



AUSTRALIAN
CAPITAL TERRITORY

**GOVERNMENT RESPONSE TO THE
SELECT COMMITTEE ON THE INQUIRY INTO THE
APPROPRIATION BILL 2003-2004 (No.2)**

25 September 2003

INTRODUCTION

The Select Committee on Estimates tabled its report on the inquiry into the Appropriation Bill 2003-2004 (No.2) on Tuesday 23 September 2003.

While supporting the Appropriation Bill, the Committee has raised concern that the Appropriation Bill was tabled eight weeks into the financial year. The Committee's comments in this regard support a less than strategic approach to budget planning.

The Government disagrees with this conclusion. With the completion of the McLeod Report, and with some of its recommendations relating to increasing capacity on the ground, it would be irresponsible of the Government not to act prior to the next bushfire season.

The Government acknowledges that some expenditure proposals do not relate to the response to the McLeod Report or bushfire recovery. The Government considers it in the interest of open and honest governance to bring such issues to the Legislative Assembly. The use of Treasurer's Advance when a Supplementary Appropriation was being developed was avoided as it was considered both practical and possible to include this expenditure within the Bill.

Furthermore, the Government considers that a budget at a point in time is an estimate and any emerging pressures need to be considered on a case by case basis, with a particular view to managing such pressures to the extent possible. Including all the known contingencies in the annual budget will be impractical.

A further general comment from the Committee relates to the ostensible lack of rigour and scrutiny, in particular in relation to the response to the McLeod Report. The Committee has noted that 16 out of the 61 recommendations of the McLeod Report have been addressed in this appropriation, and that this appropriation may not have been addressed against the wider strategic plans.

Once again, The Government disagrees with this conclusion. As the Government has indicated previously, the appropriation is to:

- provide capacity "on the ground", both in personnel and equipment, prior to the next bushfire season;
- undertake community awareness and an education campaign, once again, in preparation of the next bushfire season; and
- provide capacity to address structural issues identified in the McLeod Report, for example, review of the legislation and establishing a statutory structure.

The Committee made 12 recommendations. The Government has responded to all the recommendations.

RESPONSE TO RECOMMENDATIONS

Recommendation 1

2.20. The Committee recommends that the Bill be passed.

Government Response

The Government notes the recommendation and acknowledges the support offered by the Committee through its recommendation.

Recommendation 2

3.18. The Committee recommends that the Government establish a process for implementing Australian Industrial Relations Commission awarded wage increases in the funding negotiations with community organisations.

Government Response

A tripartite consultative committee has been established to provide advice to Government on industrial relations issues in the private and community sectors. The Committee includes representatives from ACTCOSS and UnionsACT, and is chaired by the Minister for Industrial Relations. The Committee's inaugural meeting was held in July 2003. A sub committee has been tasked to examine Government funding of community sector wage and salary costs, but is yet to meet.

The Committee would note that individual portfolio departments have been involved with their respective community organisations to determine the impact of award wage increases, and that previous budgets have provided for increases in SACS awards.

Recommendation 3

3.27. The Committee recommends that the Government assist the community sector to quantify the impact of the bushfires on their operations.

Government Response

The Government will liaise with the community sector to determine the level of specific assistance that may be required in assessing the impact of the fires and resource implications.

Recommendation 4

3.31. The Committee recommends that the Government resource the development of a community sector emergency response plan as part of the wider ACT emergency response plan.

Government Response

The revised Community Recovery Sub-Plan provides recovery response in the event of an emergency. This includes a broad range of emergencies, including bushfires and the threat of terrorism. The ACT is in a unique position as the National Capital, and there has been a growing awareness of the importance of recovery processes with such events as Bali and the bushfires.

The Community Recovery Sub-Plan contains key principles which underpin Government's commitment to the community recovery process as follows:

- invest resources in the recovery process;
- create information rich environments;
- deliver a range of integrated approaches, and
- where appropriate, utilise case management approaches.

The Department of Education, Youth and Family Services (DEYFS) is the lead organisation with responsibility for coordinating community recovery services in the ACT.

The Sub-Plan provides all participating agencies with clear broad directions for fulfilling their role and responsibilities. DEYFS is also developing Memoranda of Understanding (MOUs) with each participating agency. The MOUs will facilitate the provision of service from organisations involved in community recovery and provide guidance on the level and quality of service that is expected. The MOUs will set out the shared understanding between the parties on terms, purpose, roles, responsibilities, obligations and any other aspect considered important to the exercise of community recovery. The MOUs will support the Agency Operational Plans for the implementation of the Community Recovery Sub-plan. The Operational Plans are currently being developed.

The resource implications of administering the revised Community Recovery Sub-Plan will be taken into account.

Recommendation 5

3.34. The Committee recommends that the Government assess the ongoing need for counselling services as a result of the 2003 bushfires and provide an interim report to the Assembly on the last sitting day in December 2003 of plans for 2004.

Government Response

The need for counselling and support services to families and individuals is being closely monitored as the recovery effort continues.

Recommendation 6

3.39. The Committee recommends that the Government urgently renegotiate funding levels with Family Based Respite Care Inc., as a result of the bushfires.

Government Response

The Government considers that the issues raised by the Committee do not relate to bushfires.

Family Based Respite Care Inc (FABRIC) relocated to temporary premises for a few weeks as a result of the bushfires. This temporary accommodation was provided at no charge to FABRIC.

FABRIC provides services into client's homes and in the community. These services continued to be provided and were not affected as a result of the bushfires.

The increase in the FABRIC waiting list will be further examined by ACT Health, the Department of Disability, Housing and Community Services and FABRIC, and any issues relating to base capacity will be addressed as part of the normal budget process.

Recommendation 7

4.14. The Committee recommends that the Government invite not for profit community organisations to indicate whether they require additional resources to participate in specific Government activities/consultation processes.

Government Response

The Government is currently developing a whole-of-government approach to funding services through non-government organisations to support the longer-term sustainability and capacity of the community sector.

The approach aims to achieve greater clarity, consistency and security in funding arrangements. These reforms are being developed by Chief Minister's Department in collaboration with the Joint Community Government Reference Group. An important component of this initiative involves the development of future pricing principles in order to ensure consumer and community sector participation in planning, policy development and other decision making processes.

In addition, not for profit community organisations can request additional funding through the 2004-05 Budget process.

Recommendation 8

4.19. The Committee recommends that the Treasurer inform the Assembly about the outcomes of the acquisition and future use of the Hotel Kurrajong and the Majura land at the earliest opportunity.

Government Response

In its report, the Committee has raised the prospect of ACT Government compromising its bargaining position by appropriating funds for the acquisition of the Majura land prior to the conclusion of the negotiations with the Commonwealth.

The Committee should note that the Territory is seeking a priority sale from the Commonwealth. Notwithstanding the direct sale, the priority sales are on the basis of market valuation. The normal process for priority sale is for the purchaser to disclose its valuation to the seller.

The Territory officers have indicated to the Commonwealth Department of Defence the preliminary valuation in order to seek a priority sale. Once the Commonwealth agrees to this arrangement, more detailed valuations would be undertaken prior to further negotiations.

The Government considers it necessary to have an appropriation to proceed to the detailed negotiation stage in order to be able to conclude those negotiations.

In relation to Hotel Kurrajong, the Committee would be aware that the Territory currently leases the Hotel from the Commonwealth. Several of the terms and conditions of the current Crown Lease with the Commonwealth are likely to limit the Territory's flexibility in relation to the property, and it would be beneficial for the Territory to acquire this asset at an appropriate price. Negotiations with the Commonwealth are yet to be finalised.

Recommendation 9

5.7. The Committee recommends that if the Government brings forward any future bushfire-related appropriation bills, that an approximate timeframe for implementation, including the acquisition of equipment, be included.

Government Response

Relevant information on implementation of initiatives including timeframes where possible are obtained from agencies and taken into consideration when funding decisions are made.

The Government does make efforts to include relevant information into appropriation bills to the extent that it is practicable and appropriate for the nature of the document, and to allow scrutiny of the expenditure proposal.

The purpose of the document, however, is to authorise the funding for proposed initiatives rather than to endorse entire implementation plans. It is considered more appropriate for the responsible Minister to provide detailed information regarding the implementation of a particular initiative (such as the timing of purchasing equipment) if requested by the Assembly.

Recommendation 10

5.17. The Committee recommends that the Government ensure that the operational ability of the Fire Brigade stations acquiring the rural tankers is not reduced.

Government Response

The Committee would note that the McLeod Report leans towards breaking down the historic barriers between the Urban and Rural fire brigades. The introduction of all terrain vehicles to operate on the urban edge is a step in that direction. In this context, it is important to consider the overall capacity of the fire brigade.

The addition of four all-terrain tankers to ACT Fire Brigade increases the water carrying capacity of the ACT Fire Brigade and at the same time increases the number of stations with tanker capacity. The current water capacity of tankers in the Fire Brigade equate to a total of 19,740 litres. With the addition of the four all-terrain tankers with an anticipated capacity of 3, 500 litres each, the overall capacity of the seven large tankers in the Fire Brigade increases to 24,800 litres. As the Committee has recognised in its report, the compressed air foam system enhances the effective delivery by five fold.

Therefore the operational capability is enhanced, with allocation of that capacity across various stations being a matter of operational consideration.

Recommendation 11

5.23 The Committee recommends that practices be adhered to so that all expenditure is properly authorised at the time of expenditure in line with good accounting practice.

Government Response

Actions to date have been in line with good accounting principles. The Aerial Photography issue raised relates to the question of why the funds for this cost were not appropriated with the original 2003-04 Budget. ESB and PALM are, however, properly authorised to engage Aerial photography as part of their normal business.

The funding was included in this appropriation as negotiations for the second payment were not finalised until after the 2003-04 Budget. It is not considered good financial management to allow for contingencies to be built into the Budget for unidentified costs, nor is it practical.

Recommendation 12

5.28. The Committee recommends that the Government work with relevant industry bodies to review the spatial technologies currently used in the ACT and investigate options for the strategic application of spatial technology and the collection and use of spatial information.

Government Response

The ACT Land Information Office, within the ACT Planning and Land Authority, has legislated responsibility for the maintenance of the ACT Cadastre and the production of all forms of land information, including mapping and data sets.

The January 2003 bushfire illustrated the importance of developing spatial data and related systems that provide timely and accurate information for use in emergency management situations. This is a challenge being faced by all Australian States and Territories and was recently the subject of a conference conducted by the Australian and New Zealand Land Information Council (ANZLIC).

The ACT is represented by ACTPLA on ANZLIC and the Public Sector Mapping Agency (a company formed to develop spatial data sets for use by the private sector and contribute to the establishment of the Australian Spatial Data Infrastructure). ACTPLA is also collaborating with a range of research institutions and private sector organisations to identify strategic opportunities for development and use of spatial information, including its application to emergency management.

