

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES

APPROPRIATION BILL 1993-94

November 1993

TERMS OF REFERENCE

On 17 June 1993 the ACT Legislative Assembly established a Select Committee on Estimates 1993-94 to examine the expenditure proposals contained in the Appropriation Bill 1993-94.

On 26 August 1993 the terms of reference of the Estimates Committee was amended by the Assembly when it agreed that the Committee also examine any revenue estimates proposed by the Government in the 1993 Budget.

MEMBERSHIP

Ms Szuty (Chairperson)
Mr Humphries (Deputy Chairperson)
Mrs Carnell
Mr Cornwell
Mr De Domenico
Ms Ellis
Mrs Grassby
Mr Kaine
Mr Lamont
Mr Moore
Mr Westende

Secretary: Ms Karin Malmberg

Administrative assistant: Mrs Karen Pearce

LIST OF RECOMMENDATIONS

- ◆ the practice of non-Budget dependent authorities appearing before the Estimates Committee become a regular feature of future Estimates Committee processes (paragraph 1.17)
- ◆ a review of the timeframe within which the Estimates process is held be undertaken at the time the sitting pattern for 1994 is developed (paragraph 1.29)
- ◆ future annual reports of agencies and authorities should include, in the financial resources section, an up to date response to the recommendations of the previous year's Estimates Committee (paragraph 2.6)
- ◆ the Government seek the earlier provision of Annual Reports from Commonwealth agencies which are contracted to provide services to the ACT, or failing the achievement of this objective, recommends that Commonwealth agencies which are contracted to provide services to the ACT arrange the provision of more detailed information about their ACT operations to the Estimates Committee prior to the hearings (paragraph 2.13)
- ◆ in future years where expenditure reductions are foreshadowed, Ministers provide the Committee with full details of where and how the reductions will be achieved (paragraph 3.8)
- ◆ a review be conducted of the holdings of ACT Government owned property, to explore disposal, transfer and increased usage of property. (paragraph 3.11)
- ◆ the management of ACT Government owned housing be consolidated into one agency to secure economies in the management and maintenance of housing stock (paragraph 3.13).

- ◆ all agencies include, on a program basis, a reconciliation, including budget supplementation, of the budget estimate for the previous year (as shown in that year's Budget Papers) with the actual outcome for that year (paragraph 3.18)
- ◆ the Select Committee on the Establishment of an ACT Public Service review the commitment to Comcare; and
- ◆ the outcomes of the initiatives currently being developed by the Chief Minister's Department in relation to Comcare be reviewed by the Select Committee on the Establishment of an ACT Public Service (paragraph 3.24)
- ◆ agencies be allowed to seek outside supply of goods and services by competitive tender, with minimum dollar values established where necessary, and that arrangements that are tied to a particular supplier be brought to an end generally within the ACT Government sector (paragraph 3.32)
- ◆ the ACT Supply and Tender Agency adopt the following guidelines:
 - * advertise, for an appropriate period, all requests for quotations and tenders for all goods and services in the local print media;
 - * businesses which are quality assured should be given preference status over those businesses which are not quality assured (Australian Standard 3902 shall apply); and
 - * where an ACT tenderer is equal in quality, price and conditions, preference shall be given to the ACT supplier. (paragraph 3.35)
- ◆ the total value of remuneration packages, cash and non-cash, be included in the lists of consultants and contractors incorporated in annual reports (paragraph 3.39)
- ◆ the copyright position with respect to Government reports and other budget-related documents be similar to that outlined in the Annual Report of ACT Health (paragraph 3.43)

- ◆ the Government review its position with respect to the corporatisation of agencies as a matter of urgency in light of the recommendations of the Hilmer Report (paragraph 3.48)
- ◆ the Social Policy Committee of the Assembly considers a reference to review the allocation and distribution of grants to community groups (paragraph 3.57)
- ◆ consideration be given to the centralisation of the settlement of legal claims against the ACT Government, where an amount above a particular dollar limit is in issue (paragraph 3.60)
- ◆ in undertaking the review of home garaging of motor vehicles as proposed by the Chief Minister the review should also specifically examine the justification for home garaging vehicles in NSW; and
- ◆ the existing scale of vehicle issue should also be reviewed to ensure that operational needs are met and that unnecessary vehicles are not hired, leased or purchased (paragraph 3.65)
- ◆ the Government pursue as a matter of urgency modifications to work practices which will reduce the excessive proportion of wages and salaries expenditure devoted to overtime payments within ACTION and other agencies; and
- ◆ a review of the level of overtime paid be conducted and that changes be made to rostering of work and scheduling of work to ensure that unnecessary overtime expenditure is not incurred (paragraph 3.68)
- ◆ an inquiry be conducted into performance pay in the ACT Government Service with particular emphasis on the appropriateness of the current method of moderation, the fairness and effectiveness of the system and the cost of administration (paragraph 3.74)
- ◆ the Government examine the incorporation of client surveys into performance indicators for ACT Health and other service delivery areas, expanding their use in appropriate circumstances (paragraph 3.86)

- ◆ former ACT Government Service employees that have been paid redundancy packages not be re-employed for a period of two years, except with the specific approval of the Head of Administration, and that instances of re-employment be reported in detail for the Budget and Estimates process (paragraph 3.97)
- ◆ an urgent review of bus purchasing programs in ACTION be undertaken and the contractual arrangements for the purchase of new buses be clarified (paragraph 3.108)
- ◆ the Minister undertake a review of the issues surrounding multi-skilling of ACTION staff and advise the Assembly of the outcome (paragraph 3.112)
- ◆ the Chief Minister give specific consideration at the earliest opportunity to the establishment of separate advisory councils to consider the needs of families, the aged and people with disabilities in the ACT; and
- ◆ the membership of the councils be drawn from the relevant sectors of the community (paragraph 3.122)
- ◆ where possible all Government-sponsored delegation travel should be arranged through locally based travel operators and/or agencies consistent with the Government Procurement Agreement; and
- ◆ the Assembly be provided with a complete breakdown of the total costs to the Government for the business delegation to Japan led by the Chief Minister (paragraph 3.129)
- ◆ the Government reduce the rate of the Construction Industry Long Service Leave Board levy as soon as possible as recommended by successive actuarial reports (paragraph 3.137)
- ◆ in future years where expenditure reductions are foreshadowed, the Minister for Education and Training provide the Committee with full details of where and how the reductions will be achieved (paragraph 3.151)
- ◆ the funding of the Health Promotion Fund be restored to at least 5% of the revenue raised by the tobacco franchise fee (paragraph 3.165)

- ◆ in future years where expenditure reductions are foreshadowed, the Minister for Health provide the Committee with full details of where and how the reductions will be achieved (paragraph 3.168)
- ◆ the excessive average cost structure relative to national averages of Diagnostic Related Groups within the ACT public health system be addressed by the Government as a matter of urgency because of the potentially adverse financial consequences to the ACT in the short-term given the decision under the Medicare agreement to fund states and territories for health services on the basis of national averages (paragraph 3.177)
- ◆ steps be taken to ensure payment of all accounts by agencies of the ACT Government where no dispute exists within 30 days of an invoice being rendered (paragraph 3.193)
- ◆ the Treasurer review the base funding of the Legislative Assembly to ensure that it is sufficient to maintain an appropriate level of service to Members, particularly in the light of the move to the new building (paragraph 3.197)
- ◆ in relation to the National Hotel School of Excellence full comparisons of budget to actual results be provided to the Estimates Committee in future years to ensure adequate public scrutiny of what may be a high-risk venture (paragraph 3.208)
- ◆ progress in the development of a consultation process for the provision of bus shelters and information relating to community demand for shelters to assess the adequacy of the reduction in funding be provided to the Committee in 1994 (paragraph 3.214)
- ◆ rental policy in respect of tenants of the ACT Government should be standardised, to the extent that subsidies should not be hidden in rent relief or indirect support but should be provided directly by way of grant (paragraph 3.219)

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1 INQUIRY PROCESS

Establishment of the Committee

1.1 On Thursday 17 June 1993 the ACT Legislative Assembly established the Select Committee on Estimates 1993-94 to examine the expenditure proposals contained in the Appropriation Bill 1993-94.

1.2 The resolution establishing the Committee opened membership of the Committee to all Members of the Assembly who notified their nominations in writing to the Speaker by 4 pm 17 June 1993.

1.3 Eleven Members of the Assembly nominated for membership and the Speaker advised the Assembly of the membership following the close of nominations. Membership of the Committee was the same as in 1992, with the exception of Mr Dennis Stevenson, who chose not to nominate or participate in the hearings.

1.4 On 26 August 1993 the terms of reference of the Estimates Committee were amended by the Assembly when it agreed that the Committee also examine any revenue estimates proposed by the Government in the 1993 Budget.

1.5 On 14 September the Chief Minister and Treasurer presented the Appropriation Bill 1993-94 to the Assembly and delivered the Budget Speech. The Treasurer also presented to the Assembly the Budget Papers and Supplementary Budget Information Papers.

1.6 Following the conclusion of the in principle debate on 16 September, the Appropriation Bill was referred to the Committee.

1.7 The Committee was required to report by 12 November 1993.

Approach to inquiry

1.8 The 1993 Estimates Committee held 11 public hearings (totalling some 83 hours) and examined the Appropriation Bill on a portfolio basis, and within that framework, on a program by program basis. The Committee also met with Treasury officials for a preliminary briefing on the structure of the Budget Papers prior to the commencement of the hearings.

1.9 The principal witness for each portfolio was the responsible Minister supported by agency heads and other senior officials. In relation to Program 1 the Speaker was the principal witness supported by senior Legislative Assembly Secretariat officials. A list of public hearings held and witnesses who attended is at Appendix A.

Role of Committee

1.10 The role of the Estimates Committee is to examine in detail the expenditure, and for the first time in 1993, revenue estimates of the Government. The Committee believes that the scrutiny of the Budget afforded through the Estimates Committee process is an essential element of a broader scrutiny and accountability process.

1.11 The Committee however, believes that the Estimates Committee process is only one avenue, although highly visible and observed, that allows scrutiny by Members of the Assembly of the Government and through it the ACT Government Service. Other avenues of scrutiny include questions with and without notice and inquiries by other Committees. Public accountability is also maintained through external audit and the reports of the Auditor-General.

1.12 The Committee does not believe that the Estimates Committee hearings and associated processes are a once a year only opportunity to raise issues with Ministers or the Speaker, and, in view of the limited period of time available to the Committee, believes it is not possible to raise every issue of concern or interest. The Committee notes that the absence of questioning on an issue neither suggests that an issue is not of concern or will not be raised at a later date.

Non-Budget dependent authorities

1.13 In 1992 the Estimates Committee met for the first time with a non-Budget dependent agency, ACT Electricity and Water (ACTEW). That Committee found that the appearance of ACTEW was a successful innovation and was of the view that the practice of non-Budget dependent authorities appearing before the Estimates Committee should become a regular feature of future Estimates Committee processes.

1.14 The 1993 Estimates Committee decided to meet with four authorities, namely ACTEW, ACT Milk Authority, the Construction Industry Long Service Leave Board and the ACT Totalizator Administration Board.

1.15 The Committee found that each of the authorities provided detailed and informative information to the Committee in the form of annual reports, corporate plans, financial information as requested by the Committee and other material appropriate to the inquiry and provided detailed responses to Members' questions during the public hearings.

1.16 The Committee believes that an important practice has developed with the appearance of a number of non-Budget dependent authorities at Estimates Committee hearings which should continue in the future.

1.17 The Committee recommends that:

- ◆ **the practice of non-Budget dependent authorities appearing before the Estimates Committee become a regular feature of future Estimates Committee processes.**

Timing of future Estimates process

1.18 The 1993 Estimates Committee was established in June, three months before the presentation of the Budget, two months earlier than occurred in 1992. This enabled the Committee to assess its supplementary information requests earlier in the process and advise agencies, allowing them a longer period in which to compile the information. It also provided early advice to the non-budget dependent authorities that appeared before the Committee for the first time.

1.19 As in the past, the Estimates Committee received from agencies and authorities annual reports, incorporating financial information and other supplementary information and corporate plans on the Monday (20 September) following the presentation of the Budget ie six days later, and commenced public hearings on the Wednesday (22 September).

1.20 The Committee has, as a result of the sitting pattern of the Assembly, been generally restricted to scheduling all public hearings in the three week non-sitting period after the presentation of the Budget. The two sittings weeks following that allow for very limited Estimates Committee deliberations, which in the main occur in the three weeks following the sittings in the lead up to the release of the Committee's report.

1.21 The Committee found this timetable unsatisfactory for several reasons. First, there is extremely little time available to the Members to examine the large amount of material available to them for each program, especially that relating to those programs that appear before the Committee in the early stages of the hearing process. This is also exacerbated by the compacted nature of the timetable.

1.22 Secondly, the lack of time to prepare for hearings fully has resulted in matters being raised in hearings which may, had adequate preparatory time been available, been shown to be unnecessary.

1.23 The Committee believes that the timing of the Estimates process needs to be reviewed. The Committee notes that bringing forward the presentation of the ACT Budget is under consideration, following the announcement that the Federal Budget may be brought down prior to or at the end of the financial year in future. Accordingly, it is an appropriate time to review the process.

1.24 The Committee is of the view that a period of two weeks should elapse between the presentation of the Budget, the availability of annual reports, supplementary information and corporate plans of agencies and authorities and the commencement of the Estimates Committee hearings, to allow for a comprehensive preparation period.

1.25 Following commencement of the hearings process, the Committee believes that a period of four weeks should be incorporated into the timeframe, to allow the Estimates Committee periods of adjournment between hearings. At the conclusion of the hearings, a further 4 week deliberative period is considered necessary to finalise the report.

1.26 This timeframe proposed is one of ten weeks from presentation of the Budget to release of the Committee's report, which is only one week longer than that allowed this year. The difference, however, is the need for a non-sitting period of at least six weeks to provide for adequate preparation time and the hearings process.

1.27 The Committee believes that if the ACT Budget is brought forward to the end of June, the current practice of a long non-sitting period from June - August would particularly suit the revised Estimates procedures as described above. This would allow the Committee's deliberative period to occur August - September with the report released in late September allowing debate on the Appropriation Bill and its subsequent passage at that time.

1.28 Accordingly the Committee recommends that a review of the timeframe within which the Estimates process is held be undertaken at the time the sitting pattern for 1994 is developed.

1.29 The Committee recommends that:

- ◆ a review of the timeframe within which the Estimates process is held be undertaken at the time the sitting pattern for 1994 is developed.

2 PROVISION OF INFORMATION

2.1 During the course of the Estimates inquiry the Committee used a number of information sources, primarily the Budget Papers and Supplementary Budget Information Papers, annual reports, corporate plans, oral evidence given during hearings, documents tabled during hearings and responses provided to questions on notice, both those directed to Ministers and the Speaker during the year plus those taken on notice during hearings and directed to Ministers and the Speaker in writing.

Annual Reports

2.2 In previous years the Estimates Committee has been provided with explanatory notes, which provided detailed descriptive and financial information at a sub-program level and, where available, draft or final annual reports.

2.3 This year the explanatory notes and annual reports were amalgamated into a two volume annual report and were provided to the Committee prior to the hearings. The Committee believes that the changed presentation of information continued the improvement in the timeliness and quality of the information provided over the last several years.

2.4 In particular the Committee noted a reduction in the number of inconsistencies between documents and number of errors identified either before or during the hearings.

2.5 The Committee specifically requested that agencies and authorities include in annual reports information on the action taken in response to recommendations of the previous year's Estimates Committee. The Committee found the information a useful update of the Government's response to the Report of the Committee, presented to the Assembly a short time after the completion of the inquiry, and believes that it should become a regular inclusion in annual reports.

2.6 The Committee recommends that:

- ◆ **future annual reports of agencies and authorities should include, in the financial resources section, an up to date response to the recommendations of the previous year's Estimates Committee.**

2.7 The Committee notes that, while ACT agencies complied with the Committee's request to make available annual reports, agencies contracted from the Commonwealth were not as forthcoming with information.

2.8 The Committee was presented with little or no information with respect to the estimates of the ACT Ombudsman (sub-program 13.2), the ACT Human Rights Office (sub-program 13.3) and the Australian Federal Police (program 14). The Committee's task in assessing expenditures and revenues for these areas was made more difficult by the lack of information provided.

2.9 Indeed, with respect to the ACT Ombudsman, the Annual Report of the Attorney General's Department and the Housing and Community Services Bureau refers readers interested in the Sub-Program Outlook, to the Annual Report.

More detailed information relating to this sub-program is contained in the 1992-93 annual report of the ACT Ombudsman.¹

2.10 Information relating to the ACT Human Rights Office included in the Annual Management Report was minimal.²

2.11 The Annual Management Report of the Attorney General's Department contained six pages of information about the Australian Federal Police's policing activities in the ACT.³ This was insufficient information for the Committee to be able to scrutinise the expenditure on this program.

¹Attorney-General's Department, 1992-93 Annual Management Report, Vol II, p 67

²Attorney-General's Department, 1992-93, Annual Management report, Vol II, p 68, 70

³Attorney-General's Department, 1992-93, Annual Management report, Vol I, p 56-7, Vol II 78-81

2.12 The Committee was not given the opportunity to scrutinise detailed aspects of the sub-programs relating to the ACT Ombudsman, ACT Human Rights Office or detail specifically related to expenditure by the Australian Federal Police about policing activities in the ACT.

2.13 The Committee recommends that:

- ◆ **the Government seek the earlier provision of Annual Reports from Commonwealth agencies which are contracted to provide services to the ACT, or failing the achievement of this objective, recommends that Commonwealth agencies which are contracted to provide services to the ACT arrange the provision of more detailed information about their ACT operations to the Estimates Committee prior to the hearings.**

Corporate Plans

2.14 In 1992 the Estimates Committee recommended that in future each agency provide Estimates Committees with its corporate plan at the time of provision of the Explanatory Notes (now subsumed into annual reports). The Committee was pleased to note that all agencies and authorities, with the exception of the Government Audit Office and the Housing and Community Services Bureau, provided the Committee with their plans prior to the hearings.

2.15 The Government Audit Office does not have a current corporate plan but indicated during the hearings that one would be prepared in time for next year's process.⁴ The Committee notes that major elements of a plan were included in the Office's Annual Report and also that the Auditor-General provided the Committee with copies of the Action Plan, an internal document used as a reference source by senior staff when planning and performing their duties.

2.16 The corporate plan for the Housing and Community Services Bureau was a week away from completion at the time of the Estimates Committee hearing and had been delayed to take account of the measures included in this year's budget.⁵ The Committee expects to see the corporate plan for the Housing and Community Services Bureau included in the provision of information to the Committee in 1994.

⁴Transcript p 1566-68

⁵Transcript p 1917-18

2.17 The Committee raised questions as to the adequacy of the corporate plans of several agencies which were made available to the Committee. The worth of the corporate plan for the Attorney-General's Department was discussed at length as it contains very little information in comparison with those of other agencies. The compilation of the corporate plan was considered to be a worthwhile process for sub program managers who were able to discuss and consider as a group, cross-agency issues.⁶ The Committee expects however, that the corporate plan for the Attorney-General's Department will be more fully developed and articulated in future years.

2.18 The Committee notes that the City Services program of the Department of Urban Services spent in some \$25,000 on consultants who assisted the program in the development of the most recent corporate plan, ACT City Services, Corporate Plan 1993-1996.⁷ The Committee further notes that this expenditure has been incurred while the previous ACT City Services Corporate Plan 1992-96 is presumably still of some relevance in 1993.

2.19 While the Committee understands that management and staff can find the development of a corporate plan worthwhile, it is questionable whether this development should occur on an annual basis in the context of the development of a four year corporate plan.

Questions taken on notice

2.20 As in past years a number of questions were taken on notice during the hearings. In addition the Committee for the first time provided two series' of written questions to which written responses were sought from all agencies and authorities which appeared before the Committee.

2.21 In relation to the questions taken on notice during the hearings, the Committee, prior to the hearings commencing, wrote to each Minister and the Speaker outlining timeframes within which responses were to be provided to the Committee. During the hearings the Speaker and each Minister were reminded of this requirement by the Chairperson. The Committee is pleased to note that with one exception, the Construction Industry and Long Service Leave Board, all agencies and authorities provided responses within the timeframe required, an improvement over the position in previous years.

⁶Transcript p 1738

⁷Transcript p 1442

2.22 In relation to the sets of written questions, the Committee approached the distribution of these in two ways. The first series was distributed directly to each Minister and the Speaker and all responses were received by the Committee within the period requested. The second series of questions was provided to the Chief Minister and a whole of public sector response sought. The questions were separately forwarded to the Speaker for a response in relation to the Assembly.

2.23 The Committee found that the responses to these questions took some time to be received, the reason for which may have been partly a result of the co-ordinated response approach requested by the Committee. The Committee acknowledges that this approach disadvantages those agencies and authorities that provide information within the timeframe required as the co-ordinated response is only as timely as the slowest participant in the process.

2.24 The Committee has found it useful to pose certain questions in writing and seek a written response during the Estimates Committee process and will consider using this mechanism again in future years.

3 ISSUES

General issues

Acquittance of grants

3.1 The Committee sought information from all agencies and authorities on the acquittance of Federally provided monies, including the amount, the length of time taken in acquitting the monies and whether there had been any disputes. Acquittances were generally completed on time.⁸

3.2 However, in relation to the acquittance of the 1991-92 Home and Community Care (HACC) grants provided to the Community Development sub-program of the Housing and Community Services Bureau the Committee was advised:

An annual acquittal from the ACT is required by the Commonwealth by the 30 November after the conclusion of each grant year.

Work to finalise the acquittal of HACC grants for 1991-92 is nearing completion. This involves monies of \$6.64m. Work is about to commence on the acquittal for 1992-93 involving grants to a total of \$6.86m.

In the case of the 1990-91 acquittal it took 16 months after the due date for outstanding issues to be clarified. However this has been done and there is now no dispute.

The length of time spent on acquittals was due mainly to the backlog of work that had accumulated. Contributing factors to this were staff changes and the complexities of unravelling the expenditure of matched and unmatched grants to the one organisation and sometimes for the same project.⁹

⁸Housing and Community Services Bureau response to written questions

⁹Housing and Community Services Bureau response to written questions

3.3 In view of the substantial amount of monies involved in the HACC program the delay in finalising the acquittances was of concern. Equally, the Bureau's response highlighted internal problems and complexities within funding arrangements which the Committee was advised during the hearing had been addressed.

'Across the board' savings

3.4 In her Budget Speech to the Assembly, the Treasurer indicated that 1993-94 was the second year of a three year strategy in which most agencies are required to find cumulative savings of 2% for each of the three years. It was stated that agencies have in place plans to save \$5.2m in 1993-94.¹⁰

3.5 It was noted by the Committee that many agencies had not specifically identified those areas to be cut and that budget figures had simply been reduced. The Committee views this policy with concern, as it penalises efficient programs by expecting the same degree of expenditure reductions as other, less efficient areas. It also is unfocussed and indiscriminate in its effect.

3.6 The Committee notes that Tourism, Health and Community Services were areas that were not required to meet cuts of 2% in recurrent expenditure during 1993-94.¹¹ The Committee also notes that even greater savings are being achieved in the Department of Urban Services and that since 1990-91 there has been an overall reduction of 16% (on the budget base in that year), and in ACTION for example, the reduction has been 18.5%.¹²

3.7 With the exception of the programs identified, the Committee is concerned with the lack of direction being demonstrated by Government in determining priorities within programs and in differentiating between activities that Ministers consider to be more valuable from than those which are less valuable.

3.8 The Committee recommends that:

- ◆ in future years where expenditure reductions are foreshadowed, Ministers provide the Committee with full details of where and how the reductions will be achieved.

¹⁰Budget Speech p 18

¹¹Transcript 1593

¹²Transcript p 1281

Assets and Property Holdings

3.9 The Committee sought a range of details from agencies and authorities relating to properties owned or occupied by them. A number of errors were noted in the listings of property supplied to the Committee, eg in Program 17 Kingston Library and in relation to the Department of the Environment, Land and Planning, Rural House, Block 323, Ginninderra Park Homestead.¹³

3.10 The Committee notes that funding has been included in this year's budget to enable the valuation of all ACT Government property assets, a project that is expected to take two years. The Committee also notes that the Estate Management area of the Department of Urban Services is to develop a property information system for all ACT Government owned property which will identify core data, title description, occupancy, value, area and floor areas and include a facility to assess rent values.¹⁴

3.11 The Committee recommends that:

- ◆ a review be conducted of the holdings of ACT Government owned property, to explore disposal, transfer and increased usage of property.

3.12 The Committee found that several agencies apart from the Housing Trust were managing residential accommodation, principally the Department of the Environment, Land and Planning and Health. The Committee believes that the management of houses should be consolidated so as to secure economies in the management and maintenance of ACT Government housing stock.

3.13 The Committee recommends that:

- ◆ the management of ACT Government owned housing be consolidated into one agency to secure economies in the management and maintenance of housing stock.

¹³Written responses from agencies, Transcript p 1510

¹⁴Department of Urban Services response to written questions

3.14 The Committee raised with the Minister for Housing and Community Services the issue of foreign diplomats being housed in Housing Trust properties. The Minister outlined to the Committee the history to the use of the properties and stated that discussions were underway with the Commonwealth Government to find alternative accommodation for the diplomats. The Committee was also advised that two properties had recently been vacated and it was expected that the program will be completed within 12 months.¹⁵

Budget supplementation

3.15 The 1992 Estimates Committee recommended that the Public Accounts Committee inquire into and report on methods by which budget supplementation to all agencies can be monitored by the Assembly.¹⁶

3.16 The Public Accounts Committee recommended that Budget Papers and related documents show a reconciliation between the previous year's original budget allocation and the final outcome, identifying the amounts and types of supplementation provided.¹⁷

3.17 A number of agencies included in their annual reports a table showing the supplementation provided in the 1992-93 financial year, thus assisting the Committee in its examination of the estimates, eg Health and the Legislative Assembly. However, other agencies, eg Education, did not include such a table.

3.18 The Committee recommends that:

- ◆ **all agencies include, on a program basis, a reconciliation, including budget supplementation, of the budget estimate for the previous year (as shown in that year's Budget Papers) with the actual outcome for that year.**

¹⁵Transcript p 1985

¹⁶1992 Estimates Committee Report, p 16

¹⁷Public Accounts Committee, Monitoring of Budget Supplementation by the Legislative Assembly, p 15

Comcare premiums

3.19 The Committee noted with concern the increase in Comcare premiums paid by the majority of ACT Government agencies and authorities. Examples of the percentage increase from 1992-93 to 1993-94 include the Legislative Assembly 32.0%, the Canberra Institute of Technology 115.4%, ACT Health 42.9%, Milk Authority 95.2%, ACTEW 24.0% and the Housing Trust 125.0%. It would appear that the average premium paid was 3.1% of payroll.

3.20 The continuing increase in Comcare premium for agencies and authorities was not readily explained due primarily to the dearth of information about the reasons for the substantial increase in premiums paid to Comcare. A common issue raised, however, was that agencies are placed in a "pool" with other agencies for the purposes of calculating the premium, and that poor performance of one agency, or other factors specific to one agency, affect all agencies in the pool, regardless of individual case management and claims record.

3.21 During examination of the industrial relations and occupational health and safety sub-program the Committee was advised that the ACT Government Service, as part of the Commonwealth Public Service, was locked into the current Comcare arrangements. The Committee was also advised that the issue of worker's compensation is included for examination as part of the establishment of the separate ACT public service.¹⁸

3.22 The Committee was further advised that the Head of Administration is concerned at the level of and increase in the premium, and that several initiatives are being developed with the aim of reducing the premium. These include changes to the way in which claims for compensation are handled and reviewing the management of the premiums.¹⁹

3.23 The Committee is not convinced that the continuing commitment to Comcare is appropriate and considers that it should be reassessed, including whether the ACT Government should self-insure, as it does for other risks, or should seek the provision of a compensation scheme from another provider in the context of the move to a separate ACT Public Service.

¹⁸Transcript p 1250

¹⁹Transcript p 1248-1253

3.24 The Committee recommends that:

- ◆ **the Select Committee on the Establishment of an ACT Public Service review the commitment to Comcare; and**
- ◆ **the outcomes of the initiatives currently being developed by the Chief Minister's Department in relation to Comcare be reviewed by the Select Committee on the Establishment of an ACT Public Service**

Competitive Supply and Tender

3.25 In relation to the supply of goods and services by competitive tender, it was evident to the Committee that there was a divergence of views from various agencies and authorities in relation to this issue. The Chief Minister's Department responded to Committee questions by stating that:

Consideration has not been given to seeking competitive tenders for building, construction or maintenance services because these services are provided to the Chief Minister's Department by the Accommodation Unit of the Department of Urban Services free of charge.²⁰

3.26 By contrast the Canberra Institute of Technology responded as follows:

Consideration has been given to seeking competitive tender for building, construction and maintenance services. The primary comparative advantage to CIT of alternative providers of these services would be a reduction in costs. Recent expressions of interest have indicated that a potential saving of between \$200,000 and \$300,000 per annum may be achieved on our allocation of \$1.1 M if these services are undertaken by a private provider. However, the current arrangement whereby such services are tied to an ACT Government agency to undertake, has prevented the Institute from proceeding to tender. The Institute is continuing to address this issue.²¹

²⁰Chief Minister's Department response to written questions

²¹Canberra Institute of Technology response to written questions

3.27 ACTEW responded as follows:

Competitive tendering quotation processes are part of ACTEW's day to day operations. The advantages of competitive tendering are self evident in terms of economy of operations.²²

3.28 ACTTAB responded as follows:

ACTTAB seeks competitive quotes and tenders on a regular basis. It has recently changed its solicitor as a result of such a process. All construction work (in excess of \$10,000) is subject to quoting or tendering. Work in excess of \$50,000 is subject to tendering. Benefits include better service and cheaper prices.²³

3.29 The response by the Canberra Institute of Technology on this matter was referred by the Committee to the Minister for Urban Services for comment. During the hearings the Minister indicated that included in the Department's charges to agencies are costs associated with supervision of the job and quality assurance. If the job was contracted out directly by an agency, that agency would either have to undertake those tasks itself or pay someone else to do so. The Minister also indicated that it would not be sensible for each arm of Government to operate its own maintenance and construction cells.²⁴

3.30 The Department provided further written advice on the comments made by the Canberra Institute of Technology and expressed doubt that savings of the order identified could be achieved, given that more than half of the work managed for the Institute by Public Works was provided by the private sector. The Department also stated that the Institute and Public Works would review the current arrangements to determine whether and to what extent services and charges may be adjusted to meet the objectives of both agencies.²⁵

²²ACTEW's response to written questions

²³ACTTAB's response to written questions

²⁴Transcript p 1489-1491

²⁵Department of Urban Services responses to questions taken on notice

3.31 The Committee is of the view that each agency would not have to operate its own maintenance and construction cells, but that the option for agencies to source goods and services outside should be provided, whereas they are now obliged to utilise agency services of the Department of Urban Services. The availability of an outside source would encourage improvements in the operations of existing government agency services and would be consistent with the reduction in 'captive supplier and consumer' arrangements that the Federal Government for instance has pursued in relation to the Department of Arts and Administrative Services in recent years.

3.32 The Committee recommends that:

- ◆ agencies be allowed to seek outside supply of goods and services by competitive tender, with minimum dollar values established where necessary, and that arrangements that are tied to a particular supplier be brought to an end generally within the ACT Government sector.

3.33 During the public hearing the Committee ascertained with regard to the Supply and Tender Agency, through the competitive tender process, that all things being equal and where one tender is quality assured and the other is not, then the quality assurance tender would be successful.²⁶

3.34 The Committee notes that in accordance with the Government Procurement Agreement, July 1991, to which the ACT Government is a signatory, the Government does not have a preference agreement, not even for Australian manufactured goods in preference to imported goods, and no preference margin applies.

3.35 The Committee recommends that:

- ◆ the ACT Supply and Tender Agency adopt the following guidelines:
 - * advertise, for an appropriate period, all requests for quotations and tenders for all goods and services in the local print media;

²⁶Transcript p 1492-94

- * businesses which are quality assured should be given preference status over those businesses which are not quality assured (Australian Standard 3902 shall apply); and
- * where an ACT tenderer is equal in quality, price and conditions, preference shall be given to the ACT supplier.

Computer equipment

3.36 The Committee believes that there is a need for greater order and central control over expenditure for computer-based technology which currently takes place across all agencies.²⁷ At present, program funding used for computer hardware and software acquisitions lacks specificity and therefore does not allow for proper assessment and control of the actual costs incurred for computing and related services.

3.37 This is equally true when attempting to identify software development costs as these relate to internal consultancies. The Government currently pays for the ongoing work of a software development and advisory body when this may, in fact, be more cost effective where it is purchased "off the shelf".

Consultants/contractors

3.38 During examination of the contractors listed in the Department of the Environment, Land and Planning's annual report and subsequent questioning, the Committee noted that the cash salary component only of a contract was included, instead of the total value of the contract including the value attributed for use of motor vehicle and other SES type conditions.²⁸

3.39 The Committee recommends that:

- ◆ the total value of remuneration packages, cash and non-cash, be included in the lists of consultants and contractors incorporated in annual reports.

²⁷Transcript p 1536-41

²⁸Transcript p 70

Copyright of Budget documents

3.40 The Committee noted differing approaches to the question of copyright in relation to reports and other budget documents provided to the Committee. For example, the Annual Report of ACT Health observes, in its opening pages:

This document may be used freely by anybody that wishes providing they acknowledge its source.²⁹

3.41 By contrast, the Annual Report of the Attorney General's Department and the Housing and Community Services Bureau warns as follows:

This report is copyright. Apart from any uses permitted under the Copyright Act 1968, no part may be reproduced by any process without written permission from the Manager, Publications and Public Communications Section, Corporate Services Bureau, ACT Government.³⁰

3.42 The Committee notes that all the information contained in these reports is, by definition, public information. The Committee can see no reason to indicate restrictions on the uses to which members of the public might put it, a position endorsed by the Attorney-General.³¹

3.43 The Committee recommends that:

- ◆ the copyright position with respect to Government reports and other budget-related documents be similar to that outlined in the Annual Report of ACT Health.

Corporatisation

3.44 The Committee requested additional information from all agencies in relation to corporatisation. Responses received were consistent with the following:

²⁹Transcript p1729

³⁰Transcript p 1729

³¹Transcript p 1729

The general thrust across the ACT public service is to focus upon improving effectiveness and efficiency within existing structures of public administration.³²

3.45 The Committee notes the recent release of a report entitled "National Competition Policy" - a report by the Independent Committee of Inquiry and chaired by Professor Frederick Hilmer. The inquiry arose following agreement by Australian governments, including the ACT Government, on the need for such a policy.³³

3.46 Principal issues commented on in the Report included reforming the structure of public monopolies to facilitate competition, restraining monopoly pricing behaviour and reforming regulation which unjustifiably restricts competition.³⁴

3.47 In relation to the structural reform of public monopolies, the Report recommended:

the separation of regulatory and commercial functions of public monopolies, the separation of natural monopoly and potentially competitive activities, and the separation of potentially competitive activities into a number of smaller, independent business units.³⁵

3.48 The Committee recommends that:

- ◆ the Government review its position with respect to the corporatisation of agencies as a matter of urgency in light of the recommendations of the Hilmer Report.

Fraud Control

3.49 The Committee sought comment from all agencies and authorities on whether fraud control plans were in place. Several agencies advised that they had fraud control plans in operation eg Canberra Institute of Technology and ACTEW, but the majority of plans were in preparation.

³²Chief Minister's Department response to written questions

³³Hilmer Report, Executive overview, p 1

³⁴Hilmer Report, Executive overview p 3

³⁵Hilmer Report, Executive overview p 17

3.50 Delays, and reasons offered for those delays, in the preparation of fraud control plans were of concern.³⁶ The Committee notes that the issue has been raised in other Assembly Committee reports and Audit Reports and believes that fraud control issues should be given higher priority than has been given to date.

Freedom of Information

3.51 The annual reports of the Head of Administration and the Attorney-General's Department provide a range of advice relating to Freedom of Information, as do individual agency annual reports.

3.52 The ACT FOI Office of the Attorney-General's Department, which has responsibility for the coordination and administration of the operation of the Freedom of Information Act 1989 across the ACT Government Service, was examined in relation to the operation of FOI. In particular, questions were asked about the delays in responding to some of the requests made, including those requests not responded to within the statutory period.

3.53 The Committee was advised that administrative procedures for the handling of FOI applications are currently under review, with a view to increasing the efficiency of the process.³⁷ Current arrangements involve a level of double handling between the agency making decisions about the FOI request and the FOI Office, thus resulting in a longer than necessary period before a response is provided.

3.54 The Committee anticipates increased efficiency in terms of the timeframe within which responses are made to requests, which it anticipates will be reflected in statistics to be included in the 1993-94 annual report of the Attorney-General's Department.

³⁶Transcript p 1059-61
³⁷Transcript p 1804-06

Grants

3.55 The Committee noted with concern the range of ways in which grants of money were allocated to community groups. During the Health program public hearing questions were raised regarding the cessation of funding to the Childbirth Education Association and the difficulty groups have when they find that their funding has been reduced or the application has not been successful several months into the new financial year.³⁸

3.56 Considerable concern has been expressed for some time by community groups regarding the allocation of funds, with some groups who currently receive annual funding seeking to receive triennial funding. The Committee believes that now is an appropriate time for the Assembly to review the distribution of grants by all agencies to community groups with a view to achieving an improved method of allocation and distribution which will provide greater certainty of funding.

3.57 The Committee recommends that:

- ◆ the Social Policy Committee of the Assembly considers a reference to review the allocation and distribution of grants to community groups.

Legal claims against Government

3.58 The Committee believes that inconsistencies exist between different agencies of Government as to how legal claims against the ACT are met. Although line areas appear to be responsible for small claims, larger claims are met variously, by those areas, the Attorney-General's Department (Program 11, Legal services to Government) or by the Treasurer's Advance. For example, the Attorney-General expressed surprise that the Department of Health was meeting some large claims, saying:

*I must say, my understanding had been that this [my Department] is where the damages actions came from because I tend to see the big ones, the multi-million dollar ones, tend to cross my desk and so that was the extent I have been aware of them. The fact that Health may pay out other ones, I was frankly not aware of.*³⁹

³⁸Transcript p 835-41

³⁹Transcript p 1757

3.59 The Attorney-General acknowledged an argument for centralising the settlement of legal claims.⁴⁰

3.60 The Committee recommends that:

- ◆ **consideration be given to the centralisation of the settlement of legal claims against the ACT Government, where an amount above a particular dollar limit is in issue.**

Motor vehicles

3.61 The Committee sought information from all agencies and authorities on the number and type of motor vehicles owned or leased. Members of the Committee made extensive inquiries into car parking, home garaging and vehicle utilisation during the Committee's public hearings.

3.62 The Committee was concerned at the number of vehicles for which home garaging approval had been given where the vehicle was not used for extensive periods for work related purposes by the officer home garaging it. In many cases it was suggested that the need for home garaging arose due to the lack of secure garaging at the work place.⁴¹ It was, however, far from clear whether the existing arrangements suited personal needs more than operational needs.

3.63 In addition, the Committee noted with concern that in Program 6, Environment and Conservation, 75 vehicles are home garaged, of which 5 are garaged at addresses outside the ACT.⁴²

3.64 The Committee notes the comments of the Chief Minister during public hearings that a review will be undertaken of the issues surrounding home garaging.⁴³ The Committee supports this review and is of the view that the justification for home garaging vehicles in NSW should be specifically examined. Further, the existing scale of vehicle issue should be reviewed to ensure that operational needs are met and that unnecessary vehicles are not hired, leased or purchased.

⁴⁰Transcript p 1757

⁴¹Transcript p

⁴²Department of the Environment, Land and Planning responses to written questions

⁴³Transcript p 999

3.65 The Committee recommends that:

- ◆ **in undertaking the review of home garaging of motor vehicles as proposed by the Chief Minister the review should also specifically examine the justification for home garaging vehicles in NSW; and**
- ◆ **the existing scale of vehicle issue should also be reviewed to ensure that operational needs are met and that unnecessary vehicles are not hired, leased or purchased.**

Overtime payments

3.66 The Committee noted variations in the level of overtime paid by agencies and was especially concerned that 20.14% of ACTION's payroll was paid in overtime.⁴⁴ The Committee notes, however, that the level of overtime paid by ACTION is indicative of the existing industrial relations arrangements.⁴⁵

3.67 Responses received to Committee questions indicated high levels of overtime were being paid as a proportion of the total payroll of agencies. As a percentage of payroll the Department of Urban Services cited 8.3%, the Department of the Environment, Land and Planning in programs 6 (Environment and Conservation) and 9 (Culture and Heritage), figures of 3.95% and 3.7% respectively and Health 4.14%. ACTEW advised that overtime payments contributed 4.26% of payroll in 1992-93 and this was expected to rise to 4.7% in 1993-94. In Program 1, the Legislative Assembly, overtime payments are mainly attributable to Tuesday night sittings of the Assembly.⁴⁶

3.68 The Committee recommends that:

- ◆ **the Government pursue as a matter of urgency modifications to work practices which will reduce the excessive proportion of wages and salaries expenditure devoted to overtime payments within ACTION and other agencies; and**

⁴⁴Department of Urban Services written responses

⁴⁵Transcript p 1328-1330

⁴⁶Written responses from agencies

- ◆ a review of the level of overtime paid be conducted and that changes be made to rostering of work and scheduling of work to ensure that unnecessary overtime expenditure is not incurred.

Performance appraisal and pay

3.69 In relation to performance appraisal and pay it was evident that many agencies had little idea as to the overall cost of the scheme to their agency. Estimates of the cost of staff time were generally not quantified, and agencies were in the main only able to provide the direct cost of placing staff on OPSM training courses.⁴⁷

3.70 The Committee considers that the inability to cost the staff time of the performance appraisal and pay scheme brings into question the ability to assess the effectiveness of the scheme. Future benefits will often be more difficult to measure than staff time. The Committee notes that at the time of the hearings only one complete cycle of performance appraisal for senior officers had been completed. The Committee expects that in future a more detailed analysis of the scheme will be undertaken.

3.71 Written responses provided to the Committee raised further questions. The Committee noted that no eligible senior officer in any agency was assessed at level 5 (Outstanding). Few were rated level 4 (Superior) and in about 80% were level 3 (Fully Effective). Very few senior officers were rated at the level 1 or 2 categories.

3.72 The Committee also noted that the decisions regarding ratings for all senior officers were made by the Head of Administration in liaison with the respective Agency Head.⁴⁸

3.73 If about 80% of eligible ACT Government employees have their performance levels moderated to level 3,⁴⁹ the Committee questions whether the cost of administering this system is justified, or whether a simple pay rise to those officers would be sufficient.

⁴⁷Agencies' responses to written questions

⁴⁸Head of Administration Annual Report 1992-93, p 36

⁴⁹Head of Administration Annual Report 1992-93, p 101

3.74 The Committee recommends that:

- ◆ an inquiry be conducted into performance pay in the ACT Government Service with particular emphasis on the appropriateness of the current method of moderation, the fairness and effectiveness of the system and the cost of administration.

Performance measurement

3.75 The Committee raised the question of the adequacy of performance indicators presented by particular agencies and the measurement against those indicators. Officials of the Public Sector Management sub-program of the Chief Minister's Department acknowledged that:

They are still not perfect. We are working on them hard each year, but we think that they have come a long way and that they are a lot better than they were.⁵⁰

3.76 The Committee compliments ACTEW on their presentation of key performance measures, and targets achieved⁵¹ and the Department of Urban Services for the presentation of performance information and achievement in Volume 1 of the Department of Urban Services Annual Report 1992-93.

3.77 The Committee notes that the Department of Education and Training also received extensive feedback from teachers, parents and students about the performance across a range of variables of ACT Government Schools through the conduct of School Performance Review and Development (SPRAD).⁵²

⁵⁰Transcript p 1077

⁵¹Transcript p 1670

⁵²Transcript p 299

3.78 It is worthy of note that for sub program 11.3, Director of Public Prosecutions, the identification of key performance indicators and their appropriate measurement has not yielded meaningful information. The Committee compliments the Office of the Director of Public Prosecutions for the extensive discussion of this issue included in the 1992-93 Annual Report and for the time that has been taken by the staff of the Office to discuss the matter extensively at the international level.⁵³

3.79 The Committee noted the lack of empirical performance indicators in ACT Health. Although the Minister for Health expanded on Government "successes" in increasing throughput through the hospital system and achieving falling lengths of stay, there was some evidence that this is being achieved at the expense of client service quality. For example, the Minister asserted that it was a sign of "growing confidence" in the hospital system:

*...more people on waiting lists is an indicator to one degree or another, very difficult to measure but there is growing confidence in the system.*⁵⁴

3.80 The Committee felt that indicators such as increased throughput and falling length of stay were ambiguous tools in assessing the quality of Health's performance, and in any case, were of limited value outside the hospital system.

3.81 In response to questions about whether information is sought from clients regarding the quality of health services received, the Minister and his officials indicated that client surveys are conducted on an ad hoc basis. In addition, an annual customer survey in the hospital system is conducted.⁵⁵

3.82 The Committee commends ACT Health for its use of client survey information to assess the performance of the accident and emergency area of Woden Valley Hospital.⁵⁶

3.83 The Committee sees value in expanding the use of such surveys, to use them as a test of client satisfaction and hence as a measure of the system's effectiveness.

⁵³Transcript p 1781

⁵⁴Transcript p 560

⁵⁵Transcript p 559

⁵⁶Transcript p 698-99

3.84 The Committee commented extensively on performance measurement in the 1992 Report and believes that overall agencies are aware of the need to develop key performance indicators and appropriate measures. As stated in the 1992 Report "the standard of performance indicator measurement is steadily, but slowly improving".⁵⁷

3.85 The Committee expects, however, that by 1994 the improvement in the identification of key performance indicators and measurement of them will be complete and that further comment on this matter in 1994 will prove to be unnecessary.

3.86 The Committee recommends that:

- ◆ the Government examine the incorporation of client surveys into performance indicators for ACT Health and other service delivery areas, expanding their use in appropriate circumstances.

Program structure

3.87 The Committee notes the review undertaken by OPSM and Treasury of the program and sub program structures of the Legislative Assembly, the Housing and Community Services Bureau and Health, as recommended by the 1992-93 Estimates Committee. The Committee notes the review was extended to include other programs.⁵⁸

3.88 During this year's Estimates Committee hearings references were made to the potential restructuring of a number of areas within agencies.

3.89 These included comment on the structure of sub program 2.5 Social Policy with particular reference to the grouping of disabilities, family and the ageing. It was stated:

⁵⁷report of the 1992 select Committee on Estimates, p 21

⁵⁸Budget Paper No. 3, p 391

*that the grouping within the sub program is currently the subject of consideration to ensure that we have our groupings in as effective way as possible, so whilst this is the way it appears at the moment, we are currently examining whether that will be the way it appears in the longer term.*⁵⁹

3.90 The Committee questioned the appropriateness of the grouping together of "disabilities, family and the ageing" while at the same time recognising that any changes will occur by the end of this calendar year.⁶⁰

3.91 The Committee notes the work being done by the Family Services Branch of the Housing and Community Services Bureau in conjunction with the Office of the Community Advocate in the Attorney-General's Department to clarify the role of the respective agencies in regard to child protection. It is stated that the aim of the exercise is to remove the ambiguity that exists in the system as it operates at present, especially as it relates to the split of responsibilities and interdependence between the offices that exist.⁶¹ The Committee commends this work and looks forward to hearing of the outcome of the review.

3.92 The Committee also welcomes the pending relocation of sub program 17.2 Building Control, Department of Urban Services, to the Department of the Environment Land and Planning. As the Minister for Urban Services, Mr Connolly, stated "there may well be efficiencies in having two similar functions put together..."⁶²

Re-employment of redundant staff

3.93 All agencies were asked to advise the number of former ACTGS staff who had taken voluntary redundancy and had been re-employed as staff, consultants, contractors, advisers or temporary employees. Responses from agencies indicated that 16 former employees had been re-employed as follows:

⁵⁹Transcript 1081

⁶⁰Transcript 1083

⁶¹Transcript 1868-69

⁶²Transcript 1387

Chief Minister	2
Health	3
Urban services	4
Education	1
Canberra Institute of Technology	2 (possibles)
DEL P	3
Housing and Community Services	1
Total	16

3.94 Of concern to the Committee was Treasury's response:

*Treasury records are not in a form which would enable it to identify former A.C.T. Government Service officers and employees who may be employed as staff, permanent or temporary, consultants, contractors or advisers.*⁶³

3.95 The Committee is concerned that records within Treasury are not maintained in a form that would enable management to firstly identify situations where the employment of former staff may occur and secondly make an assessment as to whether that reemployment was appropriate.

3.96 The Committee notes that despite the large amount of money spent in the past two years on redundancy packages, the actual reduction in employee numbers is modest. It is also noted that the ACTGS is employing former employees in a range of capacities which is contrary to the spirit of the availability of redundancy packages.

3.97 The Committee recommends that:

- ♦ former ACT Government Service employees that have been paid redundancy packages not be re-employed for a period of two years, except with the specific approval of the Head of Administration, and that instances of re-employment be reported in detail for the Budget and Estimates process.

⁶³Treasury's response to written questions

Repairs and Maintenance

3.98 In response to the Committee's inquiries, a number of instances of backlogs of repairs and maintenance were noted, in particular relating to the Housing Trust and the Canberra Institute of Technology.

3.99 The Housing Trust provided the following information⁶⁴:

The Housing Trust is to conduct a technical audit of all stock as a rolling program, to be completed by 30/6/95. In order to meet constraints in budget allocations, the following works were deferred in 1993-94:

	<i>m</i>
<i>External Cyclical Painting-500 dwellings</i>	<i>0.71</i>
<i>Internal Cyclical Painting-75 dwellings</i>	<i>0.15</i>
<i>Fencing-300 jobs</i>	<i>.15</i>
<i>Specific Projects-kitchen improvements</i>	<i>0.23</i>
<i>New Carpet</i>	<i>.02</i>
<i>Dwelling Upgrades</i>	<i>0.93</i>
<i>Total</i>	<i>.19</i>

3.100 The Canberra Institute of Technology responded as follows:

Out of the \$3.1M backlog, \$1.07M has been requested for 1994 through the Institute's recurrent budget. Therefore, the actual maintenance backlog could be \$2.03M.

3.101 In addition, the Institute noted that it could also have a potential but as yet unidentified repairs and maintenance bill of \$0.5M at this time.⁶⁵

⁶⁴Housing and Community Services Bureau response to written questions

⁶⁵Canberra Institute of Technology's response to questions

3.102 The Committee notes the provision of an additional \$3m of government funding in 1993-94 to address the backlog in roads repairs and maintenance.⁶⁶ However, the Committee further notes that the Canberra Road Maintenance and Community Choice Summary Report of July 1992 recommended that a minimum of \$15m per annum be spent to adopt in the long-term a standard of road comparable with other cities such as Brisbane and Newcastle. Further, to achieve a level of funding which would minimise total transport costs including vehicle operating costs would involve spending \$18m per annum. It therefore appears to the Committee that the current level of funding for repairs and maintenance of roads is less than that necessary to maintain Canberra's road system at an acceptable and economic standard in the long term.

3.103 The Committee is concerned by the increase in repairs and maintenance backlog as identified across all agencies. However, the implications for the overall standard of publicly owned assets must be weighed against the limited short-term financial gain in the deferral of expenditure.

Voluntary Separation Scheme

3.104 A principal element in the Government's staff and cost reduction strategy outlined in the Budget was its Voluntary Separation Scheme. Although all agencies and authorities were asked to indicate a level of redundancies that were expected to occur, only two, ACTEW and the Audit Office, were able to do so, 30 and 1 respectively.

3.105 At the time of the hearings the Scheme as proposed was found by the Industrial Relations Commission to be contrary to previous agreements with unions. At the time of the preparation of this report negotiations were continuing. The Committee is concerned that the implementation of a major element of the Government's Budget strategy appears to be uncertain at this stage. The Committee further notes the delay in the commencement in uptake of redundancy packages.

⁶⁶Transcript p 1374-75

Specific issues

ACTION bus replacement program

3.106 The Committee noted that the average age of ACTION buses is six years, substantially newer than the national average age of bus fleets. The Committee further noted that ACTION will proceed to purchase 33 new buses to replace aged buses, costing \$8.4 million dollars.⁶⁷

3.107 The Committee found aspects of the Minister's explanation concerning the contractual arrangements for the provision of new buses unclear. The Committee questions whether both the purchases planned for 1992-93, which were rolled over into 1993-94, and the purchases planned for this year are linked to contractual arrangements undertaken during the term of the Alliance Government.

3.108 The Committee recommends that:

- ◆ **an urgent review of bus purchasing programs in ACTION be undertaken and the contractual arrangements for the purchase of new buses be clarified.**

ACTION - work practices

3.109 Issues relating to multi-skilling and other work practices that will produce efficiencies in the operation of ACTION were raised during the hearings.

3.110 It was acknowledged by the Minister that union demarcation issues are involved in the future of multi-skilling the ACTION workforce.⁶⁸ The Committee was advised that some workers, such as tyre fitters and cleaners who are TWU members (and hold licences to drive buses), will probably be able to drive buses in busy periods with little industrial difficulty.

⁶⁷Transcript 1304

⁶⁸Transcript p 1284

3.111 Although workshop staff are members of other unions the Minister stated that he did not think the issues were unresolvable and were ones on which he would like to see further work. As an example, the Minister estimated that if cleaners and tyre fitters could drive buses in peak periods, then undertake ordinary duties in other times, there could be 20 or more additional drivers on the road during peak periods.⁶⁹

3.112 The Committee recommends that:

- ◆ **the Minister undertake a review of the issues surrounding multi-skilling of ACTION staff and advise the Assembly of the outcome.**

3.113 The issue of split-shifts and part-time and casual employment for bus drivers was also raised.⁷⁰ The Minister stated that whilst part-time and casual employment are not currently available for drivers, it is his goal to see these initiatives adopted is working with management and unions to progress the issue. The Minister also stated that such options were central to ACTION's savings strategy and he hopes that by the time the Estimates Committee hearings are held in 1994 real progress can be demonstrated.⁷¹

3.114 The Committee notes that ACTION bus drivers only drive buses between 60 and 70% of their 8 to 10 hour shifts. The rest of the time is spent washing buses, refuelling and submitting cash takings which does not appear to account for up to four hours of non-driving time.⁷²

3.115 The Minister's explanation was that driving times were justified by the safety record of ACTION buses.⁷³ The Committee notes, however, that this is not valid when the safety record of other workers (including transport workers) who work 100% of their shifts and maintain excellent safety records are examined.

3.116 Currently drivers are paid for eight or ten hour shifts notwithstanding that they may only actually drive for four or five hours of those shifts. The Committee is of the view that should part-time and casual drivers and split shift provisions be allowed in the future, considerable cost savings would be made.

⁶⁹Transcript p 1285

⁷⁰Transcript p 1286-90

⁷¹Transcript p 1287

⁷²Transcript p 1288

⁷³Transcript p 1289

Advisory councils

3.117 The Committee questioned the Chief Minister about the advisory councils she has in place to provide her with particular advice, from a whole of government perspective, about the needs of identified target groups within the ACT community.⁷⁴

3.118 The Committee noted that the Aboriginal and Torres Strait Islander Advisory Council, the Multicultural Advisory Council, the Women's Consultative Council and the Youth Advisory Council provide the Chief Minister with information and expertise about the needs of Aboriginals and Torres Strait Islanders, people from non-English speaking cultures, women and young people in the ACT.

3.119 The Committee noted that existing advisory councils are not required to provide specific advice to the Chief Minister in relation to the needs of children, families, aged people and people with disabilities. The Chief Minister noted that in the disabilities area, a joint Commonwealth and ACT advisory body reports to the Minister for Housing and Community Services. The Committee further notes that the Children's Services Council reports also to the Minister for Housing and Community Services. The Chief Minister further notes that the two areas which do not have a specific body are the family and the ageing and that she had not considered having specific advisory councils for those groups.

3.120 The Chief Minister acknowledges that the question of the establishment of a separate advisory council to represent the interests of people with disabilities will be considered as part of the review currently being conducted into the grouping of "disabilities, family and the ageing" of the Social Policy sub program of the Chief Minister's Department, and further notes that disability organisations would like more direct contact with the Chief Minister's Department.

3.121 The Committee recognises the significance of 1994 as the International Year of the Family and while the Chief Minister has written to the existing advisory councils asking for their views, recommends that the Chief Minister give specific consideration at the earliest opportunity to the establishment of separate advisory councils to consider the needs of families, the aged and people with disabilities in the ACT with membership of the councils to be drawn from relevant sectors of the community.

⁷⁴Transcript 1083-85

3.122 The Committee recommends that:

- ◆ the Chief Minister give specific consideration at the earliest opportunity to the establishment of separate advisory councils to consider the needs of families, the aged and people with disabilities in the ACT; and
- ◆ the membership of the councils be drawn from the relevant sectors of the community.

Business delegation to Japan

3.123 While the Committee welcomes the Chief Minister's decision to travel to Japan as part of a campaign to promote Canberra, the Committee is concerned at the lack of substantive detail available to Members on the trip and its costs.

3.124 The Committee notes that the ACT Government has an agreement with QANTAS to provide travel services. However, this agreement was sidestepped in the case of the delegation to Japan.

MR HUMPHRIES: I am curious as to why the trip has been organised by a travel agent rather than the organisation which organises the rest of the ACT Government's travel under the arrangements that [have] been entered into with QANTAS Australian. I am puzzled as to why that is not the case. I mean, I assume QANTAS Australian is capable of organising overseas trips as much as internal trips.

MR BURNSIDE: I understand the selection of the travel agent related to the Japanese Connection and the need to have somebody who was fully informed at that end for the arrangements internally in Japan.

MR HUMPHRIES: And QANTAS is not fully informed about arrangements for travel to Japan?

MR BURNSIDE: I understand that the company selected was best suited for the needs of the delegation.

MR HUMPHRIES: Better than QANTAS?

MR BURNSIDE: As far as I am aware, we have got the best.⁷⁵

⁷⁵Transcript p 1014

3.125 The Head of Administration stated the reason that the Japanese-owned Sydney-based firm was selected was that it was recommended by the Japan Delegation Advisory Committee.⁷⁶ This advice is curious in the light of the extensive experience which the ACT Government's contracted agency, QANTAS, has.

3.126 The Committee would, of course, be understanding of a tender awarded to an interstate firm under the provisions of the Government Procurement Agreement, of which the ACT is a signatory.

3.127 The Committee is of the view that, consistent with that Agreement, all Government travel should be arranged through local operators and agencies wherever possible.

3.128 The Committee is also of the view that a breakdown of the total expenditure on this trip should be made available to the Assembly.

3.129 The Committee recommends that:

- ◆ **where possible all Government-sponsored delegation travel should be arranged through locally based travel operators and/or agencies consistent with the Government Procurement Agreement; and**
- ◆ **the Assembly be provided with a complete breakdown of the total costs to the Government for the business delegation to Japan led by the Chief Minister.**

Composting

3.130 The views expressed by the Minister for Urban Services on this matter were encouraging.⁷⁷ The high cost of continually extending Canberra's land fill sites and the saving which could accrue to the ACT if compost materials were not a significant factor in land fill are not widely appreciated.

⁷⁶Transcript p 1045

⁷⁷Transcript p 1536

3.131 As a means of reducing the financial and environmental burden of the current practice of simply dumping most of our compost materials, the Committee believes that there should be an examination of the most cost effective means by which the ACT Government could provide compost bins to Canberra households. Provision could either be on a cost recovery basis or free of charge (which by greater community usage would provide greater land-fill cost savings).

Construction Industry Long Service Leave Board levy

3.132 The Committee asked questions about the rate of the levy and the extent of over-funding of the scheme. The rate of levy on the building and construction industry has been 2.5 per cent since 1981. An independent actuary's report in 1991 advised that the scheme was some 100 per cent overfunded.⁷⁸

3.133 The Construction Industry Long Service Leave Board initially recommended a reduction in the rate of levy in 1991 to 1.5 per cent.⁷⁹

3.134 The Minister explained that the Government's first priority, prior to the lowering of the levy, is to finalise arrangements to deal with the collection of the levy based on the value of construction to be raised from the industry in the ACT. The Minister further explained that discussions are continuing with the Building and Construction Industry Training Council, Treasury and the Department of Education and Training to reach an agreement on the charter of the Construction Industry Training board.⁸⁰

3.135 The Committee notes that the level of assets accumulated by the fund has led to a situation where the earning on investments is greater than annual levy contributions. The rate of levy has been higher than applies in other States and the Committee believes that the construction industry has been disadvantaged due to the fact that the rate of levy has not been lowered.

3.136 The Committee urges the Government to conclude its negotiations with industry as quickly as possible so that the rate of the long service leave levy can be lowered without undue delay.

⁷⁸Construction Industry Long Service Leave Board Annual Management Report 1992-93, p 4

⁷⁹Transcript p 1168

⁸⁰Transcript p 1167

3.137 The Committee recommends that:

- ◆ the Government reduce the rate of the Construction Industry Long Service Leave Board levy as soon as possible as recommended by successive actuarial reports.

Crime Statistics

3.138 The Attorney-General was questioned extensively on the issue of the interpretation of crime statistics. He maintained that levels of crime in the ACT compare favourably with those of other jurisdictions. In support of this view, he tabled Australian Institute of Criminology figures comparing crime levels and rates of growth in crime by particular offences in all Australian jurisdictions. The figures dealt with a number of significant categories of crime in the years 1973-74 to 1991-92.

3.139 The Committee notes that, although these figures do, indeed, confirm a lower level of ACT crime than in most other jurisdictions, they also show a rise in rates of crime in the ACT in relation to break, enter and steal, robbery, motor vehicle theft and violent offences reported to police, by comparison with other jurisdictions and the national average.

3.140 The figures for these offences demonstrate comparative rises, whether taken over a two-year, five-year or ten-year period:

Two Year Comparison

Offence: Break, Enter and Steal

	1990-91	1991-92	% Increase
A.C.T.	794.12	954.59	20.2
AUSTRALIA	1088.52	1122.23	3.09

Offence: Robbery

	1990-91	1991-92	% Increase
A.C.T.	33.73	36.03	6.81
AUSTRALIA	65.55	67.38	2.79

Offence: Motor Vehicle Theft

	1990-91	1991-92	% Increase
A.C.T.	503.87	573.14	13.74
AUSTRALIA	878.20	803.47	- 8.50

Offence: Violent Offences Reported to Police

	1990-91	1991-92	% Increase
A.C.T.	112.80	134.60	19.32
AUSTRALIA	208.70	205.70	- 1.43

Five and Ten Year Comparison

Offence: Break, Enter and Steal

	1991-92	1981-82	% Incr	1986-87	% Incr
A.C.T.	954.59	399.06	139.2	758.49	25.85
AUSTRALIA	1122.23	823.20	36.32	1045.44	7.34

Offence: Robbery

	1991-92	1981-82	% Incr	1986-87	% Incr
A.C.T.	36.03	7.72	366.7	19.76	82.33
AUSTRALIA	67.38	33.76	99.58	49.03	37.42

Offence: Motor Vehicle Theft

	1991-92	1981-82	% Incr	1986-87	% Incr
A.C.T.	573.14	240.3	138.51	541.88	5.76
AUSTRALIA	803.47	572.67	40.3	826.02	- 2.72

Offence: Violent Offences Reported to Police

	1991-92	1981-82	% Incr	1986-87	% Incr
A.C.T.	134.60	42.5	216.70	76.8	75.26
AUSTRALIA	205.70	91.6	124.56	155.4	32.36

3.141 The Committee notes that these figures reflect the position shown in recent annual reports of both the Australian Federal Police (report for 1991-92) and the ACT Director of Public Prosecutions (report for 1992-93).

3.142 The Committee was disappointed that the Minister was not prepared to admit that for particular offences the figures showed a rise in crime rates at a level greater than that experienced by the rest of Australia.

MR HUMPHRIES: But is it not the case that our rate of increase in these categories is substantially above that of the rest of Australia, the ones listed?

MR CONNOLLY: It is the case that the ACT remains one of the safest communities in Australia.⁸¹

⁸¹Transcript 1894

3.143 The Committee considers that such rises do constitute a potential threat to the relatively secure and safe environment of the ACT in future years if they go unchecked. It further considers that, as a first step in dealing with such rises in crime, the Government must acknowledge the extent of the problem.

Diesel fuel exemptions

3.144 The Committee questioned the Government's plans to remove the franchise fee exemption for off-road users of diesel fuel. The Committee noted that the Government hopes to raise \$1 million from this measure.

3.145 The Committee sought information as to how the ACT Government would prevent users of diesel in the ACT obtaining the fuel in New South Wales where the exemption is still available. The Commissioner for Revenue explained that where an ACT consumer purchases fuel in New South Wales using a New South Wales certificate of exemption and transports it to the ACT for consumption, that would constitute "misuse" of that certificate and would precipitate cancellation of the certificate by the New South Wales authorities.⁸²

3.146 The Committee is concerned that the mechanics of this enforcement procedure may present practical difficulties. For example, "abuse" by consumers of small quantities will be difficult to monitor. It is also difficult to envisage the New South Wales Government moving against New South Wales-registered companies (even companies which have migrated from the ACT) because they use fuel in the ACT. The Committee also notes that there are presently no provisions in either New South Wales or ACT legislation for "apportioning" the franchise fee based on extent of use between different jurisdictions.

Education savings

3.147 It is proposed that \$3.48m of savings be achieved in the Education budget, specifically program 23, government schooling, in 1993-94. It is stated in Budget Paper No. 3 that savings will include downsizing of central office by around 10 positions and reductions of approximately 80 school based positions (through reduced recruitment).⁸³

⁸²Transcript p 1612

⁸³Budget Paper No. 3, p 331

3.148 Following extensive questioning by Committee Members the Minister for Education and Training was unable to provide detailed information about where the cuts would occur and what the likely impact on government schools would be. The Secretary of the Department of Education and Training indicated that a consultative process would occur over some weeks involving the Department and individual schools to determine the precise nature of the cuts to be achieved.⁸⁴

3.149 The Committee views with concern the inability of the Minister for Education and Training to identify where precise savings are to occur. The Committee expresses particular concern about the inability of the Minister to identify non-essential components of the education system which could tolerate cuts without affecting the quality of education offered to students.⁸⁵

3.150 The Committee expects that information regarding the application of the \$3.48m savings be provided to the Estimates Committee in 1994. The Committee recognises that expenditure reductions may be expected in future years and also expects that the Minister will be in a position to provide details of those reductions, if and when they occur.

3.151 The Committee recommends that:

- ◆ **in future years where expenditure reductions are foreshadowed, the Minister for Education and Training provide the Committee with full details of where and how the reductions will be achieved.**

Flag

3.152 The issue of the availability of ACT Flags to non-Government Members of the Assembly to present to sporting organisations was raised with the Minister for Sport, whose response was equivocal.⁸⁶

3.153 The Minister agreed to further consider the question with a view to accommodating Assembly Members other than Government Members in the flag presentation process.

⁸⁴Transcript p 210

⁸⁵Transcript p 188-191

⁸⁶Transcript p 935

3.154 The Estimates Committee looks forward to hearing of the Minister's response to this issue.

Health-Activity levels

3.155 The ACT Health Corporate Plan 1993-98 at page 16 states the following:

Increases in activity levels within ACT public hospitals have been around 4 per cent per annum for several years and it is expected that this trend will continue.

3.156 This is in line with the Chief Minister's comments in the Budget Speech that there will be a 4% growth in the aged population and a population growth of 1.7% per annum.

3.157 The Committee is concerned that ACT Health has budgeted for no increase in activity levels in ACT public hospitals during the coming year. The Minister told the Committee that the budget was based on funding for activity levels remaining constant from 1992-93.

Well, we have been funded for the same amount of activity as last year.⁸⁷

3.158 The Committee continued to question the Minister about the Government's decision to fund activity levels at the same rate as the previous year referring to the Corporate Plan of ACT Health which included a graph indicating higher activity levels in future years.

MR MOORE: So, why have you not done what is the obvious and logical thing and budgeted for what you are likely to expend?

MR BERRY: Well, because that is the activity level we expect and we are funded for it.

MR MOORE: No, it is not. It is not the accepted level you expect. You just told us you expected a higher activity level and your graph shows it.

⁸⁷Transcript 476

MR BERRY: Of course, there are other financial pressures on the Territory as well as we have got to work this year to try and include more efficiencies within that system⁸⁸.

3.159 The Committee is concerned that artificial limits on the numbers of patient episodes (50,500) at ACT public hospitals could produce longer waiting lists for elective surgery.

3.160 The Committee considers that the information provided by the Minister and ACT Health in relation to activity levels, waiting lists and demographic trends cannot be reconciled.

Health Promotion Fund

3.161 The Committee views with concern that the level of funding available for the Health Promotion Fund is declining. The trend is indicated in the following table:⁸⁹

Year	Health Promotion Fund			
	91/92 (\$000's)	92/93 (\$000's)	93/94 (\$000's)	94/95 (\$000's)
Health Promotion Fund Spending	1,336	1,146	1,022	936
Tobacco Franchise Fee Revenue	16,425	22,378	25,500	23,900
Fund Spending as % of Tobacco Revenue	8.1	5.1	4.0	3.9

3.162 The Committee believes that whilst some of the variations are accounted for by carry-overs, the fact remains that the value of the tobacco franchise fee has risen substantially and that the amount of money to be spent on health promotion is in decline.

⁸⁸Transcript p 478

⁸⁹Various Budget Papers

3.163 The Committee views with concern the long-term and projected decline in funds for the Health Promotion Fund and notes that this trend is inconsistent with an appreciation of the value of funding preventative health care as opposed to crisis health care.

3.164 The Committee recommends that:

- ◆ **the funding of the Health Promotion Fund be restored to at least 5% of the revenue raised by the tobacco franchise fee.**

Health savings

3.165 It is proposed that \$3m of savings be achieved in the Health Budget in 1993-94, although how these savings are to be realised was not detailed.

3.166 The Minister for Health provided a written response to Committee questions as to where the savings could be achieved. The range of initiatives identified were described as a generic list.⁹⁰

3.167 The Committee considers that the detailed information provided in support of the anticipated savings of \$3m in Health is inadequate. The Committee expects that information regarding the areas where savings were realised in 1993-94 be provided to the 1994 Estimates Committee.

3.168 The Committee recommends that:

- ◆ **in future years where expenditure reductions are foreshadowed, the Minister for Health provide the Committee with full details of where and how the reductions will be achieved.**

⁹⁰Transcript p 595

Health waiting lists

3.169 Figures provided by the Minister in response to Committee questions indicated that the length of public hospital waiting lists was higher than publicly admitted in quarterly activity reports. As at 30 June 1993, the actual number of people on public hospital waiting lists was 3,119 people and not the 2,870 contained in the activity reports.⁹¹ The difference was accounted for by the removal of people from the waiting lists when they were given booking dates.

3.170 The Committee notes that by giving all those people on the waiting lists booking dates, the lists would in fact disappear! The Committee is concerned at the continued growth in public hospital waiting lists, and that publicly released figures can mislead the public as to their true lengths.

Hospital costs

3.171 Arising from the Medicare agreement, the ACT has received \$25m from New South Wales for the treatment of NSW patients in ACT public hospitals.

The new agreement is significantly different than the former agreement in so much that in addition to providing incentives and bonuses for increased public provision it also makes provision for the States and Territories to negotiate direct reimbursement and charging for patients of one State treated in another⁹²

3.172 Officials continued:

...an agreement was reached which was essentially one brokered by the Commonwealth that we would use a national average in the first instance and that has been the position adopted for Year 1...⁹³

⁹¹ACT Health response to question taken on notice

⁹²Transcript 436

⁹³Transcript p 438

3.173 At the time of the Estimates hearings the National Costing Study, compiled by KPMG Peat Marwick-Health Care Services, became available. The report indicated that on average the cost per Diagnostic Related Group (DRG) in the ACT was 31.44% more expensive than the national average.

3.174 These figures are in line with those in the 1992-93 Health Explanatory Notes, page 8, which read as follows:

The most recent estimates indicate that the cost per day of a public hospital bed in the ACT was approximately 30% higher than the national average

3.175 These figures appear to contradict the statements made by Health officials during hearings:

'in the case of the ACT there has been.....a significant reduction in the cost per episode of care and the last figures that we have out show that we are now only about 5% ahead of the National average and the trend is going the way we want it to be. ⁹⁴

3.176 On the basis of all of this analysis, the Committee remains concerned that the ACT could be substantially financially disadvantaged for the treatment of NSW patients in that the monies received from NSW will be insufficient to cover the ACT cost of treatment.

3.177 The Committee recommends that:

- ◆ **the excessive average cost structure relative to national averages of Diagnostic Related Groups within the ACT public health system be addressed by the Government as a matter of urgency because of the potentially adverse financial consequences to the ACT in the short-term given the decision under the Medicare agreement to fund states and territories for health services on the basis of national averages**

⁹⁴Transcript p 438

Housing Review Committee

3.178 The Committee asked questions about the operation of the Housing Review Committee and noted that of the 2,232 priority applications that were considered in 1992-93, 906 were approved. 387 appeals were referred to the Housing Review Committee, of which 180 were upheld or otherwise resolved.⁹⁵

3.179 Whilst the Housing Trust was unable to provide details of the circumstances which led to appeals being upheld or otherwise resolved, officials agreed to provide more comprehensive information on the operation of the Housing Review Committee in next year's annual report.⁹⁶

Housing Trust - new computer

3.180 During the examination of the Housing Trust the benefits of the ISIP computer system and programs were outlined.⁹⁷ Because of the ongoing introduction of this new system it was not possible for the Committee this year to assess the effectiveness of the programs. The Committee noted the proposed benefits and looks forward to an improved availability of information in future years.

Proceeds from land sales

3.181 Included in the Budget Papers were proposals for land sales by the Department of the Environment, Land and Planning, in Program 6, Environment and Conservation and Program 8, Land.

3.182 In relation to sales in Program 6, Environment and Conservation, the Budget Papers stated:

The first depot site is expected to be vacated and be available for sale in late 1993. The rationalisation of City Parks depots will realise recurrent savings of \$0.150m, and capital revenue of \$10m is anticipated from the sale of a total of nine sites.⁹⁸

⁹⁵Transcript p 1971-72

⁹⁶Transcript p 1971-72

⁹⁷Transcript p 1958, 1971, 1985

⁹⁸Budget Paper 3, p 81

3.183 When questioned, officials indicated that sales revenue will be gained over the next 2-3 years and when sold the revenue will appear under Program 8, Land.⁹⁹ and indicated that the figures shown in the Budget Papers for land sales in 1993-94¹⁰⁰ would need to be double checked to ascertain if any revenue was included from Program 6, sales in 1993-94.¹⁰¹

3.184 The written response provided by the Department stated that:

The revenue received for the sale of these properties is included in the ongoing land sales program and reflected in the forward estimates.

3.185 The Committee is concerned at the apparent discrepancy between the written response which indicates the \$10m revenue from the sale of surplus properties (or any part of it) is not included in the 1993-94 Budget, but only in the forward estimates, and the Budget Papers which indicates sales commencing in late 1993.

3.186 In relation to the land sales proposed by Program 8, Land, the Committee was advised that additional property sales are being made in 1993-94. The Chief Minister referred to these sales in her Budget speech as raising an extra \$11m over the regular land development program.¹⁰²

3.187 The revenue expected to be realised from the additional land sales is estimated as \$11m in 1993-94. This has been calculated by determining the difference between the amount estimated (as a forward estimate) in 1992-93 for land sales in 1993-94 (\$41.2m¹⁰³) and the amount estimated in 1993-94 for the land sales in 1993-94 (\$52.2¹⁰⁴), rather than the increase over the 1992-93 actual sales revenue of \$43.3m.¹⁰⁵

3.188 The Committee is of the view that the more appropriate figure is \$9m, the increase in revenue over the last year's actual sales and would more accurately reflect the revenue to be realised.

⁹⁹Transcript p 39, 32

¹⁰⁰Budget Paper 3 p 109

¹⁰¹Transcript p 32

¹⁰²Budget Speech, p 9

¹⁰³1992-93 Budget Paper 2, p 134

¹⁰⁴Budget Paper 3, p 109

¹⁰⁵Budget Paper 3, p 109

3.189 The Committee found it difficult and time consuming to assess the detailed background information to the two sets of land sales in the Department of the Environment, Land and Planning. The Committee found the information inadequate in that the Committee is still not aware of how the \$10m from Program 6 land sales is included in the forward estimates ie how much revenue will be realised in 1994-95, 1995-96 and beyond.

Late payment of accounts

3.190 The Minister for Health was questioned concerning late payment of creditors of ACT Health. Officials outlined the procedures for the payment of accounts indicating that the agency used "normal trade practices".¹⁰⁶ The Committee was advised that once an invoice is certified for payment, the automated accounts system produces a cheque some 30 days later.

3.191 Health confirmed in a response to a question taken on notice that, as at 30 June 1993, there were 11 accounts outstanding for more than 30 days which were not subject to any dispute. (These were paid on 6 July 1993.) No information was supplied about the position current as at the date the question was posed.

3.192 The Committee notes that the Enfield Inquiry into health finances in 1991 identified a serious problem with late payment of outstanding accounts. It appears that the problem has not been fully rectified. For example, the Committee felt that the Government might be able to modify the automated accounts system to reduce the interval between certification for payment and production of a cheque.

3.193 The Committee recommends that:

- ◆ steps be taken to ensure payment of all accounts by agencies of the ACT Government where no dispute exists within 30 days of an invoice being rendered.

Legislative Assembly

3.194 Two issues of concern that were raised during the hearing with the Speaker were the adequacy of the budget provision for the Assembly and worker's compensation cover for Members of the Assembly and their staff.

¹⁰⁶Transcript p 596

3.195 The Committee notes that the 2% expenditure reductions imposed on the Legislative Assembly has had unintended consequences, particularly in view of the move to the new building in 1994. The original budget for the Assembly was developed prior to self-government actually commencing and, despite a number of changes in activity over the last four and a half years, the budget base has not been reviewed.

3.196 During the hearing it was acknowledged that a review of the budget base needs to be conducted.¹⁰⁷

3.197 The Committee recommends that:

- ◆ **the Treasurer review the base funding of the Legislative Assembly to ensure that it is sufficient to maintain an appropriate level of service to Members, particularly in the light of the move to the new building.**

3.198 In relation to the worker's compensation coverage for Members and their staff, the Committee was advised that those groups are not currently covered by Comcare.¹⁰⁸

3.199 Act of grace payments may be sought in relation to compensation for death or injury to Members as there are no existing formal or legislative provisions for compensation.

3.200 Members' staff employed under the Legislative Assembly (Members' Staff) Act are currently not included in the definition of Territory staff in the Commonwealth Employees' Rehabilitation and Compensation Act, although amendments to the ACT Self-Government Act currently before the Federal Parliament will have the effect of extending coverage to those staff retrospectively from 14 November 1989, if passed. The Committee was also advised that in the interim, claims for Members' staff have been assessed by Comcare and any compensation payments met.

¹⁰⁷Transcript 398-401

¹⁰⁸Legislative Assembly response to questions taken on notice

Methodone

3.201 In its report, the 1992 Select Committee on Estimates drew attention to serious concerns that Committee members had about the cost of expanding outlets from which clients could receive methadone treatment:

Of particular concern was the considerable discrepancy between the figures presented to the Estimates Committee and figures provided to the Minister less than a year ago by the Alcohol and Drug Working Party.¹⁰⁹

3.202 The Committee again this year questioned the Minister for Health about the provision and cost of additional methadone treatment services.¹¹⁰ The Committee acknowledges that the figures presented this year regarding the cost of expanding the methadone program were in fact very close to those presented by the Alcohol and Drug Working Party in 1992, in contrast to the figures given by the Minister in Estimates Committee hearings in 1992.

3.203 The Committee views with some concern that during the 1992 Estimates Committee process the Minister and his officers embellished the likely costs of expanding the methadone program, seemingly to support the Government's stated policy on the issue at the time.

Proposed National Hotel School of Excellence

3.204 The establishment of the National Hotel School of Excellence and the refurbishment of the Hotel Kurrajong were the subjects of extensive questioning by the Committee in relation to the Canberra Institute of Technology.

3.205 It is proposed that the Government provide a total of \$16.9M in repayable capital advances over the period 1993-94 to 1995-96 to support the project. The largest amount, of \$12M is to be provided in 1993-94 for the purchase and refurbishment of the Hotel Kurrajong.¹¹¹

¹⁰⁹Report of the 1992 Select Committee on Estimates, Para 3.107

¹¹⁰Transcript p 803-11

¹¹¹1993-94 Budget Paper No. 3 pages 306 and 307

3.206 The Committee was provided with information on a confidential basis due to the commercial nature of the proposal. However, it appeared that the establishment of the School was predicated on optimistic enrolments and low drop-out rates, and the Committee noted that in addition to the Blue Mountains and Adelaide schools, two new schools were to open in the near future, in Port Douglas (Queensland) and Perth.

3.207 The Committee is of the view that further information will be required to be provided to Members to satisfy concerns that the project may be of a high risk nature and that the potential financial exposure to the Government is open-ended.

3.208 The Committee recommends that:

- ♦ in relation to the National Hotel School of Excellence full comparisons of budget to actual results be provided to the Estimates Committee in future years to ensure adequate public scrutiny of what may be a high-risk venture

Provision of bus shelters

3.209 The Committee notes the allocation in the Capital Works budget for funding of \$100,000 for the provision of bus stop pads and shelters.¹¹²

3.210 The Committee further notes that this figure had been considerably reduced from the \$350,000 initially proposed for expenditure in the draft 1993-94 Capital Works Program referred to the Assembly's Planning, Development and Infrastructure Committee for inquiry and report.

3.211 The Committee acknowledges statements made by the Minister for Urban Services that there was a long way to go in terms of consulting with the community about the location of bus shelters.¹¹³

¹¹²Budget Paper 4 p 56

¹¹³Transcript 1345

3.212 The Minister indicated that what will happen in the future will be "Well, we propose to put a bus shelter here" and further outlined the community consultation process which he considered could be followed.¹¹⁴ The Minister acknowledged that "We really did not have a very good policy in terms of consultation and we are now developing one".¹¹⁵

3.213 The Committee acknowledges the comments made by the Minister for Urban Services during this year's hearings about the need to improve the consultation process with regard to the provision of bus stop pads and shelters.

3.214 The Committee recommends that:

- ♦ progress in the development of a consultation process for the provision of bus shelters and information relating to community demand for shelters to assess the adequacy of the reduction in funding be provided to the Committee in 1994.

Provision of Government owned accommodation to community groups

3.215 During questioning concerning the provision of abortion facilities in the City Health Centre, the Minister for Health indicated that he would be seeking to provide the Family Planning Association with subsidised rent.¹¹⁶ During the hearing the Minister was asked whether it was Government policy to provide premises on a market rent basis to community organisations, and to reflect any subsidy that it may wish to provide in grants made for the operational needs of those organisations.

3.216 He replied:

*Well, as I said, it is a case-by-case basis, and some people get free rent and some do not*¹¹⁷.

¹¹⁴Transcript 1346

¹¹⁵Transcript 1347

¹¹⁶Transcript p 771-72

¹¹⁷Transcript 772

3.217 The Minister for Urban Services said in respect of such tenants:

*We prefer now, where new leases come up, that if it is something that we think the ACT ratepayers should be subsidising, it is better to give the organisation a grant and let it out at the community rate as opposed to the commercial rate, than different levels of rent subsidy and so forth.*¹¹⁸

3.218 The Committee considers that the approach outlined by the Minister for Urban Services, whose Department administers most government tenancies, to be the preferred approach with respect to this issue. The subsidy of organisations through rent discounting may lead to an inability to monitor the level of support provided by Government to these organisations.

3.219 The Committee recommends that:

- ◆ **rental policy in respect of tenants of the ACT Government should be standardised, to the extent that subsidies should not be hidden in rent relief or indirect support but should be provided directly by way of grant.**

Rental Bond Board

3.220 The Committee ascertained that the ACT Housing Trust is not included in the current operations of the Office of Rental Bonds. The Commissioner for Housing explained that the Trust is currently exploring with the Office of Rental Bonds the possibility of Trust bonds being included in that program, and that the repayment of the bond at the end of the period minus any charges that might accrue back to the landlord might flow directly back to the Housing Trust rather than first of all going through the hands of the Trust's previous client.¹¹⁹ The Committee looks forward to seeing changed arrangements in place within six months, however, notes the sundry debt problem in terms of any damage occurring to Trust properties which should be deducted from the bond.¹²⁰

¹¹⁸Transcript 1514

¹¹⁹Transcript p 1970

¹²⁰Transcript p 1971

3.221 The Committee asked questions about the operation of the Agents Fidelity Guarantee Fund and the money paid in through the Office of ACT Rental Bonds and sought clarification as to whether interest accruing from these sources was paid into one account or two separate accounts.¹²¹

3.222 The Committee believes that the use to which the interest generated by both funds is directed should be examined so that a rationalisation of the administrative arrangements could occur.

¹²¹Transcript p 2017

4 OVERVIEW BY AGENCY AND AUTHORITY

4.1 This chapter includes a brief summary on an agency basis of the major issues raised by the Committee during the 83 hours of public hearings held in 1993. This chapter should be read in conjunction with the previous chapters of this report.

ACT Health

Program 26 ACT Health

4.2 Committee members questioned the Minister for Health and his officers for a greater length of time than for any other agency in 1993. Many questions were asked by Members about the impact of the Medicare agreement for the ACT, waiting lists, activity levels, bed numbers and Christmas and Easter closures.¹²² Given the Minister for Health's statement that Health would be funded for 50,500 patient episodes in 1993-94 Committee members asked extensive questions about the likelihood of ACT Health seeking additional financial assistance through budget supplementation in 1993-94.¹²³

4.3 Committee members asked extensive questions about ACT Health's Corporate Plan and how its predictions of increasing activity levels in future years could be reconciled with budgeted funding for 50,500 patient episodes, identical to activity levels in 1992-93.¹²⁴

4.4 Extensive questions were also asked by Committee members about the \$3m savings to be achieved in Health¹²⁵ and payments to visiting medical officers.¹²⁶

¹²²Transcript pp 435-475

¹²³Transcript pp 475-499

¹²⁴Transcript pp 499-504, 635-637

¹²⁵Transcript pp 541, 542, 587-596, 763

¹²⁶Transcript pp 601-612, 691-694

4.5 Further questions were asked about the establishment of strategic management teams at Woden Valley Hospital,¹²⁷ the establishment of the clinical school,¹²⁸ ambulance response times, the use of motor vehicles by staff of ACT Health,¹²⁹ the mix of patients receiving services at ACT hospitals, the replacement of nursing staff through agencies and Magnetic Resonance Imaging services.¹³⁰

4.6 The Committee was appreciative of ACT Health's response to Committee Members' questions where they were taken on notice. A question asked in relation to the application of tobacco franchise fees and the extent of smoking by members of the ACT community was responded to by ACT Health during public hearings the following day.¹³¹ The Committee compliments ACT Health for its timely response to questions taken on notice.

4.6 Committee members asked a range of questions in relation to the sub-programs of ACT Health including questions about day surgery facilities at Calvary Hospital,¹³² the proposed relocation of the Queen Elizabeth II hospital for mothers and babies to Acton Peninsula,¹³³ the telephone counselling service provided by staff at Queen Elizabeth II,¹³⁴ the clustering of dental clinics and services,¹³⁵ the proposed provision of abortion services by the Family Planning Association at refurbished premises in the City Health Centre,¹³⁶ the delivery of methadone services,¹³⁷ the establishment of the proposed hospice¹³⁸ and early intervention services available to young children with disabilities and/or development delays,¹³⁹ the reduction of funding for the Childbirth Education Association¹⁴⁰ and tuberculosis screening procedures.¹⁴¹

¹²⁷Transcript pp 521-533

¹²⁸Transcript pp 549-551

¹²⁹Transcript pp 563-571

¹³⁰Transcript pp 708-710

¹³¹Transcript p 713

¹³²Transcript pp 719-724

¹³³Transcript pp 737-746

¹³⁴Transcript pp 741-749

¹³⁵Transcript pp 750-757

¹³⁶Transcript pp 764-787

¹³⁷Transcript pp 803-812

¹³⁸Transcript pp 812-815

¹³⁹Transcript pp 829-834

¹⁴⁰Transcript pp 835-841

¹⁴¹Transcript pp 852-855

ACT Legislative Assembly

Program 1 ACT Legislative Assembly

4.7 Members questioned the Speaker and officers of the Secretariat extensively about the general adequacy of the Assembly budget to meet the needs of non-executive Members.¹⁴² Another subject of much discussion was the refurbishment of South Building which is expected to accommodate the Assembly from March 1994. Topics of discussion included the provision of balconies for the Chief Minister and the Speaker, car parking facilities and the need for and cost of additional attendants.¹⁴³ Questions were also asked by members about the costs of Tuesday night sittings.¹⁴⁴

Attorney-General's Department

Program 11 Legal Services to Government

Program 12 Community Legal Services

Program 13 Administration of Justice

Program 14 Maintenance of Law and Order

Program 15 Housing and Community Services

4.9 Members asked questions about the copyright requirements to be observed when perusing the annual report of the Attorney-General's Department¹⁴⁵ and the adequacy of the agency's Corporate Plan.¹⁴⁶

4.10 Questions were also asked about the proposed establishment of the courts' complex given the decision by the Joint Standing Committee on the National Capital and External Territories to reject the proposed site for the complex on Vernon Circle.¹⁴⁷

¹⁴²Transcript pp 398-402, 404-407

¹⁴³Transcript pp 382-395

¹⁴⁴Transcript pp 396-398

¹⁴⁵Transcript p 1729

¹⁴⁶Transcript pp 1735-1744

¹⁴⁷Transcript pp 1760-1762

4.11 Further questions were asked by Committee members about performance indicators,¹⁴⁸ crime rate statistics,¹⁴⁹ the interpretation of statistical information provided by staff of Parliamentary Counsel's Office¹⁵⁰ and the processing of freedom of information requests.¹⁵¹

4.12 In Program 12, questions were asked about the nature of public inquiries to the office of the Consumer Affairs Bureau,¹⁵² Legal Aid services available to Belconnen residents,¹⁵³ the speedier service available to members of the public from the Registrar's Office,¹⁵⁴ home visits made by staff of the Public Trustee's Office¹⁵⁵ and the enforcement of licensing laws with regard to the prevention of the sale of alcohol to minors.¹⁵⁶

4.13 In Program 13, questions were asked about the extent of the inquiry by the Ombudsman's office into events surrounding the conduct of the AIDEX exhibition.¹⁵⁷ Further questions were asked about the review of functions of the office of the Community Advocate and the Family Services Branch of the Housing and Community Services Bureau.¹⁵⁸

4.14 In Program 14, Committee Members asked questions about the operation of the newly established Tuggeranong police district and the implications of the timing of the location of police services in Gungahlin.¹⁵⁹ Further questions were asked about the refurbishment program for police stations¹⁶⁰ and the interpretation of crime statistics.¹⁶¹

¹⁴⁸Transcript pp 1781-1783

¹⁴⁹Transcript pp 1791-1794

¹⁵⁰Transcript pp 1795-1783

¹⁵¹Transcript pp 1803-1818

¹⁵²Transcript pp 1823-1824

¹⁵³Transcript pp 1827-1829

¹⁵⁴Transcript pp 1835-1836

¹⁵⁵Transcript pp 1838-1839

¹⁵⁶Transcript pp 1845-1846

¹⁵⁷Transcript pp 1852-1862

¹⁵⁸Transcript pp 1868-1869

¹⁵⁹Transcript pp 1874-1876

¹⁶⁰Transcript pp 1876-1878

¹⁶¹Transcript pp 1892-1901

Housing and Community Services Bureau

4.15 The Committee noted that the Corporate Plan for the Housing and Community Services Bureau would be made available to Committee Members in time for the 1994 Estimates process. The Committee further noted that due to the recent co-location of the services provided by the Bureau at Callum Street (the former Woden TAFE) a corporate plan drawing on the cohesion of the Bureau as a whole would be a constructive and productive exercise.¹⁶²

4.16 The Minister for Housing and Community Services and his officers were questioned extensively about the operations of the ACT Housing Trust. Members asked questions about the likelihood of improving the social and building environment of housing trust complexes,¹⁶³ waiting lists,¹⁶⁴ the recovery of excess water charges less than \$25.00 from Housing Trust tenants,¹⁶⁵ repairs and maintenance of Housing Trust properties,¹⁶⁶ the operation of the Housing Review Committee¹⁶⁷ and residences available to diplomats.¹⁶⁸

4.17 Further questions from Members included questions about the operations of the adoption service,¹⁶⁹ the notification of children at risk to the Family Services Branch¹⁷⁰ and the rates of payment to foster care parents.¹⁷¹ Additional questions were asked about the operation of the Home and Community Care Program in the ACT,¹⁷² the availability of transport services for people with disabilities,¹⁷³ the implications of the proposed closure of John Knight Hostel¹⁷⁴ and the provision of respite care services.¹⁷⁵ Committee Members concluded their questioning of the Minister for Housing and Community Services and his officers by asking about the liaison which occurs with Aboriginal communities when Aboriginal people are detained in custody¹⁷⁶ and the operation of the Belconnen Remand Centre.¹⁷⁷

¹⁶²Transcript pp 1917-1918

¹⁶³Transcript pp 1927-1930

¹⁶⁴Transcript pp 1930-1937

¹⁶⁵Transcript pp 1938-1942

¹⁶⁶Transcript pp 1959-1961, 1966-1970

¹⁶⁷Transcript pp 1971-1972

¹⁶⁸Transcript pp 1985-1986

¹⁶⁹Transcript pp 1989-1990

¹⁷⁰Transcript pp 1993-2000

¹⁷¹Transcript pp 2002-2009

¹⁷²Transcript pp 2012-2015

¹⁷³Transcript p 2025

¹⁷⁴Transcript pp 2028-2029

¹⁷⁵Transcript 2030-2033

¹⁷⁶Transcript p 2036

¹⁷⁷Transcript pp 2041-2043

Canberra Institute of Technology

Program 22 Technical and Further Education

4.18 The majority of questions by Committee members concerned the establishment of the proposed national hotel school of excellence.¹⁷⁸ Further questions covered the impact of the name change from the ACT Institute of Technical and Further Education to the Canberra Institute of Technology,¹⁷⁹ the level of Comcare premium paid,¹⁸⁰ the establishment of a Community Liaison Unit within the Institute,¹⁸¹ the number of student places available¹⁸² and the implementation of information technology systems.¹⁸³

Chief Minister's Department

Program 2 ACT Corporate Management

Program 3 Economic Development

4.19 The Committee complimented the Chief Minister and her officers for providing the annual report in a loose leaf binder. This allowed easy access by Committee members to the information and early replacement of corrected pages to the annual report when they became available.¹⁸⁴

4.20 In her opening statement the Chief Minister provided Committee members with information about the activities of ACT Corporate Management during 1992-93. These included the establishment of the ACT Electoral Office, the broad ranging review of ACT Government concessions, the implementation of the recommendations of the Royal Commission into Aboriginal Deaths in Custody, the opening of child care centres at Acton and Campbell and the work being done by the Office of Public Sector Management in preparation for the establishment of a separate ACT public service.

4.21 The Chief Minister also referred to the funding of a range of new initiatives including the Acute Behaviour Management Unit, the Women's Halfway House and the establishment of the Tuggeranong Youth Resources Centre.¹⁸⁵

¹⁷⁸Transcript pp 336-357

¹⁷⁹Transcript pp 334-336

¹⁸⁰Transcript pp 359-361

¹⁸¹Transcript pp 360-361

¹⁸²Transcript pp 363-365

¹⁸³Transcript pp 365-369

¹⁸⁴Transcript p 969

¹⁸⁵Transcript pp 941-943

4.22 The Chief Minister and her officers were questioned by members regarding the provision of child care services, including those new centres established at Acton and Campbell¹⁸⁶ and the number of employees on the Government's payroll.¹⁸⁷ The Committee notes the Chief Minister's statement:

I expect that future Estimates Committees will see even better information on staff numbers and costs and that is the purpose of the very major investments that we have made.¹⁸⁸

4.23 Committee members also asked questions about the proposed operation of the Voluntary Separation Scheme,¹⁸⁹ the use of motor vehicles,¹⁹⁰ comparisons between expenditure in program 1 ACT Legislative Assembly with sub-program 2.1 the Executive,¹⁹¹ fraud control plans¹⁹² and performance indicators of the Office of Public Sector Management.¹⁹³ Further questions were asked about the structure of sub-program 2.5 Social Policy, the operation of a number of advisory councils to the Chief Minister and community consultation processes.¹⁹⁴

4.24 Prior to questions being asked about program 3 Economic Development the Chief Minister made another opening statement to the Committee about the activities of this program during 1992-93. Specifically mentioned were the EPACT business development strategy, the regional transport strategy commissioned by the South East Economic Development Council, the consolidation of the Business Services Centre and the launch of the Canberra Investment Promotion Program.

4.25 Continued growth in tourism was noted as were labour market initiatives such as the Youth Job Link Program, the New Future in Small Business Program, the Aboriginal Employment Program and the expansion of the Tradeswomen on the Move Program.¹⁹⁵

¹⁸⁶Transcript pp 959-966, 1094-1096

¹⁸⁷Transcript pp 978-982

¹⁸⁸Transcript p 981

¹⁸⁹Transcript pp 983-992

¹⁹⁰Transcript p 999

¹⁹¹Transcript pp 1017-1035

¹⁹²Transcript pp 1059-1062

¹⁹³Transcript pp 1076-1079

¹⁹⁴Transcript pp 1081-1085

¹⁹⁵Transcript pp 1107-1103

4.26 Committee questions concerned the business strategy developed by the EPACT Committee,¹⁹⁶ the likelihood of the establishment of an international airport for the ACT, given the successful bid by Sydney for the 2000 Olympic Games,¹⁹⁷ the costs of producing the "Canberra in the year 2020" report,¹⁹⁸ the success of training programs in leading to employment opportunities¹⁹⁹ and the growth in tourism to the ACT.²⁰⁰

4.27 During questioning of the Minister for Industrial Relations and his officers, Committee members asked questions about the operation of designated work groups,²⁰¹ whether Comcare arrangements apply to people employed under the Legislative Assembly (Members' Staff) Act 1989,²⁰² Occupational Health and Safety statistics²⁰³ and the scheduling of public holidays.²⁰⁴

Department of Education and Training

Program 23 Government Schooling

Program 24 Non-government Schooling

Program 25 Higher Education and Training

4.28 The Minister for Education and Training made an opening statement to the Committee outlining a number of achievements in 1992-93. The Minister made specific mention of three new policy proposals implemented during 1992-93, the integration of special needs students, improved pastoral care and careers advisory programs in government high schools and the co-ordination and marketing of training. The Minister also commented briefly on the opening of a new primary school in Palmerston in 1995 and a new high school in Tuggeranong in 1996. The Minister briefly commented on new funding arrangements for non-government schools and the report by the Auditor-General into the Government Schooling Program.²⁰⁵

4.29 Much of the Committee's questioning during this year's hearing related to the proposed cut of 80 school based positions in 1993-94.²⁰⁶

¹⁹⁶Transcript pp 1103-1105

¹⁹⁷Transcript pp 1107-1108

¹⁹⁸Transcript pp 1115-1116

¹⁹⁹Transcript pp 1135-1138

²⁰⁰Transcript pp 1141-1160

²⁰¹Transcript pp 1235-1238

²⁰²Transcript pp 1238-1240

²⁰³Transcript p 1250

²⁰⁴Transcript pp 1264-1265

²⁰⁵Transcript pp 183-184

²⁰⁶Transcript pp 185-222, 256-277

4.30 Additional questions were asked about the provision of motor vehicles to Department of Education staff,²⁰⁷ assistance for the children of diplomats²⁰⁸ and public relations arrangements.²⁰⁹

4.31 Questions were also asked about the impact of the closure of regional offices²¹⁰ and the availability of reading recovery programs for students.²¹¹ Information was sought about the move of pre school centrally located control and management to management associated with the local school.²¹²

4.32 Committee members asked questions about the savings to be made from Program 24 Non-government Schooling.²¹³ Questions were also asked about the breaking of the funding nexus between the Commonwealth and ACT governments and the impact of this decision on particular non-government schools.²¹⁴

4.33 In program 25, members asked questions about the cost of hosting the Australian National Training Awards in Canberra²¹⁵ and the establishment of the territory training agency to co-ordinate the ACT's participation in the new national vocational education and training arrangements to operate from 1 January 1994.²¹⁶

Department of the Environment, Land and Planning

Program 6 Environment and Conservation

Program 7 Territory Planning

Program 8 Land

Program 9 Culture and Heritage

Program 10 Sport and Recreation

4.34 The Committee questioned the Minister for the Environment, Land and Planning and his officers about revenue anticipated from the application of changed betterment charges,²¹⁷ the development of golf courses in Gungahlin, namely the

²⁰⁷Transcript pp 235-241

²⁰⁸Transcript pp 241-243

²⁰⁹Transcript pp 246-247

²¹⁰Transcript pp 277-280

²¹¹Transcript pp 302-305

²¹²Transcript pp 312-313

²¹³Transcript pp 322-324

²¹⁴Transcript pp 326-330

²¹⁵Transcript pp 331-332

²¹⁶Transcript pp 332-333

²¹⁷Transcript pp 3-5

Gungahlin Golf Course and the proposed golf course development at Harcourt Hill,²¹⁸ the provision of motor vehicles for the use of Departmental officers²¹⁹ and the process of appointment to employment of certain officers.

4.35 The Committee noted the difficulty members experienced in relating questions to the appropriate program of DELP, whether it be Environment and Conservation, Program 6, Territory Planning, Program 7 or Land, Program 8. Considerable confusion arose over revenue to be realised from asset sales and whether this was included in Program 6 or Program 8.²²⁰

4.36 Specific questions asked in relation to Program 8 Land included questions about the proposed co-location of staff²²¹ and the application of better cities funding²²². Questions on program 7 Territory Planning included questions about continuing work resulting from the "Canberra in the Year 2020 Study"²²³ the ongoing Garema Place study,²²⁴ consultancies let in relation to sites for urban renewal²²⁵ and urban renewal in general.²²⁶

4.37 In Program 6 the Committee asked questions about mowing operations,²²⁷ the provision of playground equipment,²²⁸ assets management and fraud control²²⁹ and the operations of the dog control unit.²³⁰

4.38 Questions relating to Program 9 Culture and Heritage concerned strategies to support the longer term financial viability of the Arts²³¹ and the operation of "The Street Theatre" still under construction.²³² In relation to the operation of the Canberra Theatre Centre, questions were asked about increased attendances²³³ and the refurbishment of the air conditioning system.²³⁴

²¹⁸Transcript pp 9-13, 18-23

²¹⁹Transcript pp 49-56

²²⁰Transcript pp 27-34

²²¹Transcript pp 81-84

²²²Transcript pp 84-86

²²³Transcript pp 89-90

²²⁴Transcript pp 90-91

²²⁵Transcript pp 93-94

²²⁶Transcript pp 97-98

²²⁷Transcript pp 109-111

²²⁸Transcript pp 154-156

²²⁹Transcript pp 162-167

²³⁰Transcript pp 172-173

²³¹Transcript pp 129-131

²³²Transcript pp 134-136

²³³Transcript p 150

²³⁴Transcript p 152

4.39 In relation to Program 10 Sport and Recreation, the Minister for Sport made an opening statement referring to a number of new initiatives to be funded during 1993-94 including the provision of a district playing field complex at Conder-Gordon and a specialised softball centre in Hawker. The Minister also referred to the establishment of a new position of volunteer development officer, undertaken in partnership with the Commonwealth and another new position of Aboriginal development officer the person to be employed with funds made available from the Aboriginal and Torres Strait Islander Commission. The Minister also drew attention to the significance of Sydney's success in winning the bid to host the year 2000 Olympic Games, and the establishment of a committee to maximise the benefits for the ACT that may well be derived from the games.²³⁵

4.40 Committee members asked questions about the construction and operation of the Tuggeranong Pool²³⁶ and the opportunity for Opposition members to present ACT flags to sporting organisations.²³⁷

Department of Urban Services

Program 16 Public Transport

Program 17 City Services

Program 18 Fire and Emergency Services

Program 19 Public Works and Services

Program 20 Corporate Development for DUS

Program 21 Government Corporate Services

4.41 The Minister for Urban Services made an opening statement about the efforts being made in the Department of Urban Services to increase services to a growing population while at the same time substantially reducing costs. The Committee compliments the Minister for achieving substantial savings from the Department of Urban Services without compromising service quality and service delivery.

4.42 During this statement the Minister also referred to the large number of officers present at the hearing continuing a practice from last year's estimates hearings where officers gain valuable experience about how the Assembly works.²³⁸ The Committee also compliments the Minister for his practice of encouraging departmental officers to attend hearings to gain experience of how the Assembly operates.

²³⁵Transcript pp 866-867

²³⁶Transcript pp 901-914

²³⁷Transcript pp 933-935

²³⁸Transcript pp 1280-1281

4.43 In Program 16 members asked questions about savings efficiencies to be realised from ACTION's operations,²³⁹ transport services for people with disabilities,²⁴⁰ the loss and possible replacement of a heritage bus shelter in Yarralumla,²⁴¹ fare structures,²⁴² the community consultation process which occurs prior to the erection of bus shelters²⁴³ and the provision of school bus services.²⁴⁴

4.44 In Program 17 questions were asked about the possible closure of a motor vehicle testing station,²⁴⁵ the future relocation of the building control section of DUS to the Department of the Environment, Land and Planning,²⁴⁶ the extent to which volunteers assist in ACT public libraries,²⁴⁷ the possible re-opening of the Woden cemetery,²⁴⁸ recycling trials in Kaleen and Melba²⁴⁹ and the new Corporate Plan of ACT City Services.²⁵⁰

4.45 In Program 18, members questioned the Minister and his officers about the future development of emergency management legislation²⁵¹ and the process for determination of occupancy loadings for licensed premises.²⁵²

4.46 In Program 19 questions were asked about the policy adopted for the receiving of surety deposits from companies involved in construction works,²⁵³ the construction of abortion facilities during the refurbishment of the City Health Centre for the use of the Family Planning Association,²⁵⁴ Asset Management Services²⁵⁵ and the process of auctioning ACT fleet vehicles.²⁵⁶

4.47 In Program 20, Members asked questions about the development of agreements with the community about the provision of services²⁵⁷ and in Program 21 questions were asked about telephone international direct dialling facilities,²⁵⁸ computing

²³⁹Transcript pp 1283-1305

²⁴⁰Transcript pp 1306-1315

²⁴¹Transcript pp 1315-1323

²⁴²Transcript pp 1332-1333

²⁴³Transcript pp 1335-1347

²⁴⁴Transcript pp 1347-1353

²⁴⁵Transcript pp 1363-1365

²⁴⁶Transcript pp 1386-1390

²⁴⁷Transcript pp 1392-1395

²⁴⁸Transcript pp 1418-1421

²⁴⁹Transcript p1423

²⁵⁰Transcript pp 1444-1447

²⁵¹Transcript pp 1451-1452

²⁵²Transcript pp 1452-1456, 1461-1465

²⁵³Transcript pp 1475-1479

²⁵⁴Transcript pp 1495-1499, 1504-1508

²⁵⁵Transcript pp 1510-1516

²⁵⁶Transcript pp 1519-1523

²⁵⁷Transcript pp 1530-1531

²⁵⁸Transcript pp 1532-1534

services provided to ACT Administration²⁵⁹ and likely savings to arise from the installation of the ACTNET telephone system.²⁶⁰

Government Audit Office

Program 4 Audit Services

4.48 The Committee noted that the Government Audit Office had not as yet prepared a formal Corporate Plan but was assured by the Auditor-General that the Plan would be prepared in time for the estimates process in 1994.²⁶¹

4.49 Members questioned the Chief Minister and her officers about the shift of resources within the Audit Office from financial statement audits to performance audits²⁶² and about the possible allocation of costs of audits directly to agencies.²⁶³

Treasury

Program 5 ACT Financial Management

4.50 The Chief Minister made an opening statement about the operation of Treasury during 1992-93. Among particular achievements mentioned were the selection of the State Bank as the banker for government for the next four years, the ACT Borrowing and Investment Trust, ACTBIT, earned \$30M on investments on behalf of its clients, and substantial improvements were made to the format of the budget papers to improve accountability, to assist the Estimates Committee and to respond to advice from the Auditor-General and the Assembly's Public Accounts Committee.²⁶⁴

4.51 The Committee asked questions about the process of providing budget supplementation for ACT Health,²⁶⁵ comparing the methodology adopted in the identification of savings in both ACT Health and the Department of Education,²⁶⁶ the introduction of a \$20.00 minimum duty on the processing of all documents lodged with the Revenue Office,²⁶⁷ the loss of exemptions from the purchase of diesel fuel for

²⁵⁹Transcript pp 1536-1541

²⁶⁰Transcript pp 1542-1543

²⁶¹Transcript p 1567

²⁶²Transcript p 1557

²⁶³Transcript p 1564

²⁶⁴Transcript pp 1550-1552

²⁶⁵Transcript pp 1577-1580

²⁶⁶Transcript pp 1592-1594

²⁶⁷Transcript pp 1604-1606

home heating purposes,²⁶⁸ the frequency and success of appeals to the Commissioner of Revenue,²⁶⁹ and the work of the Statistical Co-ordination Committee.²⁷⁰

ACT Electricity and Water

4.52 The Committee questioned the Minister for Urban Services and officers from ACTEW about key performance measures and target achievements and complimented ACTEW on the setting out of this information in ACTEW's Corporate Plan.²⁷¹

4.53 Committee Members also asked questions about the operation of the Lower Molonglo Water Quality Control Centre,²⁷² the Environmental Improvement Program funding reserve,²⁷³ water consumption and the existing free water allowance²⁷⁴ and computer acquisitions and information technology provisions.²⁷⁵

ACT Totalizator Administration Board

4.54 The Committee welcomed officers from ACTTAB to their first appearance before the Estimates Committee. The Minister Mr Berry made an opening statement to the Committee where he complimented ACTTAB on its activities and achievements during 1992-93. Turnover increased by 4.84%, the ACT government received \$5.4M through the turnover tax and \$3.8M was paid to the local racing industry. The Minister also commented on the introduction of the trifecta link with Victoria and increases in turnover in agencies.²⁷⁶

4.55 The Committee asked questions about the restructuring of ACTTAB from a territory owned corporation to a statutory authority,²⁷⁷ the payment of Comcare premiums,²⁷⁸ membership of the ACTTAB board and board meetings.²⁷⁹

²⁶⁸Transcript pp 1609-1613

²⁶⁹Transcript pp 1623-1626

²⁷⁰Transcript p 1632

²⁷¹Transcript p 1670

²⁷²Transcript pp 1682-1683

²⁷³Transcript pp 1684-1685

²⁷⁴Transcript pp 1686-1689

²⁷⁵Transcript pp 1705-1709

²⁷⁶Transcript pp 1196-1198

²⁷⁷Transcript pp 1199-1204

²⁷⁸Transcript p 1202

²⁷⁹Transcript pp 1209-1219

Milk Authority

4.56 The Committee welcomed officers from the Milk Authority to their first appearance before the Estimates Committee and praised the format of the presentation of the 1992-93 Annual Report.²⁸⁰

4.57 The Committee asked questions about the decline in sales of milk in glass bottles,²⁸¹ promotion and advertising policies and practices,²⁸² the downturn in home deliveries of milk,²⁸³ complaints procedures²⁸⁴ and the payment of Comcare premiums.²⁸⁵

Construction Industry Long Service Leave Board

4.58 The Committee welcomed officers from the Construction Industry Long Service Leave Board to their first appearance before the Estimates Committee.

4.59 The Committee asked questions about the holding of \$17M in excess funds necessary to maintain a balanced scheme,²⁸⁶ independent actuary reports,²⁸⁷ the rate at which the long service leave levy has been set and the linking of this levy to the new industry training scheme levy,²⁸⁸ the level of bad debt,²⁸⁹ and the timing of the introduction of legislation to the Assembly to change the rate at which the levy is levied and to change the levy collection arrangements.²⁹⁰

Helen Szuty MLA
Chairperson
10 November 1993

²⁸⁰Transcript p 1637

²⁸¹Transcript p 1636

²⁸²Transcript pp 1638-1653, 1659-1663

²⁸³Transcript pp 1662-1664

²⁸⁴Transcript pp 1664-1667

²⁸⁵Transcript p 1654

²⁸⁶Transcript pp 1163-1165

²⁸⁷Transcript pp 1166-1167

²⁸⁸Transcript pp 1166-1171

²⁸⁹Transcript p 1185

²⁹⁰Transcript pp 1187-1190

PUBLIC HEARINGS AND WITNESSES ATTENDING

Wednesday 22 September 1993

Department of the Environment, Land and Planning

Minister for the Environment, Land and Planning

Mr G Fraser

Mr D Gration

Mr P Guild

Mr G Tomlins

Mr J Townsend

Thursday 23 September 1993

Department of Education And Training;

Minister for Education and Training

Mr M Sawatski

Mr C Thomas

Ms C Vardon

Mr T Wheeler

Canberra Institute of Technology

Minister for Education and Training

Mr J Churchill

Mr W Dickson

Mr N Fisher

Ms M Kinsman

Monday 27 September 1993

A.C.T. Legislative Assembly

Speaker

Mr T Duncan

Mr M McRae

Tuesday 28 and Wednesday 29 September 1993

A.C.T. Health

Minister for Health

Mr M Avery

Mr J Ayling

Ms S Batho

Ms S Belsham

Ms V Busted

Mr M Cormack

Mr M Derkley

Dr P Gregory

Ms K Hogan

Mr D Marcus

Mr P McDonald

Dr C Mead

Dr J O'Donnell

Ms B Ramsey

Ms H Ramsey

Ms S Win

Wednesday 29 September 1993

Sport and Recreation

Minister for Sport

Mr G Fraser

Ms D Jackson

Thursday 30 September 1993

Chief Minister's Department

Chief Minister

Mr V Alexandric

Mr G Bellchambers

Mr N Burnside

Mr C Eccles

Ms L Foreman

Mr A Gregory

Mr B Harris

Mr S Hunter

Ms P Karmel

Mr D Lawrance

Mr G Powell

Mr P Rayner

Mr M Walsh

Ms R Walsh

Ms L Webb

Friday 1 October 1993

Construction Industry Long Service Leave Board

Deputy Chief Minister

Mr R Yeomans

ACT Totalizator Administration Board

Deputy Chief Minister

Mr P Neck

Mr N Luff

Industrial Relations and Occupational Health And Safety

Deputy Chief Minister

Mr B Harris

Mr H Guilfoyle

Ms L Webb

Mr J Woodrow

Tuesday 5 October 1993

Department of Urban Services

Minister for Urban Services

Ms A Austin

Ms S Bertles

Mr G Davidson

Mr J Daunce

Mr B Dockrill

Mr A Eggins

Mr D Farrell

Mr J Flutter

Mr G Gaskill

Ms L Harley

Mr Lincoln

Mr P Lucas-Smith

Mr G McKenzie-Smith

Mr P Saddler

Mr V Smorhun

Mr J Turner

Mr M Wadsworth
Mr I Woolcock
Mr P Woodrow
Mr R Wooley

Wednesday 6 October 1993

Government Audit Office

Chief Minister
Mr P Hade
Mr J Parkinson

Treasury

Treasurer
Mr G Faichney
Mr G Harper
Mr N Morgan
Dr D Rosalky
Mr M Woods

Milk Authority

Minister for Urban Services
Ms L Fulton
Mr T Luchetti
Mr C White

ACT Electricity and Water

Minister for Urban Services
Ms S Hamilton
Mr C Orr
Mr P Phillips
Dr M Sargeant

Thursday 7 October 1993

Attorney-General's Department

Attorney-General
Mr T Brown
Mr T Charge
Mr J Clifford
Ms L Cribben
Mr K Crispin
Mr P Dawson
Mr V Dawson
Mr D Dunckley

Mr A Hoitink
Mr C Hunt
Mr D Hunt
Mr J Malouf
Ms H McGregor
Mr M Peedom
Ms J Scott
Mr J Taylor
Mr P Thompson
Mr A Towill
Mr R Shaw

Friday 8 October 1993

Housing And Community Services

Minister for Housing and Community Services
Ms H Briggs
Ms L Grayson
Ms C Healy
Mr K Horsham
Mr C Hunt
Ms P McGinn
Ms J Westaway
Ms E Worthington
Mr R Templar