

Budget 2001-2002

Report

of the
Select Committee on Estimates 2001-2002

June 2001



Committee membership

Mr Ted Quinlan MLA Chairman

Mr Harold Hird MLA Deputy Chairman

Mrs Jacqui Burke, MLA

Mr John Hargreaves MLA

Mr Dave Rugendyke MLA

Ms Kerrie Tucker MLA

Secretary: Maureen Weeks

Assistant Secretaries: Fiona Clapin

Judith Henderson

Siobhán Leyne

Rod Power

David Skinner

Administration: Judy Moutia

Resolution of appointment

On 1 May 2001 the Legislative Assembly for the Australian Capital Territory resolved that:

- (1) A Select Committee on Estimates 2001-2002 be appointed to examine the expenditure proposals contained in the Appropriation Bill 2001-2002 and any revenue estimates proposed by the Government in the 2001-2002 Budget;
- (2) the Committee be composed of:
 - (a) two Member to be nominated by the Government;
 - (b) two Members to be nominated by the Opposition; and

- (c) two Members to be nominated by the Independent Members, The ACT Greens or the United Canberra Party;

to be notified in writing to the Speaker by 4.00 p.m. today.

- (3) the Committee report by Friday 8 June 2001;
- (4) the Committee to send its report to the Speaker or, in the absence of the Speaker to the Deputy Speaker who is authorised to give directions for its printing, circulation and publication; and
- (5) the foregoing provisions of this resolution so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

Terms of reference

On 3 May 2001 the Legislative Assembly for the Australian Capital Territory resolved:

That the Appropriation Bill 2001-2002 be referred to the Select Committee on Estimates 2001-2002

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Summary of recommendations

Recommendation 1

2.19. The committee recommends that the Government, in the course of the budget debate, provide the Assembly with an explanation as to when the Government made the decision to apply virtually all of a calculated operational surplus to fund ‘new initiatives’ and on what basis that decision was made.

Recommendation 2

2.33. The committee recommends that presentation within the annual budget be revised to clearly distinguish between the actual Operating Surplus, Extraordinary Items and other non-operating items. Appropriate methods may be the setting up of a separate Superannuation Investment Trust and/or supplementary information to include such information as discussed in Auditor-General’s Report Number 1 of 2001.

Recommendation 3

2.49. The committee recommends the Government undertake a review of the array of ‘initiatives’ in this and last year’s budget, with a view to ensuring that there is a minimum absorption of resources by administration and a maximum amount of resources devoted to quality service delivery.

Recommendation 4

3.4. The committee recommends that in relation to ‘New Initiatives’ that have existing funding the total of the funding as well as the additional funding be clearly identified in the budget papers.

Recommendation 5

3.15. The committee recommends that the Government establish guidelines as to the length of the period that a government department or agency should enter into a contract to bind the Territory and that the maximum period be five years.

Recommendation 6

3.18. The committee recommends that future contracts and arrangements, such as that with the National Capital Authority, be firm and do not expose taxpayers to escalating costs over time.

Recommendation 7

3.23. The committee recommends that the development, design and implementation of a Centenary of Federation Monument for Canberra be opened to tender by local artists and architects.

Recommendation 8

3.29. The committee recommends that the Auditor-General be requested to investigate the claim that the Victorian Government had made an offer of \$10m to Impulse Airlines to identify the source of the misleading information.

Recommendation 9

3.31. The committee recommends that the Government accept the offer of data from ACROD in conducting the research associated with the initiative to assess unmet need.

Recommendation 10

3.33. The committee recommends that the Public Service Commissioner undertake a review of the Stadiums Authority to ensure that the staffing profile of 7 is warranted.

Recommendation 11

3.34. The committee recommends that the Government ensure that an evaluation be undertaken of the possibility of having a single authority managing the Bruce Stadium, Manuka Oval and Exhibition Park in Canberra.

Recommendation 12

4.7. The committee recommends that the Government require agencies to incorporate a whole of government analysis of the effect of awarding contracts prior to a final decision being made and that the final decision-making process is to take into account the whole of government consequences identified by the analysis.

Recommendation 13

4.15. The committee recommends that the Government undertake a further review of the provision of affordable housing within the Kingston Foreshore Development and report to the Assembly on the measures to be taken to ensure that there is a wide social mix within the development.

Recommendation 14

5.8. The committee recommends that the Government develop a social plan based on analysis of current and future needs which is informed by consultation with relevant Government agencies and key community stakeholders, and that funding priorities be determined in accordance with that plan.

Recommendation 15

5.17. The committee recommends that the Government be more transparent in its presentation of ‘funding increases’ so that real increases are identifiable, not merely year-to-year comparisons of budgeted amounts.

Recommendation 16

5.25. The committee recommends that the Government develop referral guidelines for all the client groups targeted by the Short-term Crisis Accommodation Service.

Recommendation 17

5.29. The committee recommends that the Government examine how it can increase funding on Indigenous-specific health services.

Recommendation 18

5.35. The committee recommends that the Government advocate increased funding for Winnunga Nimmityjah in negotiations with the Commonwealth and that the issue of developing a purpose built facility be raised.

Recommendation 19

5.38. The committee recommends that the Government consult with the Women’s Centre for Health Matters and the Women’s Information and Referral Service, to develop funding arrangements for the provision of childcare services for women undertaking counselling.

Recommendation 20

5.42. The committee recommends that the Government draft the establishing legislation to the Disability Service Improvement Scheme mandating the tabling of its reports to the Assembly.

Recommendation 21

5.43. The committee recommends that the Government incorporate into the Disability Service Improvement Scheme provisions for assessing the capacity of community-based organisations to meet quality standards within particular funding parameters.

Recommendation 22

5.50. The committee recommends that the Government establish an affordable housing taskforce to develop an affordable housing strategy aimed at reversing the reliance and emphasis on emergency housing only.

Recommendation 23

5.55. The committee recommends that the Government incorporate a community facility into the redevelopment of Burnie Court.

Recommendation 24

5.59. The committee recommends that the Government fund additional workers for the Community Linkages in Housing program to allow the extension of its service to the Applicant Service Centre.

Recommendation 25

5.64. The committee recommends that the Government examine a means of ensuring the ongoing provision of emergency housing, within the same local area where possible, for tenants with children who face eviction on the basis of non-payment of rent.

Recommendation 26

5.67. The committee recommends that the Government incorporate education and prevention programs specific to sexual assault as part of its sexual health services initiative.

Recommendation 27

5.71. The committee recommends that the Government, as a matter of urgency, ensure that there are adequate out-of-hours GP services for people on low incomes.

Recommendation 28

5.74. The committee recommends that the Government consider a crisis accommodation service for older women in the ACT, subject to the findings of the Standing Committee on Health and Community Care's inquiry into elder abuse.

Recommendation 29

6.18. The majority of the committee recommends that the Government not commit or expend any funds on a free school bus service until November 2001 by which time the electorate will have had its chance to support or reject this initiative.

Recommendation 30

6.24. The committee recommends that the Government refer the question of competition in the taxi industry in relation to the provision of wheelchair accessible taxis to the Independent Competition and Regulatory Commission for inquiry.

Recommendation 31

6.25. The committee recommends that the government outline the process for checking probity to tender submissions and indicate how the successful taxi network met these criteria, providing written evidence of such satisfaction.

Recommendation 32

6.30. The committee recommends that the Government maintain pressure upon the Commonwealth Government to fund the full cost of a grade separated interchange at the intersection of the Gungahlin Drive extension and Barton Highway.

Recommendation 33

6.33. The committee recommends that the Government delete from the Territory Plan the public transport inter-town route which is shown on the Territory Plan as crossing O'Connor Ridge.

Recommendation 34

6.34. The committee recommends that the ACT Government urge the Commonwealth Government to delete the existing road reservation on the National Capital Plan which shows the Gungahlin Drive extension crossing O'Connor Ridge to link to Barry Drive.

Recommendation 35

6.36. The committee recommends that the Government design and implement improved employment generating activity for Gungahlin, and ensure that the existing incentives and subsidies to encourage activity at places like Civic and Canberra Airport do not act to the detriment of residents of Gungahlin.

Recommendation 36

6.38. The committee recommends that the Government conduct urgent discussions with the Commonwealth Government with a view to all future planning activity for Canberra Airport (other than that related to the actual airport operations) being transferred to the Territory.

Recommendation 37

6.41. The committee recommends that the Government ensure that future budget papers provide a clear break-up of payments to ACTION for community service obligations.

Recommendation 38

6.43. The committee recommends that the breakdown of public reports/complaints about trees, horticultural/cleaning, and mowing be retained in future budget papers.

Recommendation 39

6.45. The committee recommends that Budget Paper No.4 list the titles and brief descriptions of the particular policy reviews, policies and strategies to be undertaken by DUS agencies in each year.

Recommendation 40

6.48. The committee recommends that the Government not proceed with the establishment of the Office of the Community Planning Advisor until it has sought comments from the LAPACs and the public on the need for this Office and how it should operate.

Recommendation 41

6.51. The committee recommends that the Ownership Agreement for Land and Property include details of the strategy for managing unleased Territory land as well as a synopsis of the Government's land release program.

Recommendation 42

6.53. The committee recommends that the Government accelerate work on providing a new, expanded and permanent library at Kippax.

Recommendation 43

6.56. The committee recommends that the Government monitor the effect of the Territory Records legislation to ensure that government agencies have sufficient funds to maintain their records to the new Territory-wide standard of record-keeping

Recommendation 44

6.60. The committee recommends that the Government, as part of the Public Service Renewal initiative, develop a program to build in-house corporate knowledge and technical expertise.

Recommendation 45

6.65. The committee recommends that the Government direct the Flora and Fauna Committee to include in its annual report an assessment of each action plan it examines in a year applying to endangered species, eco-systems and particular areas .

Recommendation 46

6.69. The committee recommends that the Government open all CNG sites to the public.

Recommendation 47

7.20. The committee recommends that the ACT Government not pursue an appeal against the Supreme Court decision which found the retrospectivity of criminal injuries legislation unlawful.

Recommendation 48

7.28. The committee recommends the Government examine the impact on the Supreme Court's operations resulting from the reduction in criminal injury matters.

Recommendation 49

7.32. The committee recommends that ACT courts make provision for free transcripts and/or tapes of court proceedings for low-income people.

Recommendation 50

7.37. The committee recommends that the new court IT systems provide for:

- collection of data on the sitting times of magistrates and judges; and
- sentencing patterns of magistrates and judges by category of crime.

Recommendation 51

7.41. The committee recommends that the Public Access to Legislation initiative include electronic availability of bills under consideration.

Recommendation 52

7.53. The committee recommends that the ACT Government initiate negotiations with the NSW Government with the aim of seeking funding assistance from NSW to cater for regional clients.

7.54. The committee notes that the functions of the former Consumer Affairs Bureau have now been incorporated into the Office of Fair Trading. The committee is concerned that there may be a decrease in the quality and /or quantity of work undertaken under these new arrangements and suggests close Government monitoring to guard against this.

Recommendation 53

7.55. The committee recommends that the Department of Justice and Community Safety provide improved detailed information to assist monitoring and the evaluation of consumer affairs functions.

Recommendation 54

7.60. The committee recommends that the ACT Government:

- increase recruitment of firefighters with the aim of employing the number of staff required under the staffing establishment; and
- provide monthly reports to the Legislative Assembly on the actual numbers of firefighters employed.

Recommendation 55

7.64. The committee recommends that the Government:

- consult extensively and fully with police, ambulance and firefighter unions when designing the Belconnen JESC; and
- conduct an evaluation of the effectiveness of the existing JESC at Gunghalin and the new JESC at Woden to ensure they meet operational, community and financial goals and that the results of this evaluation be considered in the planning of other JESCs.

Recommendation 56

7.69. The committee recommends that the Government:

- increase staffing at Belconnen Remand Centre commensurate with the increase in detainees; and
- consult regularly with the CPSU about staffing levels at the Belconnen Remand Centre.

Recommendation 57

7.73. The committee recommends that the Government ensure the home detention legislation includes details of the scheme (not to be left to regulation) and a draft bill is distributed to relevant community groups and MLAs with sufficient lead time for a thorough community consultation process.

Recommendation 58

7.79. The committee recommends that the AFP develop a code of practice to assist in implementation of the recent changes to the bail legislation.

Recommendation 59

7.89. The committee recommends that the Assembly ensure the appropriation of funds for the construction of the prison be accompanied by referral to an Assembly committee to examine the financial details of the proposal and the Government refrain from letting any significant contract until such examination is accepted by the Assembly.

Recommendation 60

7.98. The committee recommends that the Government:

- urgently commission research to discover the reasons for the drop in community corrections hours; and
- develop strategies to ensure this sentencing option is made more viable and available to a greater number of offenders.

Recommendation 61

8.6. The committee recommends that the Government fully investigate and report on the appropriate rate of indexation that should be applied to education.

Recommendation 62

8.18. The committee recommends that the Government provide six monthly reports to the Assembly on how it is addressing funding for community sector organisations to enable them to implement the SACS award and other relevant awards.

Recommendation 63

8.23. The committee recommends that the Department of Education and Community Services remind schools of their duty of care to ensure ergonomic practices are implemented and provide funding assistance.

Recommendation 64

8.41. The committee recommends that the Government note the non-compliance with expected practices and procedures in relation to the fact that the recreation support program for at-risk youth was not put out to competitive tender.

Recommendation 65

8.48. The committee recommends that the Government undertake an analysis of the need for community facilities in the inner suburbs.

1. Introduction

Background

1.1. The Appropriation Bill 2001-2002, together with the budget papers required under section 10 of the *Financial Management Act 1996*, was presented to the Assembly on 1 May 2001. Schedule 1 of the bill sets out the money to be appropriated for each department for expenditure on departments' activities (outputs), the purchasing or developing of assets or reducing liabilities (capital injections) and any payments to be made by the department on behalf of the Territory. The details of expenditure to be appropriated by the bill are included in Budget Paper Numbers 3 and 4.

1.2. The bill, having been agreed to in principle by the Assembly, was referred to the Select Committee on Estimates 2001-2002 on 3 May 2001. The committee, in the resolution of appointment was charged with examining the expenditure proposals contained in the bill and any revenue estimates proposed by the Government in the 2001-2002 Budget.

1.3. The appointment of the committee represents the final stage of examination of the 2001-2002 budget by Assembly committees. On 15 December 2000 the Select Committee on the 2001-2002 Budget released its report. The committee had been charged with the task of examining the broad parameters of the budget with particular reference to spending priorities, changes to the mix of outputs, the operating position and strategies for ageing assets, as well as unfunded liabilities. On 23 March 2001, the five standing committees of the Assembly released their reports on the 2001-2002 draft budget. These committees had examined the relevant draft budget initiatives and 2001-2002 draft capital works programs that had been made available to them by the Treasurer.

Conduct of inquiry

1.4. The Select Committee on Estimates 2001-2002 sought community comment on the budget by placing an advertisement in *The Canberra Times* and also writing to a number of community organisations (34 in all). It also sought input from those that developed and have responsibility for the budget – the Government.

1.5. Public hearings were held over 10 days in the period 8 May to 25 May 2001. The committee took evidence from Ministers together with departmental officials and also representatives from community organisations. The committee received written submissions from seven organisations. Details of the public hearing schedule held by the committee are given at Appendix 2.

1.6. In accordance with the Assembly's Standing Orders, Members of the Assembly who were not members of the committee attended hearings and, by leave of the committee, questioned witnesses. Due to the tight schedule, the committee asked that answers to questions taken on notice be provided in three working days. Generally, there was co-operation in meeting this deadline (see Appendix 3).

1.7. To maximise the short time available to undertake the inquiry, the committee, at the outset, also passed two resolutions, pursuant to standing order 239, calling for the papers relating to certain budget related decisions by the Government (see paragraphs 3.5 and 3.16, paragraphs 6.4 to 6.18, 6.19 to 6.25 and 8.17). Another resolution pursuant to standing order 239, calling for papers relating to the recreation support program for at risk youth program was passed by the committee on 22 May 2001 (see paragraphs 8.30).

1.8. The committee is concerned that there were again during this inquiry difficulties in finding periods of time in the Ministerial diaries to schedule the hearings. This is despite the Government's agreement to the recommendation (Recommendation 1 (iii)) of this committee's predecessor, that Ministers keep at least one week free of engagements so that they are able to attend Estimate hearings in a period after the presentation of the Budget. The committee acknowledges that on the part of most Ministers there was a spirit of co-operation but is of the view that a wider recognition of the estimates schedule would assist any future committee to schedule hearings. To this end the committee requests the Government consider that departmental budget memoranda from the Department of Treasury outlining budget timetables identify a two week period in which estimates hearings are a possibility.

1.9. The committee is appreciative of the contribution made to the inquiry by the community groups and individuals. It notes with concern such statements as:

The processes and timing do not allow proper input from representative citizen organizations such as the North Canberra Community Council.¹

Similar comments were expressed by other representatives of community groups, including the ACT Down's Syndrome Association Incorporated² on other occasions. The committee is of the view that the time made available to the community groups to prepare comments on the budget was restrictive and draws this to the attention of the next Assembly when establishing future estimates committees.

¹ Submission 2, North Canberra Community Council Inc.

² Uncorrected Proof Transcript, 22 May 2001, p 30.

2. Overview of budget

The budget process

2.1. In 2000 the Government implemented a novel approach to the budget process – the draft budget. The Assembly referred the consideration of the 2000-2001 draft budget to the relevant standing committees to consider expenditure proposals, revenue estimates and the capital works program with the proviso that the committees make recommendations that maintained or improved the operating result. The resolution required that the draft budget documents be provided by the Treasurer to the Presiding Members of each committee by a set date. The draft budget process was not without its critics. Indeed, this committee's predecessor identified the trial was 'rather less than successful'³ and made a recommendation (Recommendation 1(i)) that the Government revert to the traditional practice of developing and retaining responsibility for the budget. Although this recommendation was accepted by the Government it argued that the draft budget process offered consultation opportunities. It therefore indicated that it was 'considering the most appropriate way forward for budget consultation.'⁴

2.2. The 'most appropriate way forward' became evident towards the end of the 2000 calendar year when the Government sponsored a motion to establish the Select Committee on the 2001-2002 Budget. The Committee, in its introduction, indicated that it was established to address 'the concern for the need for overview'⁵ of the budget. This committee reported in December 2000 making a number of recommendations concerning government consultation with community groups. The Government, in their response, largely dismissed these recommendations. The committee also recommended that if a draft budget process is undertaken then the budget consultation process involving standing committees should not be optional. The Government did not agree to this recommendation.

2.3. On 15 February 2001, the Assembly resolved that each of the standing committees inquire into and report on the relevant 2001-2002 draft budget initiatives and draft capital works program by the 23 March. Again the documents were to be made available to the committees by the Treasurer. The documents made available to each committee included information on a number of draft initiatives and capital works relevant to the matters under each committee's terms of reference. There was no document that was the draft budget *in toto* which would have provided the information relating to the operating result nor the proposed expenditures involved in the programs. The lack of such information not only made it difficult for the committees to discharge the task that they had been given by the Assembly but also

³ Select Committee on Estimates 2000-2001, Report *Appropriation Bill 2000-2001*, dated June 2000.

⁴ Select Committee on Estimates 2000-2001, Government Response.

⁵ Select Committee on the 2001-2002 Budget, Report, *The broad parameters of the 2001-2002 ACT Budget*, dated December 2000.

difficult for the community to comment, minimising the effectiveness of the consultation the process was designed to encourage.

2.4. Further, during the committee's consideration of the draft budget initiatives the anticipated bottom line for the 2001-2002 Budget fluctuated with government pronouncements - there was to be \$10 m made available for 'revenue return to Canberrans'. In addition, it was expected that the Territory would receive an additional \$4.6m as a result of the Commonwealth Grants Commission determinations. This, together with the fact that the Government during the inquiries also presented a second appropriation bill for the current financial year arguing that the additional appropriations could be absorbed in the forward estimates, suggests that at the time the draft budget was not in a presentable state. An alternative explanation of the situation is that the Government was not prepared to provide the information that it had. Either scenario impacts on the draft budget process and that of the final budget and compromises the community's participation in the process.

2.5. Of real concern to the committee is that the draft budget process this year purported to be about initiatives. Yet of the 182 new initiatives announced in the budget 77 (or 42 per cent) had not been considered in the draft budget process (see Appendix 4). The Budget initiative that prompted most concern was the 'free school bus service', but other examples include the decision to lift the entrance fee to Floriade, the post hospitalisation scheme for older people and the increased task force capacity for police. Evidence of the frustration and annoyance of the process emerged at the current hearings⁶ and in submissions:

The draft budget is so different to the final budget and so many ad hoc additions made apparently in view of the coming elections and so little notice has been taken of public submissions that our time, which is precious to us as we have to do this on an unpaid, part-time basis, we would feel has not been satisfactorily used or respected.⁷

2.6. The committee acknowledges that the Government did take up some of the recommendations for initiatives made by the standing committees but in the context of the total budget these appear to be token gestures.

2.7. Clearly the process is still experiencing teething problems and the Government needs to make further revisions. It is also apparent to the committee that any changes need to coherently track the total budget process rather than deal with isolated phases of it.

2.8. The committee could not reach agreement as to how any future draft budget process should be structured.

2.9. Some members favoured retention of the consultative round conducted by committees which would follow a statement by Government on its intended general budget direction, major initiatives, revenue measures and proposed expenditure cuts.

⁶ Uncorrected Proof Transcript, 24 May 2001, p 2, Australian Education Union.

⁷ Submission 2, North Canberra Community Council Inc.

Committees would not be restricted in the suggestions put forward. The Government would then frame its final budget accepting or rejecting committee suggestions, and including its own initiatives developed since the initial direction statement. No actual draft budget would be produced.

2.10. An alternative suggestion saw the Government producing a draft budget that would be subjected to an estimates-style process by a select committee, followed by a final budget that would receive the standard estimates scrutiny. This would provide consultative input at the budget development stage, and again prior to the Assembly debate on the passage of the budget.

2.11. Some committee members did not agree with any of the alternatives discussed.

The operating/budget surplus

2.12. In the 1999 Budget speech the Assembly was informed that the Government was aiming to 'achieve a sustainable operating surplus that is sufficient to fully fund public sector capital works without the need for borrowings.'⁸ The day after the presentation of the 2001-2002 budget the Treasurer informed the Assembly that:

I have taken a different view from the view that was taken before on the way in which the territory's budgetary policy was laid out. Had we not made a change in direction in this year's budget ...⁹

The committee sought clarification on this shift in policy.

2.13. In response to a question citing the variations in the forward estimate for the operating result in 2003-2004 in the 2000-2001 budget compared with the 2001-2002 budget the Acting Chief Minister (Mr Smyth) claimed the revised forward estimate could not necessarily be attributed to 'a fundamental change in budget policy'.¹⁰ Revisions in forward estimates resulted from updated information. However, when the Chief Minister (Mr Humphries) appeared before the committee he informed the committee that it was agreed government policy to have of this order¹¹ and indicated that Mr Symth's argument was that there had never been a policy to have a big surplus.¹²

2.14. The committee is of the view that there has been a recognised shift in the Government's budget direction and that the Government has not given a clear explanation of this change. It notes the comment expressed in the North Canberra Community Council Inc submission that 'so many ad hoc additions made apparently in view of the coming elections ...'¹³ were made between the draft budget and the final.

⁸ Budget 99, Budget Paper no. 1, p 2.

⁹ Debates of the Legislative Assembly for the Australian Capital Territory, Weekly Hansard, 1, 2, 3 May 2001, 1351.

¹⁰ Acting Chief Minister, correspondence dated 15 May 2001.

¹¹ Uncorrected Proof Transcript, 23 May 2001, p 51.

¹² Uncorrected Proof Transcript, 23 May 2001, p 50.

¹³ Submission 2, North Canberra Community Council Inc.

2.15. There also appears to be a bias in the distribution of minor new works programs throughout the Territory. If the Summary of Minor New Works is examined and those programs relating to the Canberra Institute of Technology are excluded, none of the 121 projects remaining relate specifically to the Belconnen region. Some members of the committee expressed concern that the policy shift may not be in the best long term economic interests of the Territory.

2.16. The Government in arguing that the policy had not changed indicated that:

as a ‘dividend’ from setting the Territory’s financial house in order the government was able set (sic) the operating result slightly lower, but still prudent, level.¹⁴.

The committee concluded that prudent financial management goes beyond achieving an operational surplus, it should include managing to ensure that there is sufficient cash for both operational and capital requirements.

2.17. This budget, according to Forward Estimates of cash holdings, shows a decline to an almost zero bank balance - \$110m at 30 June 2001 down to \$9m at 30 June 2005. The Government has defended this by pointing out an expected increase in Cash and Investments of \$560m over the same period. However, the Forward Estimates also show an increase in Total Liabilities of a similar amount (\$549m). This is almost exclusively a result of increased unpaid employee entitlements – for which the investments will be required.

2.18. It is fairly obvious that, if estimates were prepared for the 2005-2006 financial year, either there would be a cash deficit or there would not be investment backing for mounting liabilities. Either way, it appears that the budget is more a blueprint for committing every discretionary dollar for the duration of the next Assembly, than a responsible plan for the foreseeable future.

Recommendation 1

2.19. The committee recommends that the Government, in the course of the budget debate, provide the Assembly with an explanation as to when the Government made the decision to apply virtually all of a calculated operational surplus to fund ‘new initiatives’ and on what basis that decision was made.

Superannuation

Superannuation Financing

2.20. To date, the Government has not implemented a consistent scheme for the progressive funding of the Territory’s unfunded Superannuation Liability. A commitment in the 1998 Budget to make an annual provision out of Operations was not honoured and was jettisoned in the next year.

¹⁴ Acting Chief Minister, correspondence dated 15 May 2001.

2.21. Capital withdrawals from Actew and the proceeds from the equalisation payment that followed the creation of the ActewAGL joint venture have made up the contributions in recent times.

2.22. In the 2001-02 Budget the Government has again committed to annually setting aside an annual amount. They appear to have adopted the sinking fund style building up funding through regular cash investment and retention of interest earned on investments within the fund. This was recommended in the February 1999 report of the Assembly's Select Committee on the Territory's Superannuation Commitments.

2.23. An essential feature of a sinking fund is the retention of both contributed capital, and interest earned, to aggregate to the estimated future pay-outs when they fall due.

2.24. There is some \$20 m in interest on Superannuation investments included in the calculation of the budgeted bottom line. If, as the Government has done, the Budget is framed to spend virtually all of the calculated surplus then they are, by definition spending the interest earned on Superannuation investments.

2.25. Had the Superannuation sinking fund been separated from normal Operating Accounts, the Budget would be showing a deficit of around \$8 m.

Superannuation Liability

2.26. Previous budget deficits have been overstated through overestimation of the level of the accumulated superannuation liability. In recent years those overstatements have been identified and are in the process of being written off. However the accounting treatment for writing back the overstatements is very different from the accounting treatment that included them in the first place.

2.27. In fact, the Government has gone as far as adopting an American Accounting standard in the absence of a specific Australian standard. Where an adjustment for a change in the assessed total liability was once included in the year it was recognised in full, the Government now has a system of amortising changes over 12 years.

2.28. Recent times have witnessed the recognition of overstatements of the liability, and consequent overstatements of reported deficits, to a value of \$300 m. That is now being amortised, reducing the net annual Superannuation Expense by some \$22 m. This is purely a 'paper entry', which is not associated with the receipt of any cash or benefit.

2.29. Had no incorrect estimates been made in the past, there would be no adjustment of \$22 m now. For the purposes of gauging funds available for expenditure this amount should be excluded. In other words – without a previous accounting accident, the budget bottom line would be \$22 m worse than it is. It would show a \$10 m deficit.

2.30. Combined with the \$20 m of interest on Superannuation Investments that should not be counted as disposable funds, there is \$42 m that cannot be committed to budget expenditure.

2.31. Different, legitimate and more open, accounting would show that this budget has an effective Operating Deficit of \$30 m.

2.32. The Auditor-General under the heading 'Management Discussion and Analysis (MD&A)' in his Report Number 1 of 2001, *Financial Audits with Years Ending to 30 June 2000* discussed the need for narrative, analytical information to be incorporated into annual reports. Such information is equally necessary for the annual budget.

Recommendation 2

2.33. The committee recommends that presentation within the annual budget be revised to clearly distinguish between the actual Operating Surplus, Extraordinary Items and other non-operating items. Appropriate methods may be the setting up of a separate Superannuation Investment Trust and/or supplementary information to include such information as discussed in Auditor-General's Report Number 1 of 2001.

Revenue

2.34. The Committee notes that one of the budget's major revenue initiatives is the reduction in the motor vehicle and motor bike registration fees for both private and business vehicles. This will return to the community \$10m per annum and this initiative was implemented, after consultation with the community. However, in doing so the Government clearly ignored Recommendation 8 of the Standing Committee on Finance and Public Administration's Report on the draft budget initiatives. That recommendation was that some of the additional income from the Commonwealth Grants Commission be used by the Government to undertake 'an inquiry and investigation of the equity issues involving the generation of revenue from rates, land taxes, fines, car registrations, etc in the ACT'.¹⁵

2.35. This revenue initiative is of most benefit to families who have more than one car and of no real benefit to pensioners who do not currently pay for registration. It does not alleviate the burden on pensioners having to pay CTP in instalments and paying the \$50 administration fee per year. Further the CTP has increased by \$8 thus effectively reducing the benefit to \$50.

2.36. The decrease in revenue from the reduction in registration fees is in stark comparison to the increase in revenue that is expected from the gaming tax applied in relation to poker machines. This increase is an adjusted base line 'based on the audited outcome of \$36.4m for 1999-2000, adjusted for GST credits and actual collections.'¹⁶ It is also despite a small reduction in the number of machines in the Territory. The committee acknowledges that the gaming tax is a ready source of

¹⁵ Standing Committee on Finance and Public Administration, Report Number 10 2001-2002 draft budget initiatives & capital works program for the Chief Minister's Department, the Department of Treasury and related agencies, dated March 2001.

¹⁶ Acting Chief Minister, correspondence dated 15 May 2001.

revenue not only in the Territory but in other jurisdictions. However, given the potential consequences to the community of the increase, the committee sought the Governments' views on matter.

2.37. In this context the committee notes that the ACT Gambling and Racing Commission has engaged the Australian Institute for Gambling Research (AIGR) to conduct a 'population-wide survey into the nature and extent of gambling in the Territory ... [to] provide ... a comprehensive analysis on which to base programs to address problem gambling.'¹⁷ The committee understands that the next phase of research is a needs analysis with service providers¹⁸. The committee also was encouraged by the expression of the Government's view 'that the harmful effects and social cost of gambling should be minimised even at the cost to gaming machine revenues.'¹⁹.

Economic Growth

2.38. The budget is based on economic growth projections that are more optimistic than those of forecasters Access Economics and the Melbourne Institute. Treasury officers assured the committee that they employed two systems for their economic projection. Emphasis was placed on the contribution of 'corporate profitability' to the overall ACT economy.

2.39. The committee is concerned that there is an element of risk taking in the Government's approach. It has adopted optimistic projections at a time when the immediate past may not be a reliable indicator of the future, after the disturbance caused by the introduction of the GST. The temporary economic boosts such as the doubled First Home Owners Grant may have pulled forward demand which will surely fall away later.

2.40. The committee's major concern lies in the combination of optimism for growth and the total commitment of all revenues over the next four years. Had the budget contained an expenditure safety margin, then high projections might be accepted. However, the underlying policy of spending virtually every available dollar that is estimated to be available in an optimistic budget is a high risk strategy.

2.41. When challenged, the Government has stated that it will simply have to reassess its spending priorities if the necessary funds are not generated. This confirms that the budget has been drafted in an attempt to see the Government over the line in the forthcoming election, and without a great regard for the future beyond that point.

Conclusion

2.42. A careful analysis of the budget presents a picture suggestive of the confused and confusing process by which the Government has developed its budget. The

¹⁷ Acting Chief Minister, correspondence dated 15 May 2001.

¹⁸ Uncorrected Proof Transcript, 23 May 2001, p 42

¹⁹ Acting Chief Minister, correspondence dated 15 May 2001.

majority of the committee sees evidence of random spending to soak up any operational/budget surplus.

2.43. The committee was made aware of the community concern that many of the new initiatives, particularly in the health and community services area, were destined to fail to reach their target and that they were poorly targeted in the first instance²⁰. The Government's admission that they had not based the inclusion of an initiative on any research of either the need in the community or the impact on the community supports these concerns. The most notable of these admissions relates to the provision of the free school bus service.

2.44. The Government identified three target areas for this budget – innovation, early intervention, and addressing poverty. Yet an analysis of the initiatives for the justice budget indicates only 22 per cent of the justice budget relates to the budget's themes.

2.45. Further there appears to be serious instances where the budget estimates bear little relationship to the projects that they are designed to fund. An example is the appropriation for the Gungahlin Drive Extension where modification of the Government's plans has not resulted in any modification of the total cost (see paragraph 6.31).

2.46. Finally, the committee is concerned that Government's narrow approach to the public sector is adding unnecessarily to expenditure from the public purse. A case in point is the loss of Totalcare jobs due to ACT Housing awarding its contract for the management of its facilities to another party.

2.47. On the evidence made available to the committee, the majority of it have been forced to conclude that it is a budget designed for an election year with little to recommend it for the long term good management of the Territory's finances.

2.48. The committee is concerned that the capacity of the administration is not sufficient to permit all programs to commence on 1 July 2001 and therefore will be the possibility of under expenditure on some programs.

Recommendation 3

2.49. The committee recommends the Government undertake a review of the array of 'initiatives' in this and last year's budget, with a view to ensuring that there is a minimum absorption of resources by administration and a maximum amount of resources devoted to quality service delivery.

²⁰ Submission 3, ACTCOSS.

3. Chief Minister's Department

3.1. The Chief Minister's Department includes within its appropriations that for which the Minister for Business, Tourism and the Arts is responsible, as well as the appropriation for Intact and the ACT Executive. The total appropriations to be administered by the Department are therefore \$22,588,100. The Department is charged with implementing 29 new initiatives, 9 of which had not been considered by the Standing Committee on Finance and Public Administration during their consideration of the draft budget initiatives. One of that committee's recommendations is reflected in an initiative.

3.2. The committee notes that the following initiatives were addressed in the Standing Committee on Finance and Public Administration's report on the draft budget initiatives and has no further comment:

- Expansion of the Multicultural Grants Program
- Demographic Profile of Aboriginal and Torres Strait Islander Community and Multicultural Community in the ACT
- Bridging the Digital Divide
- Public Service Reform
- Canberra Connect
- Integrated Document Management System (IDMS)
- Arts – Participating at the Cutting Edge
- Assessing Unmet Need – Responding to Poverty
- Indigenous Employment Mentoring Program
- Indigenous Business Support Program
- Australian Football League Contribution
- Global Biodiversity Information Facility
- Australian Masters Games
- Rally of Canberra
- National Photonics Training Institute
- Transport Concessions

Canberra Tourism and Events Corporation (CTEC)

3.3. The Canberra Tourism and Events Corporation (CTEC) received funding for a number of 'New Initiatives' including the Rally of Canberra, the GMC 400 and the Tourism Marketing and Promotion. In fact in all cases the funding is in addition to that which the Government already provides. The committee notes that the existing funding to these programs is not identified in the 'new initiative expenditure'. The committee believes that the budget papers should identify the total funding as well as the additional funding.

Recommendation 4

3.4. The committee recommends that in relation to 'New Initiatives' that have existing funding the total of the funding as well as the additional funding be clearly identified in the budget papers.

Relocation

3.5. One matter that the Standing Committee on Finance and Public Administration commented on in its report on the draft budget initiatives and which deserves further comment was the proposed move by CTEC to new offices at the recently developed Brindabella Business Park at the Canberra International Airport. That committee expressed concerns that the move would create accessibility problems for some of the organisation's clients (eg community groups) as well as their own staff.

3.6. The committee again raised the organisation's relocation both at the public hearings with the Minister for Business, Tourism and the Arts and the relevant officials and by exercising its powers under standing order 239 to call for all papers relating to the decision to move. The motion placed a deadline of 7 days for the provision of the papers which was passed at the committee's 8 May 2001 meeting.

3.7. The Minister and officials appeared before the committee on 14 May 2001, one day before the expiration of the committee's deadline for the provision of papers. During consideration of the matter the committee was firstly informed that the documents were with the Auditor-General as a result of the resolution passed by the Assembly on 28 March 2001. The Minister then indicated that he would seek legal advice as to whether the documents could be released to the committee, while the Chairman of CTEC acknowledged that neither he nor the board had been made aware of the committee's request. The Minister accepted the responsibility for making the decision not to meet the committee's call for papers²¹.

3.8. The saga continued as the next day the committee received a letter from the Minister providing some papers in relation to other matter the subject of the resolution. It also informed the committee that the CTEC papers would not be forthcoming and that the request was 'irresponsible to the point of absurdity ... at

²¹ Uncorrected Proof Transcript, 14 May 2001, pp 176-183.

great potential cost in terms of the resources tied up but of little benefit to the community.²²

3.9. The Minister also requested ‘that in future such requests from the Committee be more specific.’²³ The committee did not pass the motions without discussion. It is difficult for a committee, which has a six week period to consider the budget and prepare a report, to be specific about such requests. It does not have sufficient time to explore the issue of what documents are available and then to request them and for that reason it is not possible to estimate how much of a Department’s resources would be required to provide the papers to the committee. However, the committee considers that discharging its responsibilities to the community by scrutinising the expenditure of taxpayers dollars is of benefit to the community. It is mindful of the Auditor-General’s concerns expressed in Report Nos 1 to 12 of 2000 (Bruce Stadium Redevelopment) that an appropriate paper trail did not exist for the expenditure of funds and is concerned that such a situation does not arise again.

3.10. This intemperate letter from the Minister was followed with a second letter dated 15 May 2001 but received by the committee on 16 May 2001. The Minister informed the committee that after receiving legal advice and that the other parties involved in the tender process had ‘... not objected to their release.’ he had attached ‘all documents relating to the CTEC move to Brindabella Park.’²⁴ However, the committee ascertained that this was not in fact the case as the attachments to a document had been withheld and instead it bore the hand-written notation ‘attachments are commercial in confidence’. The committee subsequently agreed to write to the Minister responding to his letter and requesting the missing documents. The committee had not received a response on 5 June 2001 and therefore resolved to call for the missing attachments pursuant to standing order 239. The papers were provided to the committee with little under 24 hours to consider them.

3.11. Much has been made of claims of ‘commercial-in confidence’ (see paragraph 6.20) during this committee’s inquiry. The Chairman of Totalcare while accepting that there needs to be some level of transparency also made a plea with the committee that Totalcare’s capacity to conduct business on a commercial basis should not be prejudiced by that need.²⁵ The Minister also addressed it in his second 15 May letter indicating that the ‘... Government has consistently taken the issue of commercial-in-confidence very seriously to ensure that it does not unfairly disadvantage firms from undertaking business in the ACT.’

3.12. The letter continues that the ACT must keep in step with practices in the ‘rest of the country’. The committee notes that in respect to such claims the Victorian Public Accounts and Estimates Committee Report No. 35 (*Commercial in Confidence Material and the Public Interest*) found that much of the material claimed as commercial in confidence would not stand up to serious scrutiny as being so. Further the majority of claims made in relation to commercial-in-confidence are made by the public sector party to a contract.

²² Minister for Business, Tourism and the Arts, correspondence dated 15 May 2001.

²³ Minister for Business, Tourism and the Arts, correspondence dated 15 May 2001.

²⁴ Minister for Business, Tourism and the Arts, correspondence dated 15 May 2001.

²⁵ Uncorrected Proof Transcript, 23 May 2001, p 17.

3.13. The committee recognises that information on CTEC's lease was posted on the relevant web site (in accordance with statutory provisions) on 10 May 2001. The Department Liaison Officer in the Minister's Office informed all Members of the Assembly of the appropriate site when it was posted.

3.14. On the evidence currently available to the committee it has made an assessment of the relocation. It is concerned that CTEC in entering into a lease for a 10 year period has not gained value for the taxpayers dollar, particularly when it is clear that the offices are larger than required predicated on CTEC's current expectation of a growth in staff numbers. CTEC's Chairman justified the arrangement indicating that the level of accommodation was necessary for the staff of the organisation.²⁶

Recommendation 5

3.15. The committee recommends that the Government establish guidelines as to the length of the period that a government department or agency should enter into a contract to bind the Territory and that the maximum period be five years.

3.16. The committee is also concerned that the Standing Committee on Finance and Public Administration's initial reservations over the transport needs of staff and clients in the absence of a public transport system, have been addressed in a very limited and temporary way. The airport is currently providing the CTEC staff with 'a shuttle service'²⁷ using taxis while a more permanent solution is sought. In the interim and indeed in the long term if other strategies fail, any of CTEC's clients who would have used public transport are forced to find an alternative. The committee considers this most unsatisfactory for an organisation that should be client focussed.

GMC 400

3.17. The additional funding for the GMC 400 race totals \$1.5m for the 2001-2002 financial year and for the remaining years that the Territory has the contract for the race. As the race already gets a significant level of funding the committee was curious as to the need for additional funding. During the hearing the committee established that the race was a \$10m event that costs the Territory a net \$4m²⁸. Some of the additional expenditure for the 2001-2002 financial year could be attributed to improvements to the course through resurfacing, changes to the ticketholder areas and improved points for marshalling²⁹. However, the committee was concerned that almost a third of the funds (\$411,000) is due to increase labour costs resulting from a requirement of the National Capital Authority for a reduced period (2 weeks)³⁰ of preparation of the track.

²⁶ Uncorrected Proof Transcript, 14 May 2001, p 174.

²⁷ Uncorrected Proof Transcript, 14 May 2001 p 187.

²⁸ Uncorrected Proof Transcript, 14 May 2001 pp 185-186.

²⁹ Uncorrected Proof Transcript, 14 May 2001 p 191.

³⁰ Minister for Business, Tourism and the Arts, correspondence, dated 18 May 2001.

Recommendation 6

3.18. The committee recommends that future contracts and arrangements, such as that with the National Capital Authority, be firm and do not expose taxpayers to escalating costs over time.

Floriade – Free Entry

3.19. The committee notes that the entry fee to Floriade has been abolished. However, the fence enclosing the site for the festival is to remain at a cost of \$40,000 per annum. The committee understands that the fence was to provide security for all the concession outlets.

Centenary of Federation

3.20. In a financial year that commences half way through the year of Australia's Centenary of Federation the committee was interested in the 'new initiative' for the centenary which is receiving \$100,000. During the hearings, it explored the matter of Centenary of Federation monument. The monument was originally to be a Federation Arch that was to be supported by donations, public subscriptions and possibly some federal government money.³¹ When that did not eventuate, the Government held the view that as Canberra owes its beginning to federation there should be some permanent monument to mark federation.

3.21. The committee was informed that a concept for monument incorporating the Commonwealth coat of arms and flag and the flags and symbols of the states and territories and the Aboriginal and Torres Strait Islander communities has been developed.³² The committee was pleasantly surprised at the breadth of talent resident in the Chief Executive for the Chief Minister's Department.

Mr Tonkin: We've got a concept.

MS TUCKER: And where did that come from?

Mr Tonkin: I think it came out of my brain actually.³³

3.22. Further the committee queries whether the Government should have employed some consultation process to ascertain what the best design concept for a permanent and significant monument in Canberra should be.

Recommendation 7

³¹ Uncorrected Proof Transcripts, 23 May 2001, p 85.

³² Uncorrected Proof Transcripts, 23 May 2001, p 85.

³³ Hansard, 23 May 2001.

3.23. The committee recommends that the development, design and implementation of a Centenary of Federation Monument for Canberra be opened to tender by local artists and architects.

Business Development and Support

3.24. Given the recent announcements of the Qantas buy-out of Impulse Airlines the committee was keen to investigate the implications for the loan of \$8m and the concession package worth \$2m provided to Impulse Airlines by the Territory. The committee was informed that the loan related to a 5 year program which was marked by 18 milestones. If the milestones are reached then the loan repayment is foregone and the money is regarded as a grant. The milestones related to a number of areas including the development of a call facility and heavy maintenance facility at the airport and the promotion of regional routes.³⁴

3.25. The committee was informed that, subject to the ACCC's approval there were assurances 'from Impulse was that they intend to meet all the milestones, and the assurance from Qantas was that they would do Impulse everything - do everything to help Impulse to achieve those milestones as well, ...'³⁵.

3.26. Despite these assurances the committee did ascertain that the construction on a heavy maintenance facility (worth \$2.5m as a milestone) had halted prior to the announcement of the buy-out and that future development of the facility was uncertain pending the ACCC's decision. The committee is concerned that although some money may be recovered, the Territory would not receive the originally promised benefits, nor would it receive any refund of the monies advanced.

3.27. It also became clear during the hearings that there was no evidence and, in fact, evidence to the contrary, that the Victorian Government had made an offer of \$10m to Impulse to attract the airline to Victoria. It was argued that it was this supposed offer that helped 'sell' the deal with Impulse to the Assembly. This is a very serious matter. The committee was informed that the reality was that Impulse required a package of \$10m to located in Canberra and that there was interest in developing Canberra as a regional airlines hub³⁶ because of the benefits that such a development would likely bring to Canberra.

3.28. The committee acknowledges that governments have to be active in attracting business but cautions that deals need to be sustainable and properly evaluated at the outset.

Recommendation 8

³⁴ Uncorrected Proof Transcripts, 14 May 2001, p 139.

³⁵ Uncorrected Proof Transcripts, 14 May 2001, p 139.

³⁶ Uncorrected Proof Transcripts, 14 May 2001, p 149.

3.29. The committee recommends that the Auditor-General be requested to investigate the claim that the Victorian Government had made an offer of \$10m to Impulse Airlines to identify the source of the misleading information.

Poverty project response – assessing unmet needs

3.30. The committee welcomes the initiative to research the level of unmet need for community services. It draws the Government's attention to the offer made by ACROD to assist with the provision of data³⁷. A similar offer had been made during the estimates process in 2000 in reference to the ACT Government's Strategic Plan for Disability Services 1999³⁸ and was not acted upon by the Government.

Recommendation 9

3.31. The committee recommends that the Government accept the offer of data from ACROD in conducting the research associated with the initiative to assess unmet need.

Stadiums Authority

3.32. The Stadiums Authority has been established to manage the Bruce Stadium. The committee noted that the Authority planned to have a staffing complement of 7 and that permanent filling of the CEO position was currently being undertaken. Other vacant positions within the organisation would be filled once this had taken place. There would be a consequent increase in the employee expenses³⁹.

Recommendation 10

3.33. The committee recommends that the Public Service Commissioner undertake a review of the Stadiums Authority to ensure that the staffing profile of 7 is warranted.

Recommendation 11

3.34. The committee recommends that the Government ensure that an evaluation be undertaken of the possibility of having a single authority managing the Bruce Stadium, Manuka Oval and Exhibition Park in Canberra.

³⁷ Uncorrected Proof Transcripts, 24 May 2001, p 12.

³⁸ Uncorrected Proof Transcripts, 15 June 2000, p 739.

³⁹ Uncorrected Proof Transcript, 24 May 2001, p 62.

3.35. The committee also noted that there had been a payout to Spotless Services Limited and associated legal costs in relation to action which they had taken against Bruce Operations Propriety Limited.

4. Department of Treasury

4.1. The committee in considering the Department of Treasury's appropriations included those for the Central Financing Unit and the Superannuation Unit. The Department has 3 new initiatives as part of its responsibilities. These are Financial Management, the Strengthening Procurement Policy and Systems and the Low Alcohol Subsidy Scheme. All three initiatives had been considered by the Standing Committee on Finance and Public Administration during of the draft budget initiatives inquiry.

Totalcare Industries Limited

4.2. Totalcare predictions for its operations at last year's estimates process indicated that the problems experienced by the organisation almost since its inception were to become a distant memory. Consideration of this coming financial year's prognosis suggests that that is not going to be the case. The notes to the budget statements indicate that Totalcare has lost a number of contracts and there is the potential for further 'losses in the 2001-2002 budget and forward years. The loss of the ACT Housing Facilities Management was of significance to the organisation.⁴⁰ The committee sought to establish the implications of these contract losses for the organisation.

4.3. The Treasurer and officials from Totalcare appeared before the committee on 8 May and 23 May 2001. At the second hearing officials indicated that they were still considering staffing implications and were not yet in a position to indicate how many or if any job losses would result. A little over a week later the number was announced - 34.

4.4. The committee was able to establish that since 1997, there have been 385 voluntary redundancies at a cost of close to \$8m to Totalcare.⁴¹ These redundancies have largely been funded by Totalcare and have involved the realisation of assets.⁴²

4.5. The committee is concerned about the impact of the redundancies, not only in terms of Totalcare's own viability but the over all impact in the Territory. It explored with the Treasurer the decision by ACT Housing to award the contract away from the public sector:

at a higher level that decision may turn out to have been quite sub-optimal in as much as we have reduced employment within the government sector and have incurred considerable expense in the redundancy process because we have the fragmented approached of Housing making that decision, even though it has a greater consequence than just on their own bottom line. It would seem to us to be a lesson worth observing and drawing from for any future treatment of such issues. Would that be a reasonable - - -

⁴⁰ Budget Paper Number 4, p 413.

⁴¹ Treasurer, Correspondence, dated 28 May 2001.

⁴² Uncorrected Proof Transcript, p 5.

Mr Humphries: I think its reasonable - - -⁴³

4.6. The committee is also of the view that the loss of a contract and the subsequent job losses acts to further restrict the public sector enterprise from competing in the market. The public sector is not in the same position as the private sector to set up, gear up and gear down.⁴⁴

Recommendation 12

4.7. The committee recommends that the Government require agencies to incorporate a whole of government analysis of the effect of awarding contracts prior to a final decision being made and that the final decision-making process is to take into account the whole of government consequences identified by the analysis.

Williamsdale Quarry

4.8. The committee also heard evidence from the Treasurer and officers from Totalcare in relation to the establishment of the quarry at Williamsdale as a joint venture.

4.9. The Government acknowledges that the approval for Totalcare to develop the quarry was subject to it holding no more than a 50 per cent interest in the quarry and argued that this was to limit the risk the Territory was exposed to in the development.⁴⁵ However, there is no evidence offered to indicate that the development was anything other than a low risk venture.⁴⁶

4.10. Furthermore the committee is disturbed that the establishment costs were met by Totalcare and that partner to the joint venture had 'an instalment plan'⁴⁷ to buy into the venture. In addition, the price of \$3.8 m had been placed on the entry into the joint venture and the final payment is yet to be made⁴⁸. (It is expected to be made on time). Totalcare is only now going through a process to have an independent assessment of the value the enterprise. The committee is of the view that the taxpayers of the Territory have underwritten an easy payment plan to accommodate the entry of a joint venture partner into the project.

Kingston Foreshore Development Authority

4.11. The committee was informed that the Kinston Foreshore Development Authority had, in February this year, called for expressions of interest from the private sector. The Authority was interested in receiving either proposals, or registrations of

⁴³ Uncorrected Proof Transcript, 23 May 2001, p 6.

⁴⁴ Uncorrected Proof Transcript, 23 May 2001, p 7.

⁴⁵ Uncorrected Proof Transcript, 23 May 2001, p 20.

⁴⁶ Treasurer, correspondence, dated 28 May 2001.

⁴⁷ Uncorrected Proof Transcript, 23 May 2001, p 21.

⁴⁸ Uncorrected Proof Transcript, 23 May 2001, p 19.

interest in joining with it to form a joint venture for the development of that first stage release⁴⁹. The Authority short listed registrants in March and proceeded with a request for proposals, which is scheduled to close on 12 June 2001. It is expected that the Board will be making the decision as to the joint venture participant by the end of June.⁵⁰

4.12. Both the Treasurer and the Chief Executive Officer assured the committee that there was support for affordable housing in Kingston and that there was an intention that the project would have a wide social mix.⁵¹ Yet when questioned it became apparent to the committee that the Authority viewed the responsibility for the provision of affordable housing within the project to rest solely with Planning and Land Management.⁵²

4.13. Further, with the imminent release of stage 1A a strategy for the provision of such housing in the area had yet been developed or agreed upon.

4.14. The committee is concerned that the agreed ideal to have a housing mix in the Kingston Foreshore Development may not become a reality because of the Development Authority's failure to take any initiative to include it in the development.

Recommendation 13

4.15. The committee recommends that the Government undertake a further review of the provision of affordable housing within the Kingston Foreshore Development and report to the Assembly on the measures to be taken to ensure that there is a wide social mix within the development.

⁴⁹ Uncorrected Proof Transcript, 24 May 2001, p 74.

⁵⁰ Uncorrected Proof Transcript, 24 May 2001, p 78.

⁵¹ Uncorrected Proof Transcript, 24 May 2001, p 76.

⁵² Uncorrected Proof Transcript, 24 May 2001, p 76.

5. Department of Health, Housing and Community Care

5.1. On 25 May 2001, the committee conducted a public hearing and received evidence from the Minister for Health, Housing and Community Services along with departmental officials. The committee examined numerous areas of the Minister's portfolio including: The Department of Health, Housing and Community Care; ACT Community Care; ACT Housing; and The Canberra Hospital.

5.2. The committee noted concerns in the community that the spending allocations in the health budget seemed to be devised in an *ad hoc* fashion, without the appearance of a coherent framework for assessing need and developing priorities.

5.3. Health Care Consumers' Association ACT noted in its submission that:

Whilst we recognise some worthwhile initiatives in the projects outlined for support, we feel that there is a lack of coherence in their presentation...

Many of the initiatives, while worthwhile in themselves, do not appear to add up to a coherent integrated approach to healthcare service delivery reflecting consumer and community priorities... Rather than providing resources for allocation in accordance with priorities established by the collaborative efforts of clinicians, administrators and consumers, the budget seems to allocate support in ad hoc ways to a series of piecemeal projects which don't appear to hang together as balanced integrated programs.⁵³

5.4. The Health Care Consumers' Association went on to argue that community consultation groups should play a greater role in establishing funding priorities. The Association noted that:

If the various consultative councils which are established in key areas are to be seen as worthwhile, they must be more involved with the identification of priority needs in their area, and in the decisions which allocate funds to them. This may mean provision of blocks of uncommitted funds from which programs can be established and projects funded on an ongoing basis throughout the period covered by the budget.⁵⁴

5.5. The committee, too, saw that many of the budget initiatives were only loosely tied in with needs analyses and that the funding amounts applied to various programs did not seem to have any empirical underpinning. The appearance was that of a grab bag of programs.

⁵³ Submission 7, Health Care Consumers Association ACT, p 1.

⁵⁴ Ibid, p 1.

5.6. The committee also supports the view that the Government should enhance the level of community consultation in determining funding priorities.

5.7. The committee would like to see the Government be far more transparent with the methodologies used to determine funding priorities and their associated funding allocations. This is a point that was also made in the Standing Committee on Health and Community Care's report on the draft budget and in line with this committee's views on transparency.

Recommendation 14

5.8. The committee recommends that the Government develop a social plan based on analysis of current and future needs which is informed by consultation with relevant Government agencies and key community stakeholders, and that funding priorities be determined in accordance with that plan.

The Canberra Hospital

5.9. The committee notes the recent release of the National Centre for Social and Economic Modelling (NATSEM) report on ACT hospital costs in the context of inter-jurisdictional benchmarking. The report indicated that comparisons between ACT hospital costs and the national average were inappropriate.

5.10. The committee notes that the Minister for Health, Housing and Community Services has previously referred to the comparisons between The Canberra Hospital's costs and the national average cost, using the comparison as a rationale for attempting to bring about efficiency improvements at the hospital. The committee is pleased to see that the Government has changed its mind and now believes that analyses based on this sort of comparison are unlikely to provide realistic information about the appropriate level of funding for Canberra's hospitals.⁵⁵

5.11. The Government's new found belief in the inappropriateness of this benchmark will hopefully enable the hospital to refine and scale down its rectification plan, a plan which in its previous form had a destabilising effect on the operation of the hospital. The committee welcomes the Government's move in this direction in its decision to cease demanding an efficiency dividend from The Canberra Hospital.

Funding increase

5.12. The Government made much of its increased funding commitment to The Canberra Hospital during the estimates process. The Government claimed that it had increased funding to the hospital in this coming financial year by 10.6 per cent. However, rudimentary analysis reveals that this claimed percentage increase is a substantial overstatement.

⁵⁵ Uncorrected Proof Transcript, 25 May 2001, p131.

5.13. The Government asserted that ‘budget to budget’ there was a 10.6 per cent increase. The use of the phrase ‘budget to budget’ misrepresents the extent of the funding increase by using budgetary sophistry.

5.14. Given that the Government is estimated to spend \$247 m in the current financial year on the hospital and has budgeted total ordinary expenses at \$256 m for the financial year 2001-02, the upward variation is only four per cent.⁵⁶

5.15. When the estimated 2.25 per cent CPI increase is taken into account the actual increase in expenditure in real terms over the course of the year is not much more than 1 per cent, a considerably smaller amount than that claimed by the Government.

5.16. The committee can understand the Government’s eagerness to cast the best possible light on the hospital’s funding increase but in the interests of budget honesty, the committee believes the Government should temper its fervour.

Recommendation 15

5.17. The committee recommends that the Government be more transparent in its presentation of ‘funding increases’ so that real increases are identifiable, not merely year-to-year comparisons of budgeted amounts.

Nurses

5.18. The committee received evidence about the difficulties that have been experienced in reaching an enterprise bargaining agreement with nurses from The Canberra Hospital.⁵⁷ The committee notes that there appears to have been a fundamental breakdown in the negotiations and more generally in the relationship between nurses and the Government.

5.19. The committee notes that the executive team at the hospital have been pursuing resolution to the impasse and that the tone set by the Chief Executive in negotiations seems reasonable.

5.20. However, it seems that little goodwill remains between the nurses and the Minister. The committee is concerned that nurses should receive wage justice and suitable working conditions and that any protracted dispute could endanger patient care.

5.21. The committee urges the Government and the Minister, in particular, to start building bridges of goodwill with nurses so that a constructive approach can be adopted in negotiations.

⁵⁶ 2001-2002 Budget, Budget Paper No. 4, p 351.

⁵⁷ Uncorrected proof transcript, 25 May 2001, pp 133-134.

Short-term crisis accommodation

5.22. The committee was advised that the Government is establishing a short-term crisis accommodation facility for the purpose of providing shelter for intoxicated people to sober up. In addition, the service was said to be targeted at people with a mental illness or drug related problems as well as people at risk of homelessness. The facility would be operated as an outreach service with a bus going out into the community to pick people up. It was envisaged that the service would have ten beds.⁵⁸

5.23. The committee was concerned to learn that people with a mental illness may also be placed in the facility from time to time. Notwithstanding issues associated with dual-diagnosis (in terms of people who may have a mental illness and a concomitant alcohol abuse problem), the committee had concerns that it may not be in the best interests of people with a mental illness to be placed in such a service.

5.24. While the committee sees that this facility may be able to provide important linkages into other specialised services, the committee questions whether it is appropriate to house such a divergent client group in one place. The committee believes that there should be clear guidelines about how crisis-accommodation staff make referrals to other support services for its clients, especially in relation to people with a mental illness.

Recommendation 16

5.25. The committee recommends that the Government develop referral guidelines for all the client groups targeted by the Short-term Crisis Accommodation Service.

Indigenous health initiatives

5.26. The committee is aware that Indigenous people living in the ACT have appalling health outcomes when compared to the ACT community as a whole. The average age of death for an ACT Aboriginal person is 40.6 years versus 68.4 years of age for the broader ACT Community.⁵⁹ The committee, therefore, welcomed the expenditure of \$186,000 for Indigenous Mental Health Workers and \$250,000 for Enhanced Indigenous Health Services as being a positive step to addressing some of the problems facing Indigenous people living in the ACT.

5.27. However, the committee was advised by ACTCOSS that these funds are insufficient for bringing about improvements to Aboriginal and Torres Strait Islander health in the ACT. ACTCOSS informed the committee that:

ACTCOSS supports the additional funding for Indigenous Health Services and the intent of each identified initiative. However, the level

⁵⁸ Uncorrected proof transcript, 25 May 2001, p 62.

⁵⁹ Submission 3, ACTCOSS, p 21.

of funding remains inadequate to achieve significant gains in health outcomes for this population.⁶⁰

5.28. The committee believes that the extent of Aboriginal and Torres Strait Islander disadvantage in terms of health outcomes necessitates a larger funding commitment and urges the Government to consider how additional funding can be applied. The committee would also like to put on the record its support for Indigenous community controlled health services. As ACTCOSS noted in its submission, ‘...it is important that it is Indigenous services and not mainstream services that are to implement these programs so that the needs of ACT Indigenous [people] are met appropriately’.⁶¹

Recommendation 17

5.29. The committee recommends that the Government examine how it can increase funding on Indigenous-specific health services.

Winnunga Nimmityjah premises

5.30. The committee is aware that there are approximately 20 workers at the ACT’s Aboriginal Community Controlled Health Service, Winnunga Nimmityjah. Given that the building is an old building of limited size, the committee questioned whether the premises was a suitable size for Winnunga’s operation. The Government also noted that the premises are very cramped.⁶²

5.31. The committee understands that Winnunga is currently funded by the Commonwealth and that their premises in Ainslie are currently in the process of being handed over to the Winnunga Nimmityjah community by the ACT Government.

5.32. The committee believes that there is a strong case for increased funding for Winnunga and there is a particular need to upgrade the Ainslie premises.

5.33. The committee urges the Government to advocate increased Commonwealth expenditure on the service and examine the possibility of developing a purpose-built facility. The Government indicated its willingness to discuss these issues with the Commonwealth Government.⁶³

5.34. The committee must stress, however, that it does not accept the argument that Winnunga Nimmityjah is solely the Commonwealth’s responsibility. The ACT Government must also look at how it can apply adequate resources to enable Winnunga to broaden its service capacity and better meet the needs of Aboriginal and Torres Strait Islander people in the ACT.

⁶⁰ Submission 3, ACTCOSS, p 15.

⁶¹ Submission 3, ACTCOSS, p 22.

⁶² Uncorrected Proof Transcript, 25 May 2001, p 80.

⁶³ Uncorrected Proof Transcript, 25 May 2001, p 79.

Recommendation 18

5.35. The committee recommends that the Government advocate increased funding for Winnunga Nimmityjah in negotiations with the Commonwealth and that the issue of developing a purpose built facility be raised.

Additional counselling for women

5.36. The committee was advised that the Government would spend \$200,000 over the next financial year on providing non-crisis counselling services for women.⁶⁴

5.37. The committee supports this allocation but was concerned that the need for childcare support had not been considered in the proposal. The committee is aware that the Poverty Task Group has previously raised this issue and the committee considers that there *is* a role for Government to play in funding childcare as a means of improving access to counselling services for women on low incomes.

Recommendation 19

5.38. The committee recommends that the Government consult with the Women's Centre for Health Matters and the Women's Information and Referral Service, to develop funding arrangements for the provision of childcare services for women undertaking counselling.

Disability Service Improvement Scheme

5.39. The committee was advised that the Government is establishing a Disability Service Improvement Scheme which would operate independently of both the purchaser and providers of disability services in the ACT.⁶⁵ The scheme would examine systemic issues pertaining to disability services and the committee heard that the establishing legislation would require the scheme to report to the Minister.

5.40. The committee believes that the scheme should not just be accountable to the Minister but also to the Legislative Assembly as a whole.

5.41. The committee also received evidence from ACROD ACT who expressed concerns about how the quality of community services may be measured through the scheme. ACROD stressed the importance of ensuring that the capacity of a service delivery agency is also assessed to determine whether it has the necessary resources to effectively provide its services.⁶⁶ The committee agrees that it would be counterproductive to measure the quality of services delivered through community-

⁶⁴ 2001-2002 Budget, Budget Paper No. 3, p 72.

⁶⁵ Uncorrected Proof Transcript, 25 May 2001, p 84.

⁶⁶ Uncorrected Proof Transcript, 24 May 2001, p 84.

based organisations without some analysis of what funding is actually required to meet quality standards.

Recommendation 20

5.42. The committee recommends that the Government draft the establishing legislation to the Disability Service Improvement Scheme mandating the tabling of its reports to the Assembly.

Recommendation 21

5.43. The committee recommends that the Government incorporate into the Disability Service Improvement Scheme provisions for assessing the capacity of community-based organisations to meet quality standards within particular funding parameters.

Public housing

5.44. The committee acknowledges that the waiting list for public housing accommodation has been reduced. However, the committee was concerned that the number of available public housing properties has also decreased. The Government attributed this to a ‘restructuring’ of housing stock in order to keep it in line with the changing needs of clients.⁶⁷

5.45. In its submission to the committee, ACT Shelter raised concerns about the sale of public housing assets. ACT Shelter noted that:

The planned sale of public housing stock is particularly disturbing. It is noted that despite income from the sale of the Mawson Gardens complex in 2000-2001 and the anticipated redevelopment of Burnie Court and Gowrie Court (which will definitely include the sale of land, in the case of Burnie Court), ACT Housing will once again fall into deficit by \$2.5 m in 2001-02.

ACT Shelter is concerned that unless shortfalls in the Housing Assistance budget are addressed, the cycle of poverty for many Canberrans will continue and increasing numbers will become homeless or transient. They will not be in a position to participate in the Social Capital of the ACT and be in increasing need of related welfare services.⁶⁸

5.46. The Government informed the committee that the projected operating deficit was the result of an anticipated Commonwealth cut to the GST compensation

⁶⁷ Uncorrected Proof Transcript, 25 May 2001, p 168.

⁶⁸ Submission 1, ACT Shelter, p 3.

currently payable.⁶⁹ It was the Government's view that the Commonwealth should continue to provide the compensation and that it was merely being transparent about the potential shortfall in future years.

5.47. However, the committee would not like to see the Government reduce funding to the public housing sector whatever may eventuate in relation to its negotiations with the Commonwealth on GST compensation.

Affordable housing strategy

5.48. The committee is aware that the Poverty Task Group recommended that the Government establish an affordable housing taskforce to examine and develop policies for improving access to permanent affordable accommodation. The committee understands that there is currently no provision for increasing access and improving the range of options for affordable housing.

5.49. The committee believes that the Government should maintain a policy of affordable housing over the apparent retreat to emergency housing only.

Recommendation 22

5.50. The committee recommends that the Government establish an affordable housing taskforce to develop an affordable housing strategy aimed at reversing the reliance and emphasis on emergency housing only.

Burnie Court redevelopment

5.51. The committee was advised that the Government opposed establishing a community facility in the Burnie Court redevelopment. The Government noted that its philosophy was that public housing and private residential housing should be indistinguishable. It argued that having a community centre operating in Burnie Court would distinguish the area in an inappropriate way.⁷⁰

5.52. The committee believes that this policy position is at odds with the Government's response to the Final Report of the ACT Poverty Task Group, *Sharing Benefits*. The Task Group recommended that 'Strategies be identified and implemented which promote the role and use of community facilities and structures to provide links and a better focus for community participation'.⁷¹

5.53. In its response to the report, the Government appears to affirm its support for community facilities in public housing. The Government notes that, 'ACT Housing provides 14 community rooms within large housing complexes. These are managed by tenant groups and promote communication among tenants and the wider

⁶⁹ Uncorrected Proof Transcript, 25 May 2001, p 177.

⁷⁰ Uncorrected Proof Transcript, 25 May 2001, p 95.

⁷¹ ACT Government (2001) 'ACT Government Response to Final Report of the ACT Poverty Task Group', p 37.

community'. The Government clearly places value in the role of community facilities so the committee is puzzled as to why the Minister has changed tack so quickly (given the Government's response was only just released in April).

5.54. Given that public housing is housing of the last resort, the committee is concerned that people in public housing often do have different needs to other members of the community and that a community building structure of some kind could offer opportunities for enhancing a sense of community, developing support networks and generally increasing communication and socialisation.

Recommendation 23

5.55. The committee recommends that the Government incorporate a community facility into the redevelopment of Burnie Court.

Community Linkages in Housing

5.56. The committee supports the budget funding to provide service brokering to residents of public housing. The committee understands that the program will provide referrals into a range of support services such as employment services, living skills programs, mental health and other clinical services, and drug and alcohol services to name a few.

5.57. The committee received evidence that the department would like to extend the program to public housing applicants as well as public housing tenants. This was conceived as a useful means of providing an early intervention component to the program. The committee was informed that the department was yet to negotiate with the Minister about extending the service which would require more workers.⁷²

5.58. The committee believes that it is worthwhile extending the program to include public housing applicants.

Recommendation 24

5.59. The committee recommends that the Government fund additional workers for the Community Linkages in Housing program to allow the extension of its service to the Applicant Service Centre.

Public housing evictions

5.60. The committee was informed that in this financial year 42 people had been evicted by ACT Housing for non payment of rent.⁷³

⁷² Uncorrected Proof Transcript, 25 May 2001, p 93.

⁷³ Uncorrected Proof Transcript, 25 May 2001, p 162.

5.61. The committee was concerned that by forcing people out of public housing, especially people with young children, the social costs could well outweigh any financial savings. The committee acknowledges that ACT Housing is not chartered with providing free housing but believes that by making a family homeless it is likely to exacerbate existing problems in the family and could lead to breakdown and a continuation of the poverty cycle, decreasing social capital.

5.62. The committee would like to see a more compassionate approach adopted in relation to tenants with children who face eviction. Perhaps intensive life skills and budgeting skills training is required to improve compliance with rent payment across the board.

5.63. The committee acknowledges, however, that there will always be some people who cannot pay their rent on time for whatever reason and that where the welfare of children is involved, exceptions to the eviction policy should be observed.

Recommendation 25

5.64. The committee recommends that the Government examine a means of ensuring the ongoing provision of emergency housing, within the same local area where possible, for tenants with children who face eviction on the basis of non-payment of rent.

Sexual health services

5.65. The committee was advised that the Government had allocated \$508,000 in 2001-2002 towards implementing strategies for addressing the needs of people who have been sexually assaulted.⁷⁴ The committee welcomes this funding and acknowledges that it is an area that has required additional funds for some time.

5.66. The committee thought that the Government should examine the capacity for this program to implement sexual assault prevention and education components. The committee believes that these components could be used as opportunities for early intervention, providing a broad range of prevention information directed at young boys and girls. The committee believes that prevention information should include an examination of both victim and perpetrator issues. The Government indicated some willingness to review this idea and the committee urges it to do this expeditiously.⁷⁵

Recommendation 26

5.67. The committee recommends that the Government incorporate education and prevention programs specific to sexual assault as part of its sexual health services initiative.

⁷⁴ 2001-2002 Budget, Budget Paper No. 3, p 85.

⁷⁵ Uncorrected Proof Transcript, 25 May 2001, p 132.

The Florey Medical Centre closure

5.68. The committee was concerned that there has been a significant increase in the number of category 5 patients (non-urgent patient requiring treatment within 120 minutes) presenting at Calvary Hospital Accident and Emergency. The Government conceded that the closure of Florey Medical Centre had been partly to blame for the increase.

5.69. The committee was concerned that people on low-incomes should have access to medical attention after hours.

5.70. The committee would also like to see the Government provide ongoing information about triage presentations to Canberra's hospitals.

Recommendation 27

5.71. The committee recommends that the Government, as a matter of urgency, ensure that there are adequate out-of-hours GP services for people on low incomes.

Boarding house for older women

5.72. The committee is aware that through community consultations on elder abuse a need was expressed for some type of crisis accommodation for older women. The committee was surprised therefore that the Government's proposal to establish a low-support boarding house model has not considered this need.

5.73. The committee urges the Government to develop an additional crisis accommodation service for older women in the ACT.

Recommendation 28

5.74. The committee recommends that the Government consider a crisis accommodation service for older women in the ACT, subject to the findings of the Standing Committee on Health and Community Care's inquiry into elder abuse.

6. Department of Urban Services

Conduct of the hearings on the Budget estimates for DUS and related agencies

6.1. The committee, when examining the estimates for DUS and related agencies, conducted public hearings over two days, totalling 8 hours and 41 minutes of public hearing time during which the Minister for Urban Services and 19 of his officials addressed the committee.

Output classes

6.2. Budget Paper No. 4 divides the activity of DUS and its related agencies into nine output classes as follows:

- Output class 1 is municipal services (with seven output classes)
- Output class 2 is transport (with two output classes)
- Output class 3 is environment and heritage (with three output classes)
- Output class 4 is planning and land management (PALM) with three output classes
- Output class 5 is fee for service activities (with one output class)
- Land and Property has one output class, as does ACT Forests
- ACTION has one output class, as does ACT Workcover.

6.3. In addition, Budget Paper No. 4 lists two activities under the heading of ‘expenses on behalf of the Territory’, namely Office of the Commissioner for the Environment, and Workplace Management.

Issues

Free bus transport scheme for eligible school students

6.4. The announcement that the Government would introduce a free school bus service from September 2001 was received with a mixed response by committee members and key community organisations. The scheme will cost \$5.530m in 2001-02, \$4.2m in 2002-03, \$4.390m in 2003-04 and \$4.580m in 2004-05.⁷⁶ In order to meet the expected demand, additional buses will be needed—these will be leased in the short-term and purchased in the longer term. Capital funds of \$7.98 m have been allocated for the acquisition of new buses. The scheme is expected to cost ACTION

⁷⁶ 2001-2002 Budget, Budget Paper No 4, p 155.

\$120,000 per annum to produce and manage the bus passes, and \$270,000 as a one-off expense to establish ticketing systems.⁷⁷

6.5. DUS told the committee that its role was to ensure sufficient buses are available at the start of the scheme from September 2001 and to oversight the processing of applications under the program. To do the first, DUS is seeking to lease ordinary sized buses for a limited period of time (until DUS has a clear idea of the number of students participating in the scheme and until further buses are delivered for the ACTION fleet). To do the second, ACTION is undertaking the first test of the eligibility of each child who applies for a pass under the scheme.

6.6. DUS estimates that the school bus transport scheme will increase student patronage by 15per cent, based on experience in NSW and on the ACT's experience of a similar scheme in 1974.⁷⁸ At present, students account for about 25per cent of patronage and contribute about 18per cent of the revenue, half of which comes from students travelling across bus zones.⁷⁹

6.7. The committee questioned the Minister and his officials about whether the free bus transport extended to excursions, during the school day, by students with disabilities. Officials stated that the new scheme is for students who travel to and from school, and is not for unlimited travel during the school day.⁸⁰ It therefore does not cover excursions by students with disabilities.

6.8. However, the committee is concerned about possible misuse by students who may choose to make bus trips beyond their normal route from school to home. ACTION stated that it will rely on children's honesty in not taking bus trips other than school/home, but it also will utilise 'revenue protection measures'. None the less, at all times it will maintain its present policy of leaving no child behind somewhere simply because they have neither pass nor money.⁸¹

6.9. Although the funding is being appropriated for the Department of Urban Services the initiative has been described as 'an education initiative to facilitate school choice'.⁸²

6.10. Several key community groups opposed the measure. The Council of Parents and Citizens' Associations Inc and the Australian Education Union both told the committee that the initiative was not a worthwhile or appropriate use of government funds given the identified education needs in the government sector.

6.11. ACTCOSS views the initiative as ill conceived, especially as it is an untargeted scheme.⁸³

⁷⁷ Uncorrected Proof Transcript, 14 May 2001, p 10.

⁷⁸ Uncorrected Proof Transcript, 14 May 2001, p 8 and p 17.

⁷⁹ Uncorrected Proof Transcript, 14 May 2001, pp 14-15.

⁸⁰ Uncorrected Proof Transcript, 14 May 2001, p 21.

⁸¹ Uncorrected Proof Transcript, 14 May 2001, p 22.

⁸² Uncorrected Proof Transcript, 24 May 2001, p 2

⁸³ Submission 3, ACTCOSS.

6.12. The Primary Principals' Association and the Secondary Principals Council have spoken out publicly against the proposal.

6.13. In a letter to the editor of *The Canberra Times*, the Catholic Education Office (CEO) expressed reservations about the initiative as it does not regard it as one with any direct education benefits nor as one that addresses the under funding of Catholic system schools. However the CEO noted that many parents will welcome the initiative as lessening the indirect costs of educating their children.⁸⁴

6.14. The point was frequently made that, since the initiative was not included in the draft budget initiatives, the community has had no opportunity to comment during the budget development stage.

6.15. The Association of Parents and Friends of ACT Schools (APFACTS), which represents parents of children in non-government schools, including Catholic Schools told the committee that it welcomed the proposal.⁸⁵ The Independent Schools Association reportedly also supports the proposal.⁸⁶ One of the reasons given by these organisations is that it addresses the inequities created by the zoning system.

6.16. There is a strong feeling in many parts of the community that the free school bus service should be reconsidered. These concerns centre around equity issues; a fear that the costs may have been underestimated or blow out in the future; its impact on neighbourhood schools; and views that such a large amount of funding could be used in a way that is more beneficial to those who are disadvantaged or within the education sector.

6.17. It is difficult for the committee to examine the veracity of these community concerns when the Government itself informed the committee that it had not conducted any analysis of the impact of free transport on the viability of schools.⁸⁷ This, together with the requirement of \$7.98 m capital expenditure on the eve of a caretaker period, have led the committee to believe that the program should be delayed to permit further examination of the it.

Recommendation 29

6.18. The majority of the committee recommends that the Government not commit or expend any funds on a free school bus service until November 2001 by which time the electorate will have had its chance to support or reject this initiative.

⁸⁴ Joy Geoff, 'Catholics are not against free buses' *The Canberra Times*, 4 June 2001, p 8

⁸⁵ Uncorrected Proof Transcript, 22 May 2001, pp 1, 2.

⁸⁶ *The Canberra Times*, 24 May 2001, p 5.

⁸⁷ Uncorrected Proof Transcript, 8 May 2001, p 26

Second taxi network

6.19. The Government's decision to call for expressions of interest in establishing a second taxi network for the ACT and to allocate all wheelchair accessible taxis to this network was on the basis of dissatisfaction with the existing level of service for disabled people. In view of the possibility that its decision might be seen as anti-competitive, DUS obtained legal advice from the ACT Government Solicitor. This advice was provided in verbal form, not written; and was to the effect that there are no problems with the Government's proposal.⁸⁸

6.20. Officials told the committee that a probity audit of the process to award the right to operate a second network to Yellow Cabs had not been done.⁸⁹ Further, officials stated that this committee has not been provided with information about the financial viability of the three 'bidders' for a second network license because the information was treated as commercial in confidence.⁹⁰

6.21. The committee is concerned that the tender process appears to be compromised through the absence of a probity check on the successful tenderer for the second network.

6.22. The Government has provided a copy of a brief letter unsupported by any specific detail from the accountant of the second network as evidence of proof of financial viability. The committee regards financial viability as only one of a number of elements of fitness to receive a licence.

6.23. Members of the committee are well aware of the inadequacies of the level of service provided to wheelchair-bound people to date.

Recommendation 30

6.24. The committee recommends that the Government refer the question of competition in the taxi industry in relation to the provision of wheelchair accessible taxis to the Independent Competition and Regulatory Commission for inquiry.

Recommendation 31

6.25. The committee recommends that the government outline the process for checking probity to tender submissions and indicate how the successful taxi network met these criteria, providing written evidence of such satisfaction.

⁸⁸ Uncorrected Proof Transcript, 18 May 2001, pp 16-17.

⁸⁹ Uncorrected Proof Transcript, 18 May 2001, p 20.

⁹⁰ Uncorrected Proof Transcript, 18 May 2001, p 20.

Gungahlin Drive extension

6.26. The budget papers provide \$32m for the Gungahlin Drive extension [GDE] which is described as being 'four lanes and tunnels'.⁹¹ The committee was told by officials that the reference to 'tunnels' was a 'mistake' as there is no need for tunnels on the Government's amended route (which drops the original link from the GDE to Barry Drive).⁹² The committee was also told that DUS takes responsibility for confusion between the Minister's office and the department which led to confusing press releases about the details of the proposed expenditure on the GDE.⁹³

6.27. The committee is very concerned that incorrect information was so readily distributed by the Minister's Office.

6.28. In relation to the overall cost of the GDE, the Government provided information about why the cost has risen from \$22m (as stated by the Government in November 2000) to \$32m. Essentially, the increased cost is said to reflect the cost of the Government's acceptance of the recommendations of the Standing Committee on Planning and Urban Services for three grade-separated interchanges along the route of the GDE, rather than at-grade intersections as originally proposed by the Government.

6.29. The most costly interchange involves the intersection of the GDE and Barton Highway, which is estimated to cost \$5m as compared to \$2m and \$3m for the two other interchanges.⁹⁴ Officials stated that they are currently negotiating with the federal Department of Transport about obtaining Commonwealth funding for this work (as recommended by the Standing Committee on Planning and Urban Services) but it was thought prudent to provide for the whole cost to come out of the Territory budget in case the negotiations are not successful.⁹⁵ The committee considers that the Government should apply all possible pressure upon the federal government to fund the grade-separated interchange at the GDE/Barton Highway.

Recommendation 32

6.30. The committee recommends that the Government maintain pressure upon the Commonwealth Government to fund the full cost of a grade separated interchange at the intersection of the Gungahlin Drive extension and Barton Highway.

6.31. A majority of the committee expresses its surprise that the Government's estimate for the total cost of the GDE (\$32m) has remained unchanged from what it was when the Barry Drive spur was included and also possible cut and cover tunnels.

⁹¹ 2001-2002 Budget, Budget Paper No 3, p 134 and Budget Paper No 4 p 196.

⁹² Uncorrected Proof Transcript, 14 May 2001, p 75.

⁹³ Uncorrected Proof Transcript, 18 May 2001, p 7.

⁹⁴ Uncorrected Proof Transcript, 18 May 2001, pp 4-13.

⁹⁵ Uncorrected Proof Transcript, 18 May 2001, p 5.

A majority of the committee finds it difficult to believe that this was a ‘coincidence’, as claimed by officials.⁹⁶

6.32. Given the Government’s decision to delete the Barry Drive spur from the GDE, the committee considers that it is time the Government also deleted the public transport inter-town route which is shown on the Territory Plan as crossing O’Connor Ridge.

Recommendation 33

6.33. The committee recommends that the Government delete from the Territory Plan the public transport inter-town route which is shown on the Territory Plan as crossing O’Connor Ridge.

Recommendation 34

6.34. The committee recommends that the ACT Government urge the Commonwealth Government to delete the existing road reservation on the National Capital Plan which shows the Gungahlin Drive extension crossing O’Connor Ridge to link to Barry Drive.

Employment generating activity/Canberra Airport

6.35. The committee notes the Government’s encouragement of new employment at Canberra Airport. This will result in further dispersal of employment around Canberra. When combined with the Government’s existing incentives and subsidies to encourage activity in certain locations (for example Civic), the effect is to make it all the harder to generate employment at places like Gungahlin. The committee is concerned about this development.

Recommendation 35

6.36. The committee recommends that the Government design and implement improved employment generating activity for Gungahlin, and ensure that the existing incentives and subsidies to encourage activity at places like Civic and Canberra Airport do not act to the detriment of residents of Gungahlin.

6.37. The committee also is concerned about the fact that planning controls at the Canberra Airport remain with the National Capital Authority rather than with the Territory. This situation is anomalous, given the Commonwealth’s lack of interest in the airport and the growing level of Territory involvement.

⁹⁶ Uncorrected Proof Transcript, 18 May 2001, p 14.

Recommendation 36

6.38. The committee recommends that the Government conduct urgent discussions with the Commonwealth Government with a view to all future planning activity for Canberra Airport (other than that related to the actual airport operations) being transferred to the Territory.

Payments for community service obligations (CSOs)

6.39. Information about the CSO payments to ACTION is scattered through the budget papers. Budget Paper No.3 shows that ACTION is receiving \$45.358m for compensation for fares, school bus services and off-peak services on the general route.⁹⁷ Budget Paper No.4 lists payments for public transport services but does not break-down the CSO payments to ACTION in the manner that is shown in Budget Paper No.2. The latter indicates that government funding to ACTION includes \$17.2m for school services, \$17.6m for general fare subsidies, \$10.5m for late night/weekend subsidies, and \$6.6m for concessions and special needs transport.⁹⁸

6.40. Under questioning, officials stated that the dissection between the CSOs is somewhat notional and that the Independent Competition and Regulatory Commission wants the department to do more work on breaking down the CSOs.⁹⁹

Recommendation 37

6.41. The committee recommends that the Government ensure that future budget papers provide a clear break-up of payments to ACTION for community service obligations.

Changes to performance measures

6.42. A constant theme of estimate committee reports is the difficulty caused by changes to performance measures from year to year. The same is true this year. Within the DUS portfolio, some examples include:

- the breakdown of public reports on complaints by the public about trees, horticultural/cleaning, and mowing are amalgamated in 2001-02 in order to 'streamline' the measure.¹⁰⁰ But this means that the number of complaints cannot be compared from year to year in each separate category;
- waste disposal has been assessed in part by the cost of disposal per tonne but this measure is being discontinued and replaced by total cost figures. While the

⁹⁷ 2001-2002 Budget, Budget Paper No 3, p 45.

⁹⁸ 2001-2002 Budget, Budget Paper No 2, p 33.

⁹⁹ Uncorrected Proof Transcript, 14 May 2001, p 26 and p 29.

¹⁰⁰ 2001-2002 Budget, Budget Paper No 4, p 164 and Uncorrected Proof Transcript, 14 May 2001, p 48.

department sees this as a sensible change,¹⁰¹ its effect is again to make it impossible to compare the performance in past years against that in future years;

- as in previous years, performance measures have frequently been adjusted to reflect the re-allocation of overheads among management units, such as occurred in the graffiti program,¹⁰² within PALM,¹⁰³ and within nature conservation regulation services.¹⁰⁴ Again, this makes comparisons difficult or even impossible.

Recommendation 38

6.43. The committee recommends that the breakdown of public reports/complaints about trees, horticultural/cleaning, and mowing be retained in future budget papers.

Lack of detail about key policy documents under some performance measures

6.44. There are a number of instances where the budget papers, while listing a performance measure such as ‘policy reviews, policies and strategies’, give no further detail. Two examples are the policy reviews to be conducted by PALM in 2001-02¹⁰⁵ and the reviews of the regulatory framework under Industry Policy.¹⁰⁶ Both types of reviews are important indicators of the Government’s priority for the coming year. Hence, it would be useful if Budget Paper No.4 listed the particular projects in a footnote reference.

Recommendation 39

6.45. The committee recommends that Budget Paper No.4 list the titles and brief descriptions of the particular policy reviews, policies and strategies to be undertaken by DUS agencies in each year.

PALM’s Budget allocation

6.46. Budget Paper No.4 shows a decline of \$124,000 in funding for the output class headed ‘Territory planning’.¹⁰⁷ While PALM maintains that the proposed expenditure will maintain its current staffing,¹⁰⁸ the committee is concerned about the effect of on-

¹⁰¹ Uncorrected Proof Transcript, 14 May 2001, p 43.

¹⁰² Uncorrected Proof Transcript, 14 May 2001, p 50.

¹⁰³ Uncorrected Proof Transcript, 14 May 2001, p 71.

¹⁰⁴ Uncorrected Proof Transcript, 14 May 2001, p 120.

¹⁰⁵ 2001-2002 Budget, Budget Paper No 4, p 185.

¹⁰⁶ 2001-2002 Budget, Budget Paper No 4, p 169.

¹⁰⁷ 2001-2002 Budget, Budget Paper No 4, p 185.

¹⁰⁸ Uncorrected Proof Transcript, 14 May 2001, p 60.

going financial reductions upon PALM's capacity to undertake the many plan variations, policy reviews and master plans shown in output class 4.1.¹⁰⁹

Office of the Community Planning Adviser

6.47. The Budget provides \$250,000 for the Office of the Community Planning Adviser who is expected to provide individuals and community groups with direct advice and assistance on planning process and issues.¹¹⁰ Neither PALM nor the LAPACs were consulted about this initiative.¹¹¹ The committee considers that it is a sorry comment on the existing planning processes that such an Office is considered necessary.

Recommendation 40

6.48. The committee recommends that the Government not proceed with the establishment of the Office of the Community Planning Advisor until it has sought comments from the LAPACs and the public on the need for this Office and how it should operate.

Environment ACT's Budget allocation

6.49. As with PALM, the committee remains concerned about the capacity of Environment ACT to deliver the planned outputs within the proposed level of expenditure. It appears to the committee that the responsibilities of Environment ACT are increasing disproportionately to its financial allocation. The Government needs to closely monitor this situation to ensure that all of the work expected to be performed by Environment ACT is actually done in the coming year.

Strategy for unleased Territory land

6.50. The Ownership Agreement for the Land and Property unit within DUS did not include any details of the strategy for managing unleased Territory land. Officials stated that a separate document released as part of the budget papers contains details of the land release program but these are not listed in Budget Paper No.3 or No.4.¹¹² The committee considers that it would be useful to include a synopsis of the land release program in these budget papers and to include details of the strategy for managing unleased Territory land.

Recommendation 41

¹⁰⁹ 2001-2002 Budget, Budget Paper No 4, p 185.

¹¹⁰ 2001-2002 Budget, Budget Paper No 3, p 78.

¹¹¹ Uncorrected Proof Transcript, 14 May 2001, pp 69-70.

¹¹² Uncorrected Proof Transcript, 18 May 2001, p 27.

6.51. The committee recommends that the Ownership Agreement for Land and Property include details of the strategy for managing unleased Territory land as well as a synopsis of the Government's land release program.

Libraries

6.52. The committee notes the planned improvements to various libraries under the 2001-02 Supplementary Capital Works Program¹¹³ and especially the expenditure of \$100,000 on planning for an expanded Kippax library.¹¹⁴ This feasibility study involves consulting the community about the services they want, and will lead to the preparation of detailed requirements for the fit out and operation of a library.¹¹⁵ The committee considers a permanent and larger library at Kippax is overdue.

Recommendation 42

6.53. The committee recommends that the Government accelerate work on providing a new, expanded and permanent library at Kippax.

Territory Records Bill

6.54. Budget Paper No.4 shows that DUS expects to spend \$175,000 in 2001-02 on implementing the Territory Records Bill (to be introduced into the Assembly in the June 2001 sittings). A new position of Director of Territory Records will oversight the standards of record keeping across the ACT public service. However, each agency remains responsible for meeting the cost of archiving its own records.¹¹⁶

6.55. It is important that the Government monitors the effect of the Territory Records legislation upon all agencies, as it is possible that some agencies will feel too financially pressed to allocate the funding it deserves.

Recommendation 43

6.56. The committee recommends that the Government monitor the effect of the Territory Records legislation to ensure that government agencies have sufficient funds to maintain their records to the new Territory-wide standard of record-keeping

Acquisition of technical skills within DUS

6.57. The committee was told, while questioning officials about why DUS issued a consultancy brief for the definition and management of a process to acquire an

¹¹³ 2001-2002 Budget, Budget Paper No 4, p 198.

¹¹⁴ 2001-2002 Budget, Budget Paper No 4, p 196.

¹¹⁵ Uncorrected Proof Transcript, 14 May 2001, p 86.

¹¹⁶ Uncorrected Proof Transcript, 14 May 2001, p 87.

integrated asset management system for the department, that DUS did not possess the technical skills to do the work itself. This is despite the fact that DUS manages around half of all the Territory's assets.¹¹⁷

6.58. The department went on to say that, once consultants bring DUS's own employees up to speed, then these employees will be expected to know the right questions to ask when the next upgrade of an asset management system falls due.¹¹⁸

6.59. The committee is concerned that a high level of technical expertise is not residing in the public service in relation to the management of all the department's assets.

Recommendation 44

6.60. The committee recommends that the Government, as part of the Public Service Renewal initiative, develop a program to build in-house corporate knowledge and technical expertise.

Red light cameras and 50 kph speed limit

6.61. The committee closely questioned officials about the effectiveness of red light cameras and the new 50 kph speed limit in reducing the road toll. Officials stated that the five year running average of road fatalities is falling; however, they pointed to the need to obtain information over a longer period and especially information about the incidence of severe injuries. The latter information will be available by October 2002.¹¹⁹

6.62. The committee considers that it is essential to carefully monitor the effect of red light cameras and the 50 kph speed limit in order to allay fears that their contribution to government revenue is the principal reason for both measures.

Implementation plans for endangered species, eco-systems and particular areas

6.63. The budget papers do not show the cost of implementing action plans for endangered species, eco-systems and particular areas. Rather, the cost is included within the cost of nature conservation services.¹²⁰ The Standing Committee on Planning and Urban Services has regularly commented on the importance of the action plans, which set out the specific details about how a species or area is to be managed.

6.64. Because the action plans are so detailed, they do not lend themselves to inclusion in the budget papers. But officials told this committee that the action plans

¹¹⁷ Uncorrected Proof Transcript, 14 May 2001, p 97.

¹¹⁸ Uncorrected Proof Transcript, 14 May 2001, p 98.

¹¹⁹ Uncorrected Proof Transcript, 14 May 2001, p 104.

¹²⁰ Uncorrected Proof Transcript, 14 May 2001, p 122.

are examined by the Flora and Fauna Committee, which is an expert body one step removed from the department. The annual report of this committee could usefully include an assessment of each action plan, for the benefit of both members and the public.

Recommendation 45

6.65. The committee recommends that the Government direct the Flora and Fauna Committee to include in its annual report an assessment of each action plan it examines in a year applying to endangered species, eco-systems and particular areas .

Feral animal control programs

6.66. The committee was told that the amount of money set aside for feral animal control programs is not great enough to appear as a single line item, especially compared to the larger problem posed by weeds.¹²¹ The committee sought further information about the allocation of funds to control feral animals, and was provided with the following information:

- monitoring wild goat populations within Namadgi in 2001-02 will cost \$35,000;
- the wild dog control problem will cost \$87,000;
- the feral pig control program will cost \$65,000; and
- fox monitoring and control will cost \$35,000.¹²²

Publicity about domestic animal management

6.67. The committee is concerned about the absence of specific funding for publicity campaigns to inform the public about significant changes to the way that domestic animals are managed in the Territory, in particular, to inform residents about the implications of the new domestic animal legislation. Though officials stated that the cost of a publicity campaign is incorporated within the existing budget,¹²³ the committee considers that there may be a need for more extensive campaigns than are currently being planned.

New compressed natural gas (CNG) buses for ACTION, and CNG refuelling stations

6.68. The committee welcomes the planned purchase by ACTION of new low-floor buses using Compressed Natural Gas (CNG). It is planned to establish a filling

¹²¹ Uncorrected Proof Transcript, 14 May 2001, p 124.

¹²² Answer to question on notice, asked on 14 May 2001 and answered by the Minister on 21 May 2001.

¹²³ Uncorrected Proof Transcript, 14 May 2001, p 125.

facility at one of the two bus depots.¹²⁴ The committee is aware that the public has access to just one CNG filling facility at the moment (at Fyshwick) and it would be useful if the new facility being considered by ACTION was also open to the public. This may encourage greater use of CNG powered vehicles.

Recommendation 46

6.69. The committee recommends that the Government open all CNG sites to the public.

¹²⁴ Uncorrected Proof Transcript, 14 May 2001, p 20.

7. Department of Justice and Community Safety

General issues

Comparison with the draft budget

7.1. The draft budget for the Department of Justice and Community Safety and related agencies included \$9.055m additional expenditure compared with the previous year. This additional funding comprised \$6.564m for 16 new initiatives and \$2.491m for new capital works.

7.2. The final budget comprised an additional \$10.165m over the previous year, including \$6.874m for 22 new initiatives and \$3.291m for new capital works. This represented an increase of \$1.1m in total expenditure since the draft budget. Three of the new initiatives included since the draft budget were for police.

7.3. Other changes since the draft budget include minor adjustments to draft budget initiative allocations (net decrease of \$0.158m) and re-allocation of 2000-01 crime prevention funding (\$0.200m) to the Family Violence Intervention Program (FVIP).

Standing Committee on Justice and Community Safety recommendations

7.4. When considering the draft budget, the Standing Committee on Justice and Community Safety was advised by the Government that it could only make funding recommendations up to a total of \$0.555m¹²⁵ or if it found corresponding savings.

7.5. As the justice budget was allocated an additional \$1.1m, it appears that the Government found an additional \$0.545m to spend in the justice area between the draft budget stage and the revised budget.

7.6. In its consideration of the draft budget, the Standing Committee on Justice and Community Safety did not object to any of the proposed initiatives being funded. The committee did, however suggest additional areas which could use funding.

7.7. The final budget included allocations for the following initiatives recommended by the Standing Committee on Justice and Community Safety:

- Corrective Services Specialist Client Needs (\$0.378m);
- Conflict Resolution Service (\$0.050m);
- Prisoner's aid funding for families visiting NSW prisoners (\$0.020m); and

¹²⁵ This was the amount allocated to Justice and Community Safety from a total of \$4.6m made available by the Commonwealth Grants Commission.

- Police and Citizens Youth Club Buses (\$0.050m)¹²⁶.

7.8. The Standing Committee on Justice and Community Safety also recommended that if additional funds became available on top of the \$555,000 they should be directed toward addressing overcrowding at the Belconnen Remand Centre and the Government has taken this on board to some extent with the additional \$1m in the capital works program, but has not matched this with salaries for additional staff.

The justice budget and the budget themes

7.9. Expenditure for justice and community safety initiatives in the draft budget was distributed between the three budget themes of Innovation, Poverty and Early Intervention as follows:

Table: Budget themes and the justice budget

Budget themes and allocation¹²⁷	Dollar value of 'justice' initiatives by budget category	Per cent of 'justice' initiatives by budget category	Justice initiatives as a per cent of funds allocated for each theme
Innovation \$12 589 000	\$689 000	7%	5%
Poverty \$2 878 000	\$0	0%	0%
Early Intervention \$8 426 000	\$1534 000	15%	18%
Service capacity \$ 43 341 000	\$8035 000	78%	18%
Total budget initiatives \$67 234 000	\$10 258 000	100%	

7.10. Clearly, the bulk of the justice initiatives do not fit into the budget's themes. This indicates that the themes are perhaps more of a publicity exercise rather than an honest statement of themes.

¹²⁶ This \$50,000 was agreed to in May 2001 but allocated within the 2000-01 budget.

¹²⁷ Includes only spending initiatives and excludes revenue and capital initiatives

Retrospectivity of criminal injuries compensation law

7.11. In December 1999, the Assembly passed government-sponsored legislation to 'reform' the criminal injuries scheme. This included a provision to retrospectively remove access to the scheme for victims of crime injured before 23 June 1998.

7.12. This retrospective provision was strongly criticised by most organisations who submitted to the Standing Committee on Justice and Community Safety's inquiry into the legislation.¹²⁸

7.13. Recently, the Supreme Court ruled that the retrospective provision was unlawful.¹²⁹ The Government is appealing this decision.

7.14. The committee questioned officials about the likely cost to the taxpayer if the Government is unsuccessful in its appeal and was surprised that officials were unable to provide a cost estimate. This is clearly a matter of strong public interest and a matter which officials could have clearly anticipated would attract questions.

7.15. The committee notes that the Government had previously been very willing to provide cost estimates of 'savings' expected from the retrospective aspect of the legislation. The Government response to the Standing Committee on Justice and Community Safety's inquiry into the Victims of Crime (Financial Assistance) Amendment Bill 1998 stated clearly that these 'savings' would be in the order of \$5.85m.¹³⁰

7.16. On this basis, the committee estimates that if the Government's appeal is unsuccessful this will impose a \$5.85m impost not currently budgeted for. It will mean that much of the savings attributed to reform of the scheme will not be achieved in the short term.

7.17. Questions were also asked about the cost to the Government of defending the matter at the Supreme Court and the estimated cost of appealing the matter. The Government responded that the Territory's cost to date of the Supreme Court case are \$21,200.78.¹³¹ This does not include costs of the other party which the ACT Government was ordered to pay. Because the ACT Government is appealing the decision, it is likely that legal costs will blow out even further.

7.18. The committee sought papers detailing the policy advice which justified the Government's stance on retrospectivity, but these were declined due to the appeal proceedings.¹³²

¹²⁸ Those objecting to the retrospectivity included the ACT Bar Association, Legal Aid (ACT), the Australian Federal Police Association (ACT Branch), the Australian Plaintiff Lawyers Association, the Australian Society of Labor Lawyers, the Law Society of the ACT, the Women's Legal Centre, Canberra Rape Crisis and VOCAL.

¹²⁹ Supreme Court decision, 15 May 2001 (Justices Miles, Crispin and Gray)

¹³⁰ This assumes 750 claims were processed based on an average award of \$13,335 with average success rate of 97 per cent. (Source: Government response to Standing Committee on Justice and Community safety's Inquiry into the Victims of Crime(Financial Assistance) Amendment Bill 1998)

¹³¹ Attorney General, correspondence dated 28 May 2001.

¹³² Uncorrected proof transcript, 22 May 2001, p96.

7.19. In the view of the committee, the Supreme Court decision indicates the Government received very poor quality policy and legal advice supporting its retrospective provisions. It does not reflect well on the Government that it ignored the views of bodies such as the Law Society of the ACT and the ACT Bar Association as well as numerous community organisations by proceeding with the retrospective provisions.

Recommendation 47

7.20. The committee recommends that the ACT Government not pursue an appeal against the Supreme Court decision which found the retrospectivity of criminal injuries legislation unlawful.

Criminal injuries applications in 2000-01

7.21. The reforms to the criminal injuries scheme limited access to financial payments to emergency service workers and victims of sexual assault.

7.22. The committee sought information on the number of compensation claims made by police and emergency service workers since the introduction of the legislation. There were two compensation awards to police and four other awards between 1 January 2000 and 30 June 2000. There were 25 awards to police and 43 to other categories between 1 July 2000 and present.¹³³

Victims Services Scheme

7.23. The committee sought information on the number of people who had received services under this scheme since its introduction on 24 December 1999. The following was provided ¹³⁴:

Levels	Interim	Permanent	Total
Level 1	176	94	170
Level 2	123	80	203
Level 3	20	17	37

¹³³ Attorney General, correspondence dated 28 May 2001.

¹³⁴ Attorney General, correspondence dated 28 May 2001.

Criminal injuries – Impact on Supreme Court

7.24. During the hearings, questions were asked about the impact of new criminal injuries legislation on the Supreme Court.¹³⁵

7.25. It appears from the budget papers that the reduction in criminal injuries cases resulted in 130 fewer court sitting days, 400 fewer matters lodged, 1500 fewer matters listed and 400 fewer matters finalised.¹³⁶

7.26. However, this has not resulted in any savings or efficiencies. Instead, the Government has reported an increase in the average cost per matter of approximately \$500 per matter. Officials suggested this could be explained by the impact of overheads.¹³⁷

7.27. In light of the Government's much-trumpeted anticipated savings from reforms to the scheme, it is suggested the Government examine closely where these invisible savings have disappeared to.

Recommendation 48

7.28. The committee recommends the Government examine the impact on the Supreme Court's operations resulting from the reduction in criminal injury matters.

Cost of court transcripts

7.29. In response to questioning, officials advised that the cost of obtaining an audio tape of court proceedings was \$35 for one day's proceedings.¹³⁸

7.30. The committee believes this may be a barrier to some low-income people obtaining access to justice. For example it may be easier for some low-income people to obtain pro bono assistance from the private sector if they did not have to pay for transcripts or tapes.

7.31. The problem of low-income people accessing transcripts of court proceedings came to light during the recent inquiry into disability services, and it applies equally to courts.

Recommendation 49

7.32. The committee recommends that ACT courts make provision for free transcripts and/or tapes of court proceedings for low-income people.

¹³⁵ Uncorrected Proof Transcript, 22 May, p 95.

¹³⁶ 2001-2002 Budget, Budget Paper No. 4, p 254.

¹³⁷ Uncorrected Proof Transcript, 22 May, p 95.

¹³⁸ Uncorrected Proof Transcript, 22 May, p 54.

Court IT Support Systems

7.33. The budget includes an initiative for Court IT Support Systems. This initiative allows for a refocus on information systems and technology and ‘a move to a more modern environment’.¹³⁹

7.34. According to officials, the system was not designed to collect data on the sitting times of magistrates, which one member suggested would be a useful management tool for the Chief Magistrate, but it could be adapted to obtain such information if this was of interest to the Attorney-General or the Government.¹⁴⁰

7.35. Questions were also asked about the capacity of the system to collect information on sentencing patterns.¹⁴¹ The committee is of the view that such information would be useful in informing community debate about sentencing.

7.36. The committee believes both the above-mentioned types of information should be collected.

Recommendation 50

7.37. The committee recommends that the new court IT systems provide for:

- **collection of data on the sitting times of magistrates and judges; and**
- **sentencing patterns of magistrates and judges by category of crime.**

On-line legislation

7.38. The budget contains an initiative, Public Access to Legislation.

7.39. It is not clear whether the facility would include bills before the Assembly as well as other types of legislation.

7.40. The committee believes bills should be available electronically as they often attract strong public interest. This would assist community involvement in the development of legislation.

Recommendation 51

7.41. The committee recommends that the Public Access to Legislation initiative include electronic availability of bills under consideration.

¹³⁹ 2001-2002 Budget, Budget Paper No.3, p 63.

¹⁴⁰ Uncorrected Proof Transcript, 22 May 2001, p 56.

¹⁴¹ Uncorrected Proof Transcript, 22 May 2001, p 57.

ACT Law Reform Commission

7.42. The budget provides for \$50,000 for each of the next four years ‘to support remuneration for Commission members and additional research support, particularly in relation to its Surrogacy inquiry’.

7.43. The Standing Committee on Justice and Community Safety discussed this with officials in their draft budget inquiry and ascertained that all of those new funds would be needed to fund remuneration increases for Commissioners. The committee therefore considers it is somewhat of a misrepresentation to state some of the funds will allow for research support.

ACT Government Solicitor’s Office

7.44. Another initiative in the budget provides \$1m over four years to respond to ‘increased workload demands’.¹⁴²

7.45. In response to questioning, officials advised the funds were needed to fund pay rises and to cope with increased litigation and more complex work.¹⁴³

7.46. The committee questions why the Office’s work has become more complex. Is it possible that some of this added burden can be attributed to inefficient practices at the departmental level, at an earlier stage of the process? The Government may find it useful to evaluate the work practices of public servants whose work results in work demands on the Government Solicitor’s Office and to examine if preventative measures can be put in place to stem the costs to the ACT taxpayer.

Law Society Statutory Interest Account

7.47. In last year’s report, the Estimates committee examined the Government’s decisions about the Law Society Statutory Interest Account in great detail. This was in response to the decision by the then Attorney-General to veto funding recommended by the Law Society to the Women’s Legal Service and the Welfare Rights and Legal Service.

7.48. This year the committee was pleased to note that the current Attorney-General approved the Law Society funding recommendations to community legal services.¹⁴⁴

7.49. In response to questioning from the committee, officials admitted that the department’s funding recommendations to the Minister were not based on in-depth analytical work about community needs and they could not explain why the department recommended the Attorney veto funding in 2000 but approved similar funding allocations in 2001.¹⁴⁵

¹⁴² 2001-2002 Budget, Budget Paper 3, p 88.

¹⁴³ Uncorrected Proof Transcript, 22 May 2001, p63 and Attorney General, correspondence dated 28 May 2001.

¹⁴⁴ Uncorrected Proof Transcript, 22 May 2001, p 110-111.

¹⁴⁵ Uncorrected Proof Transcript, 22 May 2001, p111.

Legal Aid Funding

7.50. The committee questioned officials about how the Legal Aid Commission was coping with the low Commonwealth funding.

7.51. Officials advised that one client group likely to be adversely affected by the funding problem are regionally-located people needing family law assistance. The Canberra registry of the Family Court is a regional registry, one of the few regional registries in Australia. This means the ACT Legal Aid Commission receives Commonwealth funding to assist people who live in south-east NSW. According to officials the Commonwealth funding is not sufficient to cater for these clients.¹⁴⁶

7.52. The committee is very concerned about the possible cut in support for regional clients for family law assistance. It is suggested the ACT Government negotiate with NSW to ensure these clients are provided with adequate assistance.

Recommendation 52

7.53. The committee recommends that the ACT Government initiate negotiations with the NSW Government with the aim of seeking funding assistance from NSW to cater for regional clients.

Consumer Affairs

7.54. The committee notes that the functions of the former Consumer Affairs Bureau have now been incorporated into the Office of Fair Trading. The committee is concerned that there may be a decrease in the quality and /or quantity of work undertaken under these new arrangements and suggests close Government monitoring to guard against this.

Recommendation 53

7.55. The committee recommends that the Department of Justice and Community Safety provide improved detailed information to assist monitoring and the evaluation of consumer affairs functions.

Firefighters-numbers

7.56. The United Firefighters Union claim that the establishment of the Fire Brigade is 295 but the current staffing level is only 248.¹⁴⁷

¹⁴⁶ Uncorrected Proof Transcript, 22 May, p 82-3.

¹⁴⁷ Uncorrected Proof Transcript, 24 May 2001, p1.

7.57. The union expressed concern at the lack of an ongoing recruitment strategy.¹⁴⁸ The union advised that while there has been no action for five years to recruit new staff (need a dozen a year to keep pace with natural attrition), there has been some recruitment activity recently.¹⁴⁹

7.58. The union commended the Government for the allocation of \$851,000 in this budget to maintain operation effectiveness of the Fire Brigade but claimed there was a need for monitoring of the expenditure of these funds to ensure they 'make their way through the bureaucratic Emergency Services Bureau management structure and actually reach the (intended) target'.¹⁵⁰

7.59. The committee considers that the Government appears not to have developed an appropriate recruitment strategy to address attrition and ageing of the workforce.

Recommendation 54

7.60. The committee recommends that the ACT Government:

- **increase recruitment of firefighters with the aim of employing the number of staff required under the staffing establishment; and**
- **provide monthly reports to the Legislative Assembly on the actual numbers of firefighters employed.**

Belconnen Joint Emergency Service Centre (JESC)

7.61. The committee was informed by the United Firefighters Union that the consultation process for the design of the Woden JESC had been inadequate with management not taking sufficient account of the needs of firefighters.¹⁵¹

7.62. The committee urges the Government to take greater care with the consultation process of the design of the Belconnen JESC.

7.63. The committee also supports the suggestion of the UFU that an evaluation should be conducted of the existing JESC.

¹⁴⁸ Uncorrected Proof Transcript, 24 May 2001, pp 2-3.

¹⁴⁹ Uncorrected Proof Transcript, 24 May 2001, pp1-2.

¹⁵⁰ United Firefighters Union, Submission

¹⁵¹ Uncorrected Proof Transcript, 24 May 2001, pp5-6.

Recommendation 55

7.64. The committee recommends that the Government:

- **consult extensively and fully with police, ambulance and firefighter unions when designing the Belconnen JESC; and**
- **conduct an evaluation of the effectiveness of the existing JESC at Gunghalin and the new JESC at Woden to ensure they meet operational, community and financial goals and that the results of this evaluation be considered in the planning of other JESCs.**

Belconnen Remand Centre

7.65. The budget provides an additional \$1m over 2 years for additional accommodation at the Belconnen Remand Centre to cater for an additional 12 to 14 detainees.

7.66. While the budget papers state this will include provision for related staffing costs the committee is not convinced the funding will be sufficient to provide for an adequate level of staffing commensurate with the increase in detainees. The additional funds in 2001-2002 allows staffing for an increase in the capacity provided in the 2000-2001 budget. The committee is disappointed that the Government is allocating capital funds for expansion to 64 beds without the corresponding staffing resources.

7.67. To avoid more escapes and other problems, it is important that the staff to detainee ratio should not decrease from the current situation.

7.68. The committee urges the Government to consult closely with the CPSU about staffing needs in the Centre.

Recommendation 56

7.69. The committee recommends that the Government:

- **increase staffing at Belconnen Remand Centre commensurate with the increase in detainees; and**
- **consult regularly with the CPSU about staffing levels at the Belconnen Remand Centre.**

Home detention

7.70. The budget provides funding of \$354,000 in 2001-02 and similar amount for future years for a home detention sentencing option.

7.71. The details of the proposal have not yet been clearly identified.

7.72. The committee considers it important that the Government consult with community groups and MLAs before establishing the scheme. It is noted that wide community consultation for the prison project has resulted in significant changes to the Government's original proposals and this could be the case for home detention.

Recommendation 57

7.73. The committee recommends that the Government ensure the home detention legislation includes details of the scheme (not to be left to regulation) and a draft bill is distributed to relevant community groups and MLAs with sufficient lead time for a thorough community consultation process.

New police funding initiatives

7.74. The committee notes that police received significant additional funding in the revised budget compared with the draft budget. In fact police funding increased by \$3.04m in 2001-02 and by \$20.927m over the next four years.

7.75. AFP Real Terms Maintenance was allocated \$1.445m in 2001-02 and a total of \$14.478m over four years. AFP Additional Policing was allocated \$1.095m in 2001-02 and \$4.380m over four years and Police-Increased Task Force Capacity was allocated \$0.5m in 2001-02 and \$2.069m over four years.

7.76. The committee was not impressed that such large sums of funding were allocated since the draft budget as this did not enable proper scrutiny of the initiatives at the draft budget stage.

7.77. It was also disappointing that answers to questions on notice on policing matters asked on 16 May 2001 were received on Thursday 7 June 2001, the day before this report was due for release. This makes it impossible to analyse the answers and incorporate relevant issues into the text of this report.

Bail law changes- need for code of practice

7.78. The committee noted that recent changes to bail legislation give police more powers. It would be appropriate for a code of practice to be developed to ensure police are using these powers appropriately.

Recommendation 58

7.79. The committee recommends that the AFP develop a code of practice to assist in implementation of the recent changes to the bail legislation.

Funding for ACT prison

7.80. The 2001-2002 budget papers do not include provision for funding the construction of the ACT prison.

7.81. The Minister for Corrective Services foreshadowed this would be the case during the Select Committee on the Budget Parameters.

7.82. On Wednesday 30 May, (after public hearings for estimates had finished) the Minister for Corrective Services released information about the prison project. He informed the public through a media conference that the cost of the prison was now expected to be \$110m. The committee notes this represents an increase of \$75m over the amount estimated by the Government in 1998.¹⁵²

7.83. The Rengain report, a comprehensive document covering philosophical, design and financing issues, requires more detailed consideration by the Assembly than can be given here given the timing of its release at such a late stage of this inquiry.

7.84. One key recommendation of the report that does deserve a comment here is the consultants' support for a publicly-financed prison. The Standing Committee on Justice and Community Safety has been urging the Government for nearly three years to undertake a proper cost benefit analysis of comparative public/private financing issues and it is pleasing that this work has finally been done. The committee notes that this rigorous analysis provides evidence countering the Government's long-held claim that private financing would be cheaper. This finding vindicates the work of Assembly committees in scrutinising government decisions.

7.85. It is of concern that the Government has been unable to finalise prison costing proposals. The committee understands that a separate appropriation for the project will be made and this will present the Assembly with an opportunity to examine the proposal.

7.86. The committee considers it is imperative that this expenditure proposal (particularly the financial matters) be referred to an Assembly committee following its tabling in the Assembly which presumably will occur as part of a second Appropriation Bill in the near future.

7.87. The committee should have the resources to employ expert assistance to work within the terms of reference prepared by the committee. It would be appropriate for an Assembly committee to commission an evaluation of the financial costings in the Rengain report, including an evaluation of some of the assumptions underpinning the costings.

7.88. The committee notes the public announcement by the Minister for Health, Housing and Community Services that the prison will be publicly owned and that the Government will borrow to fund it.

Recommendation 59

¹⁵² Government submission to Standing Committee on Justice and Community Safety inquiry into the establishment of an ACT prison.

7.89. The committee recommends that the Assembly ensure the appropriation of funds for the construction of the prison be accompanied by referral to an Assembly committee to examine the financial details of the proposal and the Government refrain from letting any significant contract until such examination if accepted by the Assembly.

Reduction in community correction hours

7.90. There has been a downward trend, over the past few years, of community work hours undertaken by offenders. The 2000-2001 target for community work hours was 45,000 hours.¹⁵³ The target for 2001-2002 is only 28,000 hours. This compares poorly with the 1998-99 target of 67,900 hours.

7.91. This is a matter of concern because community work is less expensive than imprisonment.

7.92. When questioned about the reasons for this, officials claimed they could not explain the dramatic fall but that it was linked to sentencing decisions by magistrates and judges.¹⁵⁴ The committee draws the Government's attention to earlier recommendations by Assembly committees urging the Government to ensure community work was maintained during the prison planning phase as a protection against net widening.¹⁵⁵

7.93. Officials advised the Government would engage a consultant to explore the reasons for this decrease. Officials expected that the consultant would do this work in about 10 months, after he had completed an initial job on juvenile sentencing patterns.¹⁵⁶

7.94. The committee urges the Government to give priority to ascertaining the reasons for this trend. One first step would surely be to survey current ACT magistrates and judges and find out if they were lacking confidence in some of the community work programs and invite their suggestions for improvement.

7.95. The time to take action on this is now, not when the construction of the prison has been finalised. Strong community-based programs must be well established before the prison opens.

7.96. A stronger commitment to community-based corrections would impact on the number of prison cells needed in the ACT prison facility. This could have a major impact on the capital cost of the prison and on recurrent funding needed because community-based options are less expensive than imprisonment.

¹⁵³ estimated outcome for 200-2001 only 27,000

¹⁵⁴ Uncorrected Proof Transcript, 25 May 2001, pp23-24.

¹⁵⁵ Standing Committee on Justice and Community Safety, *The Proposed ACT Prison Facility: philosophy and principles* (October 1999), *Visit to Western Australia, South Australia and the Northern Territory* (December 2000).

¹⁵⁶ Uncorrected Proof Transcript, 25 May 2001, pp25-27.

7.97. The Rengain report acknowledges the need for the ACT prison project to be considered part of a broader whole-of-government crime prevention strategy. If this worthy goal is to be more than just rhetoric, it is imperative that the Government take action to bolster the community-based corrections sector.

Recommendation 60

7.98. The committee recommends that the Government:

- **urgently commission research to discover the reasons for the drop in community corrections hours; and**
- **develop strategies to ensure this sentencing option is made more viable and available to a greater number of offenders.**

8. Department of Education and Community Services

Funded initiatives not included in the draft budget

8.1. Overall the Department of Education and Community Services received \$11.64m in funding for new initiatives in 2001-2002. Of this \$5.2m was allocated for Education and Training, which includes non-government schools and the Canberra Institute of Technology; and \$5.296m was allocated to Children's, Youth and Family Services. This funding excludes the \$9.73m allocated for free school buses which is not part of the budget for the Department of Education and Community Services, but rather in the budget of the Department of Urban Services.

8.2. Initiatives amounting to almost \$4m were not included in the draft budget initiatives. The committee noted that a number of matters raised in the Standing Committee on Education, Community Services and Recreation's report on the inquiry into the 2001-2002 draft budget initiatives for the Department of Education and Community Services and related agencies were considered and funded in the final budget. These include:

- additional funding for non-government schools;
- additional funding for the interest subsidy scheme for non-government schools;
- information technology support through the Centre for IT Excellence;
- support for families and students at risk through the Supporting Families with Adolescents program;
- support for at-risk young people through the Recreation Support Program for at-risk Youth; and
- additional funding for community organisations to enable them to meet their obligations in areas such as occupational health and safety, workers' compensation insurance, and employment awards, which is anticipated to be provided from the funding allocated under Building Community Capacity.¹⁵⁷

Indexation

8.3. The Council of Parents and Citizens Associations Inc (Council of P&Cs) again raised the matter of indexation. In its view indexation at 2.25 per cent is inadequate when inflation is predicted at 3 per cent.

8.4. The Council of P&Cs also argued that the real indexation rate for education expenses is higher than the inflation rate by about 1 per cent. Therefore the inflation rate for educational expenses is more likely to be closer to 4 per cent. They claimed

¹⁵⁷ Uncorrected Proof Transcript, 25 May 2001, p 11.

that as a result government schools are being forced to operate on fewer real resources.¹⁵⁸

8.5. The committee considers that the matter of the appropriate rate of indexation for education needs further investigation.

Recommendation 61

8.6. The committee recommends that the Government fully investigate and report on the appropriate rate of indexation that should be applied to education.

Broadband communication service to schools

8.7. The committee questioned why the Department of Education and Community Services had not sought tenders for the provision of broadband communication services to ACT government schools. The committee also sought additional information from the Department of Education and Community Services that supported the conclusion not to go out to tender.

8.8. In April 2001, the Department of Education and Community Services accepted an offer from TransACT to connect all government schools to its network for \$300,000 plus GST. The Department of Education and Community Services did not go out to tender because it was of the view that Telstra, the only other provider, is not able to offer the degree of broadband scalability and applications which the department considers schools will increasingly need. According to the department this decision is in line with the ACT Purchasing Guidelines.

8.9. The committee was advised that the department has investigated the needs of schools and concluded that TransACT was the only provider at present that could meet those needs. With its VDSL (Very-high-bit-rate Digital Subscriber Line) technology, TransACT can go up to 52 meg/site. Telstra uses ADSL (Asymmetric Digital Subscriber Line) technology which currently goes up to 1.5 meg/site but which reputedly can go up to 3 meg/site, although the Department of Education and Community Services is unaware of any site in Australia which is running ADSL at 3 meg. In addition, through the TransACT arrangement the lines will be able to be used for both student and administrative purposes and enable access to data, telephony, video and other services as they arise.¹⁵⁹

8.10. According to departmental officials, Telstra with its ADSL has a limit on the broadband that it can offer. While there will be some schools that cannot be covered by TransACT and who will therefore need to use Telstra, there will be a point at which they will not be able to access the full scope of programs and applications, such as video conferencing, because the Telstra broad band is insufficient.¹⁶⁰

¹⁵⁸ Uncorrected Proof Transcript, 22 May 2001, p 44.

¹⁵⁹ Minister for Education, correspondence dated 21 May 2001; Uncorrected Proof Transcript, 17 May 2001, p 57.

¹⁶⁰ Uncorrected Proof Transcript, 17 May 2001, p 57.

8.11. Further, after initial installation costs TransACT represents a significant saving after the first year. The ComTech review estimated ADSL costs for all government schools to be installation costs of \$182,000 and annual costs of \$820,000.¹⁶¹ The TransACT offer is installation cost of \$300,000 plus GST and estimated annual cost (2 meg service) of \$85,000.¹⁶²

8.12. Some members of the committee were not convinced that the documents and information provided at the public hearing by the Department of Education and Community Services supported the conclusion not to go out to tender.

Social and Community Services (SACS) award and other awards

8.13. For many years estimates committees have been told that the community sector requires funding increases to meet the higher costs associated with the full implication of the SACS award and other awards in order to maintain the quality of services and the employment of appropriately skilled staff.

8.14. In this year's budget additional funding for this purpose has been allocated for supported accommodation services. However according to ACTCOSS other community services also require this increase but have not been identified for additional funding.¹⁶³

8.15. During its inquiry into Appropriation Bill 2000-2001 (No 2), the Standing Committee on Finance and Public Administration raised this issue with the Minister for Health, Housing and Community Services. The Minister responded that apart from supported accommodation and substitute care services, it is not anticipated that the SACS award will have as significant an effect on other programs because most other services operate within standard working hours.¹⁶⁴

8.16. However, when this matter was raised during this inquiry, the Minister for Health, Housing and Community Services stated that a study is being conducted into unmet need relating to the award. The Minister pointed out that the Government has allocated \$1m for building community capacity and some of that money may be needed to address issues related to the SACS award.¹⁶⁵

8.17. Since this is an issue that has been of concern for several years the committee considers that the Government needs to provide regular reports to the Assembly on how it is addressing funding for community sector organisations to enable them to implement the SACS award and other awards.

¹⁶¹ ComTech Integration Services Pty Ltd, *EduNet Network Review*, p 24.

¹⁶² Letter of offer from TransACT, dated 27 March 2001 and TransACT published figures.

¹⁶³ Submission 3, ACTCOSS.

¹⁶⁴ Minister for Health, Housing and Community Services, correspondence to the Chair, Standing Committee on Finance and Public Administration, dated 16 April 2001.

¹⁶⁵ Uncorrected Proof Transcript, 21 May 2001, p 11.

Recommendation 62

8.18. The committee recommends that the Government provide six monthly reports to the Assembly on how it is addressing funding for community sector organisations to enable them to implement the SACS award and other relevant awards.

Ergonomics in schools

8.19. The committee discussed with the Minister for Education the problems highlighted in a recent draft report on the use of computers by children. The report raised the need for schools to ensure that students implement ergonomic practices in schools.

8.20. The committee notes that the matter of the provision of ergonomic furniture in schools was raised in the 1998-99 Estimates Committee report. That committee recommended that the Department of Education and Community Services ensure that all computers in schools are equipped with ergonomic furniture as a matter of urgency. The Government in its response did not accept this recommendation. It drew attention to the fact that under school based management schools themselves have the responsibility to decide on expenditure priorities.¹⁶⁶

8.21. The committee is concerned that the availability of ergonomic best practice in schools is apparently still an issue.

8.22. Schools need to be reminded of their duty of care in relation to this matter. Arrangements need to be put in place for funding assistance to schools whose budget commitments will not enable them to provide the necessary support.

Recommendation 63

8.23. The committee recommends that the Department of Education and Community Services remind schools of their duty of care to ensure ergonomic practices are implemented and provide funding assistance.

Electricity charges for schools

8.24. The committee sought clarification on the impact on schools of the reported increase in electricity costs to schools as a result of the ACTEW/AGL merger.

8.25. Officials of the Department of Education and Community Services explained that the change in rate affects about 49 schools, the larger schools that are on deregulated tariffs. They will be faced with an increase of about 12 per cent in electricity costs

¹⁶⁶ Government response to the Select Committee on Estimates 1998-99, p 14.

8.26. There are further complicating factors. From 1 July 2001, gas prices will drop by 11 per cent. Many schools also use gas. Schools on regulated tariffs may achieve significant savings in electricity costs under a new contract arrangement.

8.27. A departmental committee, the School Resources Group is examining the whole issue and whether there is a need to change the school based management formula in relation to utilities.

Funding for non-government schools

8.28. Some non-government school organisations expressed concern during the draft budget process and again during hearings of the Estimates Committee about the level of funding provided by the ACT Government to the non-government school sector.¹⁶⁷ These concerns specifically related to the lack of relativity with New South Wales on per capita grants; lack of equity with the government school system in funding provided for the reduction of class size in years K-2; and the inadequacy of funding for students with disabilities.

8.29. The committee raised these concerns with the Minister for Education who told the committee that the Government does not see it as its role to provide funding for non-government schools to the same extent as government schools.¹⁶⁸

Recreation support for at-risk youth

8.30. One of the initiatives to be funded, developed since the draft budget process, is the pilot program to provide recreation support for at-risk youth, called REC LINK ACT. A total of \$0.45m has been allocated over two years.

8.31. This program is based on the REC LINK program operating in Hobart by the Hobart Police Citizens Youth Club. The criteria for REC LINK ACT are:

- encourage positive physical activity and constructive use of leisure time;
- build leadership, team work, organisational and social skills;
- increase access to participation in recreation and sporting activities;
- reduce at risk behaviours, including alcohol use and anti-social activity; and
- increase access to relevant support and community services.¹⁶⁹

8.32. A decision was taken by the Government that because of their experience in such matters, a two year pilot program be implemented by the Police and Citizens

¹⁶⁷ Uncorrected Proof Transcript, 22 May 2001, p 3; Submission to the inquiry into the 2001-2002 draft budget initiatives for the Department of Education and Community Services and related agencies from the Catholic Education Commission and the Association of Parents and Friends of ACT Schools.

¹⁶⁸ Uncorrected Proof Transcript, 17 May 2001, p 92.

¹⁶⁹ Minister for Health, Housing and Community Services, correspondence dated 24 May 2001.

Youth Club.¹⁷⁰ However the program was not put out to tender nor were expressions of interest sought.

8.33. The Government's *Guideline for purchasing and pricing services from non-profit, non-government organisations and other suppliers using competitive assessment* state the following.

Competitive tendering should be considered as the preferred approach for services in these situations:

- a new program or service is established...
- the service consists of a pilot project or a one-off research or other development task.¹⁷¹

8.34. The Guideline also states:

There might be special or exceptional circumstances where Cabinet or a portfolio Minister directs the purchasing of a service from an individual or organisation, or the funding of an organisation's program.¹⁷²

8.35. The committee called for all papers relating to the program. The papers include submissions from the Youth Coalition of the ACT proposing the establishment of REC LINK in the ACT, an evaluation of the Hobart REC LINK program, a report on the REC LINK project youth workshop held on 30 November 2000 and several emails between the Department of Education and Community Services and the office of Minister Smyth.

8.36. The Youth Coalition submission proposing the establishment of REC LINK ACT stated that the Police and Citizens Youth Club in Turner would be best suited to deliver the program in the ACT. The committee could find no further information supporting the delivery of the program by the Police and Citizens Youth Club or by any other organisation.

8.37. Emails between the Department of Education and Community Services and the office of Minister Smyth indicate that Mr Smyth was involved in some discussions with the Youth Coalition about the Police and Citizens Youth Club providing the REC LINK program in the ACT. However the papers provide no further details.

¹⁷⁰ Minister for Health, Housing and Community Services, correspondence dated 28 May 2001.

¹⁷¹ *ACT Purchasing Policy and Principles Guidelines* 'Guideline for purchasing and pricing services from non-profit, non-government organisations using competitive assessment -exposure draft, February 2000, p 4.

¹⁷² *ACT Purchasing Policy and Principles Guidelines* 'Guideline for purchasing and pricing services from non-profit, non-government organisations using competitive assessment -exposure draft, February 2000, p 5.

8.38. Mr Smyth's office appears to have advised the Department of Education and Community Services, that since it was a two-year pilot program it was not necessary to tender it out until after an evaluation was completed. The advice indicates that this approach would be consistent with the service purchasing guidelines if the reasoning for not going to tender is clear.¹⁷³ However the committee notes that under the Government's guidelines, pilot projects should be considered for competitive tendering.

8.39. Since the committee received no other documents providing reasons why the project not be put out to tender, it is at a loss to know why a decision was made not to go out to tender and who made that decision.

8.40. There appears to have been non-compliance in expected practices and procedures in relation to tendering since there is no paper trail to support the Government's decision not to go out to tender.

Recommendation 64

8.41. The committee recommends that the Government note the non-compliance with expected practices and procedures in relation to the fact that the recreation support program for at-risk youth was not put out to competitive tender.

Accommodation for community organisations

8.42. The issue of the standard of community facilities used by community organisations was raised by ACTCOSS, who stated that accommodation for community services is inappropriate and inadequate.¹⁷⁴

8.43. In 2000 the Government commissioned an audit of community facilities. ACTCOSS is of the view that this audit will highlight a range of needs including occupational health and safety concerns.

8.44. Some of the needs identified may be addressed through funding allocated for building community capacity (\$0.4m to the Department of Education and Community Services and \$0.6m to the Department of Health, Housing and Community Care).¹⁷⁵

8.45. The committee notes that the budget includes funding for the new Griffin Centre enhancement. A total of \$1.7m has been allocated for this purpose, comprising \$0.5m to provide some additional tenant space and \$1.2m for fitout of the new centre. Space available in the new Griffin Centre will increase by about 19 per cent compared to what is currently available.¹⁷⁶ This will increase the number of tenants able to be accommodated in the centre.

¹⁷³ Emails included in papers provided to the committee on 28 May 2001.

¹⁷⁴ Submission 3, ACTCOSS.

¹⁷⁵ Uncorrected Proof Transcript, 25 May 2001, p 11

¹⁷⁶ Uncorrected Proof Transcript, 25 May 2001, p 3.

8.46. The Standing Committee on Education, Community Services and Recreation raised the matter of the decision making process for the establishment of community facilities in its report on the 2001-02 draft budget initiatives and draft capital works program. That committee recommended that the Government provide the Assembly with details of all analyses undertaken on the need for additional community facilities over the last six years. That information had not been provided at the time of finalisation of this report.

8.47. When discussing this matter at the hearings there was a suggestion that PALM may have undertaken some analysis relating to the need for community facilities in the inner suburbs.¹⁷⁷ Apart from this possibility, the committee does not know what other analysis has been undertaken about the need for community facilities in the inner suburbs. It notes the community's concerns that even with the additional tenant space at the new Griffin Centre there will continue to be a shortage of suitable community facilities in the inner city.

Recommendation 65

8.48. The committee recommends that the Government undertake an analysis of the need for community facilities in the inner suburbs.

Ted Quinlan, MLA
Chairman
8 June 2001

¹⁷⁷ Uncorrected Proof Transcript, 25 May 2001, p8.

Appendix 1 – List of submissions received by Committee

No. 1 ACT Shelter 17 May 2001

No. 2 North Canberra Community Council Inc 18 May 2001

No. 3 ACTCOSS 21 May 2001

No. 4 ACT Down Syndrome Association Inc 22 May 2001

No. 5 United Firefighters Union of Australia - ACT Branch 22 May 2001

No. 6 Australian Education Union - ACT Branch 24 May 2001

No. 7 Healthcare Consumers Association 24 May 2001

No. 8 United Firefighters Union of Australia - Act Branch 24 May 2001

Appendix 2 – Public Hearing Schedule

Tuesday 8 May 2001

Chief Minister and Treasurer

Friday, 11 May 2001

Minister for Police and Emergency Services

Monday 14 May 2001

Minister for Urban Services

Minister for Business, Tourism and the Arts

Thursday 17 May 2001

Minister for Education and Department of Education and Community Services

Friday 18 May 2001

Minister for Urban Services

Monday 21 May 2001

Minister for Health, Housing and Community Services

Tuesday, 22 May 2001

Mr Jim Collins APFACTS

Mr Eric Chalmers APFACTS

Mr Lawrie Woolf APFACTS

Ms Angela Seymour ACT Shelter

Ms Nicola Davies Conservation Council of the SE Region and Canberra

Mrs Lorraine Adams Down Syndrome Association

Ms Kylie Scott Down Syndrome Association

Mrs Evelyn Scott Down Syndrome Association

Mr Grant Battersby ACT Council of P&C Association

Dr Ian Morgan Council of P&C Association

Attorney-General

Wednesday, 23 May 2001

Chief Minister and Treasurer

Auditor-General

Thursday, 24 May 2001

Ms Fiona MacGregor Australian Education Union

Mr Clive Haggard Australian Education Union

Mr Peter Bray ACROD

Ms Andrea Simmons ACROD

Mr Peter Bray Hartley Lifecare

Mr Russell Mc Gowan Health Care Consumers Association

Mr Michael Cochrane United Firefighters Union

Mr Conrad Barr United Firefighters Union

Ms Marianne Vreugenhil ACTCOSS

Mr Daniel Stubbs ACTCOSS

Chief Minister and Treasurer

Friday, 25 May 2001

Minister for Health, Housing and Community Services

Appendix 3 – Answers to Questions on Notice

Subject	Date asked	Date received	Minister	Asked by
CTEC move to Brindabella	Out of Session	15 May 2001	Mr Smyth	Mr Quinlan
Forward estimate surplus changes	8 May 2001	15 May 2001	Mr Smyth	Mr Rugendyke
Surplus covering capital works	8 May 2001	15 May 2001	Mr Smyth	Mr Rugendyke
Big surplus policy - change in policy	8 May 2001	15 May 2001	Mr Smyth	Mr Rugendyke
Reverse surplus direction	8 May 2001	15 May 2001	Mr Smyth	Mr Rugendyke
Contingency plans if expectations not met - what are expected revisions - operating result not meeting target	8 May 2001	15 May 2001	Mr Smyth	Mr Rugendyke
Molonglo electorate imbalance appearance	8 May 2001	15 May 2001	Mr Smyth	Mr Rugendyke
Gaming machines - revenue - indicators of increased use - reduced poker machine spending - contribution to poverty.	8 May 2001	15 May 2001	Mr Smyth	Mr Rugendyke
Call for papers	8 May 2001	15 May 2001 - school student transport scheme - second taxi network - (other items not held in portfolio)	Mr Smyth	Mr Quinlan
Provision of documents - reduced class sizes - students with disabilities transport	8 May 2001	15 May 2001 - (items 3 and 4 not held in portfolio)	Mr Stefaniak	Mr Quinlan
Wage growth criteria	8 May 2001	-	Mr Humphries	Mr Berry
IT and OH&S standards	8 May 2001	15 May 2001	Mr Humphries	Ms Tucker
IT leasing and costs	8 May 2001	15 May 2001	Mr Humphries	Ms Tucker
Fire services - number of firefighters - overtime usage - annual leave system - establishment - training	11 May 2001	21 May 2001	Mr Smyth	Various members during hearing
Policing - number of sworn officers - attrition levels	11 May 2001	-	Mr Smyth	Various members during hearing
Policing-15 questions	16 May 2001	7 June 2001	Mr Smyth	Mr Hargreaves
Mental Health - National Strategy - Revenue direction - Actual expenditure	11 May 2001	24 May 2001	Mr Moore	Mr Wood
Revenue from school buses	14 May 2001	21 May 2001	Mr Smyth	Mr Berry
Pensioner peak fare concession	14 May 2001	21 May 2001	Mr Smyth	Mr Hargreaves
Bus Service per route costs	14 May 2001	21 May 2001	Mr Smyth	Mr Corbell
Horticulture and maintenance costs (output 1.4)	14 May 2001	21 May 2001	Mr Smyth	Mr Corbell
Waste management - garden waste - builders waste centre - landfill improvements - curbside collections	14 May 2001	-	Mr Smyth	Ms Tucker

Subject	Date asked	Date received	Minister	Asked by
Weed control	14 May 2001	-	Mr Smyth	Ms Tucker
Output 4.1	14 May 2001	21 May 2001	Mr Smyth	Mr Corbell
Cost reconciliation – tourism, marketing and promotion	14 May 2001	21 May 2001	Mr Smyth	Several members
‘Other expenses’ line	14 May 2001	21 May 2001	Mr Smyth	Mr Corbell
Output 5.1 - breakdown costs	14 May 2001	22 May 2001	Mr Smyth	Mr Wood
Yellow Cabs	14 May 2001	31 May 2001	Mr Humphries	Mr Hargreaves
Shopfront transactions	14 May 2001	17 May 2001	Mr Smyth (Mr Humphries)	Mr Hargreaves
Car emission checks	14 May 2001	21 May 2001	Mr Smyth	Ms Tucker
50k trial monitoring	14 May 2001	21 May 2001	Mr Smyth	Ms Tucker
Vehicle registration fees - short-term registrations	14 May 2001	21 May 2001 24 May 2001	Mr Smyth	Mr Hargreaves
Greenhouse strategy initiatives - purchase of green power	14 May 2001	21 May 2001	Mr Smyth	Ms Tucker
Cost of natural gas compression	14 May 2001	21 May 2001	Mr Smyth	Mr Berry
Greenhouse and smoke emissions	14 May 2001	21 May 2001	Mr Smyth	Ms Tucker
Community participation funding	14 May 2001	21 May 2001	Mr Smyth	Mrs Burke
Heritage assessments	14 May 2001	21 May 2001	Mr Smyth	Ms Tucker
Action plans for endangered species	14 May 2001	21 May 2001	Mr Smyth	Mr Corbell
Impact assessments	14 May 2001	21 May 2001	Mr Smyth	Ms Tucker
Public internet access fees	14 May 2001	21 May 2001	Mr Smyth	Ms Tucker
ActewAGL - profit - gas turbine generator	14 May 2001pm	18 May 2001	Mr Smyth	Mr Quinlan
Business incentive scheme	14 May 2001pm	18 May 2001	Mr Smyth	Various members during hearing
Canberra Technology Park revenue	14 May 2001pm	23 May 2001	Mr Smyth	Ms Tucker
CTEC - employee expenses	14 May 2001pm	23 May 2001	Mr Smyth	Various members during hearing
GMC 400 - total cost - resurfacing cost - labour cost - AVESCO payments - PA system (several) - Visitor numbers - Policing services - Business plan	14 May 2001pm	18 May 2001 18 May 2001 23 May 2001 22 May 2001	Mr Smyth	Various members during hearing
Multicultural Festival reference group	14 May 2001	18 May 2001	Mr Smyth	Ms Tucker
Monthly visitor numbers – national attractions Quarterly visitor numbers	14 May 2001	18 May 2001	Mr Smyth	Mr Stanhope Mrs Burke
Child protection	16 May 2001	24 May 2001	Mr Moore	Mr Stanhope
<i>Crimes Act 1900</i> amendments - home invasions, arrests and charges - warrants - arrests - fines and costs – warrants of commitment	16 May 2001	28 May 2001	Mr Stefaniak	Mr Stanhope
<i>Crimes (Forensic Procedures) Act 2000</i> - samples	16 May 2001	28 May 2001	Mr Stefaniak	Mr Stanhope
Students at risk initiatives - funding - program evaluation - several others	17 May 2001	24 May 2001	Mr Stefaniak	Various members during hearing
School funding	17 May 2001	24 May 2001	Mr Stefaniak	Mr Hargreaves

Subject	Date asked	Date received	Minister	Asked by
St Ann's convent sale - lease variations	17 May 2001 18 May 2001	23 May 2001	Mr Stefaniak	Mr Corbell
AIE and Microforte (CIT) – intellectual property rights	17 May 2001	23 May 2001	Mr Stefaniak	Ms Tucker
TransACT	17 May 2001	21 May 2001 1 June 2001	Mr Stefaniak	Mr Quinlan
Gungahlin students	17 May 2001	23 May 2001	Mr Stefaniak	Mr Berry
CSO funding breakdown	18 May 2001		Mr Smyth	Ms Tucker
ACT Forests - CSO payment - pine wildling control - rally charges - firewood permits - fees	18 May 2001	31 May 2001	Mr Smyth	Various members during hearing
Gungahlin Drive extension	18 May 2001	31 May 2001	Mr Humphries	Mr Corbell
Worker's compensation premiums	18 May 2001	24 May 2001	Mr Smyth	Mr Berry
Protecting Children initiative	21 May 2001	24 May 2001	Mr Moore	Ms Tucker
Reclink program	21 May 2001	24 May 2001	Mr Moore	Mr Hargreaves
Government Solicitor's Office work	22 May 2001pm	28 May 2001	Mr Stefaniak	Ms Tucker
User charges	22 May 2001pm	28 May 2001	Mr Stefaniak	Mr Hargreaves
E-services funding	22 May 2001pm	28 May 2001	Mr Stefaniak	Mr Hargreaves
Legal Aid and AFP funding	22 May 2001pm	28 May 2001	Mr Stefaniak	Ms Tucker
Consumer credit services	22 May 2001	28 May 2001	Mr Stefaniak	Ms Tucker
Hearing delays at tribunals and courts	22 May 2001	6 June 2001	Mr Stefaniak	Mr Stanhope
Jervis Bay court hearings	22 May 2001pm	6 June 2001	Mr Stefaniak	Mr Stanhope
Mental health and courts	22 May 2001	6 June 2001	Mr Stefaniak	Mr Stanhope
Privacy Commission and signs	22 May 2001	28 May 2001	Mr Stefaniak	Mr Stanhope
Criminal injury compensation appeal	22 May 2001pm	28 May 2001	Mr Stefaniak	Mr Stanhope
Victims of Service Scheme	22 May 2001pm	28 May 2001	Mr Stefaniak	Ms Tucker
Surveillance cameras - Civic - Bruce Stadium	22 May 2001pm	28 May 2001	Mr Stefaniak	Mr Stanhope
2001-02 suburban road maintenance	22 May 2001	-	Mr Smyth	Mr Hargreaves
50k trial - public education - cost - form - 2001-02 funds allocation	22 May 2001	-	Mr Smyth	Mr Hargreaves
Cemeteries Trust - Woden Mausoleum - Marketing	22 May 2001	-	Mr Smyth	Mr Hargreaves
ACTION - concession fares - pensioner concessions - peak hour costs	22 May 2001	-	Mr Smyth	Mr Hargreaves
Emergency services - Woden joint centre - training centre - recruit training facilities - union consultation	22 May 2001	7 June 2001	Mr Smyth	Mr Hargreaves
Papers – recreation support program – youth at risk	22 May 2001	-	Mr Moore	Mr Quinlan
Totalcare - hospital implosion - insurance cover - legal action	23 May 2001	-	Mr Humphries	Mr Stanhope
Women's Action Plan update	23 May 2001	29 May 2001	Mr Humphries	Ms Tucker

Subject	Date asked	Date received	Minister	Asked by
Centenary of Federation events	23 May 2001	-	Mr Humphries	Mr Stanhope
Superannuation Provision Account	23 May 2001	29 May 2001	Mr Humphries	Mr Quinlan
ACTTAB - problem gambling (3) - client demographics	23 May 2001	-	Mr Humphries	Ms Tucker
Bruce Stadium - support to football teams	24 May 2001	-	Mr Humphries	Mr Hargreaves
ActewAGL - street lighting contract - call centre staffing	24 May 2001	-	Mr Humphries	Mr Quinlan
Landfill sites	24 May 2001	-	Mr Humphries	Mr Hargreaves
Griffin Centre redevelopment	24 May 2001	31 May 2001	Mr Humphries	Mr Quinlan
Commissioner for Land and Planning - increased targets - reduced costs	24 May 2001	28 May 2001	Mr Stefaniak	Ms Tucker
Office of Fair Trading - measures changes - retirement villages - priority changes - staff hours	24 May 2001	28 May 2001	Mr Stefaniak	Ms Tucker
Privacy Commissioner - Government agency compliance	24 May 2001	28 May 2001	Mr Stefaniak	Ms Tucker
Justice social capital programs expenditure	25 May 2001am	5 June 2001	Mr Moore	Mr Hargreaves
Quamby - mental illness rates	25 May 2001am	5 June 2001	Mr Moore	Ms Tucker
Prison project - environmental impact/report - yellow box - earless dragon	25 May 2001am	6 June 2001	Mr Moore/Mr Smyth	Mr Hargreaves
Flora and Fauna Conservator licenses	25 May 2001	6 June 2001	Mr Smyth	Mr Hargreaves
Health initiatives - costs and start dates	25 May 2001pm	6 June 2001	Mr Moore	Mr Hargreaves
Access to interstate services	25 May 2001pm	5 June 2001	Mr Moore	Mr Hargreaves
Drug and alcohol treatment services	25 May 2001pm	1 June 2001	Mr Moore	Mr Stanhope
Radiotherapy machines	25 May 2001pm	1 June 2001	Mr Moore	Mr Berry
ACT Housing - evictions - rent rebate funding - sale and acquisition	25 May 2001pm	1 June 2001	Mr Moore	Ms Tucker Mr Hargreaves
TCH - litigation costs - Dr Yeaman dismissal costs	25 May 2001pm	5 June 2001	Mr Moore	Ms Tucker
Williamsdale Quarry	25 May 2001	31 May 2001	Mr Humphries	Mr Berry
Social Capital programs indicators	25 May 2001	31 May 2001	Mr Humphries	Mr Stanhope
Drug and Alcohol Program review	28 May 2001	5 June 2001	Mr Moore	Ms Tucker
Bruce Stadium - Spotless settlement	28 May 2001	31 May 2001	Mr Humphries	Mr Stanhope
Healthpact - legal advice – administrative changes	25 May 2001	5 June 2001	Mr Moore	Mr Stanhope
Childcare for families at risk	28 May 2001	1 June 2001	Mr Moore	Ms Tucker
ParentLine	28 May 2001	1 June 2001	Mr Moore	Ms Tucker
ESD	28 May 2001	1 June 2001	Mr Moore	Mr Hargreaves
YMCA deferral	28 May 2001	1 June 2001	Mr Moore	Mr Hargreaves

Subject	Date asked	Date received	Minister	Asked by
Deferral of change at The Canberra Hospital	28 May 2001	1 June 2001	Mr Moore	Mr Hargreaves
Funding movement – current liabilities	28 May 2001	1 June 2001	Mr Moore	Mr Hargreaves
Departmental Appropriation - several	28 May 2001	1 June 2001	Mr Moore	Mr Hargreaves
Mental Health Official Visitors program	28 May 2001	5 June 2001	Mr Moore	Ms Tucker
Communication, consultation and evaluation strategy report (health promotion strategy)	28 May 2001	5 June 2001	Mr Moore	Ms Tucker
Healthpact - client satisfaction - program funding	28 May 2001	5 June 2001	Mr Moore	Ms Tucker
Unexpected Commonwealth grants	28 May 2001	5 June 2001	Mr Moore	Ms Tucker
Housing - stock figures - priority categories	28 May 2001	5 June 2001	Mr Moore	Ms Tucker
Dental program	28 May 2001	6 June 2001	Mr Moore	Ms Tucker
ACT prisoners in NSW - programs - support visits	28 May 2001	5 June 2001	Mr Moore	Ms Tucker
ACT prison project -process and timing of seeking Assembly approval for appropriation	31 May 2001	6 June 2001	Mr Moore	Mr Quinlan

Appendix 4 – Initiatives not included in the draft budget

		2001-02 Estimate \$'000s	2002-03 Estimate \$'000s	2003-04 Estimate \$'000s	2004-05 Estimate \$'000s
Initiative	Portfolio				
Innovation					
Building Export Capability of ACT Firms	CMD	550	500	500	500
Festivals Strategy and Incentives	CMD	250	250	250	250
Product Development – Event Development Fund	CMD	200	200	200	200
Centre for IT Excellence	DECS	500	511	523	535
Information Infrastructure – Completion of Service Easements and Stormwater Core Data	DUS	0	65	65	65
Poverty					
Short Term Crisis Accommodation	DHH&CC	240	297	304	311
Early Intervention					
Supporting Families with Adolescents	DECS	165	254	258	262
Recreation Support Program for at Risk Youth	DECS	225	225	0	0
Support of Learning for Life	DECS	100	102	105	107
Disability Service Improvement Scheme	DHH&CC	250	256	262	268
Youth Smoking and Health Campaign	DHH&CC	200	205	210	215
Cervical Cytology Register (CCR) Upgrade	DHH&CC	100	50	51	52
Community Linkages in Housing	DHH&CC	500	512	523	535
Enhanced Indigenous Health Services	DHH&CC	250	256	262	268
Sudden Infant Death Syndrome Funding	DHH&CC	100	102	104	106
Mental Health Eating Disorders	DHH&CC	350	358	367	376
Conflict Resolution Service	JACS	50	50	50	50
Service Capacity					
Contemporary Glass Centre	CMD	73	73	73	73
Tourism Marketing and Promotion	CMD	750	750	750	750
Floriade Free Entry	CMD	450	460	470	481
Community Planning Adviser	CMD	250	256	261	267
Canberra Technology Park	CMD	0	10	10	10
Pilot of Community Government Online Access Points – Weston Creek	CMD	10	10	10	11
Canberra Convention Bureau	CMD	280	286	293	299
Enhanced Transport Scheme for Students with Disabilities	DECS	700	700	700	700
Additional funding for Non Government Schools	DECS	250	256	261	267
Interest Subsidy Scheme	DECS	300	307	314	321
ANTA Agreement – Matching Funds	DECS	0	0	150	0
Building Community Capacity	DECS	400	409	418	428
Child Care Infrastructure	DECS	0	167	167	167
Sportsground Maintenance Supplementation	DECS	650	665	680	695
Young Carers Package	DECS	125	255	260	265
New Griffin Centre Enhancement	DECS	0	30	30	30
Additional Disability Services	DHH&CC	2 000	2 000	2 000	2 000
Alcohol & Drug Foundation ACT (ADFACT)	DHH&CC	125	128	131	134
Canberra Schizophrenic Fellowship Inc Vocational Rehabilitation Program	DHH&CC	212	217	222	227
Public Oncology Service and Lymphoedema Clinic	DHH&CC	100	205	210	215
Clinical Pastoral Education Program	DHH&CC	28	29	29	30
Clinical School Expansion – Dept of Internal Medicine	DHH&CC	150	295	303	310
Community Based Liver Clinic	DHH&CC	150	154	157	161

		2001-02	2002-03	2003-04	2004-05
		Estimate	Estimate	Estimate	Estimate
		\$'000s	\$'000s	\$'000s	\$'000s
Eden Monaro Cancer Society	DHH&CC	45	46	47	48
Post hospitalisation care for older people	DHH&CC	1 501	583	596	610
Enhancement of Drug and Alcohol Treatment Services	DHH&CC	500	511	522	534
Residential Youth Withdrawal Beds	DHH&CC	500	479	490	501
Sexual Health Services	DHH&CC	508	523	533	543
Building Community Capacity	DHH&CC	600	614	628	642
Corrections Health	DHH&CC	55	56	58	59
Extended General Practitioner outreach hours to meet young client needs	DHH&CC	50	51	52	53
Older Persons Mental Health Service Stage One	DHH&CC	292	299	306	314
Rehabilitation services – Unmet Need	DHH&CC	200	205	210	215
Renal Services – model enhancement and growth	DHH&CC	313	321	329	337
The Psychiatric Consultation for GP's project	DHH&CC	215	221	226	231
Increased Hospital Sector Funding	DHH&CC	0	2 600	7 800	10 600
Australian Federal Police Real Terms Maintenance	JACS	1 445	2 922	4 433	5 978
Corrective Services Client Specialist Needs	JACS	384	390	397	404
Australian Federal Police Additional Policing in Gungahlin	JACS	1 095	1 095	1 095	1 095
Additional Funding for Prisoners Aid for NSW visits	JACS	20	20	20	20
Police – Increased Task Force Capacity	JACS	500	511	523	535
Additional Accommodation at Belconnen Remand Centre	JACS	200	200	200	200
ACTION Operating Funding	DUS	940	0	0	0
Garden Waste Recycling Services	DUS	310	310	310	310
Implementation of the ACT Greenhouse Strategy	DUS	180	56	57	58
Trial of 50km/h Speed Limit	DUS	199	119	179	34
Free School Buses	DUS	5 530	4 200	4 390	4 580
Restructuring of ACT Workcover	DUS	300	306	312	318
Customer Service Hotline	DUS	200	204	208	212
Graffiti Reduction on Private Property	DUS	200	204	208	212
Territory Records Bill	DUS	175	179	184	188
Streetsmart	DUS	1 000	500	500	500
Additional Speed and Red Light Cameras	DUS	-1 053	-1 453	-1 353	-1 353
ACT Forests – Additional Community Service Obligation funding (CSO's)	DUS	750	750	750	750
Streetlight Safety Program	DUS	500	0	0	0
Joint Management of Namadgi	DUS	150	153	156	159
Charnwood Recreation and Skate Park	DUS	0	500	0	0

Initiatives - Capital

Initiatives – Capital		2001-02	2002-03	2003-04	2004-05
		Estimate	Estimate	Estimate	Estimate
		\$'000s	\$'000s	\$'000s	\$'000s
Innovation	Portfolio				
Service Capacity					
Free School Buses	DUS	4 200	1 260	1 260	1 260
Restructuring ACT Forests	DUS	1 050	450	450	450
Capital Initiatives		15 092	10 867	4 974	4 319

Appendix 5 – Issues raised at Hearings

Minister/Department	Major Issue	Date	Page
Chief Minister	Wage Growth – <ul style="list-style-type: none"> National Wage Case Government submission on Commission criteria (taken on notice) 	08/05/01	12 - 13
Chief Minister Chief Minister's Department	Canberra Connect – <ul style="list-style-type: none"> Consolidation and enhancing resources including shopfront services, telephone, kiosk and internet services. Manage service and information delivery. No intention to close shopfronts. Integrated Document Management system (IDMS) to improve record keeping and reduce paper usage. Shopfront staff have been transferred to Chief Minister's Department. There have been no reductions of staff. 	08/05/01 14/05/01	13 - 18 77 – 78
Chief Minister Chief Minister's Department	Senior executive service (SES) employees – <ul style="list-style-type: none"> Reduction in numbers from 123, with some fluctuations remains now at 100. Pay rates roughly comparable with other public services. Determinations on pay made by the Remuneration Tribunal 	08/05/01 23/05/01	21 67 - 68
Chief Minister Chief Minister's Department Minister for Urban Services Department of Urban Services Minister for Education Department of Education and Community Services	Free school bus fares <ul style="list-style-type: none"> Relation to draft budget process. Government election commitment. To deliver choice and flexibility in education. Increase the use of public transport in order to contribute to greenhouse emission reduction. No studies into the impact of free transport on the viability of neighbourhood schools. Scheme to start to 3 September due to logistics (earliest it could start) and trial phase. Projected 15 percent increased in usage. Initiating the scheme before the new school year can give an indication of usage and potential movement between schools. No analysis of what social groups, across age groups, will potential move children to other schools with access to free busses. Passes are from travel to and from school, not for use in school hours, also excluding travel for disabled children to activities – a separate budget is provided for these occasions. Regulation will be based partly on the honour system and partly on ACTION's current regulation system. Additional funding has been provided for transport for children with disabilities. Estimates savings of about \$400 per child for parents. 	08/05/01 14/05/01 17/05/01	22 - 27 6 - 19 21 - 25 32 7-25
Minister for Community Safety Policing ACT	Red light cameras/speed cameras <ul style="list-style-type: none"> Additional six cameras increasing revenue from \$8.7 to \$11.6 million. 	11/05/01	24-25

Minister/Department	Major Issue	Date	Page
Minister of Urban Services	<ul style="list-style-type: none"> Focus is on reducing fatalities, although this has not yet happened to a great extent, figures and analysis will have to be compiled over the long term. 	14/05/01	102 - 108
	50k speed zones <ul style="list-style-type: none"> A number of streets have been left at 60k – there is agitation to reduce these to 50k also. 60k zones are also part of the trial 	11/05/01	26
Minister for Community Safety Policing ACT	Policing numbers <ul style="list-style-type: none"> There will be 10 equipped police officers based in Gungahlin. Attrition rates have lowered, at a suggestion of increased morale. 	11/05/01	28 - 37
Minister for Urban Services	Very Fast Train Project	14/05/01	38 - 39
Minister for Urban Services PALM	Gungahlin Development <ul style="list-style-type: none"> Land has been released for commercial uptake in Gungahlin and thus far the uptake is good. Planning needs to address the provision of jobs within Gungahlin. A new development is forecast, with several major retailers interested. 	14/05/01	65 - 68
Treasurer Gungahlin Land Authority		23/05/01	83 - 86
Minister for Urban Services	Gungahlin Drive <ul style="list-style-type: none"> Budget paper costing of \$32 million, whereas the committee place the costing at \$22 million. The additional funding allows for further options to be included in the development of the road. 	14/05/01 18/05/01	75 - 77 2 - 16
Minister for Urban Services	Customer Service Hotline <ul style="list-style-type: none"> Appears to be a duplication of the Canberra Connect services and may create confusion. 	14/05/01	87 - 89
Minister for Urban Services	ACT Greenhouse Target <ul style="list-style-type: none"> A total cost of the project will not be determined until following a formal evaluation of all components starting in January 2002. 	14/05/01	112 - 114
Minister for Business, Tourism and the Arts Chief Minister's Department	Impulse Airlines <ul style="list-style-type: none"> \$8 million concession based on Impulse reaching 18 milestones. Money will be returned if milestones are not met, and there is currently no agreement with Qantas to meet the milestones. There are now concerns that the Victorian Government did not make offers to Impulse, and that the Government may have been misled into making an offer by the belief that Victoria was a serious competitor. Benefits to the community have not yet been quantified. 	14/05/01pm 23/05/01	138 - 153 118 - 119
Auditor-General			
Minister for Business, Tourism and the Arts Chief Minister's Department	ACT export capability <ul style="list-style-type: none"> Primarily in service delivery areas – government, education, IT and biotechnology. 	14/05/01pm	154-155
Minister for Business, Tourism and the Arts Chief Minister's Department	GMC 400 <ul style="list-style-type: none"> \$1.5 million for construction, resurfacing of roads, grass and pedestrian areas and safety. Total cost to the Territory will be \$4 million. 	14/05/01pm	185 – 210

Minister/Department	Major Issue	Date	Page
	<ul style="list-style-type: none"> PA system going to tender to ensure it fully works (\$50 000 system). Shorter build time added additional costs in the region of \$200 000. Cost of police, ambulance and fire services are covered by the event, although cost of policing during construction is not. Payment to AVESCO is in the region of \$1.4 million. 		
Minister for Education Department of Education and Community Services	Students at risk programs <ul style="list-style-type: none"> New initiatives to identify and assist students at risk. High Schools for the New Millennium - \$1, 000, 000 over 3 years. 	17/05/01	30 - 48
Minister for Education Department of Education and Community Services	Transport for children with Disabilities <ul style="list-style-type: none"> Additional \$700 000 funding, \$21,000 additional to assist with excursions, otherwise as yet undefined. 	17/05/01	48 - 54
Minister for Education Department of Education and Community Services	TransACT <ul style="list-style-type: none"> Not put out to tender, discussions were had with Telstra and TransACT, and a proposal was accepted by TransACT. Cost approximately \$3000 per school for networking. Ergonomics is only being addressed in terms of general IT classes, but schools do have an emphasis on health and wellbeing of students. Shareholding arrangements – 27% ACTEW, with five main investors holding the remainder of shares. 	17/05/01	57 - 60 133 - 137
Treasurer ACTEW		25/05/01	65 - 69
Minister for Education Bureau for Sport and Recreation	Belconnen Pool <ul style="list-style-type: none"> Tenders are currently open. \$270,000 spent on the project to date/ 	17/05/01	108 - 110
Minister for Health, Housing and Community Services Children's, Youth and Family Services Bureau	Police Youth Clubs Program <ul style="list-style-type: none"> No tender has been advertised for the funding of \$450 000 (taken on notice – details of the expression of interest and evaluations) 	18/05/01	32 - 40
Attorney-General	Hospital implosion costs <ul style="list-style-type: none"> HIH was the insurer, the Territory is seeking indemnity, potential outcome unclear. 	22/05/01pm	88 - 90
Treasurer Totalcare		23/05/01	25 - 26
Attorney-General ACT Electoral Commission	Electronic Voting <ul style="list-style-type: none"> The timetable for the electronic voting project is on track. Increase in funding by \$900 000 includes this and covers the cost of the scheduled Assembly election. 	22/05/01pm	115 - 116
Treasurer Totalcare	Housing contract <ul style="list-style-type: none"> May cause some redundancies – yet to be determined. Shift in focus for Totalcare in the provision of services. 	23/05/01	2 - 9
Treasurer	Williamsdale quarry	23/05/01	10 - 22

Minister/Department	Major Issue	Date	Page
Totalcare			
Chief Minister Chief Minister's Department	Public Sector Renewal Project <ul style="list-style-type: none"> Rebuilding of executive leadership and capability and providing a ready and able workforce. 	23/05/01	64 - 67
Chief Minister Chief Minister's Department	Government procurement objectives <ul style="list-style-type: none"> Legislation passed, procurement board to be established to examine all procurements above \$50 000. 	23/05/01	69 - 70
Chief Minister Chief Minister's Department	Bruce Stadium <ul style="list-style-type: none"> Auditor-General estimates the total cost of the redevelopment to be \$82m. This includes the cost of redevelopment, hosting Olympic soccer events, and the cost of running the stadium over the next 26 years. 	23/05/01	81 - 83
Treasurer Stadiums Authority		25/05/01pm	61 - 63
Chief Minister Chief Minister's Department	Native Title	23/05/01	90 - 96
Chief Minister Chief Minister's Department	HIH <ul style="list-style-type: none"> Those whose insurance policies have failed under HIH will not have to pay stamp duty to take out a replacement policy. 	23/05/01	110
Minister for Health, Housing and Community Services Department of Education	Griffin Centre Redevelopment <ul style="list-style-type: none"> \$1.7 million to enlarge and refurbish the centre. 	25/05/01am	2 - 10
Minister for Health, Housing and Community Services Department of Education	Childcare <ul style="list-style-type: none"> Funding for a 90-place facility in Gungahlin to address the need for care in that area. 	25/05/01 am	15 – 25
Minister for Health, Housing and Community Services Corrective Services	ACT Prison Project <ul style="list-style-type: none"> Rengain report soon to be tabled – analysis on the best options for the new prison. 	25/05/01am	36 - 53
Minister for Urban Services ACTION Chief Minister ICRC Minister for Health, Housing and Community Services	Wheelchair accessible taxis <ul style="list-style-type: none"> Financial viability of Yellow Cab's raised (taken on notice) Anti-competitive nature of plate's distribution has not been investigated. 	14/05/01 18/05/01 23/05/01 25/05/01 pm	39 – 40 14 - 21 71-72 54-57
Minister for Health, Housing and Community Services Department of Health, Housing and Community Care	Methadone Program Funding <ul style="list-style-type: none"> Additional funding for 100 places. Program has been extended to include Buprenorphine 	25/05/01 pm	66 – 72
Minister for Health, Housing and	Indigenous Health	25/05/01 pm	77 – 80

Minister/Department	Major Issue	Date	Page
Community Services Department of Health, Housing and Community Care	<ul style="list-style-type: none"> Regional mental health plan launched in conjunction with Southern Area Health Service and the Indigenous community. 		
Minister for Health, Housing and Community Services Department of Health, Housing and Community Care	Public Housing <ul style="list-style-type: none"> Funding for additional housing specialists to link tenants with appropriate programs. 	25/05/01 pm	91 – 95 162 - 180
Minister for Health, Housing and Community Services Department of Health, Housing and Community Care	The Canberra Hospital funding <ul style="list-style-type: none"> Benchmarked against NSW teaching hospitals. Introduction of GP clinics in A&E to relieve pressure of non-urgent cases. 	25/05/01 pm	130 – 131 190 - 211
Minister for Health, Housing and Community Services Department of Health, Housing and Community Care	Nurses wages <ul style="list-style-type: none"> Discussions ongoing with TCH and Community Care nurses. 	25/05/01 pm	132 – 141
Minister for Health, Housing and Community Services Department of Health, Housing and Community Care	Legionella <ul style="list-style-type: none"> Reporting levels over 100 is now mandatory. 	25/05/01	151 – 158

Community group/union	Major Issue	Date	Page
Association of Parents and Friends of ACT Schools (APF ACTS)	Free school busses <ul style="list-style-type: none"> Supports the changes to the school bus system. Reporting on outcomes Common assessment processes <ul style="list-style-type: none"> Non-government schools should not be required to use the same assessment processes as government schools. Funding equity <ul style="list-style-type: none"> Gap between government and non-government schools widening. Reduced funding for students with special needs 	22/05/01am	1-10 2 2 2-3
ACT Shelter	Welcomes and spoke to the following measures: <ul style="list-style-type: none"> Community links program Crisis accommodation measure (safe overnight facility) Service capacity – funding for the SACS award. 	23/05/01am	11 – 21
Conservation Council, South-east region	Major concerns – <ul style="list-style-type: none"> Environmental budget did not keep up with inflation. 	23/05/01am	22 – 29

Community group/union	Major Issue	Date	Page
	<ul style="list-style-type: none"> • More needs to be done with less. • Gungahlin Drive extension. • More needs to be done to address patronage of busses to reduce the environmental impact of car usage. 		
ACT Downs Syndrome Association	More funding is needed to support community organisations that currently rely on fundraising.	23/05/01 am	30 - 41
Dr Ian Morgan	<ul style="list-style-type: none"> • Supports reduced class sizes. • Concerned that the free bus scheme was not in the draft budget, and the money would be better directed at schools. 	23/05/01	42 – 50
Australian Education Union ACT	<ul style="list-style-type: none"> • Schools are unsupported in terms of curriculum development. • Money for free bus scheme would be better spent in schools, particularly the non-government sector. • Teacher's IT equipment needs to be upgraded. 	24/05/01am	1-10
ACROD ACT	<ul style="list-style-type: none"> • Additional funding to the disability sector will primarily cover the impact of the GST and the SACS award, and funding to the non-government sector is not nearly enough. 	24/05/01	11-23
Hartley Life Centre		24/05/01	24-28
Health Care Consumers Association		24/05/01	29 - 37
Conrad Barr and Michael Cochrane, UFU		24/05/01	38 – 49
ACTCOSS	<p>Main issues:</p> <ul style="list-style-type: none"> • Level of funding to support the SACS award. • Proposed increase in bus fares. • Priority housing for those on low incomes. • Tendering and competitive environments in the community sector. 	24/05/01	50 - 58

Appendix 6 – Dissension from the 2001 Estimates Report by Jacqui Burke and Harold Hird

The Committee Chairman openly admitted that the draft document being considered by the Committee deliberately reflected his biased views.

The draft is blatantly political and contains many errors of fact. Since the majority of the Committee refused to accept our contributions, the Committee Chair has left us no option but to dissent totally from the report. In light of this refusal we will submit our own report direct to the Assembly.

Jacqui Burke MLA

8 June 2001

Harold Hird MLA

8 June 2001