

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE ON ESTIMATES 1997-98**

**ANNUAL AND FINANCIAL REPORTS FOR THE FINANCIAL YEAR 1996-97**

*December 1997*

## RESOLUTION OF APPOINTMENT

On 8 April 1997 the ACT Legislative Assembly resolved that:

- (1) a Select Committee on Estimates 1997-98 be appointed to examine the expenditure proposals contained in the Appropriation Bill 1997-98 and any revenue estimates proposed by the Government in the 1997 Budget and the Annual and Financial Reports, for the financial year 1996-97;
- (2) the Committee be composed of:
  - (a) two Members to be nominated by the Government;
  - (b) two Members to be nominated by the Opposition; and
  - (c) two Members to be nominated by either the Independent Members or the ACT Greens;to be notified in writing to the Speaker by 4.00pm, Thursday, 10 April 1997;
- (3) the Committee report by 17 June 1997 in respect of the Appropriation Bill and by 27 October 1997 in respect of the Annual and Financial Reports for the 1996-97 financial year;
- (4) if the Assembly is not sitting when the Committee has completed its inquiry, the Committee may send its report to the Speaker or, in the absence of the Speaker, to the Deputy Speaker who is authorised to give directions for its printing, circulation and publication;
- (5) the Committee is authorised to release copies of its report pursuant to embargo conditions and to persons to be determined by the Committee, prior to the Speaker or Deputy Speaker authorising its printing, circulation and publication;
- (6) the foregoing provisions of this resolution have effect notwithstanding anything contained in the standing orders.

On 28 August 1997 the Assembly amended the reporting date to 11 November 1997.

On 6 November 1997 the Assembly further amended the reporting date to 2 December 1997

## COMMITTEE MEMBERSHIP

Ms Roberta McRae OAM MLA (Chair)  
Mr Harold Hird MLA (Deputy Chair)  
Mrs Louise Littlewood MLA  
Mr Michael Moore MLA  
Ms Marion Reilly MLA  
Ms Kerrie Tucker MLA

### Secretary

Bill Symington

### Administrative Assistants

Fiona Clapin and Kim Blackburn

## CONTENTS

<b>RESOLUTION OF APPOINTMENT</b> .....	<b>ii</b>
<b>COMMITTEE MEMBERSHIP</b> .....	<b>ii</b>
<b>CONTENTS</b> .....	<b>iii</b>
<b>SUMMARY OF RECOMMENDATIONS</b> .....	<b>v</b>
<b>1. INTRODUCTION</b> .....	<b>7</b>
Function of the Committee .....	7
Public Hearings .....	8
<b>2. OVERVIEW AND GENERAL ISSUES</b> .....	<b>9</b>
Annual reports .....	9
Agency statements of performance .....	10
Estimates process.....	11
Borrowings .....	12
Commercial in confidence issues .....	13
Canberra Airport - environmental impact study.....	13
Questions on notice .....	13
<b>3. SPECIFIC ISSUES</b> .....	<b>15</b>
ACT Legislative Assembly .....	15
ACT Auditor-General.....	15
ACTEW .....	15
ACT Housing.....	16
ACTION .....	16
Attorney-General.....	16
Community Advocate.....	16
Criminal injuries compensation.....	17

Australian Federal Police (AFP) .....	18
Business, The Arts, Sport and Tourism.....	18
Business development programs - transparency .....	18
Joint ventures .....	18
Kingston Foreshore Development Authority .....	19
Chief Minister.....	19
Women's Policy .....	19
Education and Training .....	20
Board of Management .....	20
School sponsorship.....	20
Gender equity in schools .....	21
Environment, Land and Planning .....	21
Planning and Land Management.....	21
Change of Use Charge (Betterment) .....	21
Bicycle strategy .....	22
ACT Weed Strategy .....	22
Greenhouse gas emissions - private motor vehicle use .....	23
Health and Community Care.....	23
Salaried medical officers .....	23
Director of Mental Health .....	23
Dental health.....	24
Disability services .....	24
Totalcare Industries .....	25
<b>APPENDIX – PUBLIC HEARINGS.....</b>	<b>26</b>

## **SUMMARY OF RECOMMENDATIONS**

### **Recommendation 1**

**2.4. The committee recommends that departments and agencies ensure that related output data is, as far as possible, co-ordinated within annual reports, that pages are numbered and that report presentation is uniformly informative.**

### **Recommendation 2**

**2.11. The committee recommends that the annual reports of Territory Owned Corporations be presented to the Assembly within the three month time frame required for the annual reports of all other departments and agencies and that TOC annual reports include the statutory reporting requirements which all other departments and agencies are required to include in their reports.**

### **Recommendation 3**

**2.25. The committee recommends that the Assembly request the Administration and Procedure committee to review the estimates process with a view to proposing change consistent with the need for due accountability and the effective employment of Assembly resources, and that, as part of that review, it seek the views of members of the Assembly on the effectiveness of the present estimates process and suggested changes.**

### **Recommendation 4**

**2.31. The committee recommends that future budget papers and associated materials and annual report references to borrowings be consistent with the relevant accounting standards.**

### **Recommendation 5**

**2.39. The committee recommends that departments and agencies take greater notice of questions asked and answers given to ensure that questions are clearly understood and answers are prompt, detailed and accurate.**

### **Recommendation 6**

**3.4. Noting that the Standing Committee on Public Accounts has a statutory responsibility in relation to the development of the annual budget for the Auditor-General, the committee recommends that the Public Accounts Committee consider what provision should be made in the budget to enable the Auditor-General to undertake audits in the area of lease administration.**

### **Recommendation 7**

**The committee recommends that the Government commission research to ascertain how many people in the ACT are homeless, and that the Government in**

the next Assembly use the results of this research to develop policies to meet the needs of homeless people in the ACT.

#### **Recommendation 8**

3.12. The committee recommends that role of the Community Advocate be reviewed by the government in the next Assembly and that it report to the Assembly on the possibility that the Advocate report to the appropriate Assembly standing committee as well as to the Minister.

#### **Recommendation 9**

3.30. The committee recommends that the government provide to the next Assembly information on policy initiatives for women.

#### **Recommendation 10**

3.32. The committee recommends that before the government is formed in the next Assembly, the requirements of all legislation similar to that covering the Schools Authority be reviewed to ensure that all statutory boards and advisory authorities can be established by the next government or, where appropriate, amending legislation be introduced.

#### **Recommendation 11**

3.35. The committee recommends the Government review all issues associated with sponsorship of schools and provide information in the Department's annual report on the amount of sponsorship received by the Department and by each school.

#### **Recommendation 12**

3.45. The committee recommends that the Government outline a program for the possible banning from sale in the ACT of invasive plant weeds and for the labelling of lesser invasive plant weeds with planting advice on how best to limit their spread beyond domestic gardens.

#### **Recommendation 13**

3.47. The committee recommends that the Government link its transport policy to the State of the Environment Report and that it report to the Assembly on its efforts to reduce greenhouse emissions in the Territory.

## 1. INTRODUCTION

### Function of the Committee

1.1. The Appropriation Bill 1997-98 was presented on 6 May 1997, well before the end of the current financial year. The early budget meant the committee would not be able to examine the Annual and Financial Reports for the financial year 1996-97 in conjunction with its examination of the 1997-98 expenditure proposals.

1.2. As a consequence, the committee was tasked to report to the Assembly by 17 June 1997 in relation to the Appropriation Bill and by 27 October 1997 (later amended to 2 December 1997) in respect of the Annual and Financial Reports for the 1996-97 financial year. In giving the committee the further responsibility of reporting later this year on the Annual and Financial Reports for the financial year 1996-97, the Assembly recognised that by end September all departmental and most agency annual reports and financial statements for the 1996-97 year would have been presented to the Assembly.

1.3. This report is, therefore, the second stage of a process which was intended to have scrutinised both the 1997-98 budget proposals and the outcome of the 1996-97 budget.

1.4. The committee noted in its June report on the Appropriation Bill 1997-98 that a practical and particular effect of the early budget was that a significant number of departments and agencies, in responding to committee requests for clarification of detail in the budget papers, acknowledged that with the 1996-97 financial year incomplete, it could not be assured that output class targets for 1996-97 would be met.

1.5. In its June report the committee advised the Assembly that it was obliged to accept restraints on its capacity to consider fully the effect of the 1997-98 budget allocations.

1.6. Following its current series of hearings the committee remains doubtful as to whether 1997-98 targets will be realised to the extent that they are based upon 1996-97 outcomes.

1.7. There were some important changes in departmental and agency responsibilities during 1996-97 which have clouded the evidence of outcomes. Further, the committee was dealing with matters between 5 and 17 months old and which were, in certain cases, irrelevant as they were superseded by the 1997-98 budget.

1.8. Had the committee dealt with agency annual and financial reports in the context of a late budget there would have been a more seamless relationship between those reports and the budget estimates. The committee's June report dealt with substantive issues leading to recommendations relevant to the current and future financial years. This report is more in the nature of observations.

## **Public Hearings**

1.9. Public hearings were held on 10 days between 13 October and 18 November during which the Chief Minister, all other Ministers, the Speaker and officials of departments and agencies gave evidence.

1.10. In accordance with the standing orders of the Assembly, Members of the Assembly who were not members of the committee attended the hearings and, by leave of the committee, questioned witnesses.



## 2. OVERVIEW AND GENERAL ISSUES

### Annual reports

2.1. The committee's June report referred to the committee's difficulties over the past two years arising from substantial administrative changes in the transition from input based cash budgeting to output based accrual budgeting, tenuous relativities between programs and sub-programs and performance measures due to the administrative re-arrangements and dispersal of functions among Ministers.

2.2. In reviewing departmental and agency annual reports the committee was not readily assisted by unevenness in the quality of presentation of some reports and by the manner in which output information was provided.

2.3. The committee was hampered in a number of cases by the poor quality of presentation of annual reports and in accessing data about programs and outputs due to the absence of page numbers and the dispersal of information. With some departments data on specific outputs was included in various sections of their reports, and it would have been more helpful had this information been collated within discrete sections of the reports.

### Recommendation 1

**2.4. The committee recommends that departments and agencies ensure that related output data is, as far as possible, co-ordinated within annual reports, that pages are numbered and that report presentation is uniformly informative.**

2.5. Territory owned corporations (TOC) are required by the Territory Owned Corporations Act to present their annual reports by the end of October. The committee chair requested the Chief Minister to make the reports available to the committee as soon as they were presented to ministers.

2.6. In response, the Chief Minister advised that while the TOCs were required to report by end October, their reports would then be subject to assessment by the shareholders and that usual corporate practice is that the reports be recognised at a general meeting of the shareholders. The Chief Minister further advised that corporations law requires that the annual general meeting be held within 5 months of the end of the reporting year (end November).<sup>1</sup>

2.7. In the event, the ACTEW annual general meeting was held, its annual report was made available to the committee before the end of October, and ACTEW representatives were examined on the report and the financial statements in a public hearing on 31 October.

2.8. It should be noted that the Chief Minister and another minister are the only two shareholders in all TOCs. The committee considers there should be minimal difficulty in

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<sup>1</sup> Chief Minister, letter to committee dated 17 October 1997

arranging the shareholder's meeting and making an assessment of the performance of the TOCs.

2.9. The Totalcare Industries and ACTTAB annual reports and statements for the financial year 1996-97 were not available before the Assembly's November sittings and the committee's examination of these agencies had to be deferred. As a consequence it was necessary for the committee to seek an extension of its reporting date to 2 December 1997 and these two agencies were examined in a public hearing on 18 November 1997.

2.10. Apart from a provision in the TOC Act the committee can find no compelling reason why TOC annual reports could not be presented to the Assembly within the same three month time frame required by all other departments and agencies. The committee was also concerned that statutory reporting requirements on matters such as OH&S Freedom of Information requests and Public Interest Disclosure were not included in these reports.

## **Recommendation 2**

**2.11. The committee recommends that the annual reports of Territory Owned Corporations be presented to the Assembly within the three month time frame required for the annual reports of all other departments and agencies and that TOC annual reports include the statutory reporting requirements which all other departments and agencies are required to include in their reports.**

## **Agency statements of performance**

2.12. Most opinions issued by the Auditor-General on agency statements of performance contain an Emphasis of Matter paragraph or paragraphs. The content of these paragraphs generally indicate that audit opinions have not been formed on certain measures reported by the agencies in their statements of performance.

2.13. The Auditor-General advised that 1996-97 being the first year in which agencies have been required to publicly present performance measure results in a statement subjected to independent audit, and given the quantity of measures to be reported, it was realistic to expect, as was the case, that problems would arise in establishing the systems and/or procedures needed to produce accurate, complete and relevant measures.<sup>2</sup>

2.14. The Auditor-General advised that agencies to varying degrees made genuine efforts to establish appropriate and reliable systems and/or processes but for many measures these efforts were unsuccessful, and it is mostly these measures which are encompassed by the Emphasis of Matter paragraphs.

2.15. A general observation by the Auditor-General was that it was not lack of commitment to publicly reporting on performance which caused the non successes but rather a lack of understanding of how to go about collecting and presenting the necessary information.

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<sup>2</sup> Auditor-General, letter to the committee dated 25 September 1997

2.16. The Auditor-General advised that chief executives and agency officials were given guidance on what the Audit Office considered was necessary and this advice was generally accepted and acted upon during the audits.

2.17. In the circumstances, which the Auditor-General noted were unique to the 1996-97 year, the committee was advised that the extent of measures listed in the audit opinions should not be taken as an indication of poor performance or lack of commitment by the agencies, but rather be attributed to first year "teething" problems in the implementation of a new and unique accountability process in Australia.

2.18. The committee notes and accepts the Auditor-General's qualification in this matter. It accepts that efforts have been made to address the problems arising with the new accountability arrangements and is confident that future agency statements of performance will be appropriately based.

2.19. Nevertheless, the committee notes that there was a larger number of exemption reports in some departments and agencies where there were social dimensions to the performance indicators. The committee considers all agencies should review their performance statements and particularly their outcome measures in the light of this and the Auditor-General's comments as presented to the committee.

### **Estimates process**

2.20. In its June report the committee foreshadowed it would consider further, and report to the Assembly on, the estimates process in its current form.

2.21. Significant changes in the presentation of the budget and the budget cycle indicate it is timely for the committee (and the Assembly) to take stock of the estimates process which itself is adapting informally to those changes.

2.22. The Assembly's estimates process is, potentially, the most thorough estimates scrutiny of any Australian parliament after the Senate. However, the Assembly is not sufficiently resourced in terms of researchers and membership numbers to give full justice to the opportunities which are presented.

2.23. Further, the severe constraints of the budget time frame, the small membership of the Assembly, and the breadth of members' interests and responsibilities mean that the estimates committee's energies and potential for more detailed scrutiny of the more significant and substantial budget provisions are not harnessed and fully developed.

2.24. The committee has considered this situation in some depth including various options for reform. As a result, the committee proposes that the Assembly develop its position on future estimates processes before the next committee is established in the new Assembly.

### Recommendation 3

2.25. The committee recommends that the Assembly request the Administration and Procedure committee to review the estimates process with a view to proposing change consistent with the need for due accountability and the effective employment of Assembly resources, and that, as part of that review, it seek the views of members of the Assembly on the effectiveness of the present estimates process and suggested changes.

### Borrowings

2.26. There was considerable debate in the estimates committee last year as to whether lease/lease back arrangements are essentially borrowing, a debate that continued during the May/June hearings in relation to capital injections from ACTEW.

2.27. The debate renewed during the current hearings and was based upon a provision under the heading of "borrowings" in the annual report of the Department of the Chief Minister for the financing arrangement with Bankers Trust Australia Ltd in relation to the lease/lease back of the Magistrates Court and the Dame Patti Menzies Building.<sup>3</sup>

2.28. The committee was advised that there were no new borrowings in the traditional sense but that for technical accounting reasons the only place to categorise the lease/lease back arrangement is against a generic line known as borrowings.<sup>4</sup> In further discussion, it was put to the committee that, based on advice, the value of the rental stream from the two buildings subject to lease/lease back was more cost effective than traditional borrowing. The committee was advised that the arrangements removed interest rate risk.<sup>5</sup>

2.29. Within the committee there remains a view that the technical accounting categorisation of the lease/lease back arrangements is confirmation that they are, in fact, borrowings. That view holds that it is basically a matter of semantics as to whether the arrangements are classed as borrowings or otherwise. It was noted that the ACT Auditor-General's position on the nature of the lease/lease back transaction is that where an amount of money ultimately is provided and is to be paid back over 15 years suggests that in substance that is borrowing.<sup>6</sup> From the committee's standpoint the community ought to be aware of the real thrust of commitments entered into in order to generate capital flows and that judgements as to their worth should be made in terms of cost-effectiveness and the bottom line for the budget outcomes.

2.30. The committee further notes the findings of Auditor-General's Report No 3, 1997 - 1995-96 Territory Operating Loss that sale and leaseback or other financing arrangements to

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<sup>3</sup> Annual report, 1996-97, Vol 2 p119

<sup>4</sup> trans p10

<sup>5</sup> ibid, p13

<sup>6</sup> ibid, p173

meet Territory liabilities are similar in financial terms to borrowing and should be treated as borrowings.<sup>7</sup>

#### **Recommendation 4**

**2.31. The committee recommends that future budget papers and associated materials and annual report references to borrowings be consistent with the relevant accounting standards.**

#### **Commercial in confidence issues**

2.32. The committee noted a readiness by Ministers and officers to claim that the provision of information sought by the committee would be subject to the constraints of commercial in confidence where there was a contractual situation between the government and the private sector.<sup>8</sup>

2.33. The committee is concerned that the Assembly can be denied the opportunity to assess the worth of contractual arrangements in these circumstances, although it notes that the committee has the power, delegated to it by the Assembly, to send for papers and records. In the limited time available to the committee in the estimates process it chose not to pursue this matter but it notes that the issue has been raised in other committees. For example, the Select Committee on the Establishment of a New Private Hospital recommended that the Assembly request the Standing Committee on Public Accounts to examine the principle of commercial in confidence. The committee supports this proposal.

#### **Canberra Airport - environmental impact study**

2.34. The committee was advised that if there were to be an upgrade of Canberra Airport, particularly in the context of it being able to take international traffic, it was understood the Commonwealth would be required to do an environmental impact study (EIS). It was noted the airport is for sale and the lessee will be required to develop an airport master plan within 12 months of the lease, provide a 5 year environment strategy and major development plans before constructing or extending runways or taxi ways or building passenger terminals. The committee was advised that the Airports Act 1996 gives an absolute undertaking that an EIS will occur.<sup>9</sup>

#### **Questions on notice**

2.35. It is established practice for questions to be placed on notice during estimates hearings, and that course was followed again in relation to these hearings on the annual and financial reports of departments and agencies.

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<sup>7</sup> Audit Report , p21

<sup>8</sup> trans, p122 for example

<sup>9</sup> trans, pp25/26

2.36. As with questions on notice during estimates hearings it was understood that agencies would respond to such questions asked during these hearings (and where time did not allow questioning to be pursued in depth during hearings) within about 4 working days. Generally, agencies kept to this regimen but the committee is disappointed that in at least one case responses were not forthcoming in time for the responses to be factored into this report. In this particular case the Minister advised in writing that the response would be available by a certain date, but in the event the response was received some 10 days after that time.

2.37. In its June report the committee reminded agencies of the need for timely responses to questions on notice as these are vital to the committee's work. The committee is impelled to again remind agencies of its requirements in this regard.

2.38. The committee further notes that the level of information provided in some responses to questions on notice was inadequate requiring members to seek clarification or more detailed responses. The committee reminds departments and agencies of their responsibilities to Assembly committees and particularly to the Estimates Committee in this regard.

### **Recommendation 5**

**2.39. The committee recommends that departments and agencies take greater notice of questions asked and answers given to ensure that questions are clearly understood and answers are prompt, detailed and accurate.**

### 3. SPECIFIC ISSUES

#### ACT Legislative Assembly

3.1. The committee followed up an issue raised in the June hearings as to means by which Assembly facilities for members might be improved, and was advised that key aspects of Secretariat operations were being identified with a view to meetings with members in the near future. The committee was advised that an induction program being packaged for any new members of the next Assembly would fully reflect the views of the present members.<sup>10</sup>

#### ACT Auditor-General

3.2. The committee noted a recent Auditor-General's report<sup>11</sup> which disclosed that amounts of betterment payable were calculated on bases which financially benefited the lessees at a cost to the Territory of some \$3.8m in revenue forgone, and was advised that having regard to the Audit Office budget limitations it had not been in a position to pursue such matters without information supplied, as in this case, by a whistleblower. The point was made that such audits cover a heavily technical and complex legal area which requires legal assistance (at some considerable cost).<sup>12</sup>

3.3. The committee was advised that the Audit Office planned in the coming year to look at current leasing arrangements to ensure that they are on track in terms of legality and maximising the financial return to the Territory.<sup>13</sup>

#### Recommendation 6

**3.4. Noting that the Standing Committee on Public Accounts has a statutory responsibility in relation to the development of the annual budget for the Auditor-General, the committee recommends that the Public Accounts Committee consider what provision should be made in the budget to enable the Auditor-General to undertake audits in the area of lease administration.**

#### ACTEW

3.5. Within the committee there is a view that ACTEW's description of its corporate objectives should also give appropriate weighting to ecologically sustainable development

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<sup>10</sup> *ibid*, p601

<sup>11</sup> report no 10/1997 - Public Interest Disclosure - Lease variation Charges

<sup>12</sup> *Trans*, p173

<sup>13</sup> *ibid*,p174

(ESD). The view is that the stated function of ACTEW to promote the use of water and energy is incompatible with ESD.<sup>14</sup>

3.6. In this regard, a view held within the committee is that ACTEW should take a leading role in promoting the use of energy derived from non polluting sources rather than entering into a hedging contract with Yallourn Energy which produces electrical power from brown coal.<sup>15</sup>

3.7. There is also a view within the committee that a far higher level of responsibility for ACTEW activities should be accepted by the two Ministers who are the Corporation's shareholders.

### **ACT Housing**

3.8. The committee was very concerned about the dearth of information available to the Minister on homelessness in the ACT. The committee considers it essential that accurate data be available so that the community can be assured the Government is taking care of the most vulnerable people in the Territory.

### **Recommendation 7**

**The committee recommends that the Government commission research to ascertain how many people in the ACT are homeless, and that the Government in the next Assembly use the results of this research to develop policies to meet the needs of homeless people in the ACT.**

### **ACTION**

3.9. Questions were raised during the hearings in relation to the Graham report on the review of ACTION. The committee was advised that the agency is proceeding with the implementation of all aspects of the report and that an extensive consultation process is underway. In particular, the committee noted the need for priority in improving the ACTION services to Gungahlin.<sup>16</sup>

### **Attorney-General**

#### ***Community Advocate***

3.10. There was concern within the committee about advocacy services available to people with mental illness and concern as to whether those services can keep up with emerging problems especially with young people who are victims of drug use.<sup>17</sup>

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<sup>14</sup> *ibid*, p774

<sup>15</sup> *ibid*, p785 et seq

<sup>16</sup> *ibid*, p672 et seq

<sup>17</sup> *ibid*, p194



3.11. The committee accepts that some progress is being made in achieving an appropriate funding response but considers that much more needs to be done. A suggestion put forward in the hearings and debated at some length with the Minister was that the Community Advocate might have a relationship to the Assembly similar to that of the Auditor-General, and that this may go some way towards ensuring a more proactive function for the Advocate by not being tied to departmental processes.<sup>18</sup>

## **Recommendation 8**

**3.12. The committee recommends that role of the Community Advocate be reviewed by the government in the next Assembly and that it report to the Assembly on the possibility that the Advocate report to the appropriate Assembly standing committee as well as to the Minister.**

### *Criminal injuries compensation*

3.13. The question was raised as to whether police injured while on duty would be covered by workers' compensation rather need to apply for criminal injuries compensation. The committee was advised that the number of police injury claims has not increased proportionately over recent years except in relation to the Parliament House demonstrations last year. Advice was that police bring claims under the ACT jurisdiction for the pain and suffering component which is generally the largest damages award in terms of loss of wages and any bills to be paid as a result of injuries, and that these matters are not covered by workers' compensation, at least as far as police are concerned.<sup>19</sup>

3.14. The Minister advised that legislation would be introduced by the end of the year, but not with the intention of having it passed this year, to address issues arising from a discussion paper on criminal injuries compensation.<sup>20</sup>

### *Community grants*

3.15. It was noted that a grant of \$20,000 was made to part fund Dee Dee's alcohol free night cafe for youth in Civic<sup>21</sup> but that the venture had failed.<sup>22</sup>

3.16. In response to committee concerns as to whether the viability of the project had been adequately researched, the committee was advised that a business study had been made from which Dee Dee's had been recommended. While the venture had a social objective and every attempt had been made to ensure that commercially it was viable, it was speculative and had an element of risk.<sup>23</sup>

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<sup>18</sup> *ibid*, p195 et seq

<sup>19</sup> *ibid*, p220

<sup>20</sup> *ibid*

<sup>21</sup> Attorney-General's Department annual report, p214

<sup>22</sup> *trans*, p307

<sup>23</sup> *ibid*, ppp306/307

## **Australian Federal Police (AFP)**

3.17. In response to questions raised about the reduction in police numbers in the ACT over a number of years and the numbers provided by the AFP in terms of the agreement with the ACT Government, the Minister for Police advised that the AFP had been asked to report on how they intend to remedy the shortfall and that the matter was being negotiated. The Minister advised that 17 extra police identified in recent Assembly debate was the shortfall in the contracted numbers and that this shortfall was to be made up by (about mid October).

3.18. The Minister advised there were also 17 extra police which the Government had arranged to bring on line through additional funding and that there would be much better mechanisms for assessing what is being delivered to the ACT at any point in time.<sup>24</sup>

3.19. The committee is anxious to see that the full extent of the loss is determined and recovered by the ACT.

## **Business, The Arts, Sport and Tourism**

### ***Business development programs - transparency***

3.20. Questions were raised in the hearings about the delivery of services for business under contract, for example in relation to Business Link, Youth Job Link and Working Connections Program, and the omission of these contractors from the Department's annual report.<sup>25</sup>

3.21. The committee was advised that the annual report included people who do routine tasks for the Department, in many cases on a short term basis. Advice given was that the Government's contracting definitions do not provide for the types of services provided by Business Link to be reported.<sup>26</sup>

3.22. The committee has some concerns that annual reports ought to be as informative and transparent as possible in outlining contractual arrangements and expresses the view that the Government's guidelines in relation to these matters should be reviewed to ensure that all relevant contractual arrangements are notified in annual reports.

### ***Joint ventures***

3.23. Discussion in the hearings on housing estate joint ventures revealed dramatic changes in estimated returns for the parties, down from \$80m to \$60m with the pay back periods for the ventures being extended substantially beyond the 2-3 years originally set for most of them, due to the slowness of sales.<sup>27</sup>

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<sup>24</sup> *ibid*, p229

<sup>25</sup> *ibid*, p99 et seq

<sup>26</sup> *ibid*, p100

<sup>27</sup> *ibid*, p161

3.24. The committee was advised that in terms of liabilities, apart from the reduction in income projection, the major one was a commitment by the previous government to guarantee the borrowings of the largest joint venture, Harcourt Hill. That was an unconditional guarantee of \$25m all of which was to be repaid by October 1998, but currently there is \$20m outstanding and no prospect of it being repaid in that time frame.<sup>28</sup>

3.25. The committee heard that legal and commercial advice was that it is not possible to go back and redress the original agreement. However, an attempt to prevent further deterioration for the Territory's position was being finalised and this would involve a condition that the private sector partner match equally the additional guarantee required through personal guarantees.<sup>29</sup>

### ***Kingston Foreshore Development Authority***

3.26. The committee's June report commented at some length on the cost of the Kingston Foreshore development strategy and that the projected additional costs, reaching more than \$2m, may be excessive having regard to what was expected to be achieved.

3.27. With the annual report available, the committee pursued with a representative of the Development Authority the prospects for further development of the project in the light of the current economic downturn in the ACT.<sup>30</sup>

3.28. The committee was advised that the Authority is currently undertaking stage 2 of the design competition whereby the winning entrants have been engaged to work up their schemes to deliver a prospectus for each of the three development scenarios. The committee was further advised that financial advisers were of the view that the fact of the development progressing had done much to underwrite confidence in the economy, bearing in mind that it is a 10 or 20 year project.<sup>31</sup>

## **Chief Minister**

### ***Women's Policy***

3.29. The committee noted that the Department's annual report did not include a summary of activities relating to the needs of women. The Chief Minister and officers indicated that the government does not have a women's specific approach although there were targeted areas in the service departments and agencies. It was inferred that the needs of all people in the ACT are dealt with by government.<sup>32</sup> The committee recognises that government chooses its priorities, but will recommend a course of action in relation to a women's policy for the government in the next Assembly.

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<sup>28</sup> *ibid*

<sup>29</sup> *ibid*

<sup>30</sup> *ibid*, pp163/164

<sup>31</sup> *ibid*, p165

<sup>32</sup> *ibid*, pp56,57

## **Recommendation 9**

**3.30. The committee recommends that the Government provide to the next Assembly information on policy initiatives for women.**

## **Education and Training**

### ***Board of Management***

3.31. The committee was surprised to learn that the Department of Education and Training does not have a Board of Management as required under the Schools Authority Act. The committee found that the Board was disbanded early in the life of self government and has never been reconstituted so that not only is the current Minister in breach of the Act but so has every other Minister for Education since 1990.

## **Recommendation 10**

**3.32. The committee recommends that before the government is formed in the next Assembly, the requirements of all legislation similar to that covering the Schools Authority be reviewed to ensure that all statutory boards and advisory authorities can be established by the next government or, where appropriate, amending legislation be introduced.**

### ***School sponsorship***

3.33. The committee was advised that generally speaking schools receive support from a wide range of community and business groups in their areas, but generally that support comes through a simple donation. Schools are required to report sponsorships over \$1000 a year and that during the 1996-97 year such sponsorships totalled about \$228,000 including \$40,000 from Fujitsu to the Lanyon High school.<sup>33</sup>

3.34. While the committee recognises the value of sponsorships and would not seek to jeopardise existing or future arrangements, there is a concern within the committee about an increasing reliance on sponsorship and concern about matters of equity where one school may be favoured above others. Accordingly, the committee trusts that the Department's annual report will in future provide more information about sponsorships.

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<sup>33</sup> *ibid*, p461

## **Recommendation 11**

**3.35. The committee recommends the Government review all issues associated with sponsorship of schools and provide information in the Department's annual report on the amount of sponsorship received by the Department and by each school.**

### *Gender equity in schools*

3.36. There was a view in the committee that with primary school children being overwhelmingly taught by women there was a potential for them not to be given a balanced education, and that there was growing interest as to how to manage this discrepancy.<sup>34</sup>

3.37. The committee was advised that this had been a growing problem over many years and one which is difficult to address. However, the Minister advised that, among other strategies, it was planned to employ some male teachers as careers advisers in secondary colleges and high schools.<sup>35</sup>

## **Environment, Land and Planning**

### *Planning and Land Management*

3.38. Concerns were raised by the committee about the delays arising from the extended public consultation processes and was advised that at each stage of the process some further detail becomes available and this leads to further rounds of consultation.<sup>36</sup>

3.39. The view was put in committee that if a lease were to be granted which provides for a specific type of development the possibilities of that development ought to be factored into the original lease agreement thereby making it unnecessary to have further consultation should there be proposed changes which are broadly within the confines of the original lease.<sup>37</sup>

### *Change of Use Charge (Betterment)*

3.40. The Auditor-General's report (referred to earlier<sup>38</sup>) which identified \$3.8m lost because betterment was levied in a manner not in accordance with the law was discussed at some length with the Minister.<sup>39</sup>

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<sup>34</sup> *ibid*, p489

<sup>35</sup> *ibid*, p492

<sup>36</sup> *ibid*, p250

<sup>37</sup> *ibid*, p251

<sup>38</sup> report no 10/1997 op cit

<sup>39</sup> trans, p258 et seq

3.41. The Minister advised that factors which led to the loss, including the legislation which has since been amended, have been resolved and that there will be no further losses of this kind, although it is not possible to recover any of the loss. The Minister advised that mechanisms are now in place to prevent similar losses arising, although it was noted that the issue could be one of interpretation of the legislation in specific cases.<sup>40</sup>

3.42. It was noted that in a statement to the Assembly on the Auditor-General's report, the Minister said, in essence, that section 184 of the *Land (Planning and Environment) Act* does not create a debt due to the Territory and there is no provision for the Minister to make an amended assessment and recover revenue. The question was raised as to whether the execution of a lease in November 1995 was consistent with section 184 and what advice was taken to suggest that ministerial action was consistent with the Act. The thrust of questioning was to ensure that mistakes are not made and that ministerial advice is appropriate.<sup>41</sup>

### *Bicycle strategy*

3.43. The committee noted that the ACT Bicycle Strategy is in the final draft stage, but queried why it had taken three and a half years to develop. The committee was advised that it had been part of an extensive consultation process and that the strategy would soon be released.<sup>42</sup>

### *ACT Weed Strategy*

3.44. The committee noted that the 10 year ACT Weeds Strategy was released in October 1996 to enable more effective and efficient weed control.<sup>43</sup> The committee considered much more could be done to prevent the introduction of weeds and that there should be a ban on bringing highly invasive weeds into the ACT and that less invasive plant weeds should be labelled so as to encourage them being planted more appropriately. The Minister in response indicated that such suggestions were quite attractive and would be examined.<sup>44</sup>

## **Recommendation 12**

**3.45. The committee recommends that the Government outline a program for the possible banning from sale in the ACT of invasive plant weeds and for the labelling of lesser invasive plant weeds with planting advice on how best to limit their spread beyond domestic gardens.**

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<sup>40</sup> *ibid*, p259

<sup>41</sup> *ibid*, p262

<sup>42</sup> *ibid*, p267

<sup>43</sup> Dept Urban Services, Annual Report, Vol 1, p16

<sup>44</sup> *trans*, pp292,293

### *Greenhouse gas emissions - private motor vehicle use*

3.46. Concerns were expressed within the committee about the continuing growth in the size and usage of the ACT private motor vehicle fleet and the resulting increasing carbon monoxide emissions, particularly in the city area. It was noted that the latest ACT state of the environment report stated that government policies have not yet been successful in reducing the Territory's greenhouse gas emissions and that policies to curb the growth in motor vehicle usage and develop a more effective public transport system were required. In this context, the desirability of further roadway expansion including the John Dedman Parkway was questioned.<sup>45</sup>

### **Recommendation 13**

**3.47. The committee recommends that the Government link its transport policy to the State of the Environment Report and that it report to the Assembly on its efforts to reduce greenhouse emissions in the Territory.**

### **Health and Community Care**

#### *Salaried medical officers*

3.48. It was noted that a recent Auditor-General's report<sup>46</sup> had found, inter alia, that up to a third of specialists are performing a level of outside private practice which would impact on their time available to perform public sector duties at The Canberra Hospital. The Minister was queried on how this had affected costs for salaried medical officers.

3.49. The committee was advised that some doubt had been cast on the audit findings by correspondence from the Health Insurance Commission which indicated that a check on provider numbers for the two specialists with the largest payments had revealed an error in the location for the services provided by these specialists. The location codes for The Canberra Hospital where the services had, in fact, been provided were given for the old Royal Canberra Hospital which had erroneously shown the services to have been provided off site. The committee was advised that all provider location codes for salaried specialists were now being checked.<sup>47</sup>

#### *Director of Mental Health*

3.50. A concern was raised within the committee that while the Director of Mental Health has a responsibility under the *Mental Health Treatment and Care Act*, the Director does not have the statutory obligations under the Act which are carried out by a psychiatrist.<sup>48</sup>

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<sup>45</sup> *ibid*, p620

<sup>46</sup> report no 8/1997 - Salaried Specialists' - Use of Private Practice Privileges

<sup>47</sup> *trans*, p323 et seq

<sup>48</sup> *ibid*, p361

3.51. The committee was advised that the person having the statutory responsibilities reports to the Director, a position analogous to that of medical staff in a hospital who report to the chief executive who may not be a medical practitioner.<sup>49</sup>

### ***Dental health***

3.52. A 4,000 reduction in services in 1996-97 from the contract volume was noted, with the reason being a reduction of about \$1m from the Commonwealth and the committee sought advice on how this impacted on waiting lists.<sup>50</sup>

3.53. The committee was advised that emergencies were the absolute priority and that people with a current, existing or serious problem are not included on waiting lists but get immediate service. On the other hand, the restorative waiting list for things such as non urgent fillings and similar is 64 weeks. A second waiting list for dentures had increased from about 8 to 10 weeks.<sup>51</sup>

3.54. The committee was also advised that a fee for service had been introduced for adults, the funds received being invested in the provision of additional services with a view to reducing the waiting list times.<sup>52</sup>

3.55. With regard to school screening, the committee was advised that every school is to receive a check-up service through the mobile clinic and children needing treatment will be referred to a multi-chair town centre clinic for treatment. The committee was advised that a fee of \$40 per child with a maximum fee of \$100 a family will apply for treatment. For low income families the fee limit is \$50.<sup>53</sup>

### ***Disability services***

3.56. The committee noted six separate contracts awarded to Fame for the design and production of various manuals, newsletters and discussion papers to a value of around \$144,000<sup>54</sup> and sought an explanation as to where the funds originated.<sup>55</sup>

3.57. The committee was advised that the expenditure was funded from the (global) agency budget and was justified by the need to implement the reform program by the use of quality materials. It was confirmed there was no tender for the contract due to tight time lines and Fame was used because it had performed well with its first task and because it was closely linked to the development of NSW policies. The committee was also advised that Fame had been recommended by NSW and the principals had formerly been with the NSW department.<sup>56</sup>

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<sup>49</sup> *ibid*361 et seq

<sup>50</sup> ACT Health and Community Care, Annual Report, p55 and trans, p395

<sup>51</sup> *rans*, p397

<sup>52</sup> *ibid*

<sup>53</sup> *ibid*, pp401/403

<sup>54</sup> annual report, p72

<sup>55</sup> *trans*, p424

<sup>56</sup> *ibid*, p428

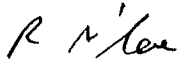


3.58. The committee observes that each of the six contracts were below the threshold \$50,000 for the calling of tenders but, in the circumstances, it could reasonably be concluded that the contracts were broken up to avoid the need for tendering for the total task. The committee considers that, in future, Disability Services should adopt a more transparent approach to the awarding of such contracts.

### **Totalcare Industries**

3.59. Elsewhere in this report the committee has recommended that the annual reports of Territory Owned Corporations include the statutory reporting requirements which all other departments and agencies are required to include in their annual reports.

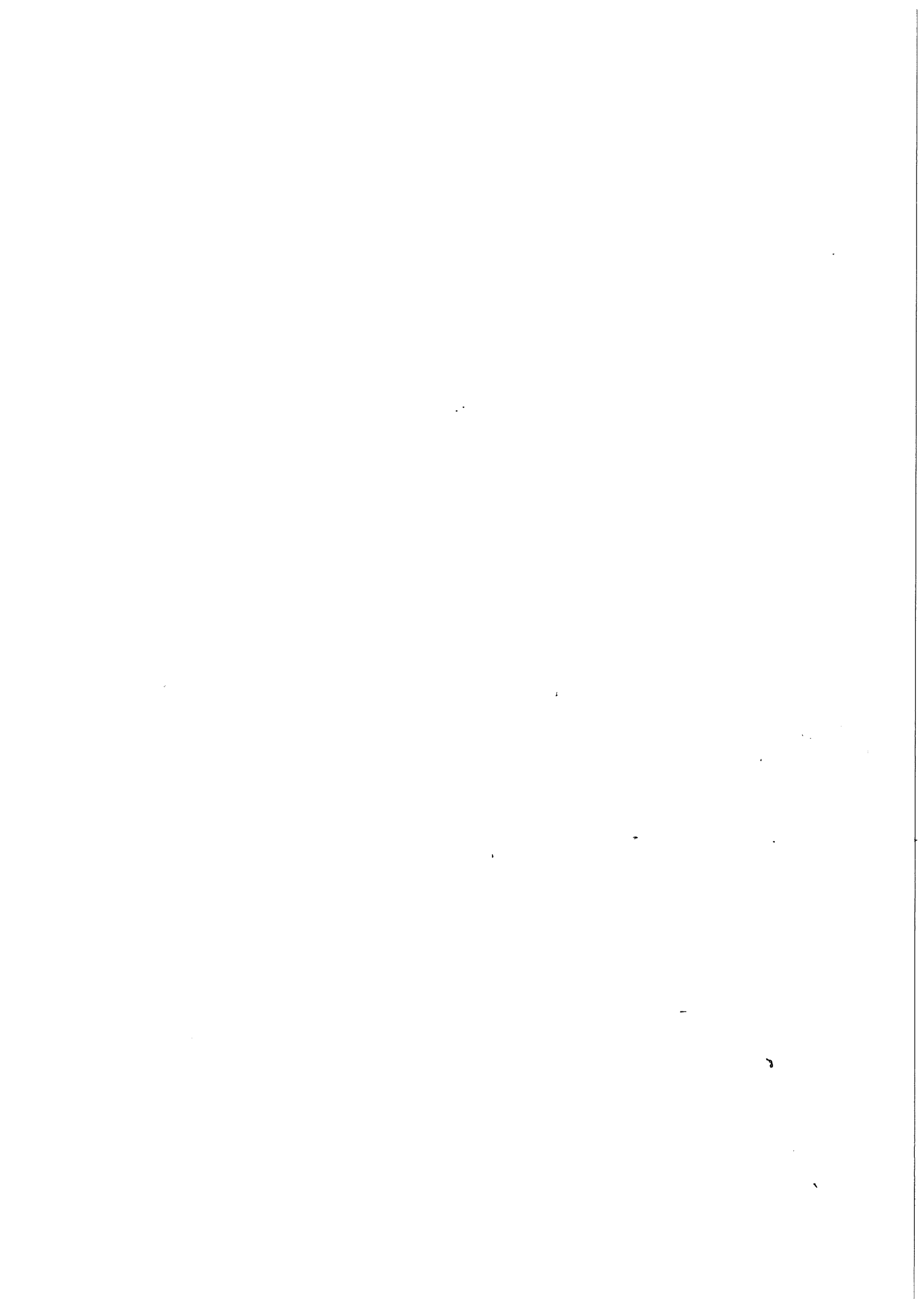
3.60. With regard to environmental services, the committee considers that greater detail needs to be provided in future annual reports including details of the monitoring of waste incineration operations.<sup>57</sup>



Roberta McRae MLA  
Chair

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<sup>57</sup> *ibid*, p808 et seq



**THURSDAY 16 OCTOBER 1997**

Minister for Health & Community Care  
Department of Health  
ACT Community Care  
The Canberra Hospital

**FRIDAY 17 OCTOBER 1997**

Minister for Education and Training  
Department of Education and Training  
Canberra Institute of Technology  
Australian International Hotel School  
Minister for Children's and Youth Services  
Minister for Housing and Family Services  
ACT Housing

**MONDAY 20 OCTOBER 1997**

Minister for Sport and Recreation  
Department of Business, The Arts, Sport and Tourism  
Bureau of Sport, Recreation and Racing  
Speaker, ACT Legislative Assembly  
ACT Legislative Assembly

**TUESDAY 21 OCTOBER 1997**

Minister for Urban Services  
City Services  
Road Maintenance  
Road User Services  
Canberra Urban Parks  
ACTION  
InTACT  
EPIC  
ACT Milk Authority  
Canberra Cemeteries Trust  
Minister for Regulatory Reform  
Minister for Tourism  
Department of Business, The Arts, Sport and Tourism  
Industrial Relations (and Workcover)  
Regulatory Reform  
Canberra Tourism and Events Corporation

## APPENDIX – PUBLIC HEARINGS

### MONDAY 13 OCTOBER 1997

Chief Minister  
Chief Ministers Department  
ACT Casino Authority

### TUESDAY 14 OCTOBER 1997

Minister for Business and Employment  
Department of Business, The Arts, Sport and Tourism  
Business and Employment  
Land Development/Joint Ventures  
Kingston Foreshores Authority  
ACT Auditor-General

### WEDNESDAY 15 OCTOBER 1997

Attorney-General and Minister for Fair Trading  
Attorney-General's Department  
Consumer Affairs Bureau  
Community Advocate  
ACT Human Rights Office  
ACT Legal Aid Office  
Director of Public Prosecutions  
ACT Electoral Commission  
Australian Federal Police  
Emergency Services Bureau  
Minister for the Environment, Land and Planning  
Planning and Land Management  
Gunghalin Development Authority  
ACT Forests  
Department of Urban Services  
Environment and Landcare Services  
Management of Nature Parks  
Contaminated sites  
Minister for Arts and Heritage  
Bureau of Arts and Heritage

**WEDNESDAY 22 OCTOBER 1997**

Minister for Housing and Family Services  
ACT Housing

**FRIDAY 31 OCTOBER 1997**

Minister for Urban Services  
ACTEW

**TUESDAY 18 NOVEMBER 1997**

Minister for Urban Services  
Totalcare Ltd  
ACTTAB Ltd

