conclusions drawn by the estimates committee and the letter that had to be written on behalf of that committee which found that there were misrepresentations in what Mr Stanhope said. I think “untruthful” is a reasonable conclusion to draw from that and I do not believe it is unparliamentary.

**Mr Corbell:** No, it is unparliamentary.

**MR SESELJA:** How is it unparliamentary?

**Mr Corbell:** You impugned the Chief Minister and said that he was untruthful.

**MR SPEAKER:** Order, members!

**MR SESELJA:** That is what the committee said. The committee said he misrepresented.

**MR SPEAKER:** Mr Corbell, you have the floor.

**Mr Corbell:** Mr Speaker, on the point of order: if you say that the Chief Minister’s actions were untruthful, it can only mean one thing. The imputation is quite clear, that—

**MR SESELJA:** No, it means they are not true.

**Mr Corbell:** No, it means the Chief Minister lied.

**MR SESELJA:** Actually, no. It means they are not true.

**MR SPEAKER:** Order!

**MR CORBELL:** That is unparliamentary and Mr Seselja should be asked to withdraw it.

**MR SPEAKER:** Members, given the confusion over this matter I am going to have to review the *Hansard* and come back later if I feel that there is an issue. Mr Seselja, you have the floor.

**MR SESELJA:** To clear up any confusion, I will withdraw it for the sake of time and not going over this issue. I will withdraw it. The Chief Minister misrepresented what the estimates committee said and we had to write to actually correct the record. However Mr Corbell wants to spin that, it is disgraceful that we had to come to a conclusion, as an estimates committee, and write to external, third parties to correct the misrepresentations of the Chief Minister. And this is the pattern of behaviour.

When they get a letter they do not like or they get a letter that they hid, they get a letter that they did not want to tell anyone about before the election, but when they get sprung after the election about the contents of the letter, they impugn the integrity. There is no other way of reading what the Chief Minister said through an adviser.

I do not know whether the quote in the *Canberra Times* today is based on what he said again yesterday, but Mr Stanhope said, “Genworth withdrew because it was hit by the financial crisis.” He is calling into question the truthfulness of what they told him and what is in the letter. It goes to how he has treated this issue over a period of time. He was getting concerns right through. There is a reason it has taken two years to get one lender actually on board after two years. There is a reason for that. There were serious concerns expressed from day one. In fact, going right back to 2004, we saw concerns expressed about the scheme.

Yet what did Mr Stanhope have to say on it? On 25 June last year he said, “It is supported everywhere, across the board.” That is not true. That is simply not true. It was not supported across the board, as evidenced by the fact that after two years they had managed to scrape one lender. If it was supported across the board, you would have 20 lenders or 50 lenders. You would have lenders everywhere offering finance for this scheme, but they do not.

Then he said on 26 June, “At no stage has any financial institution indicated the nature of the land rent scheme would provide an impediment to lending.” That is not true. Once again, that is not true. We see this pattern on this issue. We see this pattern on this issue from Jon Stanhope.

Then, in the lead-up to the election, having had all these concerns expressed to government—and they were desperately seeking a lender—he was asked about it. On 28 August 2008, before the election, six weeks out, he said, “We have no reason to believe that the relationships we have with them and the undertakings we have from financial institutions are other than they will support land rent.” We know that is, again, not true. He could have said: “We are still hopeful that we might get one but we are struggling. We are struggling to get one on board.” But he said, “No, there are no problems with this scheme, no problems at all.”

Then, “In relation to the interest of banks and lending institutions, the interest has been strong.” We have seen the pattern of behaviour and he still continues to avoid this particular issue. Recommendation 39 of the estimates committee says:

The Committee recommends the Chief Minister prepare and table a full briefing for the Assembly, in the next sitting, on the progress of the Land Rent scheme, a timeline of what advice his office and department received, and a cross reference to information provided to the public, and to reveal the identity of lending institutions, if any, who have officially offered support for the scheme.

He noted the response and then said he has got a land rent paper. That does not cover most of the things in this. It covers maybe one or two. It covers not much—“a briefing”, I suppose. It is very brief. There is not much detail in it. If you go through it, it does not cover a time line of what advice his office and department received and a cross-reference to information provided to the public. Why not? What is he hiding on this issue? What did he know prior to the election and how does that accord with his public statements? We are entitled to know.

The other thing is that Mr Smyth will be moving an amendment, which I think has been circulated, actually calling on him to give details of this partnership arrangement.

He alluded to this in question time today. He alluded to there being arrangements in relation to defaults. We want to know what they are. I think it is reasonable that we get the detail on that and that we do not see him obfuscate for another month before giving a non-answer, as is his wont.

But we have a pattern of misleading here and we look forward—and Mr Corbell will be defending on this—not only to him defending the record and the public statements of the Chief Minister but, indeed, taking the opportunity to defend his record in pushing up prices in the ACT and making houses far less affordable for the people of Canberra. (*Time expired.*)

**MR CORBELL** (Molonglo—Attorney-General, Minister for the Environment, Climate Change and Water, Minister for Energy and Minister for Police and Emergency Services) (5.37): The motion moved today by the opposition, which I note was hastily amended in the dead of the night to wipe some egg off the face of the Leader of the Opposition, is nothing but misrepresentations, a rehash of prejudices against Canberrans on modest incomes and, quite frankly, a bit of a hissy fit. Indeed, one quite envies the staff of Community CPS Australia, who are spending today fielding inquiries and helping Canberrans towards the great adventure of homeownership. But I am happy to again indulge Mr Seselja's pathological interest, more than happy.

The motion before the Assembly today suggests that the Chief Minister misled the community prior to the last election about the level of support for the scheme because a major mortgage insurer indicated its lack of support. While it is not the government's role to secure lenders mortgage insurance for banks or, indeed, to give banks advice on their risk coverage, the government did take steps to discuss the scheme with various mortgage insurers. One indicated support for the scheme. Another advised that they were going through a significant merger and were not in a position to consider new products.

Then there were the discussions with Genworth. The Chief Minister's Department and Treasury were involved in discussions with representatives from Genworth between July and October last year. A record of these discussions is available via emails between the department and Genworth. These emails indicate clear support for the scheme right up until the last possible hour. Other than the final letter received from Genworth in late October last year, the response from Genworth had been generally positive. As late as August, Genworth was suggesting that final sign-off on a lenders mortgage insurance product for land rent was imminent.

On 5 August, in an email, the Genworth risk manager said:

I cannot see any reason why we would not accommodate LMI on this security type. Unfortunately, I need to go through the due process and obtain business sign-off and will advise when to hand.

Issues were subsequently raised on 2 September by the Genworth legal and property services unit, and these issues were discussed by teleconference on 8 September. The impression left at the end of that meeting was that the issues raised had been



appropriately addressed. A subsequent phone conversation with the Genworth risk manager suggested that it was very likely that sign-off would be provided by the Genworth national office but that, because the scheme would require the company to offer a new product, final sign-off from their parent company, located in the United States, would be required.

Subsequently, a letter was received from Genworth declining to offer a lenders mortgage insurance product for land, ostensibly based on a number of concerns regarding risk. While this advice was dated 14 October, this letter was not received by the Chief Minister's Department until 20 October—after the ACT election.

Mr Seselja's claim that the government was aware of Genworth's refusal to back this scheme prior to the election is false. I am in awe of Mr Seselja's faith in Australia Post, that he believes a letter can be sent, received and logged within 24 hours. Of course, the truth—one surely intuited long ago by everyone apart from Mr Seselja—is that the letter did not reach the ACT government until after the election. Hence, there was no question of notifying the people of Canberra or anyone else of Genworth's decision before the election.

A second truth, again understood by everyone except Mr Seselja, is that Genworth is not a lender. One would have imagined that Mr Seselja, having pored so diligently over the FOI material made available to him and carefully snipping a half-sentence here and a half-phrase there to suit his argument, would have twigged to this. But apparently not.

In any case, it is unclear just why Mr Seselja is so touchingly concerned about the issue of mortgage insurance. Mortgage insurance, after all, protects the lender in the event of a default. It has nothing to do with the borrower. It is insurance for bankers. It is usually considered compulsory where the deposit is below, say, 10 per cent.

So why was Mr Seselja so agitated at the prospect that no-one will protect the lender? I am pretty sure that Community CPS is better placed to judge whether it needs mortgage insurance for land than Mr Seselja. It is, as I say, touching in the extreme to see Mr Seselja's concern for Community CPS's judgement. Perhaps he would be better placed to take up his concerns with the credit union than with the government.

I think that safely disposes of the first part of Mr Seselja's motion. It is wrong in fact, meaningless in content and shows a paltry and quite worrying understanding of both the banking system and the postal system.

In the next part of his motion Mr Seselja goes on to describe the 20 per cent deposit requirement announced by Community CPS Australia as onerous. Onerous means burdensome. Here we go again. Mr Seselja is attacking a fine local institution for daring to agree with the government and not him. He did it to the builders who dared to partner with the government on OwnPlace. His party did it to the senior public servants who have the absolute cheek to try to correct the record and protect their professional reputations and those of their staff. Now he is calling into question the social morality of the members of the CPS board. Where does this end, Mr Speaker?

I think it is a ripper. To describe a 20 per cent requirement for a deposit as onerous is simply fabrication of the worst kind. Are we then to assume that Mr Seselja is urging upon this city's low and moderate income earners a low-doc, no-doc loan? Does he want them to mortgage themselves to the gills when they need not? In fact, we all know what Mr Seselja thinks, and that is that the sorts of Canberrans targeted by land rent do not deserve to dream of homeownership. They do not get to enjoy the opportunities he enjoys and his colleagues enjoy. They do not qualify for dreams. That is what Mr Seselja thinks. If Mr Seselja has concerns about Community CPS Australia's lending practices, it is open to him to approach the credit union and discuss those concerns—perhaps in the same letter that he is slapping them on the wrist for not taking out mortgage insurance.

In an information session held at the end of February this year the government advised all those people with land rent blocks on hold of the lender's likely requirement for a 20 per cent deposit. That is no secret, and any subsequent queries from the public about loan requirements have also included advice about the likely requirement for a 20 per cent deposit. Wouldn't you know that at no time has any member of the public raised this as being a deal breaking issue for them.

Does Mr Seselja consider it unreasonable that a lender would require evidence of savings history from an applicant for a home loan? Given what we have seen in international markets over the past six months, surely the opposition is not suggesting that 100 per cent finance is preferable to prudent and responsible lending practices.

The land rent scheme is just one of more than 60 initiatives that are part of the ACT affordable housing action plan. Following the announcement of the plan, work commenced to begin implementation of all the initiatives, including land rent. As you could imagine, developing an innovative scheme such as this required considerable work within the departments to ensure that the scheme would achieve its objectives while remaining easy to access for the public.

Prior to the commencement of the scheme, the government consulted with a number of professional and industry groups, including the ACT Law Society, the Australian Property Institute and, of course, with lenders, which included the major banks. As is usually the case with a new initiative, there was some discussion about possible ways that the scheme could be improved. These suggestions were incorporated as much as possible so that at the time of final implementation of the legislation the government was confident that the scheme would be successful.

In particular, the financial institutions that were approached while the scheme was being developed were supportive of it. In fact, the government was approached by one of the major institutions who wanted to be the exclusive lender to offer land rent. Of course, the government could not agree to such an arrangement, but was encouraged by that lender's enthusiasm for the scheme.

Once the legislation was announced discussions with the lenders continued. Lenders indicated that once the legislation was in place—and I stress that: lenders indicated once the legislation was in place—they could commence their internal due diligence

processes. As a matter of course these processes resulted in the legal and risk teams from national offices within the institutions raising questions seeking to clarify the operation of the scheme. Some of these questions were simply clarifying issues relating to the general principles of the leasehold system. Others were more detailed questions about the operation of the scheme itself.

Now, although the due diligence process took longer than we would have liked, general feedback from the banks remained positive. However, the advent of the global financial crisis impacted on these discussions. The crisis severely constrained the amount of money available for lending and caused financial institutions to tighten their lending margins on their existing products. The lenders became reluctant to consider new products as a consequence of the crisis. Let us remember that this is the environment before the Australian government said it would guarantee all the borrowings of all banks and financial institutions.

Despite the setback of the global financial crisis, the government continued to pursue discussions with lenders with a view to making sure that a lending product for land rent would be available. We are pleased that Community CPS Australia has announced that it will be offering a lending product for the land rent scheme and that it was not affected by the global crisis in the same way as some of its competitors. Combined with its commitment to providing affordable housing to the community, this has meant that Community CPS Australia has been more open to consideration of this innovative and exciting scheme, and we hope that with the adoption by Community CPS of this new product other lending institutions will pay similar attention.

The government continues to be overwhelmed by the community support for this scheme and by the number of people who have kept the faith and kept land rent blocks on hold. This is a good scheme and the Assembly should give it a go. Anything that delivers savings of \$600 or \$700 a month in mortgage payments is worth a go to give lower income earners the opportunity to own their own home. The government does not support Mr Seselja's motion today.

**MS BRESNAN** (Brindabella) (5.51): The land rent scheme has been a particularly political project. It is one that has never been supported by the Liberal Party. I suspect that is why the Labor Party has been consequently so resistant to any advice on the matter. I have no doubt that there are instances of slight elasticity on the truth of events relating to the matter, including the reasons why it has been hard to find a financial institution to provide credit.

I have no doubt that the Liberal Party has ended up in a position wanting this scheme to fail. It has invested too much in its probable failure to be prepared to welcome yesterday's turnaround even if it does benefit those customers who have wanted to buy into it, the same constituents that the Liberal Party has been concerned to represent.

That is what is so annoying about this whole debate. I do not know if the land rent scheme will work, but I would like to give it a chance. Now that there is a credit provider it would make sense just to step back and let that happen. I know the

Liberal Party believe that a fraud of some kind has been perpetrated upon us, but in my mind it is time to let go of that frustration and move on to a new obsession.

In the end, this scheme is one of several strategies that emerged as part of the previous government's response to an ongoing campaign on housing affordability, a campaign which the Greens have helped to sustain over many years. The Greens would like to see this scheme given the chance to succeed.

The Greens do not accept that there is some underlying assumption that the scheme is a fabrication, has been perpetrated through dishonesty and is bound to catch people out. The Greens will not be supporting this motion or the proposed amendment. I do not believe there is any need to go into this debate in any more detail.

**MR SMYTH (Brindabella) (5.53):** We only have to read the letter from Genworth to the government to know that every excuse, every reason and every fabrication that has been put forward by the Labor Party today is wrong. Genworth actually made decisions based on fact. They actually say that they will support OwnPlace. Clearly, the global financial crisis did not stop the support for OwnPlace going ahead, but the global financial crisis stopped support for land rent going ahead. How does that figure? The last two paragraphs of Genworth's letter to the government states:

Genworth is able to provide lenders mortgage insurance on loans under the OwnPlace program, designed to allow lower income households to purchase house and land packages under \$300,000. Applications will be assessed according to Genworth's current Underwriting Policy across our full range of products.

Apparently in that paragraph there is no global financial crisis. But in the next line Genworth states:

The only exclusion relates to any land that is under the Land Rent Scheme.

Suddenly the global financial crisis overcame this letter; the global financial crisis occurred before it got posted! That is the great lie that is being perpetrated. The Chief Minister failed to say that, when measured against the seven criteria outlined by Genworth, the land rent scheme failed to gain support. To say that Genworth's real reason for not supporting the land rent scheme is the global financial crisis is just not true.

It is quite clear that Genworth made decisions based on fact. That allowed them to back OwnPlace; it allowed them not to back or not want to back or go ahead with land rent. We find out today from the front page of the *Canberra Times* the detail that the Chief Minister could not tell this place about yesterday—how people wanting to access the land rent scheme will get a loan from the CPS. I move:

Add:

“(3) calls on the Chief Minister to table, by close of business 25 June 2009, details of the partnership agreement with Community CPS Australia including any special arrangements in relation to the position of the

Territory and Community CPS Australia in the event of a mortgage default.”.

We need to know the detail of this partnership agreement between the ACT government and Community CPS Australia. I want to know what it is they have agreed to. The CPS site says you can get finance for 95 per cent of your home, but, as was revealed in the *Canberra Times* this morning, for land rent you can only get 80 per cent coverage.

We have talked about homeowners on \$75,000 a year, \$50,000 a year and \$35,000 a year. If you are buying a \$200,000 house—this is the example chosen by CPS themselves and written up in the paper this morning—you have to save 20 per cent of \$200,000, which is \$40,000. I will congratulate any person on \$35,000 that can save \$40,000 to apply for this finance. Then, of course, they have to find the stamp duty the government will want.

We have no detail of what the partnership arrangement is. As the legislators in this place, it is quite reasonable for us to know what will happen in the event of a mortgage default. It is unfortunate that the government will constantly shoot the messenger instead of answering questions or addressing concerns raised by somebody who has a view contrary to theirs.

Genworth gave seven good reasons for not supporting the land rent scheme. Apparently they lied. According to the Chief Minister—I do not know where he gets his information from; perhaps he has a ouija board or a crystal ball or perhaps he gets messages from God—the real reason that Genworth did not support the land rent scheme was the global financial crisis, even though Genworth, in their quite balanced letter, support one part of the Chief Minister’s package but choose not to support the other part of the package. It is curious how the global financial crisis affects some people and not others.

My proposed amendment is quite simple. By the close of business tomorrow we would like to see the details of the partnership arrangement with Community CPS Australia, including any special arrangements in relation to the position of the territory and Community CPS Australia in the event of a mortgage default. We would like to know, for instance, if land rent owners will be charged the same rate of interest. We want to know what the terms and conditions are.

I have a 2007 report of the Urban Development Institute of Australia into housing affordability in the Australian states. Because Mr Corbell was so interested in this, I will outline the reasons why we have problems with housing affordability in the ACT. The report states:

Unlike parts of New South Wales, the Canberra residential property market is not depressed.

Remember this is 2007. The report states:

The adjacent graph (Figure 44) shows the median detached house prices in a number of locations across Canberra for 2001 and 2006 and the substantial increase in prices that occurred in the period.

The level of affordability of home purchase decreased markedly in the period from 2001 to 2006 throughout the ACT and is graphically displayed in the diagram below.

The reason is quite simple. The report continues:

The challenge for the Australian Capital Territory Government is to improve affordability for those entering the market without causing a price collapse in the wider market. Improving land supply and assessment processes and permitting changes to the mix and size of products that can be offered are all part of the steps that need to be taken.

The report goes on to discuss changes to the way land was released. It states:

A positive step has been a move by the Australian Capital Territory Government earlier in 2007 to allow engloba land sales to private developers—

That is a policy contrary to the former planning minister's view of a world in which it should only be done by the territory. There it is in black and white. There is the assessment. It is a condemnation of the former minister.

*At 6.00 pm, in accordance with standing order 34, the debate was interrupted and the resumption of the debate made an order of the day for the next sitting. The motion for the adjournment of the Assembly was put.*

**Adjournment**  
**Spastic Centre**  
**Hon Margaret Reid AO**  
**Mrs Vicki Dunne—comments**

**MR HARGREAVES** (Brindabella—Minister for Disability and Housing, Minister for Ageing, Minister for Multicultural Affairs, Minister for Industrial Relations and Minister for Corrections) (6.00): Mr Speaker, today I was fortunate to join with Mr Doszpot and go to the annual lunch at the Hellenic Club in support of the Spastic Centre.

A couple of points came out there that I thought I would bring to the community's attention. One was that the guest speaker, Jane Armstrong, was one of the most inspiring people that I have had the good fortune to hear from. She is a paralympian cyclist—Mr Speaker, you would be able to relate to that very easily—and she was particularly inspiring on what people can do who have a disability, particularly when they compete against people who are what we would now call able bodied. I was particularly impressed with that.

I was also impressed with the professionalism of the Spastic Centre in the way it has conducted its affairs over the last 60-plus years. We talked about how much money has actually been provided. Also, I was taken by the amount of support the Canberra community, through clubs and various other entities, have given.

One of the reasons for bringing people together for the lunch, though, was to acknowledge the 17 years of selfless services that Margaret Reid AO has delivered to the community that the Spastic Centre covers, people with cerebral palsy predominantly. I wanted to put it on the record, as I did in the speech, that I hold Margaret Reid in very high esteem, particularly in this case. The Spastic Centre also launched a magazine, which I would like to table a copy of for members' interest. I table the following paper:

Step by step—The Spastic Centre newsletter—Issue 1 Winter 2009.

If my memory serves me correctly, a child is born with cerebral palsy something like every 18 hours. An enormous number of children are born with this affliction and we still do not have a cure for it. The Spastic Centre does some wonderful things for these people and their families.

This was a family-centred celebration, and I am sure Mr Doszpot will join with me in highlighting that point. It was not done on a client focus—it was family focused—and I wanted to congratulate the centre on that.

I would also like to make reference to yesterday's episode where Mrs Dunne referred, inappropriately in my view, to the Chief Minister's behaviour as having "spac attacks". I thought that was inappropriate and sought the withdrawal of that phrase, and indeed Mrs Dunne did retract it. But she said, "If Mr Hargreaves is offended by that, I have no problem at all in withdrawing." I would like the record to show that I am not a client of the Spastic Centre. I was offended as the minister for disability—not for my own sake but on behalf of all of the people who are clients of the Spastic Centre, and the Spastic Centre itself. I really think that Mrs Dunne ought to apologise to those people, not to me. To say, begrudgingly, that she would withdraw this remark with such awful phraseology I do not think is acceptable. I said thank you to her after she did it, but it happened so quickly that I did not actually digest it enough. I think that we members here have a responsibility to be a little bit more judicious in what we do.

I can recall, in fact, making comments earlier on in my career which offended some people. When I found out the depth of that, it has affected me profoundly ever since. I would urge members to learn some lessons from that. But I would also ask Mrs Dunne to really think long and hard about the offence that those sorts of throwaway lines can cause—not to me, because, quite frankly, I do not give a heck about what people say about me in the chamber; I have been here long enough to have survived all that. But we are trying to normalise the lives of these people who are afflicted with cerebral palsy and I think these phraseologies are unacceptable and that Mrs Dunne should apologise to them and not to me.

But I do, I hope, join with Mr Doszpot in celebrating Margaret Reid's contribution.

**Spastic Centre**  
**Hon Margaret Reid AO**  
**Vision Impaired Sport ACT**

**MR DOSZPOT** (Brindabella) (6.05): Mr Speaker, I would like to join Mr Hargreaves in his acknowledgement of the Hon Margaret Reid and for the contribution that she

has made as patron of the Spastic Centre to the organisation over 20 years. The organisation, in their journal, have printed quite a tribute to Ms Reid. They said they are privileged to have had the support and backing of such an esteemed identity who is well known to the Canberra community and throughout Australia. Obviously, Margaret is well known to our Assembly and to politics in Canberra and nationally overall.

Apart from her contribution over that extended period of time, after obtaining her Bachelor of Laws from Adelaide University Margaret worked as a barrister before entering federal parliament, and she is the first woman to have been elected President of the Senate, after serving in various positions in the federal parliament. Margaret was awarded the Queen Elizabeth II Silver Jubilee Medal in 1977 and the Order of Polonia Restituta in 1987. She is married with two sons and two daughters. I also acknowledge her contribution to the Spastic Centre.

A few weeks ago, as part of my work within the portfolio of Sport and Recreation and also in my position as shadow minister for disability, I had the pleasure of meeting with Stephen Fagg and Robert Altamore OAM, members of the board of Vision Impaired Sport ACT, VISACT. Vision Impaired Sport ACT, VISACT, was formed in 2004 to meet a void in the sporting sector within the ACT and surrounding areas of southern New South Wales. Prior to this time, no single body existed to assist people who are blind or vision impaired with sport and recreation options in the ACT.

The patron of VISACT is a senator for the ACT, the Hon Gary Humphries, and the executive board of VISACT is Justin Simpson, Stephen Fagg and Robert Altamore OAM. There are 25 members of VISACT, playing in mainstream sports such as soccer, rugby union and martial arts, as well as modified sports for the blind and vision impaired.

As the ACT member of Blind Sports Australia, VISACT works closely with the Australian Sports Commission, Sport and Recreation Services ACT, ACT Health, Canberra Blind Society, Guide Dogs Association and Vision Australia to influence policy and the future promotion and development of blind sports in the ACT.

Blind sports provide an opportunity for people who are blind or vision impaired to develop not only in the sporting arena but also as a productive member of the local community. They offer essential social skills as well as important team-building skills and encourage participation by people of all ages.

VISACT has a strong emphasis on integration into the community and breaking down barriers and stereotypes about what being blind and vision impaired means. This is achieved through social matches in various blind sports against sighted teams who are blindfolded or wear goggles, replicating the various forms of vision loss. An example is blind cricket and blind baseball, beepball.

VISACT has as its primary focus encouraging the development of all aspects of sport and recreation for people who are blind or vision impaired in the ACT and to represent the interests of VISACT and its members to government and non-government bodies. VISACT recognises that it holds a unique position as being



one of the very few disability sport organisations in the ACT. What sets VISACT apart is that it is responsible for sports for which there is no sighted equivalent, such as beepball, goalball and swish, which is blind table tennis. It is also responsible for modified sports such as blind cricket, blind golf and vision impaired tenpin bowling.

The ACT is one of the few jurisdictions in Australia where there are no sporting facilities set aside that cater for the needs of the blind and vision impaired. In other states there are dedicated sporting fields or indoor courts for blind sports and that are close to public transport. This has meant that indoor sports such as goalball and swish have not been held for some time. It has also meant that outdoor sports such as beepball and blind cricket have to compete for limited sporting space with larger and more established sports and pay for those facilities, when some of VISACT's participants are already disadvantaged by the effect of blindness on employment opportunities. This is also compounded by the fact that some of these facilities are not close to the main bus corridors that this particular sector of the community relies on, as well as the fact that they need to play on Sundays.

I understand that VISACT has made this point at the 2008 and 2009 recreation summits, to the current review of the ACT disability sports inclusion framework, as well as in submissions to the consultation process for community recreation space in the ACT government's closure of the old school sites in 2008.

I will be talking in more detail about VISACT when the Assembly resumes sittings after our current budget sittings and would appreciate the support of all our Assembly colleagues in recognising the work of this organisation which provides such a valuable service to the ACT community.

### **Baha'i leaders**

**MS BRESNAN** (Brindabella) (6.10): I would like to speak today in support of the Baha'i community and the Baha'i leaders detained in Iran. The seven Baha'i leaders currently imprisoned in Iran face the anniversary of their arrest in May and are faced with new and extremely grave accusations after spending a year in jail without formal charges or access to their lawyer.

In the year since the group were jailed they have not had access to legal counsel and only minimal opportunity for brief, supervised visits with their loved ones. The group have been charged with a number of serious charges, including spying and propaganda, against the Islamic Republic of Iran, which the group strenuously deny. Some 14 weeks after an investigation against the group was originally reported as having been concluded, the families of the group have been informed that a new and deeply serious charge of "spreading corruption on earth" has now been levelled against the group and it carries the death penalty in the case of conviction.

This is the same accusation that was used against the Baha'i who were executed in the years immediately following the 1979 Islamic revolution. These arrests of the seven leaders and the most recent charges add to the denial of rights to the Baha'i community in Iran in many areas of society.

The Baha'i faith was founded over a century ago in Iran and has more than five million followers across the world. I have met with representatives of the Baha'i community in the ACT and they have raised the plight of the seven leaders with me. It is of significant concern to the Baha'i international community that the crime of spreading corruption as set out in Iran's penal code is cast in such vague terms as to place anyone accused of committing it in an extremely vulnerable position and opens the door to the authorities' declaring any Baha'i activity a crime.

The report of this additional charge occurs against the backdrop of systematic and wide-ranging acts of persecution against the Baha'i. Such acts, carried out across Iran, include covert efforts to identify and monitor followers throughout the country; denial of access to higher education, earning a livelihood and obtaining business or personal bank loans, as well as the exclusion of Baha'i from civil service jobs, educational institutions and the legal profession; systematic efforts to drive all the Baha'i out of certain villages in rural areas; and persistent official denial that the Baha'i faith is a religion.

Given the current political situation in Iran, it is even more important that we bring to the attention of the world the plight of the Baha'i and raise concerns with Iranian representatives here in Australia so that Iran know the world is watching how they respond to their current political crisis and existing situations of human rights abuses in their country.

### **IMB Community Foundation funding program**

**MS BURCH** (Brindabella) (6.13): There are just two things I would like to talk around briefly this afternoon. The first one is that on Monday I went to the presentation of the IMB Community Foundation funding program. The IMB Community Foundation committee chose 27 successful projects from 200 funding applicants for the 2009 round, and the successful projects included activities and initiatives involving the arts, youth, retired groups, families, the elderly, historical and community interest, intergenerational mentoring and community health matters.

It was pleasing to see that five of the 11 successful community projects to receive funding this week were from the ACT region. I would just like to make mention of them. The Marymead Child and Family Centre had two projects that were successful; one was the kids companions program and the second was "at home with books". Communities@Work were successful in receiving funding for the Tuggeranong men's shed. The Chamber of Women in Business ACT were successful in the grant round for the purple tick program, which is around supporting women in business, and the Queanbeyan Multilingual Centre got some funding support for their volunteer career mentor support for refugees.

I congratulate all these community groups who have received their funding and they will provide much needed programs and initiatives to our community. Funding through these small community groups really is a great stretch of the bang for the dollar because they facilitate great work and great outcomes for the community. So I want to congratulate those groups and also congratulate IMB Community Foundation for this great initiative.

Secondly, I want to make mention of an awards ceremony for the on track program, which happened in the Assembly. The on track program commenced in 2005 and is aimed at providing opportunities for targeted Aboriginal and Torres Strait Islander students in years 5 and 6 to participate in activities to enhance their self-esteem. It is pleasing to see the work that schools are doing in relation to Indigenous education and the interest that students are expressing in learning about the rich cultures of Aboriginal and Torres Strait Islander communities throughout Australia.

Before I came to this place I had the great privilege to live and work in Alice Springs for a number years, and from that experience I have benefited enormously and can say that Aboriginal culture now, through music, arts and friendships, is part of my and my family's lives, so that trip to Alice Springs has been, indeed, life changing.

The students who graduated today from the on track program are role models for their peers and other students, Aboriginal and non-Aboriginal students, in their schools. The program demonstrates how ACT public schools are supporting the learning opportunities for Aboriginal and Torres Strait Islanders, so I commend the ACT public school system, the Indigenous section within our education system, and the 13 students that received their graduation certificates today.

### **Australian Hotels Association annual awards**

**MR COE** (Ginninderra) (6.16): Last Wednesday night, I, like many other members, had the pleasure of attending the annual Australian Hotels Association ACT branch 2009 hospitality awards night. In partnership with [outincanberra.com.au](http://outincanberra.com.au), the awards were a showcase of excellence in the ACT hospitality industry.

The evening's top award went to Socrates, or Soc, Kochinos, who was the ACT member of the year for 2009. The people's choice award for best bar or nightclub went to a venture of Mr Kochinos's, the newly opened Sub-Urban in Dickson. Mr Kochinos has been involved in the Canberra hospitality industry for more than two decades and has been praised for his success throughout those years. This year, the John Press award, the award named after the AHA ACT's first president, was won by King O'Malley's owner, Peter Barclay. As well as running King O'Malley's, Mr Barclay contributes to a number of charities.

I would also like to congratulate the award winners in my electorate, Ellacure Restaurant and the Belconnen Premier Inn.

I congratulate many other recipients of awards on that night and I recognise the team at the AHA ACT branch for the successful night of awards. Congratulations in particular go to the General Manager, Steven Fanner, for a successful event. I also acknowledge the leadership of the organisation, including Michael Capezio, the President; Manuel Notaras, the Vice-President; Mark Sproat, the Secretary and Treasurer; and Peter Barclay and Josh Gray.

The continuing growth and success of the awards reflect Canberra's growth and development as a city and our growing night-life. Even the *Age* newspaper last week,

whilst deeply parochial and Victoria centric, has recognised Canberra's emerging bar, nightclub and hotel scene and interviewed the manager of Braddon bar Knightsbridge Penthouse, Sebastian Costello. The *Age* reported last week, on June 16:

Costello, 27, has worked in hospitality for almost a decade and says Canberra has finally come to terms with its small city status.

"A few years ago it was trying to convince itself that it was not a country town," he says.

Now Canberra has embraced the small town vibe, and its population of 340,000, often transient students and public servants, have plenty of places to share a drink.

The Manager of Hippo, Ren Deane, told the *Age*, "Canberra's definitely hipper, there's no doubt."

The work of the Australian Hotels Association of course goes beyond the annual awards season. It is one of the ACT's largest associations and represents many of the ACT's restaurants, cafes, bars and taverns, educational institutions, liquor stores, nightclubs, convention facilities and accommodation hotels. These businesses are sometimes small local operations or part of some of the largest multinational chains operating around the world. But all these businesses, no matter what their size or hospitality sector, all face the same challenges, and government regulations have a significant impact on their operations.

The AHA ACT is their voice to government. Legislation and regulation have a direct impact on the hospitality industry. The areas of industrial relations, liquor licensing, transport regulation, training and tourism are of direct interest to the association and its members. Issues as diverse as late-night taxis and development approval processes impact the membership of the AHA. The AHA has a close relationship with the Legislative Assembly and government and works hard to ensure that industry and government are working in harmony. The association also provides its members with training, expert advice in industrial relations and other directly relevant matters, and insurance.

In conclusion, I again congratulate all award winners and commend the association for all the work it does to ensure a vibrant and responsible hospitality industry in the ACT.

Question resolved in the affirmative.

**The Assembly adjourned at 6.20 pm.**