



Legislative Assembly for the ACT

SELECT COMMITTEE ON ESTIMATES 2005-2006

## **Appropriation Bill 2005-2006**

JUNE 2005

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## Resolution of appointment

That:

- (1) a Select Committee on Estimates 2005-2006 be appointed to examine the expenditure proposals contained in the Appropriation Bill 2005-2006 and any revenue estimates proposed by the Government in the 2005-2006 Budget;
- (2) the Committee be composed of:
  - (a) two Members to be nominated by the Government;
  - (b) two Members to be nominated by the Opposition; and
  - (c) one Member to be nominated by the Crossbench;to be notified in writing to the Speaker by 4 p.m. today;
- (3) the Committee report by 21 June 2005;
- (4) if the Assembly is not sitting when the Committee has completed its inquiry the Committee may send its report to the Speaker or, in the absence of the Speaker, to the Deputy Speaker, who is authorised to give directions for its printing, publishing and circulation; 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.



## PREFACE

The Legislative Assembly for the ACT has had some form of budget estimates committee since the first Assembly. While the form and timing has varied, one thing has remained constant, that is, the intent of the estimates committee as a vehicle for scrutiny of Government revenue and expenditure estimates. With the first majority Government in the ACT this role remains just as important, if not more so.

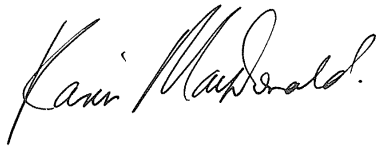
The true value of the estimates committee is in this scrutiny role. In the scrutiny of Ministers over the course of several weeks, Members of the Legislative Assembly, through the estimates committee hearings, are able to delve into the smallest level of detail in the budget to ensure that the public is receiving value for money in the provision of services. The nature of this scrutiny means that estimates committees tend to focus on matters that they believe are of concern to the community.

This is the first year for some time that a member of the Government has chaired the estimates committee. As Chair, I was also the only Member of the Committee with previous experience in the Assembly and specifically, as an estimates committee member. Learning the Assembly's practices in relation to estimates committees is not easy and I appreciate the efforts of my colleagues to participate in proceedings to the best of their abilities.

In any estimates process there is always a tension between the time available to pursue specific matters and allowing all Members to have a cross-section of their concerns raised during hearings. At times this has been difficult given the limited time available with Ministers and the desire of some to pursue considerable time on matters relating to individual constituent concerns.

I was conscious that the practice in the recent past has been to a non-Government Member to Chair the estimates committee, and always kept this in mind while trying to ensure that all Members of the Committee had a reasonable opportunity to question Ministers and officials.

I encourage *all* Members of the Assembly, the community and the media to engage in a rigorous debate regarding the budget and hope that the Select Committee on Estimates 2005-2006 has contributed to this debate in a productive way.

A handwritten signature in black ink that reads "Karin MacDonald". The signature is written in a cursive, flowing style.

Karin MacDonald MLA

Chair

June 2005

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## SUMMARY OF RECOMMENDATIONS

### RECOMMENDATION 1

2.27 The Committee recommends that the Government review stamp duty on commercial conveyances in light of the GST windfall gains.

### RECOMMENDATION 2

3.27 The Committee recommends that the Government undertake a whole-of-government review of the new budget performance measurement framework, including sustainability indicators, which includes a transparent and clear process for consultation.

### RECOMMENDATION 3

3.36 The Committee recommends that in future budgets where efficiency dividends are made that, where possible, the Budget papers clearly indicate the impacts of such savings on staffing levels, program delivery, policy development and other outputs.

### RECOMMENDATION 4

4.13 The Committee recommends that greater consideration be given to additional resourcing to implement the water conservation measures of Think Water Act Water once the review of the first year of the program is completed.

### RECOMMENDATION 5

4.41 The Committee recommends that, in future, the Women's Budget Statement cross-reference programs mentioned in the Statement to the relevant areas in the Budget Papers.

### RECOMMENDATION 6

4.42 The Committee recommends that, in future, the Women's Budget Statement include a fuller economic based gender analysis of the budget.

### RECOMMENDATION 7

5.11 The Committee recommends that the Government undertake an analysis of the impact of land rate increases on low-income households that are not recipients of income support (i.e. not pensioner concession recipients) before implementing the measure.

**RECOMMENDATION 8**

5.17 The Committee recommends that the Government adopt a systematic approach to asset management.

**RECOMMENDATION 9**

5.22 The Committee recommends that the Government affirm a commitment to providing accommodation for community organisations within the City West precinct and other inner city areas.

**RECOMMENDATION 10**

5.23 The Committee recommends that the Government table the Deed of Agreement with the ANU before the Assembly.

**RECOMMENDATION 11**

6.6 The Committee recommends that the Government provide additional funding to the Auditor-General's Office in line with the recommendation made by the Standing Committee on Public Accounts to the Treasurer in its letter of 24 March 2005.

**RECOMMENDATION 12**

6.11 The Committee recommends that the Government reassign from within the Budget \$129 000 for Legislative Assembly Secretariat staffing needs.

**RECOMMENDATION 13**

7.13 The Committee recommends that ACT Health urgently seek a ruling from the Australian Taxation Office to test the compliance of the current salary packaging arrangements within ACT Health.

**RECOMMENDATION 14**

7.26 The Committee recommends that the Government should re-assess how it calculates funding associated with responding to Inquiry Reports and ensure that it can demonstrate clear links between funding allocations and recommendations.

**RECOMMENDATION 15**

7.32 The Committee recommends that all accountability indicators involving client satisfaction measures recognise that a minimum of 90% is an appropriate target.

**RECOMMENDATION 16**

7.35 The Committee recommends that reducing the waiting period for autism assessments be adopted as an accountability indicator for Therapy ACT.

**RECOMMENDATION 17**

8.10 The Committee recommends that the Real-Time Information Service be deferred and that the funds be allocated to more urgent priorities.

**RECOMMENDATION 18**

9.30 The Committee recommends that the Government publicly release the report on the study into the ACT's future policing needs once it is completed.

**RECOMMENDATION 19**

10.23 The Committee recommends that the Appropriation Bill 2005-2006 be passed.



# 1 INTRODUCTION

- 1.1 The Select Committee on Estimates 2005-2006 was established on 7 April 2005 to inquire into and report on the 2005-2006 ACT Budget. On 3 May 2005 the Appropriation Bill 2005-2006 together with the Budget and relevant performance statements were referred to the Select Committee on Estimates 2005 to 2006 to examine the expenditure proposals and any revenue estimates proposed by the Government.
- 1.2 The Committee is required to report on or before 21 June 2005.

## Conduct of inquiry

- 1.3 The Committee sought public submissions through writing to relevant stakeholders and advertising in *The Canberra Times* and the *Chronicle* in April 2005. A total of two submissions were received and 13 groups addressed the Committee at public hearings. A list of submissions received and non-government organisations that appeared as witnesses are at Appendices A and B.
- 1.4 The Committee held public hearings from 16 May 2005 to 2 June 2005. In addition to community groups, the Committee examined all Ministers in their relevant portfolio areas. A list of agencies under each portfolio areas is at Appendix C.
- 1.5 All transcripts of evidence are available at [www.hansard.act.gov.au](http://www.hansard.act.gov.au); all answers to questions on notice will be tabled as volumes entitled *Supplementary Information*.



## 2 EVIDENCE RECEIVED FROM NON-GOVERNMENT ORGANISATIONS

2.1 The Committee received evidence from 13 groups and discussed the following issues.

### **ACT Disability, Aged and Carer Advocacy Service**

2.2 The ACT Disability, Aged and Carer Advocacy Service (ADACAS) addressed the Committee on 16 May 2005. The manager of ADACAS stated that the role of ADACAS is to assist people with a disability, people who are ageing, and their carers to speak about the things they need, and about their dreams and aspirations. Her presentation to the Committee was particularly concerned with representing the interests of people with a disability who face substantial communication difficulties and who have been labelled as having challenging behaviour.<sup>1</sup> On their behalf, she expressed concern that:<sup>2</sup>

- There needs to be ‘a values-based approach to providing service and support for all people with disability, not simply the easy ones, not simply the ones that we like to be near and around, but for those people whose communication and behaviour mechanisms seriously challenge us.’<sup>3</sup>
- The Government did not seem to be drawing on or investing significantly enough in emerging technologies that would allow these people to communicate and that there is now ‘substantial evidence base confirming that many people now labeled with seriously challenging behaviour can find ways to modify their behaviour if they get the right sort of compassionate, informed guidance’ with access to appropriate technology to assist them to communicate.<sup>4</sup>
- The Government and community ‘service response has been driven by a

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<sup>1</sup> Corrected proof transcript of evidence, 16 May 2005, p. 41

<sup>2</sup> *ibid.*, pp. 42-45

<sup>3</sup> *ibid.*, p. 42

<sup>4</sup> *ibid.*, p. 43-44

paradigm that is based on a notion that this group of people are unable or unwilling to control their behaviours.<sup>5</sup>

- Although there is evidence to suggest that housing these people with other people with challenging behaviours is inappropriate, it appears that this continues to be the Government's approach.

- 2.3 In relation to the last point, ADACAS is therefore particularly concerned about the \$1.66 million allocated in the Budget for building an Intensive Care and Treatment Facility and put to the Committee: 'how does it make any sense, with our current level of knowledge, to persist in surrounding people with challenging behaviours with other people with challenging behaviours' when there is evidence to suggest that providing skilled guidance in normal environments is likely to be more effective and pay dividends in the future.<sup>6</sup>
- 2.4 ADACAS expressed concerns that the construction of the facility would benefit its residents only during the period of their residence and do little to assist them after their return to the community.

## **ACROD Ltd – National Industry Association for Disability Services**

- 2.5 ACROD addressed the Committee on 16 May 2005 and expressed concern that resources are still not being allocated to disability services to match the vision and values jointly developed by the sector and the Government. The Committee notes that ACROD believes 'as essential that the ACT government have a transparent and well-publicised plan for meeting the expected expansion of need over the next five to 10 years, working with their community partners, our members, to successfully implement this plan'.<sup>7</sup>
- 2.6 The Committee notes ACROD's concern that the focus on Individual Support Packages may have come at the expense of some community organisations

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<sup>5</sup> *ibid.*, p. 42

<sup>6</sup> *ibid.*, p. 43

<sup>7</sup> *ibid.*, pp. 46& 49

who have not received increases in their block grant funding. ACROD believes there needs to be a commitment by Government to long term, measured growth funding to both community organisations and individuals.<sup>8</sup>

- 2.7 ACROD confirmed particular areas of priority need as: respite care for families with children; and young people with a disability currently living in nursing homes. ACROD also noted the plight of families that have been providing long-term care for family members.<sup>9</sup>

## ACTCOSS

- 2.8 The ACT Council of Social Service (ACTCOSS) addressed the Committee on 16 May 2005 and highlighted the following issues:<sup>10</sup>
- The failure of Government to provide the first instalment in its election commitment of \$10 million for social housing.
  - The delayed introduction, until 2006-2007, to changing the basis of indexation for funding community services.
  - The reduction in the community infrastructure grants program;
  - The inadequate provision of ICT funding for the sector.
  - A concern that Federal Government reforms to income support will increase the workload of community organisations in the ACT providing welfare services.
- 2.9 When questioned on the issue of funding additional social services, ACTCOSS indicated they would support a review of the territory revenue base, including increases in taxation.
- 2.10 In relation to the lack of additional funding for public housing, ACTCOSS identified that problems with the supply of affordable housing has flow-on effects across much of the social policy in the ACT. In particular, ACTCOSS stated: 'we repeatedly highlight the blockage in a lot of services, particularly

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<sup>8</sup> *ibid.*, pp. 47& 48

<sup>9</sup> *ibid.*, pp. 48-49

<sup>10</sup> *ibid.*, pp. 50-53

SAAP services, because there is nowhere for people to go to access affordable housing, whether that be in public housing or social housing.’<sup>11</sup>

## Conservation Council of the ACT

2.11 The Conservation Council of the ACT addressed the Committee on 16 May 2005. Issues raised with the Committee included:<sup>12</sup>

- Concern at the 6.6% cut to environment spending and the lack of detail about the impact of the potential cuts to programs.
- Concern at the lack of resourcing for measures to address climate change (for example insufficient funding for public housing energy efficiency programs and no further funding for the wood heater replacement program and rebates on solar hot water systems in 2005-2006).
- A concern that community groups being funded by Environment ACT may not be receiving a CPI increase in their funding for 2005-2006.

## ACT Shelter

2.12 ACT Shelter addressed the Committee on 16 May 2005 and expressed concern about the failure of Government to provide the first instalment in its election commitment of \$10 million for social housing. The Executive Officer noted the seriousness of this, given the undersupply in affordable housing in the ACT and that Supported Accommodation and Assistance Program services are already struggling to respond to the needs of people experiencing homelessness.

2.13 The Executive Officer noted that because there is a lack of affordable housing for people to move on to, many people are ‘stuck’ in SAAP services and services are having to turn other people away because they are full. The Committee notes that ACT Shelter believes that this represents a poor use of resources: ‘the resources in SAAP services are very extreme and intense; they are for people in crisis and in transition, so, if you have people unnecessarily in

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<sup>11</sup> *ibid.*, p. 51

<sup>12</sup> *ibid.*, pp. 54-57

that level of intense support, arguably you are not using public money as effectively as you would want to see it used.’ ACT Shelter urged the Committee to recognise the social and economic impact of people not being able to access secure, affordable housing includes not being able to deal with life issues and being very vulnerable.<sup>13</sup>

2.14 Other issues canvassed with the Committee included:<sup>14</sup>

- The ACT Home Loans Portfolio – ACT Shelter would like to see an annual review of the Portfolio with funds released annually for public housing.
- The \$20 million (over four years) allocation in 2004-2005 to Housing ACT – ACT Shelter noted that while ostensibly \$5 million is allocated each year, \$5.9 million was lost in GST compensation funding resulting in a net loss of funding of \$0.9 million per annum in real terms.
- ACT Shelter highlighted that although the Government had responded on two occasions to the recommendations of the Affordable Housing Taskforce, that they were still to develop an implementation strategy.
- Strategies to influence the private market so that it provides affordable housing.
- Whether the sliding scale in land tax is delivering affordable housing.
- The appropriateness of the joint partnerships decommissioning Currong apartments and whether the community is receiving the best return on this important inner city asset.

2.15 The Committee notes the response of the Executive Officer to the related issues of whether access to public housing should be denied at certain income levels and the impact of ‘market renters’ (those who because of their higher income levels pay a market rent and do not receive a rebate) on the sustainability of public housing:

...as a result of declining commonwealth funding and the targeting policies of mainly the federal government but influencing the states and territories—all states and territories are targeting now—the financial viability of housing authorities around Australia is seriously at risk...There’s no capacity with a

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<sup>13</sup> *ibid.*, p. 58

<sup>14</sup> *ibid.*, pp. 58-60

high percentage of rebated renters to cross-subsidise from the market renters, which keeps the housing authorities viable, which actually gives you a sustainable public housing entity.<sup>15</sup>

## Mental Health Community Coalition

- 2.16 The Mental Health Community Coalition addressed the Committee on 16 May 2005.
- 2.17 The Coalition expressed disappointment with the budget and believes that it does not provide 'sufficient funding to support the implementation of the ACT Mental Health Strategy and Action Plan.' Drawing on evidence from the Paterson report of 2002, '*Out of hospital, out of mind!*' from the Mental Health Council of Australia in 2003, and another report that will be published in June of this year, called '*not for service*', a joint report from the Mental Health Council of Australia and the Human Rights Commission, the Coalition identified that 'one of the most basic and important issues that we have for people with a mental illness is not only that they have accommodation but that they also have accommodation that is suitable, that is appropriate and that is permanent'. The Coalition noted that the lack of affordable housing in the ACT and declining access to public housing is having a particularly harsh impact on people with mental health issues.<sup>16</sup>
- 2.18 In addition the Coalition identified a number of priority areas of need for people with a mental health issue, including:
- Access to rehabilitation, training and employment.
  - Education to address stigma and employer attitudes.
  - 'Access to free health care, dental services and, most importantly, psychological services.'<sup>17</sup>
- 2.19 In response to questions from Members, the Coalition indicated it would like to see the parameters changed so that the Crisis Assessment Team (CAT) can

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<sup>15</sup> *ibid.*, pp. 60-61

<sup>16</sup> *ibid.*, p. 64

<sup>17</sup> *ibid.*, p. 64

respond to a broader range of situations and not just to a suicide or threat of immediate harm.

## **Friends of the ACT Library Service**

2.20 The Friends of the ACT Library Service addressed the Committee on 23 May 2005. Matters raised included:<sup>18</sup>

- The adequacy of public transport and access to the new Civic library.
- A call for additional resources for the new Kippax library and increased acquisitions across the Service.
- Customer satisfaction with the Service, including areas for improvement.

## **Master Builders Association**

2.21 The Master Builders Association addressed the Committee on 23 May 2005. Issues raised with the Committee included:<sup>19</sup>

- Recurring underspends in the capital works programs and their impact on the sector.
- The inadequate level of economic and population growth in the ACT.
- The need to focus on training local tradespeople in the ACT, with different strategies for individual trades.
- The need for better cooperation between key agencies such as the Land Development Agency, ACTPLA and Urban Services.
- Concerns over the impact on the business and investment community due to planning delays.

## **Canberra Business Council**

2.22 The Canberra Business Council addressed the Committee on 23 May 2005 and the discussion focused on the key economic issues they see currently facing the ACT, namely, skills shortages, slow population growth, infrastructure

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<sup>18</sup> Corrected proof transcript of evidence, 23 May 2005, pp. 524-527

<sup>19</sup> *ibid.*, pp. 528-532

requirements and tourism.<sup>20</sup> Matters discussed under these areas included:<sup>21</sup>

- The need for increased expenditure on capital and infrastructure (particularly those relating to water).
- The need for a new convention centre rather than an upgrade to the existing centre.
- Lost opportunities to reduce taxes and charges in the ACT.

## Australian Education Union

2.23 The Australian Education Union (AEU) addressed the Committee on 23 May 2005. While the AEU noted positive areas in the budget (such as the 17% increase in applications for employment in the Department of Education and Training as a result of effective wage negotiations last year), areas of concern included:<sup>22</sup>

- The impact in the ACT of education and training policies of the federal government.
- The lack of additional funds for high school support positions;
- Insufficient funding for curriculum reform.
- The impact of staff reductions in the Department which is considered by the AEU to be a fairly 'lean and mean operation'.
- The lack of funding for year 12 fees for students attending the Canberra Institute of Technology.

## Gungahlin Community Council

2.24 The Gungahlin Community Council addressed the Committee on 23 May 2005. Matters discussed included the establishment of indicators that enable comparisons across the ACT of:

- community resources and infrastructure; and

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<sup>20</sup> Corrected proof transcript of evidence, 23 May 2005, p. 533

<sup>21</sup> *ibid.*, pp. 534-536

<sup>22</sup> *ibid.*, pp. 537--539

- business and office development.<sup>23</sup>

2.25 In raising this proposal with the Committee the Council representative stated:

...I believe that there has been a fundamental change in the idea of Canberra away from what I thought was a series of town centres. Again I think that this whole business of getting some indicators might help highlight what is going on. Do we really want to have a central business district? I do not think we do. We can still make Civic lively and useful and good for tourists and a supplement to the parliamentary triangle, but we do not have to put all the jobs here.<sup>24</sup>

## ACT Division of the Property Council of Australia

2.26 The ACT Division of the Property Council of Australia addressed the Committee on 23 May 2005. The key issue raised with the Committee was the impact on business of Territory taxation and the GST.<sup>25</sup> The Property Council stated:

- the need to adhere to the 1999 agreement to eliminate taxes given that GST revenue is now sufficient to cover their removal; and
- stamp duty on commercial conveyances is the most important tax to be removed because it is the most inefficient and there is a federal guarantee to underwrite the revenue if it occurs now.<sup>26</sup>

## RECOMMENDATION 1

2.27 **The Committee recommends that the Government review stamp duty on commercial conveyances in light of the GST windfall gains.**

## St Vincent de Paul Social Justice Committee

2.28 The St Vincent de Paul Social Justice Committee addressed the Committee on

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<sup>23</sup> *ibid.*, pp. 541-542

<sup>24</sup> Corrected proof transcript of evidence, 23 May 2005, p. 544

<sup>25</sup> *ibid.*, p. 546

<sup>26</sup> *ibid.*, pp. 546-547

23 May 2005 in relation to their ministry to the poor and the homeless.<sup>27</sup>

Matters raised with the Committee included:<sup>28</sup>

- Significant concern about decreasing public housing stock, particularly housing available to those on high priority waiting lists.
- A lack of Government funding commensurate with the objectives and vision of the Government's homelessness strategy.

2.29 In response to a question regarding observations on the situation for those in need, the Secretary of the St Vincent de Paul Social Justice Committee replied that based on the raw figures the Society has, they are seeing a progressive deterioration over the past few years, but noted that this varied given the season with demands rising in winter.

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<sup>27</sup> *ibid.*, p. 551

<sup>28</sup> *ibid.*, p. 551-552

### 3 GENERAL ISSUES

#### Budget priorities

- 3.1 The Committee notes that while the Government expects the Budget to remain in surplus or balanced over four years, the deficit for 2005-2006 is estimated to be \$91.5 million. The Government said that the decision-making on priorities for this year's Budget has been affected by the cumulative effect of the Government responding to three major reports – the Gallop Report on Disability Services, the McLeod Report on the response to the 2003 bushfire, and the Vardon Report on child protection. The Government has estimated that the aggregate cost of implementing the recommendations in these reports is \$274.7 million over 2002-2003 to 2008-2009.<sup>29</sup>
- 3.2 In answer to a question on notice, the Government gave the breakdown of the figures as: Gallop report - \$75.7 million; Vardon report - \$154.3 million; and the McLeod report \$44.7 million.<sup>30</sup>
- 3.3 The Committee recognises that these exceptional situations have resulted in some unexpected expenditure. Nonetheless, when such situations arise in a period of continued economic growth, it is incumbent on governments to redouble their efforts to find savings in other outlays in order to protect the budget bottom-line.
- 3.4 The Committee notes that the spending of more than \$680 million<sup>31</sup> over budget over the past four years and that continuation of this pattern will present significant problems for the Territory. The Committee encourages the Government to reduce low-priority spending if it is to continue to embrace new and high priority spending initiatives.

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<sup>29</sup> QON no. 36

<sup>30</sup> *ibid.*

<sup>31</sup> Consolidated Annual Financial Statements, 2001-2002, 2002-2003, 2003-2004, Budget Paper 3, 2005-2006

- 3.5 The Committee does not dispute the need or legitimacy for expenditure in the above areas and accepts that any budget process requires the prioritisation of spending and that this is a difficult process. There is no simple formula that will deliver an equitable distribution of funding and it is inevitable that subjective assessments must be made about the relative worth of one area of expenditure over another.
- 3.6 However, the Committee notes that the Budget contains a number of areas where election commitments by the Government have not been met. Perhaps the most obvious and significant of these is the failure to provide an additional \$10 million for social housing in 2005-2006. Another unmet commitment is the lack of forward measures to meet the election promises of \$8 million towards energy efficiency improvements in public housing and government buildings.
- 3.7 When asked by the Committee about relative priorities in the Budget, the President of St Vincent de Paul Social Justice Committee noted:
- ...there are areas which have been given a priority in the budget involving recreational activities, for example, which are important in themselves, but which seem to indicate an incorrect priority. We see that the needs of these people that we see day to day are far greater than the needs for certain large expenditures on sporting facilities.<sup>32</sup>

### **Forecasting accuracy**

- 3.8 A key issue raised with the Treasurer was the extent to which the Committee and the community could feel confident about the forecasting accuracy within the Budget. It was noted that there have been, over the years, significant variations in both revenue and expenditure. In responding to this issue the Treasurer reminded the Committee it was important to consider the impact of significant unexpected and/or 'catastrophic' events such as those that have occurred in the past few years in the ACT. The Minister and officials also noted:
- it is not uncommon in other jurisdictions for there to be substantial differences between forecast and actual revenue;

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<sup>32</sup> Corrected proof transcript of evidence, 23 May 2005, p. 553

- the last Commonwealth budget had a significant revision of its taxation revenue;
- Treasury undertakes robust econometric modelling and it is often more accurate than other private sector forecasts; and
- supplementary appropriations, like the budget, are all subject to scrutiny by the Assembly.<sup>33</sup>

3.9 The Committee notes that when unforeseen events occur that it is desirable that Government consider deferring lower-priority expenditure. The Committee further notes that the process of scrutiny by the Assembly needs to be viewed in light of the fact that the Government has an absolute majority.

## Changes in the Budget presentation

3.10 As forecast in last year's budget papers, there were significant changes to the 2005-2006 Budget presentation with the introduction of a new performance measurement framework and changes to the financial statements.

3.11 In assessing the relationship between past and planned programs and expenditure, the lack of clarity in the Budget documents, together with frequent changes in the way expenditures are presented, makes the task more difficult than it should be. There is no doubt that the Committee would have been assisted by the inclusion in future Budget documents of tables of such comparable information, as is common practice in the budget documents of the States and the Commonwealth. A good example is contained in Commonwealth Budget Paper No. 1, which each year provides comparable data on expenditure and revenue (among other things) over a period of about 25 years.<sup>34</sup>

3.12 The Budget documents should allow the reader to see, at a glance, comparisons of performance and expenditure over time, so that informed judgements can be made about usefulness of public expenditure from a community – as distinct from government – perspective. Clarity of the Budget

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<sup>33</sup> Corrected proof transcript of evidence, 17 May 2005, pp. 119-124

<sup>34</sup> See Statement 13: Historical Australian Government Data, Budget Paper No. 1 2005-2006. p. 1-13.

would be improved if there were greater stability in the presentation of Budget estimates. Shifts of allocations between, and within, portfolios complicate the task of analysing trends in estimates, especially of expenditure and have the effect of reducing disclosure and accountability.

- 3.13 Last year's estimates committee commented on the discussion paper foreshadowing these changes 'Framework for future budget presentation: discussion paper'. While welcoming the intention of Government to incorporate triple bottom-line/sustainability reporting, that Committee was concerned that the document did not include a consultation framework, that is, it did not outline in any meaningful or detailed way processes or timeframes for consultation. When questioned on this matter the Treasurer 'could give no indication regarding what consultation he would be undertaking other than advertising.'<sup>35</sup>
- 3.14 Accordingly, last year's Committee specifically recommended that the Government develop a consultation framework for the Supplementary Budget Paper and present this to the Assembly as soon as possible. The Government's response to this recommendation stated that:
- A consultation plan for incorporating Triple Bottom-Line/Sustainability in Budget Papers is being developed, and once completed, will be provided to the Legislative Assembly.<sup>36</sup>
- 3.15 This Committee notes that a paper was prepared and delivered to Members of the Assembly in February 2005 seeking their input on the development and implementation of the new framework by February 2005. It is the Committee's view that the paper to Members this year, while useful, again did not provide an overall consultation framework.
- 3.16 The Committee also notes that the covering letter for the paper stated that the Government had 'received no feedback from MLAs' on its previous discussion paper.

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<sup>35</sup> See Select Committee on Estimates (Fifth Assembly) *Appropriation Bill 2004-2005*, June 2004, paras 2.13 – 2.18.

<sup>36</sup> Government Response to the Select Committee on the Inquiry into the Appropriation Bill 2004-2005, 29 June 2004, p. 5

- 3.17 While it may technically be the case that individual MLAs did not provide feedback, collectively, through the estimates committee, they did. This is both in the form of the specific recommendation noted above regarding the need to develop a proper consultation framework and other recommendations about performance measures both generally and relating to specific portfolios.
- 3.18 It should further be noted that throughout this and previous estimates processes, Members provide feedback throughout the hearings on performance measures. The nature of questioning during these hearings is in itself feedback on the form, accessibility and meaningfulness of the Budget and performance measures.
- 3.19 The Committee also notes that Treasury's 'An Overview of the Territory's Budget – prepared for 2005-2006 Budget Consultation' states:
- Extensive consultation on the development of the framework will be undertaken with the Legislative Assembly, business and community groups, peak bodies, and the wider community in the lead up to, and beyond, the 2005-2006 Budget. A series of further discussion papers are to be released for comment and input from the Legislative Assembly and the community. Individual government agencies will also consult with their stakeholders and service users to determine their information needs and performance measures.
- 3.20 In a question on notice to the Treasurer, the Committee asked for evidence of stakeholder involvement in the development of the new performance measurement framework, specifically the engagement of the general community and target groups.
- 3.21 The Committee notes the Treasurer's response that:
- ...during the 2005-2006 Budget Consultation process, the Government sought the input of the broader community on a range of issues including the adoption of Triple Bottom-Line reporting. Several submissions received from the community addressed the adoption of Triple Bottom-Line reporting in the ACT. These comments were supportive of an approach which will involve stakeholders in the ongoing development of performance indicators.
- It is acknowledged that stakeholder involvement in the absence of a well-developed framework is often difficult. It was considered that the development and implementation of revised performance indicators would provide stakeholders with a better basis for providing input.

Individual agencies will continue to manage consultation with relevant stakeholders and are committed to obtaining input and feedback through existing mechanisms.<sup>37</sup>

- 3.22 In the Committee's view, statements that consultation will be occurring do not constitute a consultation framework. While it is clear that Treasury is consulting with its public service stakeholders, the Committee is not confident that other relevant stakeholders are being proactively engaged in this discussion. Further, while the Committee notes that some Chief Executives indicated a willingness to consult with the stakeholders relevant to their portfolio, there is insufficient evidence that this is occurring in a systematic way across Government.
- 3.23 The Committee believes that the Government could produce a short, simple document that:
- lists previous discussion papers and other relevant documents (noting where they can be accessed);
  - poses a number of open-ended questions in relation to the new performance management framework and/or clearly identifies issues the Government is seeking input on; and
  - provides definite timeframes for providing feedback.
- 3.24 Indeed, the Committee notes that the requirements above are consistent with the Government's own protocols for community engagement.<sup>38</sup>
- 3.25 This could be done either on a whole-of-government basis or agency by agency. The advantage of a whole-of-government approach is that it will be more likely to provide scope for holistic measures across agencies and to avoid sectoral indicators. If done on the latter basis, the documents could be posted on the central community consultation part of the Government's website. Interestingly the Committee notes that, although there are a number of matters out for consultation at the time of finalising this report, there were no projects listed for consultation, under any portfolio area, on this central site.<sup>39</sup>

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<sup>37</sup> QON No. No. 119

<sup>38</sup> See <http://www.cmd.act.gov.au/community/consult/protocol/index.html>

<sup>39</sup> <http://www.consultation.act.gov.au/public/topiclist.asp> accessed 13 June 2005

- 3.26 In the absence of any clear consultation framework, organisations and persons wishing to provide feedback have no clear pathway in which to participate. The Committee notes that this is not an effective way to engage with the community.

## RECOMMENDATION 2

- 3.27 **The Committee recommends that the Government undertake a whole-of-government review of the new budget performance measurement framework, including sustainability indicators, which includes a transparent and clear process for consultation.**

## Implementation of the efficiency dividend

- 3.28 The Committee canvassed with all portfolio areas how the efficiency dividend and resulting savings measures were being implemented, particularly in relation to the impact on staffing levels and program delivery.
- 3.29 The Chief Minister indicated to the Committee that the general approach across all portfolios was to seek a 5% saving. However, some areas within portfolios are excluded from this i.e. while portfolios as a whole must seek to find 5% in savings this is not being distributed equally across the areas under those portfolios.<sup>40</sup>
- 3.30 The Committee notes that job losses will only be occurring through natural attrition and voluntary redundancies. The Minister for Industrial Relations confirmed that there would be no involuntary redundancies within the public service as a result of savings measures.<sup>41</sup>
- 3.31 The Committee raised with Ministers a concern that employees taking redundancy packages might then be re-employed, at a higher salary, as consultants shortly after their redundancy. The view was expressed that such a practice may not result in any real saving to the taxpayer.
- 3.32 In response to this issue, the Treasurer said he would defer to the Chief

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<sup>40</sup> Corrected proof transcript of evidence, 16 May 2005, p. 3

<sup>41</sup> Corrected proof transcript of evidence, 30 May 2005, p. 991

Minister and the Commissioner for Public Administration about the appropriateness of such a practice under public service guidelines. The Treasurer indicated it was possible to imagine there could be occasions when the re-employment of someone under those circumstances, for a short period of time, was cost-effective.<sup>42</sup>

3.33 The Committee queried Ministers and their departments about the creation of more permanent part-time positions as a mechanism for both providing savings and delivering on commitments to assist with family and work balance. It was noted that many employees are seeking permanent part-time positions in order to balance better home and work commitments.

3.34 The Committee notes that some agencies, such as the Department of Disability, Housing and Community Services and ACTION Authority appear to have a significant number of permanent part-time employees.<sup>43</sup> It was encouraging that Ministers and Chief Executives indicated their willingness to investigate further the option of advertising positions so that they are open to part-time applicants (in addition to the current practice of offering existing employees part-time work).

3.35 Across a number of portfolio areas the Government has repeatedly given a commitment that the efficiency dividend will not result in any cuts to services, particularly with regard to social services.

### RECOMMENDATION 3

3.36 **The Committee recommends that in future budgets where efficiency dividends are made that, where possible, the Budget papers clearly indicate the impacts of such savings on staffing levels, program delivery, policy development and other outputs.**

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<sup>42</sup> Corrected proof transcript of evidence, 18 May 2005, pp. 171-173

<sup>43</sup> See for example corrected proof transcript of evidence, 20 May 2005, p. 370

## 4 CHIEF MINISTER'S DEPARTMENT

4.1 The Committee examined the portfolio areas that sit within the Chief Minister's Department (CMD) over several days (see Appendix C). The discussion that follows outlines those areas considered during the hearings.

### Chief Minister's Department

4.2 The Committee examined the Chief Minister on overview issues related to CMD on 16 May and continued this examination, including examination of ACTEW Corporation and Arts and Heritage, on 2 June 2005.

4.3 Matters examined by the Committee and other Members in attendance included:

- The savings target and its distribution within CMD (\$3.4 million with approximately 50% from 'central' CMD and the rest from environment, arts and heritage).<sup>44</sup>
- Current and future levels of funding for the Canberra International Arboretum.<sup>45</sup>
- Consultation, costs and timeframes for the works associated with the development of the Belconnen Arts Centre, the Kingston Powerhouse Glassworks Facility and Glass Art Museum and the ACT Dragway.<sup>46</sup>
- The feasibility of Government ownership of its own office buildings.<sup>47</sup>
- The role of The Canberra Plan in strategic policy development for the Territory.<sup>48</sup>
- The purpose of and funding for the Community Inclusion Board and Fund – in particular its role versus the role of public sector agencies working with

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<sup>44</sup> Corrected proof transcript of evidence, 16 May 2005, p. 3

<sup>45</sup> *ibid.*, pp. 22-25

<sup>46</sup> *ibid.*, pp. 13-20

<sup>47</sup> *ibid.*, pp. 21-22

<sup>48</sup> *ibid.*, pp. 26-27

the community.<sup>49</sup>

- The role of, and staffing levels in, the strategic implementation and projects area.<sup>50</sup>
- The treatment of a constituent's concerns by the Office of the Chief Minister, particularly whether information had been inappropriately disclosed to third parties.<sup>51</sup>
- Expenditure on advertising by CMD.<sup>52</sup>
- The testing, introduction and evaluation process planned for the Human Resource Information Management System, with officials explaining that the Perspect replacement will go live on 1 July 2005 with the expectation that additional modules will become operational later on during the 2005-2006 financial year.<sup>53</sup>
- Rollover of funds for the proposed Tree Top Walk.

4.4 The Committee sought a full explanation as to the rationale for the approach taken to the Cotter revegetation, in particular the extent to which native reforestation was considered. The Committee was advised that large-scale replanting of natives was evaluated as being unsuitable on two counts; firstly, cost; and secondly, the impact of pine wilding and the associated cost of removing them. The Committee notes that:

- this issue was the subject of considerable debate in the non-urban study by experts in the field;
- the appropriateness of pines, natives and grassland were all considered; and
- key issues were controlling erosion, maintaining water quality and cost.<sup>54</sup>

4.5 The Committee notes that the work in rehabilitating the Cotter catchment is a significant and massive task and is a learning experience across agencies. In light of that, there is a need for a review of the progress and means of the

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<sup>49</sup> Corrected proof transcript of evidence, 16 May 2005., pp. 27-31

<sup>50</sup> *ibid.*, p. 31

<sup>51</sup> *ibid.*, pp. 6-10 and correspondence from the Chief Minister received 19 May 2005

<sup>52</sup> Corrected proof transcript of evidence, 2 June 2005, p 1126 and QON No. No. 257

<sup>53</sup> *ibid.*, pp. 1127-1128

<sup>54</sup> Corrected proof transcript of evidence, 16 May 2005, pp. 32-33

rehabilitation be reviewed by the end of 2005, including scope for public and scientific input.

- 4.6 A number of issues were raised in relation to greenhouse measures and broader energy and water policy issues. In particular the Committee notes:
- ‘The Government is committed to doing whatever it possibly can’<sup>55</sup> on taking the lead on energy use.
  - Officials clarified the extent of work to date on the Government’s election commitment to develop an energy policy which is at an early stage. The Committee is pleased that work on this policy has progressed and requests that the Government outlines the intended process and direction of the energy policy as soon as possible.
  - the Government is looking to review the first year of the Think Water, Act Water strategy.<sup>56</sup>
- 4.7 The Committee sought clarification on the Government commitment to fund energy efficiency measures in ACT public housing and Government buildings. The Committee notes the Government made an election commitment to spend \$5 million on energy efficiency measures in ACT schools. In addition to this the Government made an election commitment to spend \$4 million on energy efficiency in ACT public housing. The budget only allocates \$1 million in 2005-06 to this program.<sup>57</sup>
- 4.8 The Committee is disappointed that these promises have not been implemented particularly as in turn they provide a social good by reducing the energy bills of ACT public housing tenants and in the long run will save the Government expenditure by reduced energy costs in ACT government buildings.
- 4.9 There was considerable interest in the progress on the Think Water, Act Water strategy. ACTEW informed the Committee that while it was responsible for implementing particular measures of the strategy such as the indoor and

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<sup>55</sup> Corrected proof transcript of evidence, 16 May 2005, p. 37

<sup>56</sup> *ibid.*, pp. 36-38

<sup>57</sup> Corrected proof transcript of evidence, 20 May 2005, p. 391

outdoor tune-up programs and the shower head rebate it is the Government that reports on the overall implementation of the plan.<sup>58</sup>

- 4.10 The Committee sought clarification on how levels of funding to implement the strategy had been determined and in particular which of the measures proposed by the Institute for Sustainable Futures were being implemented and why others were not.
- 4.11 The Committee was disappointed to find significant funding cuts and a total overall yearly reduction to the implementation of the Think Water, Act Water Strategy.
- 4.12 Information provided to the Committee indicates that over \$300,000 has been cut from the forward estimate of \$2.428 million in 2005-06 to \$2.018 million in 2005-06. This in turn is a reduction on the program allocation of 2004-2005 -- which was \$2.071 million.<sup>59</sup> The cuts were explained as a result of "efficiencies achieved in the first year of implementation". The Committee was pleased to be informed that the Government is looking to review the first year of the Think Water, Act Water strategy, and trusts that this review will occur as a matter of priority.

#### RECOMMENDATION 4

- 4.13 **The Committee recommends that greater consideration be given to additional resourcing to implement the water conservation measures of Think Water Act Water once the review of the first year of the program is completed.**
- 4.14 There was considerable discussion about the number of staff in, and the role of the communications area in CMD as well as across the public service. The Committee notes:
- the communications area in CMD has expanded in terms of its role and therefore increased its staffing levels;
  - the Executive Director of this area meets regularly with communication teams across the public service;

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<sup>58</sup> Corrected proof transcript of evidence, 2 June 2005, pp. 1097-1099

<sup>59</sup> QON No.s 25 and 44

- the key role of communication teams within department is public relations (particularly the preparation of departmental publications and communications materials more broadly); and
- the communications area of CMD has established links with Arts ACT (which is part of CMD) and is in the early stages of developing its own relationship with the Cultural Council.<sup>60</sup>

4.15 The Committee expresses concern at the growth in numbers in the Communications Unit at a time when the Government is calling for restraint in spending.

## ACTEW Corporation

4.16 Matters examined by the Committee and other Members in attendance included:

- The role of ACTEW in relationship to, and as distinct from, the joint venture ActewAGL.<sup>61</sup> The Committee expresses concern about the operational costs of ACTEW as a distinct entity.<sup>62</sup>
- The status of the Future Water Options report to Government with the Chief Minister noting that he is seeking additional advice on the report and hopes to be able to respond to it by around September 2005. ACTEW noted that although their recommendation to Government was to build a weir at Angle Crossing, until Government makes a decision, they were still investigating work on other options (such as the large Cotter Dam, Tennant Dam options).<sup>63</sup> Some members expressed concern that delaying these major infrastructure decisions will result in a considerable escalation in costs.
- The extent of ACTEW's contribution to the community through support for organisations, events and initiatives.<sup>64</sup>

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<sup>60</sup> Corrected proof transcript of evidence, 2 June 2005, pp. 1125 - 1134

<sup>61</sup> *ibid.*, pp. 1102-1103

<sup>62</sup> *ibid.*, p. 1107

<sup>63</sup> Corrected proof transcript of evidence, 2 June 2005, pp. 1105-1107

<sup>64</sup> *ibid.*, pp. 1113-1114

- ACTEW's work in identifying opportunities to increase sustainable water use including recycling and the work of the collaborative cross portfolio group developing a scheme for submission under the Australian Water Fund.<sup>65</sup>

- 4.17 A key issue discussed was ACTEW's role in, and the impact of, the Government's measures to reduce water use.<sup>66</sup> As indicated earlier ACTEW clarified that they are responsible for implementing aspects of the Think water Act Water Strategy. However, the Chief Minister stated that in regard to water issues broadly ACTEW provides the Government with advice on these matters although it then up to the Government to make the policy decisions.<sup>67</sup> The Committee is respectful of the important input that ACTEW can provide into water policy debates, however the Committee notes the inherent conflict between ACTEW's role as the principal water supplier and their role in providing policy advice.
- 4.18 The Committee is of the opinion that an organisation independent of ACTEW should have responsibility to provide strategic policy advice to Government that takes into account environmental and social policy advice.
- 4.19 A number of issues in relation to water restrictions were discussed. In regard to the role of restrictions versus subsidy schemes, the Chief Minister noted that the latter's key purpose is behavioural and attitudinal change and that the Government will not 'buy water restrictions through subsidy schemes'. On the matter of whether there ought to be permanent water restrictions, ACTEW advised the Committee of their understanding that Think Water, Act Water required a reconsideration of appropriate base water conservation measures and they have provided advice to Government on this issue.<sup>68</sup>
- 4.20 Another issue raised with ACTEW was water pricing and where they differ in view from the Independent Competition and Regulatory Commission (ICRC). The Committee notes ACTEW's concern about the regulator's approach to

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<sup>65</sup> *ibid.*, p. 1098

<sup>66</sup> *ibid.*, pp. 1097-1099

<sup>67</sup> *ibid.*, p. 1112

<sup>68</sup> *ibid.*, pp. 1098-1104

pricing, which instead of being a risk-based approach that routinely incorporates the risk of reduced water consumption through restrictions, is compensation based, that is, when ACTEW does lose revenue through restrictions they are subsequently compensated, in part, in that their weighted average cost of capital is met. For consumers this means that although they have reduced their water use, they end up paying more for water in subsequent years – even though they may still potentially be using less. The Committee also notes ACTEW's contention that their assets are seriously undervalued by the regulator and the impact this has on their profits through a lower overall return figure and consequently lower price of water.<sup>69</sup>

- 4.21 The Government confirmed during hearings that it has sought and received advice on the legality of the water abstraction charges (WAC). The Committee also discussed the WAC with the ICRC who confirmed that it was not an excise, but was a legal charge 'insofar as it reflected the cost of the services for the catchment management and so forth.'<sup>70</sup> The Committee notes, however, the legal advice received by the ICRC stating that it could be possible for the WAC to be considered an excise should it be set at a suitably high level or if the level was 'driven by considerations of public policy which were not connected to charging for the value of the good.'<sup>71</sup> The Chief Minister was requested to provide legal advice that he had received on the WAC, however did not.<sup>72</sup>
- 4.22 Catchment management was discussed at some length with the Chief Minister noting that the Government has established a Catchment Management Group, which has an independent chair and includes members from land management agencies and ACTEW. In response to questioning as to the administrative arrangements for catchment management, the Chief Minister indicated he was willing to consider whether the Group is the best ongoing arrangement.<sup>73</sup>

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<sup>69</sup> Corrected proof transcript of evidence, 2 June 2005. pp. 1114-1115

<sup>70</sup> Corrected proof transcript of evidence, 17 May 2005. p. 157

<sup>71</sup> QON No. No. 17, advice dated 1 August 2003, para 52

<sup>72</sup> QON No. 266

<sup>73</sup> Corrected proof transcript of evidence, 2 June 2005, pp. 1110-1112

## Heritage and the Arts

4.23 Matters examined by the Committee and other Members in attendance included:

- The expertise and experience of the appointed members of the Heritage Council (the nine member's expertise is architecture, landscape architecture, Aboriginal community, history and community, ACT Property Council, engineering, Aboriginal archaeology, natural heritage and historic archaeology).<sup>74</sup>
- Clarification on the operation of section 54 of the Heritage Act 2004 concerning restricting information and its potential application to Aboriginal sites and also other natural sites.<sup>75</sup>
- Funding for five different short film festivals in the ACT and whether this was a strategic and efficient approach to supporting the sector.<sup>76</sup>
- The impact of savings measures on the Heritage Unit with confirmation that while the grants program has not been cut, staffing is reduced, and workload has grown due to the introduction of new legislation.<sup>77</sup>
- Clarification was sought that the staffing cuts would not impact on the implementation of the new heritage legislation, which would entail additional resources. The Department advised that in the interim, other projects were being put on hold so to provide additional staff resources to the Heritage Unit to assist with the new legislation.<sup>78</sup>

4.24 Issues in relation to a particular individual were raised with the Minister and Heritage officials. These issues were also raised during hearings with other Ministers. Some members chose to raise the case of this individual to highlight what they perceived to be inadequacies with planning processes, in particular,

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<sup>74</sup> Corrected proof transcript of evidence, 2 June 2005, p. 1130

<sup>75</sup> *ibid.*, pp. 1130-1131

<sup>76</sup> *ibid.*, p. 1139

<sup>77</sup> *ibid.*, p. 1138

<sup>78</sup> *ibid.*, p. 1132

the timeliness and closure of decision making, the involvement of stakeholders and the interface between Heritage and Planning officials.<sup>79</sup>

## Environment portfolio

4.25 The Committee examined the Minister for Environment and the departments and agencies under this portfolio area<sup>80</sup> on 23 May and 1 June 2005.

### Environment ACT

4.26 Matters examined by the Committee and other Members in attendance included:

- The rationale behind the decision for no new programs this financial year and the impact of budget cuts on program administration.<sup>81</sup>
- The issue of groundwater bores, including funding under capital works.<sup>82</sup>
- The extent of indigenous engagement and employment in environmental management in the ACT.<sup>83</sup>
- The impact of the drought on urban trees and the Government's approach to preventative maintenance and watering.<sup>84</sup>
- The Government's decision-making process on the longer-term and more costly options regarding the ACT's water.<sup>85</sup>
- The restoration and ongoing management of the Cotter Catchment including the impact of roads on the Catchment and the secondary issue of the balance between native and pine re-planting.<sup>86</sup>
- The rationale behind the discontinuation of the wood heater rebate.<sup>87</sup>

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<sup>79</sup> Corrected proof transcript of evidence, 2 June 2005, pp. 1131-1138. See also QON No. No. 78 and correspondence from the Chief Minister received 19 May 2005.

<sup>80</sup> See Appendix C

<sup>81</sup> Corrected proof transcript of evidence, 23 May 2005, p. 503

<sup>82</sup> *ibid.*, pp. 504-507

<sup>83</sup> *ibid.*, pp. 509-510

<sup>84</sup> *ibid.*, pp. 510-512

<sup>85</sup> *ibid.*, pp. 512-515

<sup>86</sup> *ibid.*, pp. 518-519

<sup>87</sup> *ibid.*, pp. 518-520

- The cost of training for urgent duty driving for the parks brigade to respond to emergency situations.<sup>88</sup>
- The involvement of Environment ACT in other agencies' work.<sup>89</sup>
- The action plan aimed at identification, protection and survival of the small purple pea.<sup>90</sup>
- The review of the *Nature Conservation Act 1980*, planned to commence at the end of the next financial year and examining the Conservator's powers.<sup>91</sup>
- The implementation of the *Pest Plants and Animals Act 2005*.<sup>92</sup>
- The cost of hazard reduction plans, including the involvement of volunteer fire fighting brigades and the implementation of the Bushfire Management Plan.<sup>93</sup>

4.27 The Committee notes that the design plans for the planned Canberra International Arboretum were recently announced and thus questioned the Minister on his overseas travel plans, which are, in part to assess the gardens in Vancouver. The Minister responded that he was not involved in the design of the Arboretum and that:

...there are myriad other issues that need to be pursued in relation to management, style, resourcing and potential outcomes in the determination and the creation of a vision around what is possible, exactly how great an opportunity having within the ACT a world-class tourist attraction will be for the ACT and how best to manage that and achieve optimal outcomes.<sup>94</sup>

4.28 The Committee is concerned at the proposed building of the arboretum given the state of the ACT finances and the uncertainty of the budget forecasting for this project. The Committee is also concerned about the possible impact on water resources given the current water shortages.

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<sup>88</sup> *ibid.*, pp. 522-523

<sup>89</sup> Corrected proof transcript of evidence, 1 June 2005, p. 1065

<sup>90</sup> *ibid.*, p. 1067

<sup>91</sup> *ibid.*, p. 1068

<sup>92</sup> *ibid.*, pp. 1068-1069

<sup>93</sup> *ibid.*, pp. 1063-1064

<sup>94</sup> Corrected proof transcript of evidence, 23 May 2005, p. 498

4.29 There was discussion on the placement of some environmental indicators and the movement of Water Resources and Greenhouse Strategy to output 1.1, Strategic Policy Coordination and Development.<sup>95</sup> Questions were raised about the effectiveness of moving these indicators out of either the environment output or the Office of Sustainability. The Chief Executive of CMD told the Committee that although it was a 'quirk of outcomes and outputs methodology', with effective communication between the executives of the Department, it was manageable. He further told the Committee:

...going back to the Chief Minister's comment about small jurisdictions and complexity, when you have effectively a central policy department, which is what the Chief Minister's Department is, having a broader range of responsibilities across what in other jurisdictions might be better defined as line agency responsibilities, then you do get oddities that come into the way we describe how we do things. I think the important point is that the admin arrangements brought together within the Chief Minister's Department, per se, responsibility for energy policy and water policy, as well as environment policy. It is true that one of our tasks around the senior management table is to ensure that we have the executive directors of those various divisions effectively talking to each other, which did not happen to the same extent when the entities were separate entities.<sup>96</sup>

4.30 The Committee notes that there is no funding in 2005-2006 for the review of the Nature Conservation Act. The Minister and officials advised that the budget bid for the review of the Nature Conservation Act, which would have included work on the desirability of an independent conservator, was not successful but would be put forth in the next budget bid round (for the 2006-2007 year).<sup>97</sup>

4.31 The Committee questioned whether the Government was considering creating special legislation on noise levels to allow the Dragway to proceed. Officials from Environment ACT clarified that current legislation does allow the Dragway to proceed in terms of noise levels due to the flexibility in licensing arrangements. The Minister clarified that it was not his intention to create a

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<sup>95</sup> BP4b: Appendix., p. 6

<sup>96</sup> Corrected proof transcript of evidence, 23 May 2005, pp. 487-488

<sup>97</sup> Corrected proof transcript of evidence, 23 May 2005, pp. 508-509

special regime for the Dragway, noting however that motor sports are inherently noisy events with an impact on air quality.<sup>98</sup>

- 4.32 The Committee sought clarification on the status of the ACT Recreation Study and in particular that it appears that the department of Economic development will be completing the study. The Committee expresses concern that the strategy fully take into account nature conservation values.<sup>99</sup>
- 4.33 The Committee asked about funding levels to the community groups and the Conservation Council in particular given the recent announcement that they were most likely to lose their recurrent grant from the Commonwealth government. The Minister advised that the Conservation Council had been quarantined from the 6.6 % cuts across the portfolio. The Committee notes that the Conservation Council still effectively receives a funding cut as there is no provision for CPI increases or salary increments.

### **Office of the Commissioner for the Environment**

- 4.34 Concerns were raised regarding funding levels for the Office of the Commissioner for the Environment in light of the Commissioner's concerns about being unable to meet statutory responsibilities. The Minister noted that he was open to increasing the funding in future budget rounds and that the Office had in effect had a 6.6% buffer compared to the rest of the portfolio.<sup>100</sup> Reference to this buffer is irrelevant given the relative size and income base of the Office.
- 4.35 In response to concerns about duplication of roles between the Office of the Commissioner for the Environment compared to the Office of Sustainability, the Minister clarified that while there is a 'mutuality of roles', the Commissioner has an independent statutory voice and is an environmental ombudsman whereas the Office of Sustainability is a policy making department for Government.<sup>101</sup>

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<sup>98</sup> *ibid.*, pp. 515-517

<sup>99</sup> Corrected proof transcript of evidence, 1 June 2005, p. 1064

<sup>100</sup> Corrected proof transcript of evidence, 1 June 2005, p. 1071-1073

<sup>101</sup> *ibid.*, p. 1072

4.36 However, the Committee notes that the review into the Office of the Commissioner for the Environment stated that the current resourcing levels are inadequate to enable the Office to fully meet its statutory obligations, which could result in adverse environmental impacts. The Committee is of the view that it is a strong commentary from the independent review that the Office of the Commissioner for the Environment may not be able to meet its statutory obligations and hence is surprised that no additional funding was forthcoming or any greater explanation from the Govt as to why not.

## **Women and industrial relations portfolios**

4.37 The Committee examined the Minister for Women and the Minister for Industrial Relations and the departments and agencies under these portfolio areas<sup>102</sup> on 30 May 2005.

### **Women's Budget Statement**

4.38 There was considerable discussion about the Women's Budget Statement during the hearing. The Committee notes that the style and contents of the Statement have been amended from the first Statement in 2004-2005 to reflect last year's Estimates Committee's recommendation that

...future women's budget statements be limited to a discussion of new initiatives and programs specifically aimed at women, not a general list of budget expenditure items.<sup>103</sup>

4.39 There was some confusion amongst Members about the Minister for Women's capacity to comment on areas noted in the Statement. The Minister clarified that the Statement covers other agencies' work (and therefore other areas of Ministerial responsibility) in order to provide an overview of areas that are targeting women. As such it was not appropriate for her as the Minister for Women to comment on other Ministers' areas. The Committee agrees with the Minister's suggestion that it may be useful to cross reference programs mentioned in the Statement to the relevant area in the Budget papers where

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<sup>102</sup> See Appendix C

<sup>103</sup> Select Committee on Estimates, *Appropriation Bill 2004-2005*, June 2004, para 2.35

more details, particularly funding levels, are included and trusts that this will be addressed in future budgets.<sup>104</sup>

- 4.40 It was also put to the Minister that it would be useful to have a fuller economic based gender analysis of the budget, rather than just a policy/initiative summary – even if it was done every few years to provide a benchmark. Further, that such an analysis should indicate specifically which men and which women benefit under particular measures. The Minister noted that with an Office of Women of 4.6 staff this would be beyond the capacity of her Office.<sup>105</sup>

#### RECOMMENDATION 5

- 4.41 **The Committee recommends that, in future, the Women’s Budget Statement cross-reference programs mentioned in the Statement to the relevant areas in the Budget Papers.**

#### RECOMMENDATION 6

- 4.42 **The Committee recommends that, in future, the Women’s Budget Statement include a fuller economic based gender analysis of the budget.**

#### Office for Women

- 4.43 The Minister clarified the areas that the Office covers given the confusion that existed about what she as Minister and her Office were responsible for.

Broadly, these areas are the:

- Women’s Action Plan;
- *Justice, Options and Prevention: working to make the lives of ACT women safe* policy;
- Ministerial Council on Women;
- International Women’s Day awards;
- Women’s grants program;

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<sup>104</sup> Corrected proof transcript of evidence, 30 May 2005, pp. 976-978

<sup>105</sup> *ibid.*, p. 969

- Women's Director's scholarships; and the
- Women's register.<sup>106</sup>

4.44 There was some confusion about the role of the Office for Women and the extent to which it monitors the performance of initiatives and programs with regard to outcomes for women. The Office provides advice and assistance to Government Agencies in relation to data collection for performance measurement but its role is one of liaison and support rather than monitoring.

4.45 Matters examined by the Committee and other Members in attendance included:

- The impact of savings measures on the Office with clarification from officials that the women's grant program was not being reduced nor was there an intention to reduce staffing.<sup>107</sup>
- Whether the indicators in this area should be the same as those in the Women's Plan.<sup>108</sup>
- The extent to which there are programs and support for mothers who choose to stay at home with children (who are not requiring crisis intervention) with the Minister noting that funding for playgroups, the increase in preschool hours, the Child and Family Centres and organisations such as the Majura Women's Group are examples of universal programs targeting all mothers.<sup>109</sup> The Minister agreed that there are no specific programs aimed at stay-at-home mothers.
- Increased funding for the Family Violence Intervention Program for two full time case-workers with the funding likely to go to the Domestic Violence Crisis Service.<sup>110</sup>
- The importance of addressing wage parity for women by addressing pay equity in industries that employ large numbers of women, including the community sector. The Committee notes that the Minister identified the

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<sup>106</sup> *ibid.*, p. 983

<sup>107</sup> Corrected proof transcript of evidence, 30 May 2005, pp. 966-967

<sup>108</sup> *ibid.*, p. 967

<sup>109</sup> *ibid.*, pp. 973-75

<sup>110</sup> *ibid.*, p. 968

role of the Community Sector Taskforce in examining wage parity issues in the community sector.<sup>111</sup>

4.46 There was some discussion on whether there was a need for a minister for men in addition to a minister for women. The prevalence of youth suicide among men was noted by a Member as an example where they believed there would be benefit from the sorts of approaches being achieved for women across Government through there being an Office of Women and a responsible Minister.<sup>112</sup> In response to these issues the Minister stated:

... women's policy has evolved because, on a number of fronts, women are disadvantaged in relation to men—this is a historical look at it. ... You could not argue that men face the same disadvantages as women face in the community; there is simply no evidence to support that.<sup>113</sup>

4.47 In response to a concern that men needed to be involved in the solutions for issues affecting women the Minister stated that the approach of the Government was not to look at women's issues in isolation from men. The Minister noted 'I am minister for women; that does not mean I am minister for the exclusion of men.'<sup>114</sup>

### **Industrial relations**

4.48 A key area discussed with the Minister was the nature and outcomes of recent public service wage negotiations. The Minister clarified that while she is responsible for the negotiations on the template agreement for clerical areas of the service, individual ministers are responsible for specific areas (eg nurses, teachers).<sup>115</sup>

4.49 In relation to recent public sector negotiations the Minister noted that it was not possible to seek productivity savings (such as removing conditions) because the ACT was having to 'catch-up' with wages being offered by the Commonwealth. It was noted that at the end of the agreement period wages

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<sup>111</sup> *ibid.*, p. 972

<sup>112</sup> *ibid.*, p. 979

<sup>113</sup> Corrected proof transcript of evidence, 30 May 2005, p. 980

<sup>114</sup> *ibid.*, pp. 980-81

<sup>115</sup> *ibid.*, pp. 986-988

in the ACT would still be towards the bottom of Commonwealth pay scales. The Minister rejected the suggestion that productivity off-sets could have prevented savings measures (particularly voluntary redundancies) in this year's budget.<sup>116</sup>

4.50 The Committee notes that, under questioning, the only example of productivity offset that could be provided were savings in electricity in Government departments where time was given off to public sector employees in the Christmas/New Year period.

4.51 Another area discussed at some length was the commencement of pay increases for the public service.<sup>117</sup> Some members of the Committee suggested that the Government had implemented the pay increase scheduled in 2005 incorrectly. The relevant clauses in the template agreement are:

15.4 Pay increases for all classifications covered by this Agreement, will apply as follows:

- a) the agreed parity translation under clause 15.2 up to 2.5% from 1 April 2004;
- b) 2.5% from 1 April 2004;
- c) 4% from 1 April 2005; and
- d) 4% from 1 April 2006.

15.5 Each pay increase will commence from the first full pay period on or after the prescribed date.<sup>118</sup>

4.52 The Minister told the Committee that:

- Her understanding was that these clauses meant that the pay increases were actually meant to be payable from the prescribed dates and that this had been a negotiated outcome with the unions.
- The issue of when to commence paying increases is both administrative and financial. Administratively it is more complex to backpay to prescribed

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<sup>116</sup> *ibid.*, pp. 990-992

<sup>117</sup> See corrected proof transcript of evidence, 30 May 2005, pp. 995-998 for discussion on this issue

<sup>118</sup> See for example p. 16 of the Legislative Assembly Certified Agreement, Part 1: Service Wide Conditions.

dates rather than commence the payment of increases at the start of a pay period.

- Financially, there is a cost to the Government and agencies if pay increases occur earlier, although the Committee notes that in this case there were funds available.

4.53 The Committee notes that officials indicated in previous agreements pay rises have commenced from the first full pay period on or after the prescribed date and did not include 'back pay' to the prescribed dates. The Committee also notes that there is an equivalent clause to 15.5 in the previous agreement. If, as was suggested by the Minister and officials, there was agreement that in effect the wording of clause 15.5 was to be interpreted differently in this agreement, then it should have reflected these negotiated agreements. The cost of early back-pay in this agreement was an additional has been estimated to be \$600 000.<sup>119</sup>

4.54 Other matters examined by the Committee and other Members in attendance included:

- The Review of the Workers Compensation Scheme with the Minister indicating that the details of the review were yet to be finalised.<sup>120</sup>
- Whether wage parity had been taken off the agenda for the Community Sector Taskforce.<sup>121</sup>
- The Committee notes that the Minister made a commitment that the Community Sector Taskforce is expected to examine wage disparity between the public sector and the community sector and provide advice.

### **Asbestos Taskforce**

4.55 Matters examined by the Committee and other Members in attendance included:

- The purpose of the current funding for, and lifespan of, the Taskforce.<sup>122</sup>

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<sup>119</sup> 'Opposition questions timing of PS payrise', *The Canberra Times*, 31 May 2005, p. 3.

<sup>120</sup> Corrected proof transcript of evidence, 30 May 2005, pp. 994-995

<sup>121</sup> Corrected proof transcript of evidence, 30 May 2005, pp. 992-993

<sup>122</sup> *ibid.*, pp. 1000-1001

- The efficacy of the community awareness campaign, particularly whether it had led to people being unduly alarmed as well as alert to the potential of asbestos in their homes.<sup>123</sup>

### **ACT Workcover**

4.56 Matters examined by the Committee and other Members in attendance included:

- Explanations for the accountability indicators under this area (see earlier discussion under Chapter 2).<sup>124</sup>
- The extent to which ACT Workcover was working with community organisations, particularly in relation to OH&S issues in managing difficult/violent clients.<sup>125</sup>
- How the savings of approximately 5% would be managed within ACT Workcover with the Commissioner advising the Committee that there would be no reduction in inspector numbers and that some of the savings would be occurring naturally with the conclusion of a number of projects.<sup>126</sup>

### **Worker's Compensation Supplementation Fund**

4.57 Matters examined by the Committee and other Members in attendance included:

- The increase in revenue for 2004-2005 as a result of a revaluation of the HIH insurance liability.<sup>127</sup>
- The rationale for the transfer of this area from ACT Workcover to CMD.<sup>128</sup>

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<sup>123</sup> *ibid.*, pp. 1002-1003

<sup>124</sup> *ibid.*, pp. 1004 & 1010

<sup>125</sup> *ibid.*, pp. 1006-1007

<sup>126</sup> *ibid.*, pp. 1011-1012

<sup>127</sup> Corrected proof transcript of evidence, 30 May 2005, p. 1012

<sup>128</sup> *ibid.*, pp. 1012-1013



## 5 TREASURY AND ECONOMIC DEVELOPMENT

### Treasury portfolio

5.1 The Committee examined the Treasurer and the departments and agencies under this portfolio<sup>129</sup> area on 17 May 2005.

### Department of Treasury

5.2 Matters examined by the Committee and other Members in attendance included:

- The long-term impact of relying on land sales for revenue.<sup>130</sup> The Committee notes that this has a significant impact in determining the accuracy of the bottom-line of the budget.
- The impact of changes to financial reporting and ratings determinations on the Territory's overall credit rating.<sup>131</sup>
- The timeframe and cost of the implementation of the new telecommunications system across Government.<sup>132</sup>
- Partnership management between InTACT and Government agencies.<sup>133</sup>
- Operational subsidies and debt in relation to the Australian International Hotel School.<sup>134</sup>

5.3 The Treasurer was asked to explain claims in the Budget Speech that housing affordability has been improving since last year and the Committee notes that

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<sup>129</sup> See Appendix C

<sup>130</sup> Corrected proof transcript of evidence, 17 May 2005. pp. 107, 115-117

<sup>131</sup> *ibid.*, p. 115

<sup>132</sup> *ibid.*, pp. 128-129

<sup>133</sup> *ibid.*, p. 131

<sup>134</sup> *ibid.*, pp. 145-146, QON No. No. 99

the indicators on which these claims were based relate only to the affordability of purchasing housing and not the affordability of rental housing.<sup>135</sup>

- 5.4 The Treasurer was questioned on the Government's timely management and effectiveness on capital works projects in light of the Auditor-General's findings of under-spend in this area, which 'indicates that the management and delivery of capital projects needs to be further improved.'<sup>136</sup> The Treasurer acknowledged that this remained an issue and told the Committee that 'we are asking agencies to get real in their timetables in the first place, and then pushing to get projects under way sooner.' The Treasurer also noted 'we expect improvement, but I would fearlessly predict that some degree of underachievement will remain a feature.'<sup>137</sup>
- 5.5 The Committee and the Treasurer engaged in lengthy discussions about General Financial Statistics (GFS) financial reporting and accrual accounting and the different outcomes that the two methods provide. The Committee notes that the treatment of asset re-evaluation and revenue from land sales will produce markedly different outcomes to the budget bottom-line.
- 5.6 Officers explained that the Accounting Standards Board is currently undertaking a project to harmonise the GFS standard to Australian Accounting Standards (AAS).<sup>138</sup>
- 5.7 A matter of concern to the Committee is the Totalcare Industries Ltd liability of \$17.28 million in relation to employee expenses.<sup>139</sup> Officers explained that this is a superannuation liability owed to former employees due to administrative error whereby employees were not offered membership of the Public Sector

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<sup>135</sup> *ibid.*, p. 138

<sup>136</sup> Auditor-General's report '2003-04 Financial Audits' of 6 December 2004

<sup>137</sup> Corrected proof transcript of evidence, 17 May 2005, p. 111. For further information on this issue, readers are referred to the transcript of proceedings and the supplementary paper to the 2004-2005 Budget: *Framework for future budget presentation discussion paper*.

[http://www.treasury.act.gov.au/budget/budget\\_2004/index.htm](http://www.treasury.act.gov.au/budget/budget_2004/index.htm)

<sup>138</sup> Corrected proof transcript of evidence, 17 May 2005., pp. 115-117

<sup>139</sup> BP4, p. 489

Superannuation Scheme (PSS) and by law were in fact deemed to have been employees for the purposes of the PSS.<sup>140</sup>

5.8 The Committee was informed that:

The determinative issue decided by the court, which is the same issue that we put in place, is that 'the entitlement is the difference between the benefits now payable or paid and the benefit that would have accrued, less the expense of contributing to it had the person entitled joined the PSS fund in the year the entitlement accrued.'<sup>141</sup>

5.9 The Committee notes that \$17.28 million is an estimate and the timeline for resolving this issue and finalising the extent of the liability goes into the 2006-2007 financial year.<sup>142</sup>

5.10 The Treasurer was questioned about the sale price of the Williamsdale Quarry and whether that covered all the liabilities arising from the ownership and operation of the Quarry. On notice, the Treasurer responded that the terms of the sale were subject to confidentiality provisions and therefore could not be released publicly.<sup>143</sup> The Committee is concerned about the use of confidentiality provisions as a reason to not provide requested information in relation to the Quarry.

## RECOMMENDATION 7

5.11 **The Committee recommends that the Government undertake an analysis of the impact of land rate increases on low-income households that are not recipients of income support (i.e. not pensioner concession recipients) before implementing the measure.**

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<sup>140</sup> Corrected proof transcript of evidence, 17 May 2005, pp. 160-161

<sup>141</sup> *ibid.*, p. 161

<sup>142</sup> *ibid.*, pp. 161-162

<sup>143</sup> *ibid.*, pp. 162-163, QON No. No. 14

### **Rhodium Asset Solutions Ltd**

5.12 Rhodium Asset Solutions Ltd was established on 1 January 2005 to operate fleet management services formerly offered by Totalcare Industries Ltd. The Committee discussed the following issues:<sup>144</sup>

- Establishment and infrastructure costs.
- Benefits to the ACT of maintaining a local government fleet service, including revenue from taxation and registration and provision of business to ACT suppliers.
- Environmental fleet issues.
- Concerns were raised in relation to the management of service contracts.

### **ACT Insurance Authority**

5.13 A matter of concern to the Committee is the financial status of the Insurance Authority. The Authority made a loss of around \$20 million in 2003-04. The Government then provided a capital injection of \$10 million in 2004-05 to the Insurance Authority, and in 2005-06 will provide a capital injection of \$23 million. The \$13 million surplus will be held in the Authority's cash reserves in order to provide the necessary cash to meet the Authority's liabilities in the future.<sup>145</sup>

### **Economic development portfolio**

5.14 The Committee examined the Minister for Economic Development and the departments and agencies<sup>146</sup> under this portfolio area on 18 May 2005.

#### **Department of Economic Development**

5.15 Matters examined by the Committee and other Members in attendance included:

- The management and future use of the Convention Centre, including

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<sup>144</sup> *ibid.*, pp. 148-153

<sup>145</sup> QON 77

<sup>146</sup> See Appendix C

planned refurbishment and potential impact on Exhibition Park in Canberra.<sup>147</sup> The Committee notes that the \$10 million left over from the allocation towards the Convention Centre will be spent on other projects in the city and not returned to consolidated revenue.

- The management arrangements and operating structure of the Commercialisation Investment Fund.<sup>148</sup>
- The operation of the Canberra Business Development Fund.<sup>149</sup>
- An update on the future of Capital Region Enterprise and Employment Development Association (CREEDA) and the Government's efforts to ensure that its focus remains on incubating small businesses.<sup>150</sup>
- The level and type of support available for micro-businesses/enterprises in the ACT.<sup>151</sup>
- The role of the Small Business Commissioner, in particular the extent to which regulation will be scrutinised and the Commissioner's role in dispute resolution.<sup>152</sup>

5.16 The Committee discussed the asset and infrastructure management plan for the Territory and the proposals put forward by the Canberra Business Council regarding systematic asset management. The Minister noted Committee concerns that there does not appear to be a systematic approach to asset management.<sup>153</sup>

## RECOMMENDATION 8

5.17 **The Committee recommends that the Government adopt a systematic approach to asset management.**

5.18 The Committee had lengthy discussions with the Minister regarding the City West Development and in particular the partnership with the Australian

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<sup>147</sup> Corrected proof transcript of evidence, 18 May 2005, pp. 182-188

<sup>148</sup> Corrected proof transcript of evidence, 18 May 2005, p. 203

<sup>149</sup> *ibid.*, pp. 204-205

<sup>150</sup> *ibid.*, pp. 205-206

<sup>151</sup> *ibid.*, pp. 206-207

<sup>152</sup> *ibid.*, pp. 209-213

<sup>153</sup> *ibid.*, pp. 181-182

National University (ANU). The Treasurer committed to investigating if he could table the ANU Deed before the Estimates Committee, as this was seen by members of the Committee to be an important public document. At the time of this report being publicly available, the Deed was yet to be tabled.

- 5.19 Concerns were raised that the University of Canberra (UC) had not had the same opportunity for development in the City West precinct. However, the Minister told the Committee that he believed that a number of partnerships have been undertaken with UC and that given the proximity of the ANU to the City West precinct it made sense to work with it in this development.<sup>154</sup>
- 5.20 Concerns were also raised about the ability for community groups to be accommodated in the City West precinct. The Minister was unable to give any commitments to the Committee that community groups would not be disadvantaged. The Committee notes that three Ministers (the Chief Minister, Minister for Economic Development, and Minister for Planning) all shared responsibility for the City West development and each Minister continued to direct City West questions to the other Ministers involved.
- 5.21 In response to questions regarding the redevelopment of City West the Minister suggested that community organisations might not be appropriately accommodated in areas that are considered highly valued real estate.<sup>155</sup>

## RECOMMENDATION 9

- 5.22 **The Committee recommends that the Government affirm a commitment to providing accommodation for community organisations within the City West precinct and other inner city areas.**

## RECOMMENDATION 10

- 5.23 **The Committee recommends that the Government table the Deed of Agreement with the ANU before the Assembly.**

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<sup>154</sup> *ibid.*, pp. 196-197

<sup>155</sup> *ibid.*, p. 198

## Tourism

- 5.24 Matters examined by the Committee and other Members in attendance included:
- The yet to be published Access Economics study into the impact of the tourism sector on the economy in the ACT.<sup>156</sup>
  - The level of tourism funding in the ACT compared with other jurisdictions.<sup>157</sup>
  - The types of campaigns and branding for Canberra in different jurisdictions and their impact.<sup>158</sup>
  - The budget and staffing for the Events Unit.<sup>159</sup> Concerns were expressed that the resources being provided for the events unit may not be adequate to support the programs as outlined to the Committee.
- 5.25 Of some concern to the Committee are the measures being taken to counteract negative perceptions of Canberra amongst specific journalists and travel writers who influence the backpacker's market. Officers informed the Committee that a number of programs are run including the visiting journalist's program and the community ambassadors program, aimed at all Canberrans, to try and create a more positive impression of Canberra. It was acknowledged that specific writers cited in the hearings had not been targeted.
- 5.26 Officers noted however, that 'if we could get the journalists in Australia, particularly the print journalists, to stop using Canberra to describe bad political decisions, that would be a really good start.'<sup>160</sup>
- 5.27 The Committee notes that one of the highlights of the Australian Capital Tourism Corporation is to 'continuing to progress the establishment of Commonwealth Park as the permanent site for Floriade'.<sup>161</sup> However, there has been much public comment about Floriade moving to the planned arboretum.

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<sup>156</sup> Corrected proof transcript of evidence, 18 May 2005, p. 213

<sup>157</sup> *ibid.*, pp. 214-217

<sup>158</sup> *ibid.*, pp. 216-221

<sup>159</sup> *ibid.*, pp. 223-225

<sup>160</sup> *ibid.*, pp. 225-227

<sup>161</sup> BP4a, p. 417

When questioned, the Minister told the Committee that the highlight was included because 'Probably we did not tell Treasury when it was putting the budget and highlights together that the alternative concept was under consideration.' He then later told the Committee:

'We highly value Floriade and want it to remain fresh and innovative over the next decade. I think it would be a decade before there is any contemplation of moving it. I just happen to be one person who believes that the arboretum will be a fantastic addition to the ACT. I am definitely an advocate and I do believe that that establishment has great prospects of being a major and unique attraction. When it gets to that point, the question has to arise, would you put Floriade there?'<sup>162</sup>

- 5.28 The Committee was pleased to see the encouragement of adventure sports and nature-based tourism in the ACT through events such as the new Brindabella Challenge and would like to see this continue to be encouraged.

### **Sport, Recreation and Racing**

- 5.29 Matters examined by the Committee and other Members in attendance included:
- The nature and extent of payments to teams competing in national competitions.<sup>163</sup>
  - Facilities provided for AFL games in Canberra, including the state of Phillip Oval and the future capacity if night games were to be requested at Manuka Oval.<sup>164</sup> It was noted that AFL games at Manuka Oval had a positive impact on businesses in the area.
  - The nature of the expansion to the Actively Ageing Program.<sup>165</sup>
  - ACT Academy of Sport Scholarships including scholarships for people with a disability.<sup>166</sup>

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<sup>162</sup> Corrected proof transcript of evidence, 18 May 2005, p. 231

<sup>163</sup> *ibid.*, p. 241

<sup>164</sup> *ibid.*, p. 247

<sup>165</sup> *ibid.*, p. 242

<sup>166</sup> *ibid.*, p. 238

- The role and progress of the proposed ACT Recreation Strategy.<sup>167</sup>

5.30 The Committee was pleased to see the encouragement of programs such as Kids at Play and Athletes in Schools that encouraged children and youth to maintain healthy diets and remain active, and would like to see this continue.

### **Stadiums Authority**

5.31 Matters examined by the Committee and other Members in attendance included:

- The sustainability of the Stadiums Authority operating independently of any Government funding.<sup>168</sup> The Committee notes that the viability of the stadium was reliant on subsidies paid through sporting teams with a requirement that user fees are then paid to the stadium.

5.32 The Committee is concerned that the Canberra Stadium is not expected to meet all safety standards until mid 2008<sup>169</sup> and was surprised that the officer representing the Authority was not aware of this situation when asked during Estimates hearings.

### **Gambling and Racing Commission**

5.33 Matters examined by the Committee and other Members in attendance included:

- Demand for gambling counselling and assistance services, including those provided by Lifeline.<sup>170</sup>
- Strategies to target young adults at risk of problem gambling.
- The need for a broader range of assistance programs for people experiencing problem gambling including young people, women and people from specific cultural and linguistically diverse backgrounds.
- The relationship with the ANU Centre for Gambling Research.<sup>171</sup>

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<sup>167</sup> *ibid.*, pp. 244-245

<sup>168</sup> Corrected proof transcript of evidence, 18 May 2005, pp. 250-252

<sup>169</sup> QON No. 19

<sup>170</sup> *ibid.*, p. 260

<sup>171</sup> *ibid.*

5.34 The Committee discussed at some length the impact on club revenues due to measures such as smoking bans and measures introduced to address problem gambling (for example, the reduction in denominations for note acceptors) and notes the Government's desire to increase poker machine taxes.<sup>172</sup> The Committee further notes that the reduced club revenues may also affect Government revenue. The Minister was asked if this issue would be reviewed if these measures continue to impact on club revenue. The Minister responded to this by saying:

If we looked at it and saw that on a costs/volume/profit analysis we had our pitch wrong we would review it. But we have to take into account the fact that the measures that we have introduced are not about just trying to inhibit or curb the revenues that clubs make but in fact are about addressing the problem of problem gambling. So far, the ACT, in the last three or four years, has been recognised as the most proactive state or territory in terms of gambling codes of practice and legislation. We intend to stay there, but we also tend to be very conscious that clubs have 20, 50, 100—hundreds—effective, lethal weapons at their disposal. And there is a need to have a degree of control.<sup>173</sup>

### **ACTTAB Ltd**

5.35 Matters examined by the Committee and other Members in attendance included:

- The long awaited move of ACTTAB's headquarters to Gungahlin, planned for early 2006, and staffing arrangements.<sup>174</sup> The Committee notes its concern at the delay in the planned move to Gungahlin which was first announced by the Government in 2002.
- The nature of the proposed revitalisation and rationalisation of the agency network.<sup>175</sup>
- The lack of research into the social impact of the proposal to expand 'home access' to ACTTAB's products and services via the internet.<sup>176</sup>

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<sup>172</sup> *ibid.*, pp. 255-256

<sup>173</sup> *ibid.*, p. 257

<sup>174</sup> *ibid.*, pp. 261-263

<sup>175</sup> Corrected proof transcript of evidence, 18 May 2005, pp. 262-263

<sup>176</sup> *ibid.*, p. 263

- The Committee notes that the Treasurer and officials confirmed that ACTTAB's current pooling arrangements are in order and that there are no major matters of concern.

## 6 AUDITOR-GENERAL AND LEGISLATIVE ASSEMBLY SECRETARIAT

### Auditor-General

- 6.1 The Committee met with the Auditor-General and officials on 16 May 2005.
- 6.2 The Committee focused its discussions with the Auditor-General on the inability of the Auditor-General's Office to secure requested funding for three additional audit positions and the resulting reduction in anticipated audits. Three additional positions were sought which would have allowed the office to conduct 'an additional three major audits per year, plus two or three different types of reviews and investigations'<sup>177</sup>. Further impacting on the ability of the Auditor-General's Office to produce the planned number of reports is the difficulty in recruiting and retaining audit staff due to the competition provided by the private sector.
- 6.3 When questioned on the budget allocation to the Auditor-General, the Treasurer told the Committee that he believed the Auditor-General was well resourced, having had an increase of resources in previous years. The Treasurer expressed that in light of the need to ensure that resources were provided to community services, budgetary decisions needed to be taken regarding priority service delivery.<sup>178</sup>
- 6.4 The Committee also discussed the issue of priority in planning and conducting performance audits versus fulfilling statutory responsibilities with both the Auditor-General and the Treasurer. The Auditor-General told the Committee that she has difficulty responding to issues such as public interest disclosures as it requires diverting audit staff from the conduct of performance audits.<sup>179</sup>

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<sup>177</sup> Corrected proof transcript of evidence, 16 May 2005, p. 75

<sup>178</sup> Corrected proof transcript of evidence, 17 May 2005, p. 108

<sup>179</sup> Corrected proof transcript of evidence, 16 May 2005, p. 79

- 6.5 The Treasurer expressed that the Auditor-General undertakes a number of performance audits that were also a matter of some public debate, such as public hospital surgery waiting lists, but that he would expect that any statutory obligations would be met as a matter of priority.<sup>180</sup>

## RECOMMENDATION 11

- 6.6 **The Committee recommends that the Government provide additional funding to the Auditor-General's Office in line with the recommendation made by the Standing Committee on Public Accounts to the Treasurer in its letter of 24 March 2005.**

## Legislative Assembly Secretariat

- 6.7 The Committee met with the Speaker and the Clerk and officers of the Legislative Assembly Secretariat on 16 May 2005.
- 6.8 The Committee discussed a range of issues with the Speaker and the Legislative Assembly Secretariat, primarily around unsuccessful budget bids. The Secretariat requested funding for additional staff positions to meet essential corporate functions, and to redesign the public entrance of the Legislative Assembly building to improve security. The Secretariat informed the Committee that some of the staff needs would be met through internal reorganisation of funds and the security upgrade of the public entrance would take place but to a lesser extent than as recommended by an external review of building security.<sup>181</sup>
- 6.9 The Committee discussed the need for the Legislative Assembly to introduce an environmental management system.<sup>182</sup> It was noted by the Secretariat that a number of measures were in place and improvements had been made particularly in regards to energy efficiency measures and the clauses in the forthcoming new cleaning contract would reduce the amount of waste going to landfill. On the other hand the Secretariat noted that in the past it had not

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<sup>180</sup> Corrected proof transcript of evidence, 17 May 2005, p. 109

<sup>181</sup> Corrected proof transcript of evidence, 16 May 2005, pp. 84-85

<sup>182</sup> *ibid.*, pp. 86-87

been in a position to enable documentation of the improvements. The Committee was informed this matter would be progressed by the Standing Committee on Administration and Procedures.

6.10 Other matters discussed were:

- Staffing, in particular the progress of recruitment processes for the Committee Office.<sup>183</sup>
- The Secretariat strategic plan and risk management procedures.<sup>184</sup>
- Services provided to Members, including the possible need for Member surveys, business cards provision and the use of CabCharge vouchers.<sup>185</sup>

## RECOMMENDATION 12

6.11 **The Committee recommends that the Government reassign from within the Budget \$129 000 for Legislative Assembly Secretariat staffing needs.**

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<sup>183</sup> *ibid.*, p. 87

<sup>184</sup> *ibid.*, p. 90

<sup>185</sup> *ibid.*, pp. 91-93

## 7 HEALTH AND DISABILITY, HOUSING AND COMMUNITY SERVICES

### Health Portfolio

7.1 The Committee examined the Minister for Health and the agencies under this portfolio area<sup>186</sup> on 19 May 2005.

### ACT Health

7.2 Matters examined by the Committee and other Members in attendance included:

- Expected progress in the capital works projects identified as having been delayed from 2004-2005.<sup>187</sup>
- The impact of new capital works in the portfolio – particularly the refurbishment of the analytical laboratory in Holder and the relocation of the medical records at TCH.<sup>188</sup>
- The reduction by 30 full time equivalent (FTE) staff in non-clinical areas across the portfolio as a result of efficiency measures with the Chief Executive noting that in line with Government policy there would be no forced redundancies and an emphasis on natural attrition.<sup>189</sup>
- The initiative ‘Care Package – returning mental health clients’ which provides funding to ensure secure and appropriate care for an individual returning from NSW Corrections who will be residing at Hennessy House (and which may also assist other forensic mental health offenders in similar circumstances in the future).<sup>190</sup>

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<sup>186</sup> See Appendix C.

<sup>187</sup> Corrected proof transcript of evidence, 19 May 2005, pp. 267-268

<sup>188</sup> *ibid.*, pp. 268-269

<sup>189</sup> *ibid.*, p. 274

<sup>190</sup> *ibid.*, pp. 312-313

- The early completion of elective surgery quotas by surgeons at Calvary Hospital and the rationale for ensuring that lists are managed so as to spread activity evenly across the year.<sup>191</sup>
- The difference between anticipated revenue from Cross Border Health Receipts from NSW compared to the actual cost of providing services to patients from NSW. The Committee notes that for 2004-2005 and 2005-2006 the shortfall is estimated to be \$14.028 million and \$11.244 million respectively and that the Government is continuing to seek a fairer outcome for the ACT.<sup>192</sup>
- Ongoing and one-off funding for additional elective surgery and the Minister's statements regarding 900 more people accessing elective surgery each year compared to 2002-2003.<sup>193</sup> Members of the Committee note however, the continual rise in the number of people on the waiting list for elective surgery.
- Progress on the study of community pharmacy in the ACT with the Chief Executive indicating that the consultancy tender for this work was signed off in very late April 2005.<sup>194</sup>
- The nurse practitioners initiative, particularly the possible areas/locations of work beyond the aged care sector and into the not-for-profit community sector.<sup>195</sup>
- Measures to address childhood obesity, including the relative merits of promoting healthy choices versus banning types of food.<sup>196</sup>

7.3 The Committee examined issues regarding drug and alcohol treatment services including:

- strategies to enhance the management of the Drug and Alcohol Program following three recent reviews of the internal operations;

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<sup>191</sup> Corrected proof transcript of evidence, 19 May 2005, pp. 313-314

<sup>192</sup> *ibid.*, pp. 301-102 and QON No. No. 89

<sup>193</sup> *ibid.*, pp. 306-309 and QON No. No. 88

<sup>194</sup> *ibid.*, pp. 316-317

<sup>195</sup> *ibid.*, pp. 295-296

<sup>196</sup> *ibid.*, pp. 347, 357-359 and for information on specific Government measures see QON No. No. 94

- the withdrawal of \$5 million allocated to the redevelopment of the Karralika rehabilitation centre in 2004-2005;
- the new allocation of \$400,000 for the development of options for expanding rehabilitation services – acknowledging that there is not likely to be any expansion this year;
- the ‘I Want to be Heard’ report into the needs of Aboriginal and Torres Strait Islander illegal drug users in the ACT and progress on the development of a Bush Healing Farm;
- reductions in demand for the methadone program; and
- management and procedures at the facility at Garran.

7.4 The Committee examined issues regarding mental health services, including:

- refurbishment and staffing problems leading to four beds within the Psychiatric Services Unit being offline since January 2005;
- reductions in target outputs for mental health services;
- progress on the development of data regarding the mental health needs of the ACT community; and
- the impact of the lack of additional funding for mental health in this Budget on the capacity of the Government to progress actions contained in the ACT Mental Health Strategy and Action Plan during 2005-2006.

7.5 The Committee notes that the delay in the Government’s response to the report *A Pregnant Pause: the future for maternity services in the ACT* of the Standing Committee on Health (Fifth Assembly) (tabled in May 2004) has meant that the recommendations from this report were not considered as part of this budget process.

7.6 The Committee discussed with the Minister the introduction of paid parking at Canberra’s public hospitals. The Minister indicated that:

- anecdotal evidence that people are taking advantage of the long stay parking available was not the only reason why it was being introduced and that it is considered an appropriate measure to increase revenue for the hospitals;
- all other major metropolitan hospitals in Australia (except one) have paid parking and the proposed fees are the lowest of these hospitals;

- money in this year's budget will fund a study into the traffic and parking situations at the hospitals;
- the study will address the equity issues associated with people visiting family members who are chronically or seriously ill;
- Government policy is that staff and volunteers of the hospitals will not have to pay for parking and that other people working on the hospital campus would be considered in the study; and
- expected revenue could be in the order of \$500,000-\$800,000 per annum and this does not include a projection of potential fines, which would in any case go to consolidated revenue.<sup>197</sup>

7.7 On the Government's initiative on after-hours GP clinics, the Minister noted that it would enable everyone in the community to access a GP after hours and category 5 patients in the emergency departments would also have the choice of utilising the clinics rather than wait in emergency. The Minister clarified that this initiative is not focused on addressing access block for acute patients in emergency. Rather it is about increasing general access to GPs after hours and reducing waiting times for some non-urgent cases presenting to emergency. In this respect, the Minister expressed the opinion that it would likely have a positive impact on front-line staff and assist in improving management of the emergency departments.<sup>198</sup>

7.8 In relation to overall expenditure within the portfolio, the Committee questioned the adequacy of forward growth projections in light of historical trends. The Minister's response to this issue was that his portfolio, like others, had to contribute to the budget bottom-line and that there were efficiencies and savings that could be made in administrative areas. However, he also noted that there would be an increase in the portfolio's expenditure once salary negotiations with salaried medical officers are finalised.

7.9 There was some discussion as to where this anticipated increase in expenditure was located in the Budget. The Minister explained that as with all salary negotiations that are not finalised at the time of Budget preparations,

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<sup>197</sup> Corrected proof transcript of evidence, 19 May 2005, pp. 269-272

<sup>198</sup> *ibid.*, pp. 266, 280-283

there is provision to pay the increases within the budget but it is not appropriated to the particular portfolio area, to do so would reveal the Territory's negotiating position. Members were referred to BP 3, pp. 12-13, which explains this issue.<sup>199</sup>

7.10 A significant issue in relation to the overall expenditure of the portfolio is the cost of running the ACT's hospitals. The Committee noted that comparative data from the Australian Institute of Health and Welfare shows that the ACT's cost per weighted separation is nearly 30% higher than in other jurisdictions. The Minister accepted that this is, and historically had been, an issue. He advised the Committee that they were working on reducing costs towards the national average but did not provide the Committee with specific details of how this would be accomplished. The Chief Executive outlined the three major areas contributing to increased costs in the ACT relative to other jurisdictions, namely:

- the lack of true comparability across jurisdictions – particularly because in the ACT there are no small country hospitals caring for nursing home type patients (which reduces the average cost);
- the need for high cost specialist units in the ACT which due to the smaller population run at a lower throughput (and are therefore more costly than their counterparts in other jurisdictions); and
- the need to have higher and more competitive salaries to recruit professional staff to the ACT.<sup>200</sup>

7.11 During the hearings there was significant discussion about the decision to extend the provision of exempt salary packaging to nearly all employees within ACT Health.<sup>201</sup> The Committee was advised by the Department that:

...the ATO provided a broadened description of a public hospital for the purposes of DGR [*Deductible Gift Recipient*] status. PricewaterhouseCoopers advised the department that on the basis of that outcome with the tax office, that is the granting of DGR status for the greater component of ACT Health as a public hospital, exempt salary packaging could be extended to the staff in those

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<sup>199</sup> *ibid.*, pp. 273-280

<sup>200</sup> *ibid.*, pp. 303-305

<sup>201</sup> For discussion on this issue refer to corrected proof transcript of evidence, 19 May 2005, pp.285-294

areas or those functions, but at the exclusion of the policy functions of health and the communications and executive function. So, we differ from New South Wales in that we have gone by a function approach. They were able to go on an employment approach, being under area health services.<sup>202</sup>

- 7.12 Later in the hearing the Chief Executive stated 'A question has been raised publicly as to whether ACT Health is rorting FBT.' and he advised the Committee that he would be referring the matter to the Auditor-General.<sup>203</sup> The Committee understands that this matter has now been referred to the Auditor-General.<sup>204</sup>

### RECOMMENDATION 13

- 7.13 **The Committee recommends that ACT Health urgently seek a ruling from the Australian Taxation Office to test the compliance of the current salary packaging arrangements within ACT Health.**
- 7.14 The Minister noted that in this year's budget part of the increased funding for cancer services is the development of a distinct cancer stream. The Committee was advised that this new capital region cancer stream (that involves what was formerly called the Southern Area Health Service) aims to 'integrate existing cancer services and to ensure that such services are patient-centred'.<sup>205</sup>
- 7.15 A number of issues regarding breast cancer rates and screening programs were raised during the hearing.<sup>206</sup> In particular the Committee notes that the Minister and officials were unable to explain why the death rate for breast cancer in the ACT is higher than the Australian average. Although the rate has been higher for some time, and is reported in BP4 as 29.9 ACT deaths compared to 24.8 national deaths per 100 000 population, the Acting Chief Health Officer stated:

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<sup>202</sup> Corrected proof transcript of evidence, 19 May 2005, p. 286

<sup>203</sup> *ibid.*, p. 355

<sup>204</sup> QON No. No. 38

<sup>205</sup> Corrected proof transcript of evidence, 19 May 2005, pp. 275&349

<sup>206</sup> For discussion on these areas see corrected proof transcript of evidence, 19 May 2005, pp. 319-320, 345-346 & 353-355

It is a very small difference. I do not think we should attach too much significance to it. We press on with screening as vigorously as possible.<sup>207</sup>

- 7.16 The installation of composting toilets was raised with the Minister who noted that they require both development approval and clearance from the Health Protection Services. The Committee notes that ACT Health has only received one application in the period January 2004 to May 2005 for the installation of a composting toilet and that the Health Protection Service is finalising guidelines on the approval of waterless composting toilets.<sup>208</sup>
- 7.17 The Committee is pleased that ACT Health is preparing guidelines on the approval of waterless composting toilets and suggests that consideration be given to an awareness campaign on the water saving potential of such toilets.

## **Disability, housing and community services portfolio**

- 7.18 The Committee examined the Minister for Disability, Housing and Community Services and the departments and agencies under this portfolio area<sup>209</sup> on 20 May 2005.

### **Department of Disability, Housing and Community Services**

- 7.19 Matters examined by the Committee and other Members in attendance included:
- The new Griffin Centre and its expected completion date of September-October 2005 (not June 2006 as had been reported in the media).<sup>210</sup>
  - Reasons why over 50% of the Capital Works funding from 2004-2005 has been rolled over into 2005-2006. The Committee notes the explanation from the Minister and the Chief Finance Officer that this is consistent with an incremental budgeting approach (as opposed to a zero-base budgeting approach). Funds allocated for capital works in a given year represent the total cost of the capital works projects over their life time ie for larger capital

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<sup>207</sup> Corrected proof transcript of evidence, 19 May 2005, p. 319

<sup>208</sup> Corrected proof transcript of evidence, 19 May 2005, pp. 347-348 & QON No. No. 84

<sup>209</sup> See Appendix C

<sup>210</sup> Corrected proof transcript of evidence, 20 May 2005, p. 377

works projects – that take over a year to complete – one would expect there to be a roll over of funds because the Department would not pay invoices until works have been completed.<sup>211</sup>

7.20 The Committee discussed the Department's approach to the efficiency dividend and the Minister and Chief Executive assured the Committee that 'front line service delivery' will not be affected, nor will the essential supports for delivering those services (such as staffing and administration budgets). Grants to community organisations are also quarantined. Savings are to be made through the removal of \$1 million from the Renewing Community Infrastructure Program and through staff and administration reductions.<sup>212</sup>

7.21 In relation to staff reductions the Minister noted that:

...with any evolving organisation under a Labor government, the first opportunity to reduce staffing numbers is taken through attrition. The second is through voluntary redundancies. There is no such thing as an involuntary redundancy within my administration.<sup>213</sup>

7.22 Another key issue raised with the Minister, in relation to capital works funding, was the failure of Government to provide \$10 million in this year's budget for expanding public housing stock as promised in the election. The Minister stated:

...we're going to be spending \$52½ million in this coming year...I didn't particularly feel—and remember these are cabinet decisions, so I'm part of a collective—like asking for \$62½ million. If that meant I couldn't provide money to people with high and complex needs, for example, it wasn't going to happen.<sup>214</sup>

7.23 The Minister also stated the decision to reprioritise the capital funding was made in the budget.<sup>215</sup>

7.24 It was put to the Minister that expenditure on these areas could reasonably have been anticipated at the time of the election and that perhaps there ought

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<sup>211</sup> *ibid.*, pp. 377 - 378

<sup>212</sup> *ibid.*, pp. 368-370

<sup>213</sup> *ibid.*, p. 370

<sup>214</sup> *ibid.*, p. 371

<sup>215</sup> *ibid.*, p. 373

to be caveats placed on all future promises indicating the promise was contingent on the availability of funding and unchanging priorities. The Minister agreed.<sup>216</sup>

### **Disability Services**

- 7.25 The Committee asked for a detailed breakdown of the additional funding to disability services since 2002-2003 purported to be part of a response to the Gallop Inquiry. The Government has provided a breakdown (see Appendix D) and the Committee believes that the overall figure is misleading as the Government has included initiatives such as transport assistance and therapy services that are not relevant to recommendations made in the Gallop report. Furthermore, the Committee believes that the response to the Gallop report has been incomplete with little progress against several major recommendations such as auditing government services, reducing the usage and turnover of casual staff and addressing issues of choice and security of tenure in supported accommodation.

### **RECOMMENDATION 14**

- 7.26 **The Committee recommends that the Government should re-assess how it calculates funding associated with responding to Inquiry Reports and ensure that it can demonstrate clear links between funding allocations and recommendations.**
- 7.27 In relation to Individual Support Packages (ISPs), the Minister stated that 160 people are now receiving support, up from 99 in 2002. The total cost of this program is \$6.8 million, with individual support packages ranging from \$7,000 a year to \$125,000 a year.<sup>217</sup> The Committee asked what assessment of unmet need had been undertaken with respect to the people who were not successful in obtaining an ISP. The Minister suggested that some assessment had been undertaken and that Disability ACT has met with all of those people who were unsuccessful in obtaining an ISP. He went on to suggest that it is not a case of unmet need, it is a case of whether their circumstances are such that cash is the

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<sup>216</sup> Corrected proof transcript of evidence, 20 May 2005, p. 374

<sup>217</sup> *ibid.*, pp. 364,404&414

only solution, and that the Minister does not necessary believe it is.

7.28 The Committee discussed at some length the new Intensive Care and Treatment Facility. Officials indicated that the target group for this facility are people currently spread across justice, mental health and the disability sector ie people with a dual diagnosis of a disability plus a mental health issue who are at risk of, or have entered the justice system (particularly sex offending). It was noted that for this group, early intervention was critical to prevent offending and that there needed to be alternative placement options than those currently available in the community. The total number of people who may require this facility at some time is estimated to be 26, and the facility will be able to house between four and six residents at any one time. The Department indicated that although the feasibility study has been undertaken into best practice (including staffing needs, accommodation and support options) they are still consulting with a range of stakeholders (particularly parents and carers) on the final service design.<sup>218</sup>

7.29 Other matters examined by the Committee and other Members in attendance included:

- Why the target for accommodation support places in 2005-2006 is not an increase from the estimated outcome for 2004-2005, with the Department clarifying that it is unlikely that it will in fact be the same but that it is not possible to put in an accurate number until all the ISPs are finalised.<sup>219</sup>
- Why the estimated outcome for the number of people receiving community support is lower than the target while at the same time the number of hours of support is estimated to be higher than the target. On this the Minister noted that the key issue is the complexity of need in relation to the people receiving support i.e. fewer people may have more complex needs and therefore require more support.<sup>220</sup>
- The range of activities that provide opportunities for people with a

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<sup>218</sup> *ibid.*, pp. 407-409, 422

<sup>219</sup> *ibid.*, pp. 411-412

<sup>220</sup> *ibid.*, pp. 415-416

disability to increase the social independence.<sup>221</sup>

- Clarification that only two people are currently in temporary emergency accommodation and that both have ISPs and are expected as part of these packages to make alternative arrangements.<sup>222</sup>
- An explanation of the relocation process for people in supported accommodation wishing to move, with the Department clarifying that the Accommodation Support Review Committee that oversees these relocations, has an independent community chairperson.<sup>223</sup>
- Background to the Children with High and Complex Needs Initiative.<sup>224</sup>
- Clarification that funding for the taxi subsidy scheme has not been reduced.<sup>225</sup>
- Concern expressed at the cost of the administration of the taxi subsidy scheme amounting to approximately \$200,000.
- The proportion of temporary and contract staff used by Disability ACT (reported to be around 20%) and how the agency ensures that these staff have the quality and the level of training that would be required in the positions.

### **Therapy ACT**

7.30 Matters examined by the Committee and other Members in attendance included:

- Reasons for the reduction in hours of therapy service.<sup>226</sup>
- The relative cost of providing services in light of fewer hours of support and efforts to address recruitment difficulties.<sup>227</sup>

7.31 The Committee notes that the accountability indicator for Therapy ACT that measures client satisfaction has been revised down from a target of 90% in

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<sup>221</sup> *ibid.*, p. 416

<sup>222</sup> *ibid.*, p. 418

<sup>223</sup> *ibid.*, pp. 419-420

<sup>224</sup> *ibid.*, pp. 422-423

<sup>225</sup> *ibid.*, pp. 405-407

<sup>226</sup> *ibid.*, p. 445

<sup>227</sup> *ibid.*, pp. 446-448

2004-2005 to 80% in 2005-2006.

### **RECOMMENDATION 15**

- 7.32 **The Committee recommends that all accountability indicators involving client satisfaction measures recognise that a minimum of 90% is an appropriate target.**
- 7.33 The Committee discussed a number of issues in relation to children with autism with the Minister. Officials were able to clarify the extent to which children with autism would be receiving assistance through the Children with High and Complex Needs (including Autism) and Additional Therapy Support for Children with High and Complex Needs (including Autism) initiatives. In relation to waiting lists for autism assessments, the Department indicated that as a result of the budget initiative in 2004-2005, there are now only four children under five waiting for an assessment and 66 children over five on the waiting list.<sup>228</sup> Of these 66 children there is a proportion who have been waiting for just under two years and Therapy ACT reports difficulty contacting some of them.
- 7.34 The Committee suggests that reducing the waiting period for autism assessments be adopted as an accountability indicator for Therapy ACT and the Minister indicated that this would be considered and very likely adopted.

### **RECOMMENDATION 16**

- 7.35 **The Committee recommends that reducing the waiting period for autism assessments be adopted as an accountability indicator for Therapy ACT.**

#### **Community Services**

- 7.36 Matters examined by the Committee and other Members in attendance included:
- The Minister's assertion that the relationship between the Government and the community has been enhanced because of the achievements of the

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<sup>228</sup> *ibid.*, pp. 449-452

community engagement unit.<sup>229</sup>

- Service funding agreements for the multicultural and community sector.<sup>230</sup>
- Progress on the construction and running of the Multicultural Centre.<sup>231</sup>

7.37 Noting community concern, the Committee sought further information about the withdrawal of \$1 million from the Renewing Community Infrastructure Program. The Chief Executive informed the Committee that this removal was due to there being other additional funding for renewing community facilities in the Budget. It was noted that in addition to the \$0.5 million remaining in the Program, there are increases of \$0.6 million for facilities run by the Department, \$0.3m for additional repairs and maintenance and \$0.9 million as part of the Office of Child, Youth and Family Support ie a total of \$2.3 million.<sup>232</sup>

7.38 Another significant area of questioning during the hearings was the Auditor-General's Report No1 of 2005: *Management of Government Grants to the ACT Multicultural Council Inc.* The Committee notes that this report is currently before the Standing Committee on Public Accounts for consideration and it is therefore inappropriate for this Committee to make any findings on this matter. For full discussion, readers are referred to the Hansard transcript of 20 May 2005.

### **Housing issues**

7.39 Matters examined by the Committee and other Members in attendance included:

- Higher than expected vacancies at Havelock House and Betty Searle House.<sup>233</sup>
- The feasibility study for a drop in centre for homeless people, including its link to the Government's Homelessness strategy and the process for

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<sup>229</sup> *ibid.*, pp. 396-398

<sup>230</sup> *ibid.*, pp. 398

<sup>231</sup> *ibid.*, pp. 428-430

<sup>232</sup> *ibid.*, pp. 369&376

<sup>233</sup> *ibid.*, pp. 381-382

community engagement.<sup>234</sup>

- ACT Shelter's proposal regarding the use of funds from the Homeloans Portfolio (on which the Minister clarified that this was the responsibility of the Commissioner for Housing).<sup>235</sup>
- Work on affordable housing with the Minister noting that he has undertaken to report back to the Assembly in June 2005 on this matter.<sup>236</sup>
- The reduction in public housing properties with the decommissioning of properties at Currong, Fraser Court and Hartigan Gardens.<sup>237</sup>
- Comparative data from the latest Productivity Commission report on government services (2003-2004) on waiting lists and the percentage of priority applicants housed within given timeframes.<sup>238</sup>
- Changes to total facilities management with the awarding of the new contract to a single provider and the ensuing reduction in administrative costs.<sup>239</sup>
- The Minister was asked to outline the basis for negotiating public/private partnerships for the provision of affordable housing and responded that the issue is a policy issue that he and the Treasurer have not yet finished discussing.

7.40 The Committee questioned why the Government had not fulfilled its election promise to provide \$4 million over four years for energy and water efficiency measures in the ACT public housing stock. The Minister noted that \$1 million was allocated for 2005-2006 and they were operating in a changed economic environment.

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<sup>234</sup> *ibid.*, pp. 385-387

<sup>235</sup> *ibid.*, p. 454

<sup>236</sup> *ibid.*, pp. 463, 465-466

<sup>237</sup> *ibid.*, pp. 473-474

<sup>238</sup> *ibid.*, pp. 464-465

<sup>239</sup> *ibid.*, pp. 477-78

7.41 The Committee discussed with the Minister and his Department at some length the issue of 'market renters'. In explaining the Government's position on market renters, the Minister noted that security of tenure '...is fundamental to combating poverty and giving people a sense of belonging and self-worth...'.<sup>240</sup> It was also noted that:

- 13% of public housing tenants (1600) are market renters but of this group only 66 pay more than \$300 per week;
- market renters do not have their incomes assessed annually but those receiving rebates are assessed twice a year to ensure they are getting the appropriate level of rebate;
- market rents are determined through an independent valuation process that compares, within the same area, the public housing properties with private rental properties; and
- the contribution of full market renters is approximately 30% (or \$19m) of rental collections.<sup>241</sup>

7.42 The Committee sought clarification regarding the estimated outcome for 2004-2005 compared with the budget for 2005-2006. It was noted by the Committee that the difference between the 2004-2005 estimated outcome from the target for that year is similar to the budget increase for 2005-2006. The Executive Director indicated that some of the unspent funding on community housing projects (ie grants) was to be rolled over into 2005-2006.<sup>242</sup>

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<sup>240</sup> *ibid.*, p. 455

<sup>241</sup> *ibid.*, pp. 454-462, 467

<sup>242</sup> *ibid.*, pp. 379-381



## 8 PLANNING AND URBAN SERVICES

8.1 The Committee examined the Minister for Planning and the departments and agencies under this portfolio area<sup>243</sup> on 24 May 2005.

### **ACTION Authority and Public Transport**

8.2 Matters examined by the Committee and other Members in attendance included:

- The targets for the number of people utilising public transport and whether the Government is considering using increased taxes and charges on private vehicle use to drive demand.<sup>244</sup>
- Issues in determining the final cost of the Belconnen to City and Gungahlin to City busways and finalising the routes.<sup>245</sup>
- Progress towards compliance with the Disability Discrimination Act and the need to meet new wheelchair accessibility standards by 2022 with the Minister noting that the Authority was on track to meet requirements.<sup>246</sup>
- The extent to which part-time work is encouraged and utilised (the Authority noting that approximately 40% of staff are part-time).<sup>247</sup>
- Whether future alternative public transport modes such as light rail are being factored in to current infrastructure planning (eg the infrastructure for the busways).<sup>248</sup>
- The average weekday cost of \$87, 061 to run the network and the average weekly cost of \$485, 036 compared with the average revenue of \$66, 000 on weekdays and \$358,000 per week.<sup>249</sup>

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<sup>243</sup> See Appendix C

<sup>244</sup> Corrected proof transcript of evidence, 24 May 2005, pp. 558-559

<sup>245</sup> *ibid.*, pp. 561-564

<sup>246</sup> *ibid.*, pp. 556 & 571-572

<sup>247</sup> *ibid.*, pp. 577-78

<sup>248</sup> *ibid.*, p. 580

<sup>249</sup> *ibid.*, p. 582

- 8.3 The Committee notes the Minister's comment that the Budget is a positive one for public transport. The Committee suggests that there are several areas where attention should be focussed.
- 8.4 The Committee was told that the ticketing system is ageing and that a new system will be needed in the future and that ACTION were investigating options but no funds were allocated in this budget.
- 8.5 The Committee questioned why funding promises in regards to the maintenance of shared paths were not met.
- 8.6 The Committee was pleased to be informed that the studies into the Civic-Belconnen bus way would include consideration of a range of routes including using the existing alignment.
- 8.7 The Minister and officials provided an update on the bike rack project and indicated that they still anticipate a mid 2005 roll out of the racks. In response to questioning about whether or not other options besides racks on the front of buses had been considered (ie inside the bus or at the back of the bus) the Minister noted that other options had been considered and the Government was not comfortable with the potential inconvenience that could occur were bicycles inside buses. He further noted that Brisbane City Council, which is the only other jurisdiction implementing a similar initiative, also uses fold-down racks at the front of buses.<sup>250</sup>
- 8.8 The appropriateness of the accountability indicator (a) under Output 2.2 'Timeliness of ACTION services' was discussed. It was put to the Minister that frequency of services should be considered as an indicator in light of research that suggested it was more important than length of trip time and timeliness in increasing patronage. The Minister noted that the Government had investigated this issue at some length in its previous term of office and that although frequency was important, the major issue for passengers in the ACT was the journey time. This is part of the evidence base for the busways project.<sup>251</sup>

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<sup>250</sup> *ibid.*, pp. 557-558

<sup>251</sup> *ibid.*, pp. 568-569

- 8.9 The Government's initiative on Real-time Information Services was discussed in some detail, particularly:
- the timeframe for the project;
  - the number of likely sites for display units;
  - the methodology for conducting trials of equipment and the system as a whole;
  - its impact on increasing patronage – specifically in reaching the target of 9% of all journeys to work by 2011; and
  - its relative value in a lean budget environment.<sup>252</sup>

## RECOMMENDATION 17

- 8.10 **The Committee recommends that the Real-Time Information Service be deferred and that the funds be allocated to more urgent priorities.**
- 8.11 A member of the Committee raised concerns about the adequacy of school bus services to Radford College from Woden and to St Peter and Paul and Garran Primary Schools from the Woden area. The Minister explained that where there are normal services adequately servicing a school (as is the case for Radford College, which has a high frequency network that stops right outside), given limited resources, ACTION would not normally prioritise additional dedicated school services for the school. In relation to the withdrawal of morning services to St Peter and Paul and Garran Primary Schools, the Minister clarified that the service had not been withdrawn but that due to nil patronage it no longer serviced Garran Primary.<sup>253</sup>

## Sustainable Transport

- 8.12 The Committee discussed the issue of on road cycleways with the Minister. Of particular concern to some Members is the design of the on road cycleways in relation to exits off major roads. The Minister stated his understanding that the design being utilised in the ACT of using green to designate on road cycleway exits is consistent with Australian Standards. The Minister was not

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<sup>252</sup> *ibid.*, pp. 617-621

<sup>253</sup> *ibid.*, pp. 575-577 and response to QON No. no. 39

able to provide examples of the right of way use in 'green zones' in other jurisdictions. The need to develop and maintain both on road cycleways and off road cycle paths to provide choice to cyclists and encourage the maximum number of people to cycle was also discussed.<sup>254</sup>

- 8.13 The Minister was asked whether or not the Government has any intention of introducing tolls as a means of proper road pricing as suggested in the Sustainable Transport Plan. The Minister stated categorically that the Government is not investigating tolls.<sup>255</sup>

## Land Development Agency

- 8.14 Matters examined by the Committee and other Members in attendance included:

- Liaison with community housing providers, particularly in relation to proposals for direct land grants.<sup>256</sup>
- Increases in staffing in the Agency.<sup>257</sup>
- Debate about the impact of the Agency on private sector development in light of changes to the market and whether as a consequence the scope of activities of the Land Development Agency should be revisited.<sup>258</sup>
- Measures being undertaken to work out why there was a lack of take up at the February 2005 moderate-income earners ballot.<sup>259</sup>
- The approach by the Agency to lifting water and energy efficiency standards in its developments, with the Minister noting by way of example that for the Forde developments, the water efficiency targets will be higher than those in NSW under BASIX.<sup>260</sup>
- An explanation for the substantial increase in the dividend forecast for 2005-

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<sup>254</sup> Corrected proof transcript of evidence, 24 May 2005, pp. 565-568

<sup>255</sup> *ibid.*, pp. 579-580

<sup>256</sup> *ibid.*, pp. 582-583

<sup>257</sup> *ibid.*, pp. 583-584

<sup>258</sup> *ibid.*, pp. 585-587

<sup>259</sup> *ibid.*, p. 592

<sup>260</sup> *ibid.*, pp. 596-597

2006, with officials noting that their commercial release program should offset a softening residential market.<sup>261</sup>

- Whether comments by the Minister during the tender process for Forde had in any way influenced the Agency's processes given the statements by the successful tenderer that they had entered into a partnership with an interstate firm to meet perceived Government requirements.<sup>262</sup>
- The processes in relation to land release for aged care facilities with the Minister stating that in future the Government will be seeking to release sites where the granting of places by the Commonwealth and the release of land by the ACT are linked (as was the case for the Lake Ginninderra development).<sup>263</sup>
- The land release program for the current and forthcoming financial years.

8.15 There was considerable discussion about the role of the Agency in achieving affordable housing throughout the hearing. The Minister stated that while there is no target or level the Agency has to meet in terms of affordable housing, the Agency believes there needs to be an equal focus on affordable housing. The Minister noted that moderate-income land ballots are one means of achieving this and that the Agency is also exploring how to move towards offering affordable house and land packages. To do this the Agency is working with the building industry to create affordable housing products for land sold through moderate-income ballots.<sup>264</sup>

8.16 The low rate of take-up in the Moderate Income Land Ballot was raised with the Minister, who indicated that he had directed the Land Development Agency to review the issue.

## **ACT Planning and Land Authority (ACTPLA)**

8.17 Matters examined by the Committee and other Members in attendance included:

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<sup>261</sup> *ibid.*, pp. 599-600

<sup>262</sup> *ibid.*, pp. 594-595

<sup>263</sup> *ibid.*, pp. 601-602

<sup>264</sup> *ibid.*, pp. 588-592

- The expected outcomes of the Minister's upcoming overseas trip, particularly the rationale for visiting Portland.<sup>265</sup>
- The impact of the approximately 5% budget cut to ACPLA with the loss of nine FTE staff.<sup>266</sup>
- Whether the loss of these staff will impact on ACTPLA's capacity to respond to the Auditor-General's recommendation (in *Auditor-General's Report 3, 2005: Development application and approval process*) to have different officers assessing and approving development applications. The Minister noted that while the Auditor-General was critical of timeliness the Minister believed '...the recommendation actually worked against the issue of achieving greater timeliness because it meant more work had to be done for simple applications'.<sup>267</sup>
- An explanation of the target set for the accountability indicator on customer satisfaction.<sup>268</sup>
- The introduction of the BASIX energy rating system in the ACT and why 'feasibility' work, including a regulation impact statement, is being undertaken given its use in NSW (and their work in evaluating it), and the Minister's statement that they are working towards a 1 July 2006 implementation date.<sup>269</sup>

8.18 The Committee sought clarification on standards applied to new commercial development in terms of energy and water efficiency. In addition, the Committee asked about the proposed implementation of the BASIX system, that once introduced will require sustainable design principles to new residential developments. The Committee was told that, if implemented, BASIX will require all new residential developments to meet a certain level on the sustainability index before development approval will be granted. The Minister noted that the ACT does not currently have any mandatory requirements that drive people to consider sustainability devices or practice –

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<sup>265</sup> *ibid.*, pp. 608-610

<sup>266</sup> *ibid.*, p. 611

<sup>267</sup> *ibid.*, pp. 613-614

<sup>268</sup> *ibid.*, pp. 660-641

<sup>269</sup> *ibid.*, pp. 615-617

with the exception of the minimal home energy-rating scheme. The Minister advised that, if introduced, BASIX will be much more vigorous. The Minister also advised that there were developments via the Green Building Council of Australia and through amendments to the Building Code of Australia that will mean that in 2006 there will be in place some minimum standards for new commercial buildings.

- 8.19 Noting feedback about the dissatisfaction of businesses with planning processes, the Committee raised this issue directly with the Minister. The Minister observed that this is a common complaint in all jurisdictions, in part because it is an area that attracts criticism due to the nature of the decisions that are made and the impact on interested parties.

...if you go to any city in the country you would find their business advocacy groups making similar observations about their city's or their state's planning system...

I make this observation not to diminish the comments that industry makes from time to time because it is acknowledged by me and by the government that our planning system needs to be improved in terms of development assessment and the other elements, the other tools, that our planners use. I simply make the comment, though, to make the point that planning is inevitably an area that attracts criticism, particularly when people are unhappy with a decision.

- 8.20 The Minister then commented on measures underway to work with industry and other stakeholders to improve planning processes. The Committee notes that the Minister has since formally launched the Government's reform process for planning.
- 8.21 The Committee sought elaboration on developments in the City West precinct. The Minister provided a comprehensive overview of developments. Concerns were raised about community facilities and levels of affordable housing. The Committee notes that this issue is currently before the Standing Committee on Planning and Environment.<sup>270</sup>
- 8.22 Concerns were raised about the Minister's use of his call-in powers with regards to Section 84 and the development by the Queensland Investment

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<sup>270</sup> *ibid.*, pp. 606, 636-639, 644

Corporation (QIC).<sup>271</sup> The Minister advised that he decided to use his call-in powers because:

I considered that the project was one of territory significance because of the scale of investment involved, over \$350 million worth of investment. Secondly, an important element of the revitalisation of the city centre is to provide a greater range of retail, entertainment and commercial activity in the city centre. Thirdly, I did not believe it was in the public interest for the development to be further delayed by what was a very small number of objections, which were principally to the policy decision to develop the site. Given that that policy decision had been made by the previous Liberal government, supported by this government, it seemed to me that the public interest would not be served by objections which sought to revisit that fundamental policy issue which had been decided by this and previous governments.<sup>272</sup>

8.23 The Committee notes that the initial development was approved to a size of 20 000 square meters and the call-in took it to 49 000 square meters with the development capacity of the master plan being 135 000 square meters.

8.24 A concern raised with the Minister was the perception that the concept of Canberra as a place with a series of town centres was being eroded by the strong focus on development in Civic. The Minister responded by noting that:

- the spatial plan identifies the area for urban 'intensification' as being within 7.5 km of Civic;
- both the territory and national capital plans identify the need for Civic to be the focus of commercial and cultural life ie 'the first among equals'; and
- the development of Civic and strong, vibrant town centres are not mutually exclusive goals.<sup>273</sup>

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<sup>271</sup> *ibid.*, pp. 641-646

<sup>272</sup> *ibid.*, pp. 641-642

<sup>273</sup> *ibid.*, pp. 646-648

## Urban services portfolio

8.25 The Committee examined the Minister for Urban Services and the departments and agencies under this portfolio area<sup>274</sup> on 25 May 2005.

### Department of Urban Services

8.26 The Committee notes that in his opening statement the Minister indicated the Department is undertaking a significant restructure, with a focus on eliminating the internal purchaser provider model existing within the Department. The Committee welcomes this initiative. The Minister noted that this commenced well prior to the Budget process and the consequent need to look at implementing an efficiency dividend.<sup>275</sup>

8.27 The reduction by \$10 million in the out years of the Budget is the known savings target from the restructure but there is also the potential for further redirected resources as a result of the restructure. The Minister and the Department advised of the Department's approach to reducing staff numbers by approximately 80 FTE with a focus on natural attrition, job share/part-time work opportunities with voluntary redundancies as a last resort.<sup>276</sup>

8.28 Other matters examined by the Committee and other Members in attendance included:

- The determination of funding for the construction of new cycle paths and when surveys would occur regarding the utilisation of cycle paths.<sup>277</sup>
- Non-paper acquisitions by the library service and the increasing cost of providing electronic communication services.<sup>278</sup>
- Consultation and progress on the Tharwa Bridge redevelopment.<sup>279</sup>
- The accountability indicators regarding the ACT's library service. The

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<sup>274</sup> See Appendix C

<sup>275</sup> Corrected proof transcript of evidence, 25 May 2005, p. 655

<sup>276</sup> *ibid.*, p. 657

<sup>277</sup> *ibid.*, p. 655

<sup>278</sup> *ibid.*, p. 678

<sup>279</sup> *ibid.*, p. 687-689

Minister noted that it was not appropriate to look at comparing the percentage of new acquisitions in the ACT with other capital city libraries given the nature of the library service here.<sup>280</sup>

- Tree removal, maintenance and replanting in the urban environment with the Minister noting that a large proportion of tree diebacks in the Territory is due to natural processes such as old age rather than the drought.<sup>281</sup>
- The upkeep of sportsgrounds and ovals during the drought.<sup>282</sup>
- The upgrade on the Callam offices to ensure that the building is able to meet building safety codes.<sup>283</sup>
- The running of the Capital Linen Service including business case investigation and support for staff in the transition from Totalcare Industries to the Department.<sup>284</sup>

8.29 The safety of the on road cycleways on major roads at exit points was raised with the Minister. The Minister indicated that he would look at the issue, including the need to look at measures to support cultural change within both the cycling and broader road user community that would make sharing the roads safer. The Minister indicated that discussions about broader safety issues are also occurring and ongoing with key community cycling groups and the NRMA Safety Trust and noted that there was \$4 million recurrent spending in this area.<sup>285</sup>

8.30 The Minister also clarified for the Committee that the provision of on road cycleways was not in and of itself the sole reason for reductions in speed limits, the decision for which takes into account total safety aspects on every road.<sup>286</sup>

8.31 There was some discussion on the Gungahlin Drive extension, and the Minister outlined the changes in the project scope since October 2003 which

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<sup>280</sup> *ibid.*, pp. 700

<sup>281</sup> *ibid.*, pp. 708-709

<sup>282</sup> *ibid.*, pp. 723-726

<sup>283</sup> *ibid.*, pp. 744-745

<sup>284</sup> *ibid.*, pp. 746-747

<sup>285</sup> *ibid.*, pp. 655-672

<sup>286</sup> *ibid.*, pp. 705

included \$1 million for landscaping and \$300 000 for an increased level of archaeology and biodiversity assessment. Known costs to date for delays in construction are \$2.75 million and the delays costs paid to the contractor of the preliminary works contract as a consequence of continued legal challenges and court injunctions are \$250,000. The Minister further informed the Committee that:

Increased costs for the preliminary works contract as a consequence of a heated market, protracted delays caused by legal actions, the extended contract period, an increased level of risk associated with the contract, for example, the need to hire security for the site at a cost of \$40,000 ... An extended site management team contract of some 14 months with a revised completion date now likely to be September 2007, legal processes willing, rather than June 2006, as included in the current contract, has cost us \$1 million.

Additional costs associated with the relocation of major services were another \$500,000.... The assessment of the current tender market—that is your price escalator, in a sense; how much is a contract worth out there—cost us an extra \$7 million. A contingency allowance based on a risk assessment of variation of the construction contract due to variations in prices and quantities, which is a standard rise and fall clause in the contract, was another \$5 million.<sup>287</sup>

- 8.32 In responding to the question of whether the Government can recover costs or sought a security of costs when the legal action arose, the Minister confirmed that this had been obtained and clarified that the ACT Government is not the major party in proceedings and that it is the Federal Government's legislation that is being challenged by Save the Ridge.<sup>288</sup>
- 8.33 Regarding the introduction of more speed and red light cameras, the Minister clarified that it is not the Department which determines the location of speed cameras and that this is done by an independent road safety committee comprising of the Australian Federal Police, the NRMA and the Department based on road safety considerations with no consideration to revenue issues. He further noted that the combination of static red light and speed cameras at intersections were efficacious. The Minister advised that the revenue and road

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<sup>287</sup> *ibid.*, p. 672-673

<sup>288</sup> *ibid.*, p. 675

safety components of these cameras are distinctly different and that it was important to understand that the revenue component is entirely voluntary in that only those people speeding or going through red lights pay fines.<sup>289</sup>

- 8.34 The Minister was asked about accident statistics at speed and red light camera zones, and advised that there was usually a short-term increase in accidents. The Minister's later answer to a question on notice indicated that accidents increased at most intersections in the first year after introduction.
- 8.35 The Minister explained the legislative requirement to gazette the proposed placement of cameras and the limitations that this can place in being responsive to emerging areas of concern. The Department is looking at whether providing this flexibility will require legislative changes. The Minister stressed that in doing so he would not seek to have the power to determine the placement of cameras and that this should remain with the independent road safety committee.<sup>290</sup>
- 8.36 The Committee raised the matter of tenants on the Parkwood Estate and the management of the estate by ACT NoWaste. The Minister was not prepared to discuss leasing arrangements to do with the Estate or matters relating to an individual business.<sup>291</sup> Some members of the Committee expressed concern at the Minister's refusal to respond to a range of questions concerning administration and policy matters that could not be deemed as commercial-in-confidence.
- 8.37 The Minister outlined what would be included in the \$1.7 million Phillip Oval refurbishment, namely:
- Replacing the irrigation system;
  - substantial refurbishment of the playing surface, stand and changing facilities;
  - refurbishment of the lighting system to allow for night games;
  - work on landscaping and fencing; and

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<sup>289</sup> *ibid.*, p. 690-691

<sup>290</sup> *ibid.*, p. 692-693

<sup>291</sup> *ibid.*, p. 719-721

- reconstruction of the beach volleyball court.<sup>292</sup>
- 8.38 The Committee discussed the issue of night games at Phillip Oval with the Minister who indicated that the intention was to provide a football facility for the future. The Minister noted, for example, that to promote women's AFL in the ACT by hosting the national championships would require the capacity to host night games. More generally, suitable lighting at Phillip Oval would also provide more opportunities for night training for local teams.<sup>293</sup>
- 8.39 Some members of the Committee expressed concern at the necessity for these outlays given the necessity for these outlays given there is no present demand for night games at Phillip Oval.
- 8.40 The Committee discussed with the Minister the progress in achieving the No Waste goals. The Committee queried whether the goals were achievable given the progress and targets noted in the budget. The Minister noted that it was important to actually define what 'no waste' means and rather than zero percent, it is in the range of three to five percent waste going to landfill.<sup>294</sup>
- 8.41 The Committee discussed funding and programs focused on the clean up and prevention of graffiti. The question was asked whether a 'name and shame' approach for graffiti vandals was effective and the Minister stated that he had 'not seen evidence since then of a slowdown that we can attribute to that'<sup>295</sup>.

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<sup>292</sup> *ibid.*, pp. 702

<sup>293</sup> *ibid.*, pp. 703

<sup>294</sup> *ibid.*, pp. 713

<sup>295</sup> *ibid.*, pp. 759



## 9 ATTORNEY GENERAL AND POLICE AND EMERGENCY SERVICES

9.1 The Committee examined the Attorney General and the departments and agencies under this portfolio area on 26 May and 1 June 2005<sup>296</sup>.

### Department of Justice and Community Services

9.2 Matters examined by the Committee and other Members in attendance included:

- The necessity for a new Supreme Court building.<sup>297</sup>
- Discontinuance of the home detention program due to cost and under utilisation.<sup>298</sup>
- Circle sentencing for indigenous offenders<sup>299</sup> and restorative justice programs.<sup>300</sup>
- Those areas being quarantined from budget cuts, namely the Human Rights Office, the Community Advocate's Office, the courts and the Director of Public Prosecutions.<sup>301</sup>

9.3 Some members of the Committee were concerned that the Human Rights Office, in particular, should in fact be subject to budget constraints.

9.4 In addition to lengthy discussion about the nature of the evaluations of the Human Rights Act 2004, a significant area of discussion was whether the human rights of young people on remand at Quamby, who are not separated from young people serving committals, are being breached under Section 19

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<sup>296</sup> See Appendix C

<sup>297</sup> Corrected proof transcript of evidence, 26 May 2005., p. 777-778

<sup>298</sup> *ibid.*, p. 781

<sup>299</sup> *ibid.*, p. 783. QON No. no. 237

<sup>300</sup> Corrected proof transcript of evidence, 26 May 2005, p. 785

<sup>301</sup> *ibid.*, p. 763

(2) of the Act.<sup>302</sup> The Attorney General accepted that there was a breach of this right and that it is an issue of concern. He noted that the concern also arises for remandees at Belconnen Remand Centre.

9.5 The Attorney General asserted to the Committee that these particular rights are not new, in the sense that they have existed since Australia acceded to the International Covenant on Civil and Political Rights (ICCPR); that is previous governments could equally be said to have breached the human rights of remandees. However, some members of the Committee contested this assertion noting that the ICCPR was not previously incorporated into domestic law.

9.6 On the issue of breaches of human rights more broadly, the Attorney General noted:

As we go along, I have no doubt that, in relation to our operations, we will uncover through these processes a range of areas in which we potentially do not comply with the human rights set out in the Human Rights Act. I do not think that is exceptionable. It is not unexpected; it is what we always expected.<sup>303</sup>

9.7 The thrust of the Attorney General's comments to the Committee during this debate was that the real usefulness of the Act is to keep Government and the community accountable.<sup>304</sup>

The essential purpose of the Human Rights Act, as I think each of you well understands, is to ensure at a number of levels that we develop a rights culture. I think that is its most important function.<sup>305</sup>

9.8 The Committee notes that the new prison, the Alexander Maconochie Centre, will provide enough capacity to facilitate the closure of the remand centres at Belconnen and Symonston and bring back prisoners currently housed in New South Wales. There seemed to be some confusion as to the final cost of the prison, with \$110 million budgeted due to escalate in future years to maintain the value of the dollar against that 2003 figure. Officers confirmed that the cost

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<sup>302</sup> See also the discussion with the Minister for Children, Youth and Family Support, corrected proof transcript of evidence, 31 May 2005

<sup>303</sup> Corrected proof transcript of evidence, 1 June 2005, p. 1082

<sup>304</sup> Corrected proof transcript of evidence, 1 June 2005, p. 1080

<sup>305</sup> Corrected proof transcript of evidence, 1 June 2005, p. 1082

of the prison is likely to be \$128 million rather than the budgeted \$110 million, but that there was no expectation that this figure should be exceeded.<sup>306</sup>

- 9.9 Some members of the Committee are concerned that the cost of operating this facility will be substantially higher than the \$8 million per annum currently being spent on sending prisoners interstate.
- 9.10 The Committee is concerned that ACT remandees and offenders requiring the use of a forensic mental health facility will be transported to NSW, affecting their ability to receive family and friends as visitors during a critical stage of illness.
- 9.11 The Committee discussed at some length the costs associated with the coronial inquest into the 2003 bushfires. Officers informed the Committee that the total cost as at 30 April 2005, including costs associated with the application to disqualify the Coroner is \$8.3 million.<sup>307</sup>
- 9.12 The acting Attorney General informed the Committee that 'the costs associated with the application to disqualify the Coroner in the Bushfire inquest as at 31 May 2005 were \$1.459 million. These figures do not include Counsel fees for whom accounts for May are yet to be received.'<sup>308</sup>
- 9.13 The Committee explored the Victims Services Scheme in some detail, seeking clarification regarding the referral pathways for victims and in particular the extent to which they are being referred to the Victims of Crime Assistance League (VOCAL).
- 9.14 Concerns were raised about the number of people being referred to VOCAL from ACT Health. On notice, the Minister confirmed that ACT Health staff are required to provide information about victim support services and refer clients to VOCAL as requested. A number of clients receive the information and choose to contact VOCAL themselves and are therefore considered to be self-referred. The vast majority of clients decline referral to VOCAL.<sup>309</sup>

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<sup>306</sup> Corrected proof transcript of evidence, 26 May 2005, p. 773 - 775

<sup>307</sup> *ibid.*, p. 776

<sup>308</sup> QON No. 238

<sup>309</sup> QON No. 261

- 9.15 The funding for VOCAL was also discussed relative to funding for private practitioners with the Minister noting that the services provided by both are qualitatively different which results in a different cost for both.<sup>310</sup>
- 9.16 The Legal Aid Commissioner advised the Committee that despite entering into a new four year funding agreement with the Federal Government, Legal Aid in the ACT is still under-resourced.
- 9.17 The Committee notes that although ACT Health convened a gay, lesbian, bisexual, transgender and intersex (GLBTI) health forum in November 2004, and that the report and recommendations are currently being prepared.<sup>311</sup>

## Electoral Commission

- 9.18 Matters examined by the Committee and other Members in attendance included:
- Powers of the Commissioner to act on stolen or vandalised campaign signs.<sup>312</sup>
  - The efficacy of the 100-metre ban from polling places.<sup>313</sup>
  - The compliance audit on disclosure of donations by third parties.<sup>314</sup>
- 9.19 The Electoral Commissioner expressed his satisfaction with the expansion of the use of electronic voting in 2004, with an increase of approximately 11 500 votes over 2001 figures. He further told the Committee that a report is due to be tabled in the Assembly in coming weeks that will be exploring the option of expanding electronic voting but noted that the hardware is costly in comparison to paper votes.
- 9.20 The Commissioner told the Committee that he believes the integrity and security of electronic voting to be greater than that of paper voting.<sup>315</sup>

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<sup>310</sup> Corrected proof transcript of evidence, 1 June 2005, p. 1075

<sup>311</sup> QON No. 76

<sup>312</sup> Corrected proof transcript of evidence, 1 June 2005, p. 1087

<sup>313</sup> *ibid.*, p. 1089

<sup>314</sup> *ibid.*, p. 1089-1090

<sup>315</sup> *ibid.*, p. 1085-1086

9.21 Concerns were raised about the length of time taken for a final result of the 2004 election to be known. The Commissioner explained to the Committee the difficulty in finding a balance between the appropriate level of resources and quality control, noting that increasing resources may in fact not lessen the count time due to the potential for problems to occur. The Commissioner expressed the hope that in future, with any expansion of electronic voting, the timeframe would be further reduced.<sup>316</sup>

## Office of Fair Trading

9.22 Matters examined by the Committee and other Members in attendance included:

- The number of categories of new licences that have been created since 2002 that the Office of Fair Trading has responsibility for administering.<sup>317</sup>
- The compliance programs and scrutiny of those holding liquor licenses.<sup>318</sup>

## Police and emergency services portfolio

9.23 The Committee examined the Minister for Police and Emergency Services and the departments and agencies<sup>319</sup> under this portfolio area on 26 May 2005.

## ACT Policing

9.24 Matters discussed by the Committee and other Members in attendance included:

- The success to date of the ACT property crime reduction strategy.<sup>320</sup>
- Police response to burnouts and other antisocial driving activities.<sup>321</sup>

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<sup>316</sup> *ibid.*, pp. 1086-1087

<sup>317</sup> *ibid.*, pp. 1091

<sup>318</sup> *ibid.*, pp. 1091-1092

<sup>319</sup> See Appendix C

<sup>320</sup> Corrected proof transcript of evidence, 26 May 2005., p. 806

<sup>321</sup> *ibid.*, p. 824

- The construction of a new Woden Police Station due to the current station failing to meet a number of Australian Building Standards.<sup>322</sup>
- 9.25 A key issue of concern for the Committee was the number of police officers available in the ACT.<sup>323</sup> The Committee notes that according to Productivity Commission figures the 'national average for sworn staff per 100 000 population is 225.98. Comparatively, [the] ACT had an average of 191.42.'<sup>324</sup>
- 9.26 In a lengthy discussion, officers from ACT Policing explained to the Committee the difficulty in talking about the number of police officers; in any given day the number of sworn officers available can vary depending on the operations being undertaken. Officers also informed the Committee that the use of full time equivalent (FTE) in regards to police officers is also inappropriate because the FTE count is only applied once an officer is employed at three-quarters of the permissible experience band.<sup>325</sup>
- 9.27 Readers are referred to the transcript of 26 May 2005 for the full discussion on this issue, including explanation on the use of FTE in relation to police numbers.
- 9.28 The Minister noted the debate about police numbers and informed the Committee that by the 2008-2009 financial year police numbers will have increased by 30 FTE positions.<sup>326</sup>
- 9.29 The Committee notes that although the Government has promised to deliver 30 FTE police officers to the ACT by 2008, the ACT Government will soon receive a report on the study into the ACT's future policing needs, which may affect the Government's promise.

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<sup>322</sup> *ibid.*, p. 829-830

<sup>323</sup> Corrected proof transcript of evidence, 26 May 2005, p. 807-815, 831-836

<sup>324</sup> QON No. no. 220

<sup>325</sup> Corrected proof transcript of evidence, 26 May 2005, p. 811

<sup>326</sup> *ibid.*, p. 810

**RECOMMENDATION 18**

- 9.30 **The Committee recommends that the Government publicly release the report on the study into the ACT's future policing needs once it is completed.**
- 9.31 Members raised concerns about anti-social behaviour in the south of Canberra, in particular Manuka, where some business owners have hired additional security patrols.
- 9.32 The Chief Police Officer told the Committee that while police take security in Manuka seriously and have been working closely with the business community on safety issues, offence rates are comparatively low.<sup>327</sup> Some Members of the Committee argued that information provided by business owners suggests the opposite and undertook to brief the Minister privately on those concerns.<sup>328</sup>
- 9.33 The Committee discussed policing operations in Gungahlin and the Minister expressed that he was not concerned about having an unmanned police station after 6pm, such as the Gungahlin Police Station, as officers on patrol were able to respond to incidents more quickly. The Chief Police Officer told the Committee that there was always a minimum number of patrol cars available to Gungahlin and the standard response time of eight minutes applies regardless of the location of the incident.<sup>329</sup>

**Emergency Services Authority**

- 9.34 Matters discussed by the Committee and other Members in attendance included:
- Replacement communication and information management system that will integrate emergency services into one system.<sup>330</sup>
  - Capacity in the emergency services authority headquarters and the planned joint emergency services training academy.<sup>331</sup>

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<sup>327</sup> *ibid.*, p. 821

<sup>328</sup> *ibid.*, p. 836

<sup>329</sup> *ibid.*, p. 825-828

<sup>330</sup> *ibid.*, p. 851-852

- 9.35 Of considerable interest to the Committee was the recurring funding available to Community Fire Units (CFUs). The Committee is unanimous in its support for the CFUs and notes that the program is not being withdrawn or wound down and that all existing units would have recurring support.<sup>332</sup> However, it is concerning to the Committee that the introduction of the additional planned CFUs has been postponed.
- 9.36 In discussion of the FireLink project, the Members noted that the Emergency Services Authority conducted a single select tender process to source the radio communications system. The Commissioner explained that the FireLink system was the only one that matched all the operational requirements and following a trial of the system and following all the correct procurement guidelines a single select process was undertaken.<sup>333</sup>
- 9.37 Some members of the Committee also raised questions regarding growth in employment numbers and selection processes in the Emergency Services Authority.

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<sup>331</sup> *ibid.*, p. 860-863

<sup>332</sup> *ibid.*, p. 844-848

<sup>333</sup> *ibid.*, p. 857-858

# 10 EDUCATION AND TRAINING AND CHILDREN, YOUTH AND FAMILIES

## Education and training portfolio

10.1 The Committee examined the Minister for Education and Training and the departments and agencies under this portfolio area<sup>334</sup> on 27 May 2005.

## Department of Education and Training

10.2 Matters examined by the Committee and other Members in attendance included:

- The lower savings being sought in the Department (under 1% of the operating budget) compared with other departments and the Department's approach to ensuring that there is no impact on service delivery to schools.<sup>335</sup>
- The age of the ACT's school building stock (approximately 58% is aged 30 years and over).<sup>336</sup>
- Why the targets in the accountability indicators relating to indigenous education reduce the older the students become<sup>337</sup>.
- School based management funding including how schools manage discretionary funding.<sup>338</sup>
- The lack of funding this year for the Student Support Teams as promised in the election.<sup>339</sup>

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<sup>334</sup> See Appendix C

<sup>335</sup> Corrected proof transcript of evidence, 27 May 2005, p. 875

<sup>336</sup> *ibid.*, p. 883, QON No. no. 224

<sup>337</sup> *ibid.*, p. 907

<sup>338</sup> *ibid.*, p. 908

<sup>339</sup> *ibid.*, p. 917

- Issues related to the Student Centred Appraisal Need (SCAN) process including whether it inappropriately focuses on children's disabilities rather than their abilities and to what extent it is being evaluated.<sup>340</sup>
  - Smart classrooms, including the use of electronic whiteboards and support and training for staff in the use of the new technology.<sup>341</sup>
  - The Department's approach to supporting healthy eating in school canteens.<sup>342</sup>
  - Review of the college system looking at the relevance and suitability of courses and assessment processes, teaching strategies, system data, national and international standards and related matters.<sup>343</sup>
  - The impact of the drought on children's use of school ovals.<sup>344</sup>
  - Alternative education models.<sup>345</sup>
- 10.3 The Committee raised the issue of voluntary financial contributions to schools and the Department's actions to ensure consistency across schools around communicating the Government's policy.
- 10.4 The Minister and officials clarified that ordinary educational activity would be covered by a combination of voluntary contributions and Government funding, but that parents would be expected to fund additional enrichment activity, such as overseas trips.
- 10.5 Concerns were raised by members of the Committee that schools do not keep data on the number of students not making voluntary contributions. The Department clarified that while it knows the dollar amount regarding contributions across schools it does not keep statistics regarding the percentage of people not paying because the contributions are voluntary.

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<sup>340</sup> *ibid.*, p. 934

<sup>341</sup> *ibid.*, p. 960

<sup>342</sup> *ibid.*, p. 915

<sup>343</sup> *ibid.*, p. 927

<sup>344</sup> *ibid.*, p. 914-915

<sup>345</sup> *ibid.*, p. 902

- 10.6 The Minister assured the Committee that she was open to schools approaching the Department should they experience a significant shortfall in voluntary contributions.<sup>346</sup>
- 10.7 The Committee discussed the funding for disabled students in non-Government schools with the Minister noting that the ACT Government was actually exceeding funding obligations by \$100,000 per year and had no intention to reduce this funding. The Minister further noted that she would be happy to support claims by non-government schools associations to the Commonwealth for increased funding given that the Commonwealth Government is the major funding partner for the non-government school sector.<sup>347</sup> Some members of the Committee expressed concern at the level of funding for disabled students in non-Government schools compared with Government schools.
- 10.8 The Committee notes that the Minister has obligations under Section 76 of the *Education Act 2004* to seek and consider advice from the Non-government Schools Education Council but did not establish the Council prior to the 2005-2006 Budget deliberations. The Minister claimed that it was not possible to seek this advice given that the Council was not convened until after the Budget was laid down.<sup>348</sup>
- 10.9 The issue of bullying in schools is a matter of some concern to the Committee. The Committee notes that there is no funding specifically provided towards anti-bullying initiatives but that schools are expected to address the issue systemically throughout the school. The Committee notes that all schools are required to have student management and welfare policies, tailored to the school and community environment. The Committee further notes the Minister's advice about the necessity for a standard Government policy on bullying and harassment.<sup>349</sup>

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<sup>346</sup> *ibid.*, p. 878 - 880

<sup>347</sup> *ibid.*, p. 885-887

<sup>348</sup> *ibid.*, p. 890-895

<sup>349</sup> *ibid.*, p. 903-907

## Children, Youth and Family Support portfolio

10.10 The Committee examined the Minister for Children, Youth and Family Support and the departments and agencies under this portfolio area<sup>350</sup> on 31 May 2005.

10.11 Matters examined by the Committee and other Members in attendance included:

- Update on the implementation of the Vardon Report recommendations. The Minister noted that regular reports on the implementation are being tabled in the Assembly.<sup>351</sup>
- Progress on the recruitment initiatives for operational child protection staff, including the outcomes of the overseas recruitment campaign.<sup>352</sup>
- Information about the roll over of capital works expenditure from 2004-2005 to 2005-2006 with the Department indicating that the majority of this amount is the return to consolidated revenue of the Quamby upgrade funding.<sup>353</sup>
- Individual Support Packages for children and young people who because of their challenging behaviours cannot be placed in foster care. This will enable the Office of Children, Youth and Family Support (the Office) to move away from interstate options to options in the ACT that provide both emergency care as well as stabilising care over longer periods of time.<sup>354</sup>
- The role of the new Aboriginal and Torres Strait Islander Unit within the Office with the Office noting that the Unit will not undertake statutory child protection roles, but rather work alongside and support officers who have those roles to be culturally appropriate. It will also provide a family support worker to families involved in child protection matters.<sup>355</sup>
- The newly established supported accommodation service for young Aboriginal men aged between 12 – 18 years old, Narrabundah House,

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<sup>350</sup> See appendix B

<sup>351</sup> Corrected proof transcript of evidence, 31 May 2005, p. 1015

<sup>352</sup> *ibid.*, p. 1016

<sup>353</sup> *ibid.*, p. 1019, 1023

<sup>354</sup> *ibid.*, p. 1025

<sup>355</sup> *ibid.*, p. 1028

including the staffing levels (8 rotating staff members) and why the previous model of cooperation with Aboriginal Hostels did not work due to different client groups and expectations.<sup>356</sup>

- The establishment of the Commissioner for Children and Young People including the consultation that has occurred with children and young people about the role and function of the proposed commissioner.<sup>357</sup>
- Members of the Committee were concerned to hear that the number of young people supported through the Turnaround program (target of 30 participants for the 2004-2005 year) was not met (15 was recognised as an estimated outcome) due to difficulties in recruiting suitably skilled and experienced staff to undertake the complex case management required.<sup>358</sup>

10.12 Concerns were raised about the cost of, and rationale for, consolidating accommodation for the Office of Children, Youth and Family Support in Civic and whether alternative, less costly sites for consolidation had been considered. The Minister and officers informed the Committee that other sites had been considered but that the accommodation option appeared to be the best option due to a number of factors including fit to the service model, available options and proximity to related services, such as the courts. The Committee notes the Chief Executive's advice regarding the rationale for consolidation:

We have got to make sure that our practice people, because they are interacting, are not spread across 10 different sites, as they are at the moment, and that they have the capacity to work in the best interests of the children and the young people that they are serving. So the issues for us of being at one site are paramount and we need to move to do that as quickly as we possibly can.<sup>359</sup>

10.13 The Committee notes that the Minister was asked to table the cost-benefit analysis concerning the consolidation of the office accommodation and the Committee expresses its disappointment that this has not been provided.

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<sup>356</sup> *ibid.*, p. 1038

<sup>357</sup> *ibid.*, p. 1060

<sup>358</sup> *ibid.*, p. 1049

<sup>359</sup> *ibid.*, p. 1017

### Child and Family Centres

- 10.14 During the hearing, the Child and Family Centres were discussed at some length. Officials noted the range of services being provided at the Gungahlin Centre from those that are universal focusing on community development activities (such as parenting sessions, paint and play) to targeted programs (such as maternal and child health services, speech therapy and specialist support services/case management). The specific design of the Gungahlin Centre was discussed, particularly the need to ensure appropriate pedestrian and vehicle access.
- 10.15 Officials indicated what work is being done to establish a centre at Tuggeranong and how this centre may be different to the one at Gungahlin based on differing community need, anticipating that services will commence from July at Tuggeranong. The Minister indicated that an election commitment had been made to establish a centre at West Belconnen should the Gungahlin and Tuggeranong centres prove successful.<sup>360</sup>

### Quamby

- 10.16 The Committee was informed about the current young people at Quamby, including the mix of residents in terms of gender and those on remand or serving a committal. It was noted that the mixing of residents who are on remand and serving a committal is not in compliance with the *Human Rights Act 2004*. Officials noted that the Human Rights Commissioner is currently undertaking an audit of Quamby, which will be tabled in the Assembly when completed as required under the Act.<sup>361</sup>
- 10.17 The Committee was provided with an update on the upgrades at the current Quamby site and the replacement of Quamby at a new site. In discussing the current facility the Minister repeatedly acknowledged that the facility was inadequate and that some of the issues being raised by the Committee would only be addressed through the building of a new facility.<sup>362</sup>

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<sup>360</sup> *ibid.*, p. 1021 – 1034

<sup>361</sup> *ibid.*, p. 1041

<sup>362</sup> *ibid.*, p. 1043

- 10.18 Other issues discussed included the programs being offered at Quamby, those staff directly involved in rehabilitation, expenditure on security and recidivism rates.<sup>363</sup>
- 10.19 Concerns were raised about the establishment of a working group to examine the adequacy and appropriateness of the programs currently available in Quamby as recommended by the Standing Committee on Community Services and Social Equity (Fifth Assembly). The Minister and officers were unable to confirm the establishment of the working group at the public hearing but responded on notice confirming that the group had been established and was scheduled to meet for the first time on 6 June 2005.<sup>364</sup>
- 10.20 The Committee is concerned that Quamby facilities are currently inadequate to separate residents by appropriate age groupings and by gender.

### **Family Services**

- 10.21 Members were concerned about the explanation for the figures in the accountability indicators under Output Class 1.2: Care and Protection Services. Officers explained that the figures were increased in response to increased resources and staffing and that the figures were as accurate as possible given the unpredictable nature of child protection reports.<sup>365</sup>
- 10.22 Some members of the Committee wished to pursue questioning during the public hearings on a specific case that had been before the Supreme Court. The Minister and her officials, were willing to answer questions of a general nature, would not answer questions that would potentially infringe on the privacy of any individual or put them, as officials, in breach of their obligations under both the *Children and Young People Act 1999* or the *Privacy Act 1988*. The offer of a private briefing on the specific case in hand was made to members of the Committee.<sup>366</sup>

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<sup>363</sup> *ibid.*, p. 1039 – 1048

<sup>364</sup> *ibid.*, p. 1042; QON No. no. 242

<sup>365</sup> Corrected proof transcript of evidence, 31 May 2005, p. 1055

<sup>366</sup> *ibid.*, p. 1054 – 1058

**RECOMMENDATION 19**

10.23 **The Committee recommends that the Appropriation Bill 2005-2006 be passed.**

A handwritten signature in black ink that reads "Karin MacDonald". The signature is written in a cursive, flowing style.

Karin MacDonald MLA

Chair

20 June 2005

## APPENDIX A: Submissions, Tabled Papers and Exhibits

### Submissions received

- 1 Gungahlin Community Council
- 2 ACROD (ACT Division)

### Tabled papers and exhibits received

Tabled Paper 1 (Treasurer 19 May 2005): Additional expenditure information.

Tabled Paper 2 (Mr Smyth 19 May 2005): Memo dated 28/10/04 titled 'FBT Exempt Status for Areas within ACT Health', with two page attachment titled 'Criteria Schedule for FBT Exemption for Salary Packaging in ACT Health'.

Tabled Paper 3 (Mr Smyth 19 May 2005): Table 1: 'Hospital Summary – Patient activity as at June 2001'; Table 1: 'Hospital Summary – Patient activity as at June 2004'; 'Calvary Public Hospital Summary – Patient Activity as at June 2001'; 'Calvary Public Hospital Summary – Patient Activity as at June 2004'.

Tabled Paper 4 (Mr Mulcahy): Media release – Minister for Health, '64% drop in bypass rates at Canberra's public hospitals'. [Exhibit]

Tabled Paper 5 (Minister for Police and Emergency Services): Property Crime Prevention highlights from performance and evaluation, ACT Policing, April 2005. [Exhibit]

Tabled Paper 6 (Mr Mulcahy): Security notes: Manuka security report. [Exhibit]

Tabled Paper 7: (Minister for Women) ACT Women's Grants Program 2005 – Recipients. [Exhibit]

Tabled Paper 8: (Minister for Women) Extract from the *State of the Service Report 2003-04* pages 67-68. [Exhibit]

## **APPENDIX B: Non- Government Organisations appearing at public hearings**

### **Organisations appearing at public hearings**

**16 May 2005**

#### **ADACAS**

Ms Andrea Simmons - Manager

#### **ACROD (ACT Division)**

Mr Paul Bartholomew - Chair

Ms Angela Seymour - Executive officer

#### **ACT Council of Social Service**

Ms Sandra Lilburn - Deputy Director

Ms Karen Nicholson - Senior Policy Officer

Mr Llewellyn Reynders - Policy Officer

#### **Conservation Council for the ACT**

Ms Trish Harrup - Director

#### **For ACT Shelter**

Ms Kerrie Tucker - Executive Officer

**Mental Health Community Coalition of the ACT**

Ms Linda Rosie - Executive Officer

**23 May 2005**

**Friends of the ACT Library Service**

Mr Bill Tully

**Master Builders' Association**

Mr David Dawes, Executive Director

Mr Jerry Howard, Deputy Executive Director

**Canberra Business Council**

Mr John Miller, Executive Director

**Australian Education Union**

Mr Clive Haggart, ACT Branch Secretary

Mr Timothy McNevin, Organiser

**Gungahlin Community Council**

Dr Kevin Cox, Executive Member

**Property Council of the ACT**

Catherine Carter, Executive Director

Stephen Byron, Member

**St Vincent de Paul Society, Social Justice Committee**

Mr Nick Stuparich, President

Mr Kevin Connor, Secretary – Social Justice Committee



## APPENDIX C: Portfolio agencies

Following is a list of those agencies appearing under each portfolio area in order of appearance.

### 16 May 2005 and 2 June 2005

**Chief Minister [Mr Jon Stanhope MLA]**

**Minister for Arts, Heritage and Indigenous Affairs [Mr Jon Stanhope MLA]**

Chief Ministers Department

Cultural Facilities Corporation

ACTEW Corporation

### 16 May 2005

**Auditor-General [Ms Tu Pham]**

Auditor-General's Office

**Speaker [Mr Wayne Berry MLA]**

Legislative Assembly Secretariat

### 17 May 2005

**Treasurer [Mr Ted Quinlan MLA]**

Department of Treasury

Intact

Superannuation Unit

Australian International Hotel School

Exhibition Park in Canberra

Independent Competition and Regulatory Commission

Rhodium Asset Solutions Ltd

Totalcare Industries Ltd

**18 May 2005**

**Minister for Economic Development [Mr Ted Quinlan MLA]**

Department of Economic Development

Australian Capital Tourism Corporation

Stadiums Authority

ACT Gambling and Racing Commission

Australian Capital Territory Insurance Authority

ACTTAB Ltd

**19 May 2005**

**Minister for Health [Mr Simon Corbell MLA]**

ACT Health

Healthpact

**20 May 2005**

**Minister for Disability, Housing and Community Services [Mr John Hargreaves MLA]**

Department of Disability, Housing and Community Services

Housing ACT

**23 May 2005 and 1 June 2005**

**Minister for Environment [Mr Jon Stanhope MLA]**

Chief Minister's Department

**24 May 2005**

**Minister for Planning [Mr Simon Corbell MLA]**

Department of Urban Services

ACTION Authority

ACT Planning and Land Authority

Land Development Agency

**25 May 2005**

**Minister for Urban Services [Mr John Hargreaves MLA]**

Department of Urban Services

ACT Forests

Australian Capital Territory Public Cemeteries Board

**26 May 2005 and 1 June 2005**

**Attorney General [Mr Jon Stanhope MLA]**

Department of Justice and Community Safety

Legal Aid Commission

Public Trustee for the ACT

**Minister for Police and Emergency Services [Mr John Hargreaves MLA]**

Department of Justice and Community Safety

Emergency Services Authority

**27 May 2005**

**Minister for Education and Training [Ms Katy Gallagher MLA]**

Department of Education and Training

Canberra Institute of Technology

CIT Solutions Pty Ltd

**30 May 2005**

**Minister for Women [Ms Katy Gallagher MLA]**

Chief Minister's Department

**Minister for Industrial Relations [Ms Katy Gallagher MLA]**

Chief Minister's Department

Worker's Compensation Supplementation Fund

**31 May 2005**

**Minister for Children Youth and Family Support [Ms Katy Gallagher MLA]**

Department of Disability, Housing and Community Services

Office of Children, Youth and Family Support

## APPENDIX D: Additional funding for disability services in response to the Gallop Report

**Disability Services (\$75.7m)  
Recurrent**

		2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2002-03</b>	<b>2002-03</b>								
	Respite Care	1,000	1,020	1,041	1,062	1,089	1,116	1,144	7,471
	Disability Services	2,500	2,563	2,627	2,692	2,759	2,828	2,899	18,869
		<b>3,500</b>	<b>3,583</b>	<b>3,668</b>	<b>3,754</b>	<b>3,848</b>	<b>3,944</b>	<b>4,043</b>	<b>26,340</b>
<b>2003-04</b>	<b>2003-04</b>								
	Addressing Individual Support Needs of People with a Disability		600	800	1,000	1,500	1,538	1,576	7,013
	Building A Single Therapy Service		460	615	615	615	615	615	3,535
	Introduction of Lift Fee for Wheelchair Accessible Taxis		148	159	171	183	188	192	1,041
			<b>1,208</b>	<b>1,574</b>	<b>1,786</b>	<b>2,298</b>	<b>2,340</b>	<b>2,383</b>	<b>11,589</b>
	<b>2003-04 2nd Appropriation</b>								
	Special Needs Support for Clients with Complex Behaviours		650	662	674	687	704	722	4,099
			<b>650</b>	<b>662</b>	<b>674</b>	<b>687</b>	<b>704</b>	<b>722</b>	<b>4,099</b>
	<b>2003-04 3rd Appropriation</b>								
	Transport Initiatives for People with Disabilities		160	241	247	254	260	267	1,429
	Increase in Costs for Relief Disability Support Staff		803	626	642	658	675	692	4,096
			<b>963</b>	<b>867</b>	<b>889</b>	<b>912</b>	<b>935</b>	<b>958</b>	<b>5,524</b>
<b>2004-05</b>	<b>2004-05</b>								
	Intensive Care and Treatment Program for People at Risk			0	717	1,242	1,267	1,299	4,525
	Addressing Unmet Need for People with Disabilities			1,250	1,500	1,500	1,500	1,500	7,250



# ATTACHMENT 1 – ADDITIONAL COMMENTS FROM DEB FOSKEY MLA

*Refer to Report Part 2*



**ATTACHMENT 2 – ADDITIONAL  
COMMENTS FROM KARIN MACDONALD  
MLA AND MARY PORTER MLA**

*Refer to Report Part 2*



# DISSENTING REPORT – RICHARD MULCAHY MLA AND ZED SESELJA MLA

*Refer to Report Part 2*