

Select Committee on Estimates

Appropriation Bill 1994-95

COMMITTEE MEMBERSHIP

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Ms Helen Szuty

DEPUTY CHAIRPERSON

Mr Gary Humphries

MEMBERS

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Mrs Kate Carnell

Mr Greg Cornwell

Mr Tony De Domenico

Ms Annette Ellis

Mrs Ellnor Grassby

Mr Trevor Kaine

Mr Michael Moore

Mr Lou Westende (resigned from the Assembly on 25 July)

SECRETARY

Mr Bill Symington

ASSISTANT SECRETARY

Miss Sandra Shaw

TERMS OF REFERENCE

On 19 April 1994 the ACT Legislative Assembly established a Select Committee on Estimates 1994-95 to examine the expenditure proposals contained in the Appropriation Bill 1994-95 and any revenue estimates proposed by the Government in the 1994-95 Budget.

On 16 June 1994 the terms of reference of the Estimates Committee was amended by the Assembly when it agreed that the Committee also examine the 1994-95 New Capital Works Program.

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SUMMARY OF RECOMMENDATIONS

Recommendation 1

- a Select Committee on Supplementary Estimates be established to examine and report upon the performance outcomes of ACT Government agencies for the year ending 1993-94 having regard to information including agency financial statements and annual reports. [paragraph 1.20.]

Recommendation 2

- the Government provide details of where and how agency savings of 2% have been made in agency annual reports or supplementary documentation at the time of tabling annual reports in the ACT Legislative Assembly in September 1994. [paragraph 3.4.]

Recommendation 3

- a draft Capital Works Program be prepared by Government in future for scrutiny by the Assembly's Planning, Development and Infrastructure Committee. [paragraph 3.12.]

Recommendation 4

- in future all Government agencies provide information on minor new works projects to the standard provided by CIT. [paragraph 3.17.]

Recommendation 5

- the ACT Government make value management mandatory for all capital works projects over a value of \$2m (Page 8, Report No. 16 of the Standing Committee on Planning, Development and Infrastructure, August 1993) and that this recommendation be implemented as soon as possible. [paragraph 3.23.]

Recommendation 6

- the Government add the interest accruing to the unallocated casino premium to the amount to be dispensed rather than allowing the interest to accrue to Consolidated Revenue. [paragraph 3.32.]

Recommendation 7

- Now that the ACT Government Service has formally separated from the Commonwealth Public Service, the question of the Government's commitment to Comcare be reviewed by the Standing Committee on the Public Sector; and
- The Standing Committee consider whether those agencies which function as commercial enterprises should be able to seek alternative sources of workers' compensation insurance and whether self insurance should also be available as an option for those agencies. [paragraph 3.44.]

Recommendation 8

- the Auditor-General's review of performance indicators include the following criteria: assessment of each indicator for objectivity; consistency; relationship to appropriate benchmarks; usefulness in evaluation of performance; and usefulness to management in improving productivity. [paragraph 3.53.]

Recommendation 9

- in the lead up to the presentation of budget information in GFS format the Government provide additional information of a transitional nature which will enable the Committee to readily compare budget information. [paragraph 3.60.]

Recommendation 10

- the Government detail exactly what the working detail of the relationship between the Central Co-ordinating Group and the Government Business Enterprise Co-ordinating Group is to be.
- the Government detail exactly what role each of the Central Co-ordinating Group and the Government Business Enterprise Co-ordinating Group is to play, and what role the Government envisages the latter will take in relation to the recommendations of the Pearce Report's comments about the relationships between Government and statutory authorities. [paragraph 4.6.]

Recommendation 11

- the Government proceed to ensure that multi-skilling of workers, across demarcation lines, is fully implemented wherever practicable; and
- the Government should, as a matter of urgency, remove and change any Industrial Relations practices which prevent substantial cost savings to be made, especially those practices which purely involve demarcation disputes between different unions. [paragraph 4.13.]

Recommendation 12

- the Government continue to do all it can to retain existing viable Canberra businesses and to attract new and viable businesses to the ACT. [paragraph 4.18.]

Recommendation 13

- the Government puts in place appropriate performance indicators which will enable effective scrutiny of the success or otherwise of various employment programs. [paragraph 4.20.]

Recommendation 14

- the Government provide future reports to Estimates Committees on the success or otherwise of future ACT Treasury representations to the Grants Commission regarding the issue of below standard revenue raising for state trading enterprises. [paragraph 4.29.]

Recommendation 15

- future budgets clearly show the source and use of all ACT funds and a complete statement of public assets and liabilities. [paragraph 4.36.]

Recommendation 16

- The Government immediately review the application of the Diesel Fuel Off-Road Exemption Scheme so that ACT taxpayers can be assured that the Commissioner for Revenue's decisions with respect to fee liabilities are correct and enforceable. [paragraph 4.45.]

Recommendation 17

- the Government should consider amending legislation to avoid imposing duty on motor vehicle sales that do not proceed. [paragraph 4.55.]

Recommendation 18

- the Government include details of both the liability for superannuation and the amount of funds set aside in respect of that liability in future budgets. [paragraph 4.60.]

Recommendation 19

- Annual Reports of each agency should include reference to the recommendations of the Auditor-General and the outcome of measures adopted to put those recommendations into effect, and that all recommendations should continue to appear in Annual Reports until accounted for by adoption or rejection with reasons given for rejection.
- commencing with the 1994-95 financial year, all Annual Reports include all recommendations and responses to those recommendations arising from Auditor-General Reports since the commencement of the Second ACT Legislative Assembly. [paragraph 4.62.]

Recommendation 20

- selection criteria for funding of improvements to sportsgrounds and sportsground floodlighting be developed as quickly as possible and be provided to the Committee later in 1994 for further scrutiny. [paragraph 4.69.]

Recommendation 21

- the development of legislative criteria for powers of inspection, entry and search by Government employees continue to receive a high priority and that consultation proceed to a swift resolution of the issues. [paragraph 4.75.]

Recommendation 22

- when a bill in relation to privacy matters regarding employees of the ACT Government Service has been introduced into the Assembly that it be referred to the Standing Committee on the Public Sector. [paragraph 4.81.]

Recommendation 23

- the Attorney-General provide progress reports on the implementation of case management procedures to the Assembly, following the failure by the Supreme Court to achieve its stated 1 January 1994 deadline for implementation. [paragraph 4.85.]

Recommendation 24

- this decline in ACTION patronage be considered as part of the Study on the "Future Transport Needs of the ACT Community". [paragraph 4.110.]

Recommendation 25

- the Government respond expeditiously to the Transport Regulation Study and urgently consider radically changing the way in which motor vehicles are inspected in the ACT, by closing at least one Testing Station, following consultation with the relevant unions. [paragraph 4.123.]

Recommendation 26

- in calling for tenders and awarding contracts, the ACT Government should not be influenced by union or other outside pressures; and
- the contracting process regarding the introduction of wheeled garbage bins and the recycling service be referred to the Auditor-General for more detailed examination. [paragraph 4.129.]

Recommendation 27

- especially over the four year period commencing 1994-95 that CIT provide information about fees and charges to future Estimate Committees. [paragraph 4.134.]

Recommendation 28

- detailed discussions about sharing of facilities at the Primary and Pre-School in Nicholls take place as quickly as possible which will enable any outstanding difficulties to be resolved. [paragraph 4.140.]

Recommendation 29

- the Government extend and expand the Numeracy and Literacy pilot program to a permanent program with appropriate growth funds. [paragraph 4.144.]

Recommendation 30

- funds for activities other than funding for Non-Government Schools be removed from Program 24, Non-Government Schooling in the 1995-96 and subsequent budgets. [paragraph 4.154.]

Recommendation 31

- where expenditure reductions are foreshadowed, that the Minister for Health provide the Committee with full details of where and how the reductions will be achieved. [paragraph 4.160.]

Recommendation 32

- the future ACT Government elected in 1995 seek to establish an adolescent ward at Woden Valley Hospital as part of the hospital redevelopment project as agreed to by the Assembly in 1992. [paragraph 4.165.]

Recommendation 33

- where increases in health expenditure are proposed that the Minister for Health provide the Committee with full details of where and on what additional expenditure will be made. [paragraph 4.173.]

Recommendation 34

- the Government review the rationale for the establishment of the Health Promotion Fund. [paragraph 4.180.]

Recommendation 35

- the Government ensure funding for the Health Promotion Fund is at least 5 percent of the revenue raised by the Tobacco Franchise Fee. [paragraph 4.181.]

Recommendation 36

- in future the ACT Government provide as much detailed information as possible on the number of people waiting for elective surgery and the nature and severity of their medical conditions. [paragraph 4.185.]

Recommendation 37

- the ACT Government undertake appropriate action to ensure that the 20 nursing home beds at Calvary Hospital attract Federal funding and no longer constitute a burden on the ACT health budget. [paragraph 4.189.]

INQUIRY PROCESS

Establishment of the Committee

- 1.1. On Tuesday 19 April 1994 the ACT Legislative Assembly established the Select Committee on Estimates 1994-95 to examine the expenditure proposals contained in the Appropriation Bill 1994-95 and any revenue estimates proposed by the Government in the 1994-95 Budget.
- 1.2. The resolution establishing the Committee opened membership of the Committee to all Members of the Assembly who notified their nominations in writing to the Speaker by 4pm Wednesday 20 April 1994.
- 1.3. Eleven Members of the Assembly nominated for membership and the Speaker advised the Assembly of the membership of the Committee following close of nominations.
- 1.4. On 16 June 1994 the terms of reference of the Estimates Committee was amended by the Assembly when it agreed that the Committee also examine the 1994-95 New Capital Works Program.
- 1.5. On 14 June 1994 the Chief Minister and Treasurer presented the Appropriation Bill 1994-95 to the Assembly and delivered the Budget Speech. The Treasurer also presented to the Assembly the Budget Papers and Supplementary Budget Information Papers.
- 1.6. Following the conclusion of the in principle debate on 16 June, the Appropriation Bill was referred to the Committee.
- 1.7. The Committee was required to report by 12 August 1994.

Approach to Inquiry

- 1.8. The 1994-95 Estimates Committee held 42 hours of public hearings over six days, examining the Appropriation Bill on a program by program basis within the framework of portfolio responsibilities. Prior to commencement of public hearings, Treasury officials briefed the Committee on the changes in the budget process and on the 1994-95 appropriations.
- 1.9. The principal witness for each portfolio was the responsible Minister supported by agency heads and other senior officials. The Speaker was the principal witness for Program 1 and was supported by senior Legislative Assembly Secretariat officials.
- 1.10. A list of public hearings held and witnesses attending is at Appendix A.

Role of Committee

1.11. The role of the Estimates Committee is to examine in detail the expenditure and revenue estimates of the Government. In addition, the Committee examined New Capital Works for the first time in 1994-95.

1.12. The Committee believes that the scrutiny of the Budget afforded through the estimates process is an essential element of a broader scrutiny and accountability process.

1.13. However, the Committee recognises that the estimates process is only one avenue, although highly visible and observed, allowing scrutiny by Members of the Government and through it the ACT Government Service. Other avenues of scrutiny include questions with and without notice and inquiries by other committees. Public accountability is also maintained by external audit and reports of the Auditor-General.

1.14. The Committee does not believe that the estimates process is the only opportunity to raise issues with Ministers or the Speaker, and, in view of the limited period of time available to the Committee, believes that it is not possible to raise every concern or interest. The Committee advises that the absence of questioning on an issue neither suggests that an issue is not of concern or will not be raised at a later date.

Non-Budget Dependent Authorities

1.15. The Committee continued the practice of meeting with non-Budget dependent authorities, with ACT Electricity and Water (ACTEW) and the ACT Totalisator Administration Board (ACTTAB) appearing before the Committee.

Estimates Process

1.16. As the ACT Legislative Assembly has supported the earlier budget cycle that has resulted in the Federal Government's budget being brought down in May and the ACT Government's budget being brought down in June, it remains for the Assembly to decide whether the scrutiny provided by the Select Committee on Estimates is currently sufficient.

1.17. The Committee was appointed on 19 April and commenced public hearings on 23 June with the reporting date set at 12 August. The Committee operated within a tight schedule and hearings were considerably shorter than previous years.

1.18. Indeed, the opportunity exists for information about Government agencies which has recently become available at the time of tabling this report and information which has yet to become available to be scrutinised at a later time in the year. Information which has yet to be made available to the Select committee on Estimates includes end of financial year figures which would enable 1993-94 financial outcome information to be compared with previous years and information normally found in agency financial year annual reports.

1.19. The Committee believes that further scrutiny of the Government's performance by the Assembly is desirable and that the best means by which to conduct that scrutiny is through a "Supplementary" estimates process which would occur later in 1994 once the outstanding information is available.

1.20. The Committee recommends that:

- a Select Committee on Supplementary Estimates be established to examine and report upon the performance outcomes of ACT Government agencies for the year ending 1993-94 having regard to information including agency financial statements and annual reports.

PROVISION OF INFORMATION

2.1. During the course of the Estimates inquiry the Committee used a number of information sources, primarily the Budget Papers and Supplementary Budget Information Papers, Explanatory Notes, oral evidence given and documents tabled during hearings, and responses provided to questions taken on notice during the hearings. The early timing of the Budget and the Estimates process meant that annual reports were not available for consideration at this stage.

Budget Papers

2.2. Four principal Budget Papers and three supplementary papers were published for 1994-95.

- Budget Paper Number 1 - 1994-95 Budget Speech
- Budget Paper Number 2 - Budget Overview
- Budget Paper Number 3 - Program Estimates
- Budget Paper Number 4 - Capital Works
- Supplementary Paper Number 1 - Social Justice Budget Statement
- Supplementary Paper Number 2 - Environmental Budget Statement
- A Successful Transition: The ACT's Path to State Type Funding

Explanatory Notes

2.3. Detailed descriptive and financial information at sub-program level is provided by way of Explanatory Notes. All agencies provided the Committee with Explanatory Notes and these formed the basis for most of the questioning during hearings.

2.4. Inclusion of program achievements for the previous year and information on the outlook for the budget year eliminated much duplication that occurred in budget documentation in previous years.¹

Questions taken on notice

2.5. As in past years a number of questions were taken on notice during the hearings. As in 1993-94, the Committee sought written responses to a series of written questions provided to all agencies and authorities appearing before the Committee.

2.6. During the hearings the Chairperson informed Ministers and the Speaker of the timeframe in which responses to all questions were to be provided to the Committee.

¹ ACT Budget Paper Number 3: Program Estimates, p x

GENERAL ISSUES

"Across the Board" Savings

3.1. The Committee notes that the 2% per annum efficiency dividend is in its third and final year and that further savings of over \$5m in 1994-95 will be realised.²

3.2. It was again noted by the Committee that agencies had not specifically identified those areas to be cut and that budget figures had simply been reduced.³

3.3. The Committee further notes and draws attention to Recommendation 3.8 of the Committee's 1993-94 Report on the Government's Appropriation Bill which states:

in future years where expenditure reductions are foreshadowed, Ministers provide the Committee with full details, of where and how the reductions will be achieved.⁴

3.4. The Committee recommends that:

- the Government provide details of where and how agency savings of 2% have been made in agency annual reports or supplementary documentation at the time of tabling annual reports in the ACT Legislative Assembly in September 1994.

Capital Works - Process

3.5. It has been the usual practice in the second ACT Legislative Assembly for the Government's New Capital Works Program to be referred to the Assembly's Standing Committee on Planning, Development and Infrastructure in draft form, prior to the program being presented in final form at the time of the presentation of the Government's budget.

3.6. By presenting the program as a draft program the Planning, Development and Infrastructure Committee has an extensive period to consider the material presented, request additional material and undertake a consultation process with key stakeholders, interest groups and local community councils. During consideration of the 1993-94 New Capital Works Program, five days of public hearings were held.

3.7. Because of the change to the early presentation of the Government's budget in 1994, it has not been possible for Government agencies and the ACT Government to prepare a draft Capital Works budget for consideration by the Assembly's Planning, Development and

² Budget Paper Number 1: Budget Speech, p 15

³ for example Transcript pp 585-588, 602-603, 613-615, 659, 696-699, 907-908

⁴ Report of the 1993 Select Committee on Estimates, p 14

Infrastructure Committee. Instead, the 1994-95 New Capital Works Program has been produced in final form as Budget Paper No. 4.

3.8. Scrutiny of the Government's Capital Works Program has been undertaken by the Estimates Committee which has considered capital works projects alongside other Government budget expenditure.

3.9. During the hearings questions were asked about the timing and format of the presentation of future capital works programs. Responses received indicated that it was ACT Treasury's wish that the practice adopted this year of referring the final program to the Estimates Committee for consideration is the preferred process.⁵

3.10. The Committee disagrees with this view. While acknowledging that a draft Capital Works Program would be difficult to consider in 1995 given that the next election for the ACT Legislative Assembly will be held on 18 February, the Committee nevertheless believes that the established practice of preparing a draft New Capital Works Program for consideration by the Assembly's Planning, Development and Infrastructure Committee should continue.

3.11. The benefits to the Assembly of this practice include greater in depth scrutiny of the Government's Capital Works Program, and the opportunity to consult with interested community members about their views on the program.

3.12. The Committee recommends that:

- a draft Capital Works Program be prepared by Government in future for scrutiny by the Assembly's Planning, Development and Infrastructure Committee.

Capital Works - Minor New Works

3.13. Recommendation 11 of the Assembly's Standing Committee on Planning, Development and Infrastructure's Report No. 16 1993-94 New Capital Works Program, August 1993 stated:

*that the Capital Works Program contain brief information about the type of works to be constructed under headings such as 'Minor New Works' as well as information on the works actually constructed under this heading in the past year's Capital Works Program.*⁶

3.14. In its response to Recommendation 11 the Government stated in part:

Where significant identifiable works to be undertaken are included in minor new works allocations, these works will continue to be provided in the briefing material for the Committee. Brief information on the previous year's minor new

⁵ Transcript pp 977-999

⁶ Report 16 of the Standing Committee on Planning, Development and Infrastructure: 1993-94 New Capital Works Program, p 11

*works expenditure will also be included in information provided to the Committee....*⁷

3.15. The Committee notes that further information about minor new works projects was requested from the Department of Urban Services and the Department of Health. The Committee draws attention to the comment made by the Chair in relation to the information about minor new works presented by the Canberra Institute of Technology.

*The Chair: Just while we are in the capital works area, I know the Planning, Development and Infrastructure Committee of the Assembly has complimented CIT on the detail you have provided on your minor new works program in the past. I think you have lived up to that standard again this year and the presentation and the information that you have presented is as complete as always, and thank you for that.*⁸

3.16. While the Committee notes that the Government does not share the Planning, Development and Infrastructure Committee's concern that additional documentation needs to be provided for future minor new works, when considering the purpose, nature and composition of this item⁹, nevertheless the Committee believes that the provision of information about minor new works can be improved.

3.17. The Committee recommends that:

- in future all Government agencies provide information on minor new works projects to the standard provided by CIT.

Capital Works - Value Management¹⁰

3.18. Part Recommendation 9 of the Assembly's Standing Committee on Planning, Development and Infrastructure's Report No. 16 August 1993 stated that:

*in particular, the value management approach could be utilised in the development of all project proposals before they are put on the program and form the basis of more detailed value management studies as the designs are developed.*¹¹

⁷ Government Response to Report 16 of the Standing Committee on Planning, Development and Infrastructure, p 5

⁸ Transcript p 261

⁹ Government Response to Report 16 of the Standing Committee on Planning, Development and Infrastructure

¹⁰ At the Public Hearings of the Planning, Development and Infrastructure Committee Inquiry into the Capital Works Program, Mr D Hannan of Hannan & Associates, Value Management Consultants, offered the following definition of value management: "value management is a systematic, formal and documented process used to eliminate unnecessary life cycle cost, which include initial cost, of an engineering or architectural project without compromising or diminishing the safety, operational, aesthetics, useful life or any other functional aspects of the finished product." cited in Report 16 of the Standing Committee on Planning, Development and Infrastructure: 1993-94 New Capital Works Program, p 8

¹¹ Report 16 of the Standing Committee on Planning, Development and Infrastructure: 1993-94 New Capital Works Program

3.19. In its response to the Planning, Development and Infrastructure Committee's recommendation the Government stated:

*The Government notes the recommendation that value management be utilised in the development of projects. The Government proposes that beginning in 1994-95 a limited number of projects having a capital cost of over \$1m and selected across agencies be assessed on a value management basis. This will provide a basis for consideration for wider application of the value management approach in future years.*¹²

3.20. The Committee notes that in Budget Paper Number 4: Capital Works 1994-95:

Value management studies have been carried out on the following projects during 1993-94

- *Lanyon High School*
- *Fire and Emergency Services Headquarters, North Curtin*
- *Winchester Police Centre, Belconnen (part only) and*
- *City Police Station refurbishment (forward design only).*

*The outcome of these studies assisted in containing costs, confirming the scope of works and ensuring best value for the available funds.*¹³

3.21. During this year's hearings the Estimates Committee took the opportunity to question the Minister for Urban Services, Mr Lamont, former Chairman of the Planning, Development and Infrastructure Committee which made the relevant recommendation about the Government's approach to the adoption of value management.

3.22. Following a series of questions and answers about the success of the adoption of value management in relation to the specific projects mentioned¹⁴ the Committee notes the following statement by the Minister:

*Mr Lamont: It certainly is something that I as Minister endorse, Madam Chair, as you would appreciate my comments as a member of this Committee last year, as Minister, I maintain that commitment to as quickly as possible extend the value management techniques and systems as far as possible.*¹⁵

3.23. The Committee recommends that:

- **the ACT Government make value management mandatory for all capital works projects over a value of \$2m (Page 8, Report No. 16 of the Standing Committee on Planning, Development and Infrastructure, August 1993) and that this recommendation be implemented as soon as possible.**

¹² Government Response to Report 16 of the Standing Committee on Planning, Development and Infrastructure, p 4

¹³ Budget Paper Number 4: Capital Works, p 3

¹⁴ Transcript pp 93-95

¹⁵ Transcript p 95

Casino Premium

3.24. Figures provided to the Estimates Committee by Treasury indicated that only 20% of the original premium of \$19 million will have been spent by 30 June 1995.¹⁶ A summary of amounts approved and estimated expenditure by project was provided by Treasury as follows:

Table 1 - Projects Funded from the \$19m Casino Premium

Project	Total Approved Estimate \$m	Estimated Expenditure 1993-94 \$m	Estimated Expenditure 1994-95 \$m	Expenditure 1995-96 and beyond \$m
Aboriginal Keeping Place/Cultural Centre	2.500	nil	0.150	2.350
Canberra Theatre Centre - Playhouse Redevelopment	7.300	nil	0.950	6.350
Cultural and Heritage Centre	7.000	nil	0.400	6.600
Exhibition Park (formerly NATEX)	1.500	1.500	nil	nil
Childers St Theatre Plant and Equipment	0.250	.0192	.0058	nil
Cultural and Regional Facilities	2.750	nil	2.750	nil
Total	21.300	1.692	4.308	15.300

3.25. During the hearings, Members asked questions about a number of the projects approved for funding, including the Aboriginal Keeping Place/Cultural Centre¹⁷, the proposed redevelopment of the Playhouse, cultural and regional facilities and the Cultural and Heritage Centre.¹⁸

3.26. Committee members queried the length of time the Government was taking to determine specifically how these funds would be spent.

3.27. The Committee notes, however, that the Government has provided \$2.3m in the 1994-95 Capital Works Program in addition to the \$5m already allocated from the Casino Premium for the redevelopment of the Canberra Theatre Centre Playhouse.¹⁹

¹⁶ Treasury Response to Estimates Committee Questions on Notice

¹⁷ Transcript p 797

¹⁸ Transcript pp 418, 420, 424, 425

¹⁹ Budget Speech 1994-95, p 11

3.28. At the time of the presentation of the Budget the Chief Minister indicated that she would ask the Standing Committee on Planning, Development and Infrastructure whether it wished to reconsider the project in the light of the additional funds being made available.²⁰

3.29. The Planning, Development and Infrastructure Committee accepted the Chief Minister's invitation to review the project and considered it on 1 July 1994. In a letter to the Chief Minister from the Chairman of the Planning, Development and Infrastructure Committee, Mr Berry, the Committee agreed to endorse the Government's proposal for the additional expenditure.²¹

3.30. The Estimates Committee welcomes the Government's decision to spend additional funds other than those already allocated from the Casino premium on the further redevelopment of the Playhouse.

3.31. Nevertheless, the Committee notes that in view of the considerable delay in the allocation of funds from the casino premium the Government should consider adding the accrued interest on these unallocated funds to the amount to be distributed to the projects rather than absorbing it into consolidated revenue.

3.32. The Committee recommends that:

- the Government add the interest accruing to the unallocated casino premium to the amount to be dispensed rather than allowing the interest to accrue to Consolidated Revenue.

Comcare Premiums

3.33. Throughout all programs the Committee notes with concern as it did in 1993-94 the extent of increases in Comcare premiums. It cites as an example the increase in the premium of the Tourism Commission of over 80 percent.²² Written responses from the Government indicate that the total of Comcare Premiums for all agencies obliged to insure with Comcare was \$21 397 466 in 1993-94 and \$23 021 272 in 1994-95, an increase of 7.6 percent.²³

3.34. Some agencies, eg ACT Forests, were experiencing increasing premiums despite declines in claims, due to pooling of organisations.²⁴ The Department of the Environment, Land and Planning was concerned by the increase in its premiums over the years, and the Assistant Secretary, Mr Guild, expressed an interest in exploring alternative suppliers of workers' compensation insurance, as follows:

I would be very happy if the Government decided to try somewhere else. I mean, we had a substantial increase last year and got absolutely nowhere, and I do not expect we will do any better this year!²⁵

²⁰ Budget Speech 1994-95, p 11
²¹ Letter to Rosemary Follett dated 7 July 1994 from Wayne Berry
²² Transcript p 895
²³ Department of Public Administration Response to Estimates Committee Questions on Notice
 Transcript p 56
²⁴ Transcript p 56
²⁵ Transcript p 403

3.35. ACTEW was understood to be interested in self-insuring, as this would be much cheaper for the agency.²⁶ The Committee is also advised that Calvary insures its private hospital operations separately from its public operations, which are obliged to insure with Comcare. These are markedly different rates of premiums, and in this particular case there was a directly comparable difference which reflected adversely on Comcare.

3.36. Of concern was a statement by the Chief Minister that claims are increasing, length of payments is increasing, and that the ACT Government is reliant entirely on Comcare for statistical information regarding compensation information.

Ms Follett: ...I have to say that it has emerged that we appear to have significant management problems with occupational health and safety and with Comcare.

I have indeed met with Comcare, with their Chief Executive Officer and with the Chairman as well, to discuss their views on how occupational health and safety and Comcare were operating across the ACT Government Service. There are a couple of issues that must be addressed and which I believe the Department of Public Administration is best set up to address. The first of those is the incidence of work place injury and illness, which is rising, and in a couple of agencies it is rising far more than you would expect. But the overwhelming issue in the ACT is in fact the length of time that people are spending on Comcare - on worker's compensation payments.

That is the biggest difference between what happens in the Territory and what happens elsewhere. I have discussed with Comcare a whole range of reasons why both of those situations might be occurring, and I have been very pleased that Comcare have offered their total co-operation, all assistance that they can give, to the Territory in reducing both the incidence of injury and illness and the time taken for people to get back to work. But it is a matter where I must admit we need to make a significant effort, and if you look at the premiums across different agencies you will see that some of them have doubled, others have come down. But looking at the figures, and on the information that I have from Comcare, I have to say that Comcare have treated us fairly: that what they are charging is a reasonable rate, given the degree of claim and the length of absence that is occurring.²⁷

3.37. Further, the Chief Minister referred to the disturbing length of time spent on payments, by comparison with other Comcare claimants:

...in the ACT, on some particular illnesses and injuries, the length of time away from work is double.²⁸

²⁶ Transcript p 204
²⁷ Transcript p 896
²⁸ Transcript p 896

3.38. Some agencies indicated that they are unable to review a continued relationship with Comcare because of Government Policy. Typical of this was the response by the Auditor-General:

1992-93	\$11 682
1993-94	\$10 502
1994-95	\$14 000 (Est)

(i) *Investigations have not been made as we are obliged to follow Government policy. (Emphasis added)*

(ii) *It is known that premiums paid by other State audit offices are significantly lower pro-rata than the premium paid by this office.²⁹*

3.39. Despite escalating costs of premiums, failure to achieve rehabilitation of workers', and information that agencies such as ACTEW, could self-insure much more cheaply than continuing to deal with Comcare, the Chief Minister was unwilling to reconsider the workers' compensation arrangements in place for any ACT agency.

Ms Follett: ...we would need to have a look at particular departments, but on the general issue of going outside to the private sector, as I said, what any insurance company would charge you is the factor of how many claims you make, how serious they are and how long do they take before the person goes back to work. If you add into that, in Comcare's particular case, the rehabilitation that is involved, I do not believe that you would get the same deal from the private sector operator. But as I said, priority is to reduce the illness and injury that is occurring, and significantly reduce the amount of time people are spending off work. That as an exercise, will be quite enough for this department to cope with in the coming year.³⁰

3.40. The Committee suggests this approach is inadequate on the grounds of the high cost and ineffectiveness of the present arrangements with Comcare.

3.41. The Committee was very concerned by the continuing problems in Comcare premium escalation, the high levels of employee claims, and the reluctance of the Government to reconsider the supplier of workers' compensation insurance, including allowing some agencies to self-insure, or self-insure on a Government-wide basis.

3.42. In the 1993-94 Estimates hearings the Committee was advised that the ACT Government was locked into Comcare because the ACTGS was part of the Commonwealth Public Service. Given the creation of a separate service the only reason for the continued connection is Government policy. As a consequence, the Estimates Committee recommended that:

the Select Committee on the Establishment of an ACT Public Service review the commitment to Comcare; and

²⁹ Government Audit Office Response to Estimates Committee Questions on Notice

³⁰ Transcript p 899

the outcomes of the initiatives currently being developed by the Chief Minister's Department in relation to Comcare be reviewed by the Select Committee on the Establishment of an ACT Public Service.³¹

3.43. In light of the experience over several years with Comcare, and the change to a separate ACT Public Service, the Committee believes that the automatic link to Comcare is not justifiable.

3.44. The Committee recommends that:

- Now that the ACT Government Service has formally separated from the Commonwealth Public Service, the question of the Government's commitment to Comcare be reviewed by the Standing Committee on the Public Sector; and
- The Standing Committee consider whether those agencies which function as commercial enterprises should be able to seek alternative sources of workers' compensation insurance and whether self insurance should also be available as an option for those agencies.

Performance Indicators

3.45. During the hearings, Committee members asked many questions about performance indicators. Questions related to program 2, Government and Co-ordination, 2.5, Social Policy, 3, Economic Development, and 3.3, Employment and Training in the Chief Minister's Department.³²

3.46. Mrs Carnell pointed to the fact that many of the performance indicators did not have any base figures to indicate relative success or failure, that is they were not objective measures of performance.³³ In response the Chief Minister agreed in part by conceding that indicators could be improved.³⁴

3.47. By contrast the Committee complimented the Auditor-General and the Canberra Institute of Technology on their declared performance indicators.³⁵ These agencies have set a standard which the Committee considers should be emulated by others.

3.48. Extensive questioning of other agencies included the Department of Health in relation to program 26.1, Woden Valley Hospital and Associated Regional Services, the Attorney-General's Department especially in relation to sub-programs 12.2 Government Solicitor, 12.3 Public Prosecutions and 13.1 Consumer Affairs, and the Department of Education and Training.³⁶

³¹ Report of the 1993 Select Committee on Estimates, p 18

³² Transcript pages 797, 798, 816-822, 848-855

³³ Transcript p 848

³⁴ Transcript p 853

³⁵ Transcript pp 265-267, 909-910, Auditor-General for the ACT Program Explanatory Notes for 1994-95, p 15, Canberra Institute of Technology Program Explanatory Notes for 1994-95, p 15

³⁶ Transcript pp 499-501, 516-518, 605, 606, 608, 609, 621, 622, 301-302

3.49. The Committee expresses its disappointment in the overall standard of performance indicators developed by agencies to date. The Committee draws attention to a recommendation of the 1990-91 Select Committee on Estimates:

Last year's Estimates Committee suggested that the results of the measurement of agencies performance be included in annual reports of agencies. It also suggested that if these reports are unavailable for the Estimates Committee, a separate report on performance measurement be made available to the Estimates Committee.

This has not occurred and this year the Committee strengthens its remarks by making that suggestion a recommendation.

The Committee recommends that:

- *agencies measure the performance of their programs and sub-programs and report the results each year in their annual reports. If the reports are not available for the Estimates Committee, a separate report on the results of the performance measurement should be provided to the Committee.*

The Committee believes that despite agencies having had a further year to refine "...their approaches to program budgeting, developing better performance indicators and performance monitoring systems" there has not been a noticeable improvement in the use of the indicators.

3.50. The Committee notes that the Auditor-General is to undertake a review of performance indicators used by ACT Government departments.³⁷ The Committee welcomes this action by the Auditor-General.

3.51. The Committee can only conclude that there would need to be a substantial improvement in the performance indicators that are attributed to each program, so that an objective assessment could be made of the performance of program activity.

3.52. The Committee has found many of the performance indicators listed by Departments to be cursory, ill-defined and not capable of measurement. The Committee believes that when the Audit Office conducts its review, it should include an assessment of each indicator for objectivity, consistency, relationship to appropriate benchmarks, usefulness in evaluation of performance and usefulness to management in improving productivity.³⁸

3.53. The Committee recommends that:

- **the Auditor-General's review of performance indicators include the following criteria: assessment of each indicator for objectivity; consistency; relationship to appropriate benchmarks; usefulness in evaluation of performance; and usefulness to management in improving productivity.**

³⁷ Transcript p 910

³⁸ Transcript p 930

Presentation of Estimates Material

3.54. The Estimates Committee questioned Treasury Officers at length about the presentation of budget information in the 1994-95 Budget Papers.³⁹

3.55. The Committee notes the information provided in Budget Paper Number 2 "Improved Information on an Outlays Basis".

In response to agreements between Governments in Australia to present Budget information using internationally accepted standards for the presentation of Government Finance Statistics, the summary of the Budget in Budget Paper 2 focuses on the presentation of the Budget using Government Finance Statistics (GFS) concepts. Budget Paper 3 focuses on the traditional Consolidated Fund, Trust Funds and Statutory Authority Bank Account Budget presentation for 1994-95. However, it is intended that the 1995-96 Budget Papers will be presented using GFS concepts only.⁴⁰

3.56. Committee Members experienced some difficulty during the examination of the Budget Papers in being able to reconcile budget figures in GFS format with Budget Papers as they have been presented to the Committee in the past.

3.57. An example of the difficulty of the task is demonstrated by this exchange concerning outturn prices:

Mrs Carnell: Thank you. I would like to turn to Budget Paper Number 2, and to page 208. I wonder if you could help me in understanding how outturn prices work, and how they differ from terms used by the Commonwealth Treasury, things like current prices, nominal prices?

Mr Morgan: The outturn prices, where the estimates have been indexed to take account of expected inflation, in circumstances where the price impact of inflation is not already incorporated into the base estimates. In the ACT, the major examples of that are non-salary costs, because generally they are not indexed, they are at current 1994-95 prices. They are in the forward estimates.

An estimate has to be made and impact of future inflation on those costs. For salaries, there is a different approach adopted, because generally, as in the Commonwealth and most states, future salary increases by program are not anticipated. A general estimate is made, and the general provision is made, section 7 of the Appropriation Act for the current budget year.

A similar provision is made in forward estimates, to take account of expected wage and salary increases. Now, those impacts are included in both sets of figures, the 94-95 price figures, and the outturn price figures. So that is why on the expenditure side, the difference between the outturn prices and the 1994-95 prices is relatively small. Because [it is] really only talking about non-salary indexation.

³⁹ Transcript p 930

⁴⁰ Budget Paper Number 2: Budget Overview, p x

Apart from the section 7 provision, in the forward estimates, there is included the flow-on impact of past wage and salary increases. So, it varies from year to year, but generally each year, the subsequent year's impact of past year's wage increases is about 120 percent. So, if there was a provision for 12 million, as there is in this year's budget for wage and salary increases, the flow on impact of that into the following year is 120 percent of 12 million, plus the additional section 7 provision for new wage increases in the following year - ⁴¹

3.58. While the committee accepts that the Government will move towards presenting information in the GFS format, a need exists for a short time to present budget information in a transitional form to enable the Committee to readily compare information with respect to consecutive budget years.

3.59. This becomes even more important in keeping members of the community informed about the state of the ACT's finances from year to year.

3.60. The Committee recommends that:

- **in the lead up to the presentation of budget information in GFS format the Government provide additional information of a transitional nature which will enable the Committee to readily compare budget information.**

Arithmetic Errors in Material

3.61. A number of typographical errors were found by the Estimates Committee in the presentation of figures for this and future financial years. This was of concern to the Committee, but it appeared that the errors did not impact on bottom line figures.⁴²

3.62. The Committee considers that greater attention to detail be given by Departments in the presentation of figures so that the material is arithmetically correct.

3.63. The Committee also draws attention to the explanatory notes provided by the Department of Education and Training where a number of tables of financial information contained two separate columns with the same heading of "estimates 1994-95 \$'000s" instead of separate headings of "estimates 1994-95 \$'000s" and "budget 1994-95 \$'000s" respectively.⁴³

⁴¹ Transcript p 920

⁴² Transcript p 96

⁴³ Department of Education and Training Program Explanatory Notes for 1994-95, pp 19, 24, Transcript p341

SPECIFIC ISSUES

Programs 1 - ACT Legislative Assembly and 12.4 - Parliamentary Counsel

On-line Access to Legislation by Members

4.1. The Committee asked questions of Parliamentary Counsel during hearings on the Attorney-General's Department and of the Speaker during hearings on the ACT Legislative Assembly about when Members would have on-line access to the legislation data base.⁴⁴

4.2. The Committee welcomes the progress that has been made towards enabling members to have access to the on line legislation data base and agrees with the Clerk of the ACT Legislative Assembly, Mr McRae that:

Mr McRae: ...once legislation is on line it makes life so much easier for members to just have it there on the screen and not have to go and refer to books.⁴⁵

4.3. The Committee anticipates that Members will have access to the on line legislation data base in the near future, and possibly during the course of the 1994-95 financial year.

Sub-Program 2.3 - Territory Wide and Private Sector Industrial Relations

Central Co-ordinating Group and Government Business Enterprise (GBE) Co-ordinating Group

4.4. The Committee asked questions about the role and functions of the Central Co-ordinating Group and the GBE Co-ordinating Group.⁴⁶

4.5. The Minister for Industrial Relations outlined the role and functions of both groups as follows:

Mr Lamont: Well, the Government Business Enterprise Unit is still being established. The fine detail of those relationships is yet to be negotiated, Mr De Domenico, in the specific context of your question, and so those arrangements I am unable to advise you of but undertake to do so at the earliest opportunity. In relation to the Central Co-ordinating Group, the CCG advises on wages deals, on wages outcomes, across the whole of the administration.

Now that, in the context of the new separate service legislation, I quite clearly identified that we will be entering into a further co-ordination role to do two things through the Government Business Enterprise Group. One of those things

⁴⁴ Transcript pp 615-616, 743-746

⁴⁵ Transcript p 746

⁴⁶ Transcript pp 724-731

is as a result of the Pearce Report about the relationships between Government and statutory authorities and the quite proper information process that should exist between those organisations and Government, the responsible Minister - on the executive I should say and in addition to that to co-ordinate on matters of Government policy and how they impact upon Government business enterprises, with those Government business enterprises.

This is a reasonable approach I believe. One that is consistent with good micro-economic reform and also good ... in a management sense. I do not see the roles of the GBE and the CCG being [in] any way conflicting.⁴⁷

4.6. The Committee recommends that:

- the Government detail exactly what the working detail of the relationship between the Central Co-ordinating Group and the Government Business Enterprise Co-ordinating Group is to be.
- the Government detail exactly what role each of the Central Co-ordinating Group and the Government Business Enterprise Co-ordinating Group is to play, and what role the Government envisages the latter will take in relation to the recommendations of the Pearce Report's comments about the relationships between Government and statutory authorities.

Days Lost Through Industrial Disputes

4.7. The Minister for Industrial Relations, Mr Lamont, indicated to Committee Members during the hearings that in 1993 the number of recorded disputes was 9 compared with 12 in the previous year.

Mr Lamont: ...In 1993, the ABS Industrial Disputes in Australia statistics indicated that there were nine recorded disputes in that year, with twelve the previous year. They mostly occurred in public administration and defence. This was the lowest number of disputes for more than a decade...⁴⁸

4.8. Subsequent information provided to the Committee indicated that there has been a deterioration in the relative industrial relations performance of the ACT in comparison with other jurisdictions, measured by days lost.⁴⁹

⁴⁷ Transcript p 725

⁴⁸ Transcript p 720

⁴⁹ Industrial Relations Response to Estimates Committee Questions on Notice

Table 2 - Working Days Lost ('000)

Period	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUSTRALIA
1992	174.3	586.4	66.3	12.2	53.6	43.0	2.7	2.7	941.2
1993	178.3	257.2	128.4	25.6	29.5	4.5	2.1	10.3	635.8

Table 3 - Working Days Lost Per Thousand Employees

Period	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUSTRALIA
1992	85	369	69	25	97	285	48	20	158
1993	89	170	132	53	51	29	38	76	108

4.9. The Committee notes the impression given by the Minister for Industrial Relations that the days lost by ACT workers due to industrial disputes was amongst the lowest in Australia between 1992 and 1993.

Mr Westende: Mr Minister, I cannot remember asking the question as to what was the difference between '92 and '93. I thought [I asked] what was the difference relative to the other states in Australia, relative to the ACT, nothing to do with one Government.

Mr Lamont: About days lost?

Mr Westende: Yes.

Mr Lamont: My understanding is that it is amongst the lowest in Australia during that period.⁵⁰

4.10. The Committee further notes that these figures could be subject to different interpretation, the ACT recording the fourth highest number of working days lost per thousand employees in 1993.

Demarcation Dispute

4.11. Committee Members asked questions about a demarcation dispute involving the CFMEU and The AWU. The dispute involved not allowing workers to use certain equipment, even though they were qualified to do so, on the basis that the workers were not members of a particular union.⁵¹

⁵⁰ Transcript p 721

⁵¹ Transcript pp 734-738

4.12. The Committee notes the Minister for Industrial Relations response on the matter:

Mr Lamont: ...The matters of enterprise bargaining are, in fact, dealing with that very issue to allow for the multi-skilling of workers across traditional demarcation lines. We have been extremely successful in those negotiations in areas like the ACTEW Asset Management Services. We are pursuing those questions as part of the enterprise negotiations in the Department of Urban Services and in the Department of the Environment, Land and Planning and will continue to do so. It is our intention to achieve appropriate reform in these areas with appropriate multi-skilling in the best interest of cost efficiency within our administration.

...[this] is, historically, a very complicated issue. Now, we as a Government, are not prepared to see the continuation of such demarcation where that demarcation is not in the interest of efficiency. We are, as part of our enterprise bargaining arrangements, proceeding to negotiate away those traditional demarcations. They are not easy. It is not an easy task.⁵²

4.13. The majority of the Committee recommends that:

- the Government proceed to ensure that multi-skilling of workers, across demarcation lines, is fully implemented wherever practicable; and
- the Government should, as a matter of urgency, remove and change any Industrial Relations practices which prevent substantial cost savings to be made, especially those practices which purely involve demarcation disputes between different unions.

Program 3 Economic Development

Canberra Investment Promotion Program

4.14. The Committee questioned officers of the Economic Development Program of the Chief Minister's Department at some length about business incentives and marketing of the ACT as a business location.

4.15. The Committee notes the statements by the Chief Minister of the importance of marketing the attractions of Canberra to entice businesses to Canberra rather than other States.

Ms Follett: ...We rely on marketing the Territory as a very desirable place to do business as well. For instance, our economic climate is excellent, our facilities and lifestyle for workers is excellent. Our workforce is highly skilled, highly educated...⁵³

4.16. The Committee also notes the statement by the Chief Minister that the ACT is a small player in the competition for new or expanding businesses.

⁵² Transcript p 735

⁵³ Transcript p 861

Ms Follett: What I am saying to you Mr De Domenico, if you care to listen to me, is that I will not go to auction, competing with other states, to buy business for this Territory. We cannot afford to, we are too small. That would be an enormous impost on our Budget...⁵⁴

4.17. The Committee welcomes the Government's decision to set aside an amount of money in the Budget in order to retain viable businesses in the ACT. Notwithstanding, the Chief Minister's analogy of "I will not go to auction", the Committee notes that other Governments, namely Queensland, Western Australia, Victoria, New South Wales and South Australia, have recently offered incentives, such as rent relief and payroll tax concessions, in order to retain and gain businesses.

4.18. The Committee recommends that:

- the Government continue to do all it can to retain existing viable Canberra businesses and to attract new and viable businesses to the ACT.

Employment and Training Program

4.19. Committee Members asked extensive questions in relation to this sub-program. It was difficult for Committee Members to understand the actual numbers of people employed and monies expended under the sub-program from the material presented.⁵⁵

4.20. The Committee recommends that:

- the Government puts in place appropriate performance indicators which will enable effective scrutiny of the success or otherwise of various employment programs.

Industry Assistance Package

4.21. Committee Members asked extensive questions about the granting of monies to Auspace who received \$200 000 in order to maintain their operations in Canberra.

4.22. Committee Members particularly asked about the guidelines currently in place and the criteria used to determine which industries should receive the monies available.⁵⁶

Ms Follett: ...the decision making will be done at officer level, and in consultation. But the guidelines are presently being developed. I mean, in the case of Auspace, I think everybody knew the situation there. We were all aware of the circumstances. They made no secret of it, and that was a one-off funding arrangement.

With the Industry Assistance Package that is being funded in the current Budget, and in future years, there will be different circumstances applying. I think I

⁵⁴ Transcript p 861

⁵⁵ Transcript pp 866-878

⁵⁶ Transcript pp 862-864

might leave it to Dr Adrian to explain the guidelines that will be used, and the assessment procedures that will be used, because, as I said, there will be something of an arm's length approach taken by the Government.⁵⁷

Dr Adrian: We will have the guidelines available early next month, and they will be publicly available. The guidelines basically map out the process by which a company can make an application, and the assessment process will require firstly, the lodging of an application that will have to map out particular details about the company. That is financial status, ownership and so forth. In addition to that, they will have to map out their program of activity in the ACT, the business that they are, in fact, running.

They will have to map out the employment associated with that business activity. We will require them to map out the details of linkages with other businesses in the ACT through subcontracting and so forth, and through that process and negotiations and discussions with them, we will look at the - I guess the soundness of their proposition, how important it is in terms of job generation and investment growth and its importance in new areas of economic activity where we see significant opportunities for growth.

That assessment will be done by people within the division. Based on their recommendations that material will come up to myself and to the Secretary of the department for final decision on the actual allocation of the money.⁵⁸

4.23. The Committee notes the Government's commitment to the development of appropriate guidelines for the effective administration of the Industry Assistance Package and indicates to the Government that close scrutiny will be given to the allocation of monies from the package in the future.

Program 4 - Public Administration

Public Sector Reform

4.24. The Committee asked questions of the Chief Minister and officers of the Department of Public Administration about the department's role in developing an ongoing program of reform across the ACT Government Service.⁵⁹ The Acting Secretary of the Department of Public Administration, Ms Webb, responded at length about the department's likely activities with regard to reform in the near future. At one point during questioning the Chief Minister stated:

Ms Follett: ...I have said time and time again that I did not regard that separation of the ACT service as an opportunity for the wholesale reform of our administration.

But my first priority in separating out the ACT service was to protect the people who worked for us, and so the - a great deal of the legislation reflects the existing situation. I stand by that, and I think that is was only fair. But there will be

⁵⁷ Transcript pp 862-863

⁵⁸ Transcript pp 862-863

⁵⁹ Transcript p 891

ongoing reform of our Government Service and with this new department I think that we are much better set up now for continuing reform and for continuing scrutiny of what agencies do, how they do it and what the alternatives might be...⁶⁰

4.25. The Committee notes the Government's intent to continue to examine public sector reform. The Committee further notes the recent decision by the ACT Legislative Assembly to establish a Standing Committee on the Public Sector which will continue to oversee public administration and its development and reform in the ACT.

Program 5 - ACT Financial Management

Below Standard Revenue Raising

4.26. During the course of the hearings, references were made to the ACT's revenue raising effort being 4% below the average of the States in 1992-93. The major reasons cited for the below standard revenue effort include the inability of the ACT to extract funds from its State Trading Enterprises to the same extent as New South Wales and Victoria.⁶¹

4.27. Responses indicate that this statement could be attributed to the way the Grants Commission assesses the ACT's capacity to raise revenue from those sources. The Grants Commission uses a measure which relates relative levels of household disposable income and it is noted by Treasury that the ACT has much higher household disposable income than the national averages in other States. The Grants Commission on the basis of this information believes that the ACT has a much higher capacity to raise revenue from trading enterprises.⁶²

4.28. The Committee notes ACT Treasury's intention to make further representations to the Grants Commission and agrees that household income is not a measure of the capacity of these enterprises to pay revenue or achieve dividends but rather, the real measure of their capacity is their own turnover, profitability, cost structure, competitiveness and liquidity etc.

4.29. The Committee recommends that:

- the Government provide future reports to Estimates Committees on the success or otherwise of future ACT Treasury representations to the Grants Commission regarding the issue of below standard revenue raising for state trading enterprises.

Budget Presentation of ACT Assets and Liabilities

4.30. The Committee was concerned that budget information was presented for scrutiny in a manner which did not adequately reveal the Territory's financial situation.

4.31. For example, the budget has included provision for debt servicing (which was treated as a transfer and therefore a cash asset but is, in fact, a cost to be incurred in the future) but did

⁶⁰ Transcript p 894

⁶¹ A Successful Transition: The ACT's Path to State Type Funding

⁶² Transcript pp 1009-1010

not show the gross debt position of the ACT.⁶³ The Committee believes it can be considered to be misleading to show the provision for debt servicing (transferred to ACTBIT) without showing the offsetting movement in the gross debt to the Territory.

4.32. The Committee notes a comment made by the Auditor-General in 1992 about the treatment of future commitments or contingent liabilities.

*The practice of identifying definite or likely major future commitments and liabilities is of course not being questioned as it is an essential requisite for prudent financial management. The problem is the "creative" accounting opportunity which exists if future commitments or contingent liabilities can be included or excluded in a discretionary manner when calculating budget outcomes and estimates. This discretion could be used to ensure that desired results are presented.*⁶⁴

4.33. During the Estimates hearings it was not possible to obtain actual figures or reliable estimates of the gross or net indebtedness of the Territory, except from charts which did not show precise figures.

Mr Morgan: In last years Budget Papers we did - the company tables to these tables was a statement of financial assets and liabilities. What these tables do is provide a statement of the annual flow, the change, so the net financing requirement is the annual change in the net financial asset position of the Territory. It does not represent, though obviously the stock of financial assets and liabilities - in last years Budget Papers we did incorporate estimates of the stock. Because it is a stock estimate it can only be finalised after the end of the financial year and so it will be published with the Treasurer's statement later - well, within the next two or three months when all the other unitary and aggregate financial statements are completed, however, we have made estimates based on last years balance that was in last years Budget Papers and the trend estimates and there are various graphical presentations.

One is in the paper on the ACT transition on page 14 which shows the net position and there is a very similar graphical presentation in Budget Paper Number 2 on page 36 which again shows that over the forward estimates period to 1998 the net financial position for the ACT is positive, there is a negative debt over that period that the financial assets of the ACT will exceed the financial liabilities.

Mrs Carnell: I understand that, but that does not answer the question, does it? What are the gross borrowings, all together, all up, trading enterprises; how much money does the ACT Government owe: to the Commonwealth; to banks - you know, how much money do we owe?

Ms Follett: We can -

⁶³ Transcript pp 972, 975-977

⁶⁴ Auditor-General's Report Number 5, 1992: Budget Outcome Presentation and the Aggregate Financial Year Statement for the year ended 30 June 1992

The Chair: We can get the figures.

*Mr Morgan: The information, because it has to be based on actual results, because often borrowings are only made at the very end of the financial year. We do not, sort of, borrowings during the year, they have to be made at the very end. But, certainly, the difference this year is the budget being brought down before the end of the financial year but the comparable information was incorporated in last year's Budget Papers in chapters 11 and 12 which gave gross and net debt positions and comparable information will be provided in outcome information in about August.*⁶⁵

4.34. Similarly, the Committee notes that superannuation liabilities are rising at approximately double the amount of the increase in reserves and that these liabilities are not expressly identified in the Budget Papers or accompanying documents. The projected increase in reserves (transfers from the Consolidated Fund plus earnings) of \$43 million is shown as a "plus", but is not offset by the "minus" of a possible \$90 million increase in superannuation liabilities.⁶⁶

4.35. The Committee believes that an accurate way to present these transactions is in a Sources-and-Uses-of-Funds Statement within a set of fully accrued accounts.

4.36. The Committee therefore recommends that:

- future budgets clearly show the source and use of all ACT funds and a complete statement of public assets and liabilities.

Diesel Fuel Off-Road Exemption Scheme

4.37. The Committee examined, at length, the off-road exemption scheme relating to the franchise fee on diesel fuel following a decision in the 1993-94 Budget to remove the exemption for all off-road use except farming and pensioner concessions for heating. The Committee was particularly keen to study differences between the scheme in New South Wales and the ACT to ascertain whether cross-border sales may impact on ACT revenue.

4.38. The Government estimated, in the 1993-94 Budget, that removal of the scheme would generate \$1m revenue in a full year.

4.39. The Committee notes that the Assembly, in debating the Business Franchise (Tobacco and Petroleum Products) (Amendment) Bill 1993, discussed the prospect of sales made in New South Wales to ACT customers, particularly those who obtained an exemption certificate from New South Wales authorities, purchased and took delivery of their fuel in New South Wales.

4.40. The Committee examined the statements made by the Chief Minister to the Assembly on 21 October 1993 as part of that debate, namely:

⁶⁵ Transcript p 970

⁶⁶ Transcript pp 992-994, Budget Paper Number 3: Program Estimates 1994-95 ,p 59

If a person buys fuel in New South Wales for consumption within the ACT that fuel attracts ACT licence fees, and it is the responsibility of the wholesaler to determine this factor and pay the licence fee accordingly.⁶⁷

and:

Fuel supplied by New South Wales suppliers to ACT users will still be liable for ACT tax, and exempt fuel sold in New South Wales cannot be used in the ACT.⁶⁸

4.41. The Committee has cause to question these statements following a letter being tabled by Mr Humphries from the New South Wales Treasurer, which said:

The Commissioner [for State Taxes, NSW] has confirmed that [his officials'] advice was correct, namely that ACT residents are entitled to apply for a NSW permit if they purchase diesel in NSW and the diesel is for off-road use, whether that use occurs in the ACT or NSW.⁶⁹

4.42. The Committee found that neither the Treasurer nor the Commissioner for Revenue were prepared to explain the provisions of the *Business Franchise (Tobacco and Petroleum Products) Act 1984* which enabled the franchise fee to be collected on sales made in NSW to ACT residents, holding NSW exemption certificates, where delivery of that fuel occurs in NSW.

4.43. The Committee is concerned that the Commissioner for Revenue was unable to cite a provision in the *Business Franchise (Tobacco and Petroleum Products) Act 1984* which would enable him to collect such a tax. The Committee believes that the Commissioner's refusal to justify his opinion that provisions exist which allow him to tax interstate fuel purchases is unacceptable.

4.44. The Committee notes a Media Statement by the Chief Minister which:

repeated her assurance that there will be no loss to ACT revenue as a consequence of cross border sale of exempt NSW diesel fuel, but she said the ACT legislation would be examined by the Attorney-General. If it is found that additional provisions are required or desirable in order to allow the exemption scheme to operate as intended by the Assembly, I will bring forward such amendments in the next sittings.⁷⁰

4.45. The majority of the Committee recommends that:

- **The Government immediately review the application of the Diesel Fuel Off-Road Exemption Scheme so that ACT taxpayers can be assured that the Commissioner for Revenue's decisions with respect to fee liabilities are correct and enforceable.**

⁶⁷ Debates of the Legislative Assembly for the Australian Capital Territory: Weekly Hansard; 21 October 1993, pp 3755-3756

⁶⁸ Debates of the Legislative Assembly for the Australian Capital Territory: Weekly Hansard; 21 October 1993, pp 3754

⁶⁹ letter from The Hon Peter Collins QC MP to Mr Gary Humphries, dated 7 March 1994

⁷⁰ Media Statement by Chief Minister, 7 July 1994

4.46. The Committee believes that at times in addressing questions about the Diesel Fuel Off-Road Exemption Scheme the Commissioner for Revenue's answers were unhelpful.

Mr Humphries: And some of them use hundreds of thousands of litres of fuel, it would be in their interest, would it not, to make arrangements to buy fuel from a source where they can get it for seven cents a litre cheaper?

Mr Faichney: Well, if that is what you are encouraging them to do, well, then I suspect that they may try.

Mr Humphries: Is that not what they are legally entitled to do?

Mr Faichney: Well, we will see.

Mr Humphries: I would like you to tell us how we can see that to be the case.

Mr Faichney: Why should I tell you?

Mr Humphries: Because we are the Estimates Committee of this Assembly -

Mr Faichney: Yes, but I am the Tax Commissioner.⁷¹

4.47. The Committee notes and fully understands the Commissioner for Revenue's position and interest as the primary revenue collector for the ACT. The Committee also notes that considerable discretions are available to the Commissioner in relation to revenue matters which imply that the decisions the Commissioner makes can be of a substantive and highly sensitive nature.

4.48. Nevertheless, the Committee expresses dissatisfaction at the manner in which the Commissioner for Revenue responded to questioning by the Committee.

4.49. The Committee is concerned that the failure on the part of the Treasurer to intervene during the questioning of the Commissioner for Revenue could imply that the Treasurer condoned his approach in the Committee.

Stamp Duty on Motor Vehicle Sales

4.50. The Estimates Committee was particularly interested in the issue of stamp duty collections on the sales of motor vehicles.⁷² Committee Members noted that there had been a considerable number of representations to Members of the Assembly regarding this issue and that a number of appeals against decisions of the Commissioner for Revenue had been lodged for hearing before the Administrative Appeals Tribunal (AAT). Decisions by the AAT had not been favourable to the Commissioner for Revenue, including challenging the form of evidence that was acceptable. The Commissioner conceded that his office had exceeded reasonable bounds as to acceptable evidence, as follows:

Mr Faichney: ...It was a - I suppose a bit of a leap between what was put out as an indication on the Revenue Office's part by way of a Revenue Office Circular as to what we would accept and implementation in the field by inspectors who tended to be a little more specific in terms of saying that is what is required. The

⁷¹ Transcript p 958

⁷² Transcript pp 1002-1007

AAT said any form of evidence or other forms of evidence would be acceptable and then went on to make comments about Revenue Circulars are not the law and nobody disputes that...⁷³

4.51. During the course of the hearings the Commissioner advised that the ACT and Victoria are the only jurisdictions that collect the stamp duty from dealers and elsewhere the liability falls on the purchaser.⁷⁴

4.52. The Committee considers that the Government should review the current arrangements whereby stamp duty is collected from dealers and believes that consideration should be given to recovering liability for payment of stamp duty from the purchaser, as currently occurs in most other jurisdictions in Australia.

Stamp Duty Refunds in Relation to Incompleted Motor Vehicle Sales

4.53. In relation to motor vehicle sales that are not completed, the Commissioner for Revenue advised that there was no provision in the existing law to refund stamp duty on the sale of new motor vehicles. The Commissioner pointed out that this was a decision for the Government to make.⁷⁵

4.54. The Treasurer advised that she had not considered the issue and seemed not to be aware of a number of representations made on this issue over a long period, as indicated as follows:

Mrs Carnell: Maybe I should ask the Chief Minister. Chief Minister, do you believe that it is appropriate for tax - for stamp duty to be paid on sales that do not progress?

Ms Follett: I have not considered the issue, Madam Chair, and I am not going to speak in aid of it.

Mrs Carnell: Well, you have had letters to you for, heavens, 12 months probably on this issue, [since] June last year.⁷⁶

4.55. The Committee recommends that:

- the Government should consider amending legislation to avoid imposing duty on motor vehicle sales that do not proceed.

Superannuation Liabilities

4.56. The Committee was particularly interested in the state of emerging superannuation liabilities, which is the subject of a current actuarial study. The Committee was advised that

⁷³ Transcript p 1004

⁷⁴ Transcript p 1005

⁷⁵ Transcript p 1007

⁷⁶ Transcript p 1007

superannuation assets were growing at some \$40 million per annum, whilst liabilities were expanding at some \$85 million per annum.⁷⁷

4.57. The Committee asked questions about how the ACT's position compared with other states.

Mr Berry How does it compare with other states?

Mr Woods: Different policies - a number of states, of course, have been in significant difficulty with their superannuation and have not been making provisions unlike the ACT which has been putting funded provisions aside and I stress that these are actual funds held and invested which, again, is a point that you were questioning Mr Morgan on earlier, but this is an example where funds are put aside from the budget and physically held and invested to ensure the preservation of that capital.

A number of states were not taking this approach, and therefore did not have funds to fall back on. A number of states now, of course, are going to a much smaller benefit scheme of just the guaranteed super scheme for new entrants and are funding that.

Mrs Carnell: I accept what you are saying there, but still, our liability is growing at double the rate of our reserves.⁷⁸

4.58. Questions relating to plans to be undertaken to address this issue of increasing liabilities, were referred to subsequent deliberations following the presentation of the actuarial report. Other States and the Commonwealth have modified their superannuation schemes in some instances to address this issue of growing superannuation liabilities. While the position of a private business concern is somewhat different from that of a Government as regards its extinguishment, failure to address these emerging liabilities may lead to substantial transfers of liability to future generations, much the same as happened in those States that led them to modify their superannuation schemes.⁷⁹ The Committee also noted that, according to the Evatt Foundation⁸⁰, whilst most other States have unfunded superannuation liabilities, Queensland does not - its superannuation scheme is fully funded.

4.59. The Committee considers that the Government should address this issue of superannuation liabilities as a matter of urgency when the actuarial report is presented.

4.60. The Committee recommends that:

- the Government include details of both the liability for superannuation and the amount of funds set aside in respect of that liability in future budgets.

⁷⁷ Transcript p 990

⁷⁸ Transcript pp 990-991

⁷⁹ Transcript pp 989-997

⁸⁰ The State of Australian Government 1993-94, p 67

Program 6 - Audit Services

Audit Reports - Adoption of Recommendations

4.61. The Committee notes that the Audit Office does not have the resources to follow-up the results of its audits or to determine whether its recommendations have been implemented by the relevant agencies. That responsibility is left to the management of each agency and is seen as a role of the Department of Public Administration.⁸¹

4.62. The Committee recommends that:

- Annual Reports of each agency should include reference to the recommendations of the Auditor-General and the outcome of measures adopted to put those recommendations into effect, and that all recommendations should continue to appear in Annual Reports until accounted for by adoption or rejection with reasons given for rejection.
- commencing with the 1994-95 financial year, all Annual Reports include all recommendations and responses to those recommendations arising from Auditor-General Reports since the commencement of the Second ACT Legislative Assembly.

Program 9 - Land

Capital Works Project: Gungahlin Drive-Kosciusko Avenue to Nicholls

4.63. The Committee asked questions about the substantial cost overrun of \$3.351m in relation to this project, from initial approval in 1991-92 of \$4.893m to a current value of \$8.244m.⁸²

4.64. An explanation of the reasons for the cost overrun was provided at the time of the hearings to the Committee, however, it was acknowledged that at the time of the project's original approval detailed work was not undertaken before the bid for the project was finalised.

The Chair: Was there a lack of detailed work undertaken initially?

*Mr Guild: Yes. I have got to accept that the initial assessment - as I said, those sorts of things which ordinarily should have been done and this particular case, not enough was done at the time to do the provision - to do it properly. I accept that.*⁸³

4.65. The Committee views with concern the substantial cost overrun in relation to the Gungahlin Drive-Kosciusko Avenue to Nicholls project and reminds Government agencies

⁸¹ Transcript p 910
⁸² Transcript pp 414-415
⁸³ Transcript p 415

that detailed work needs to be undertaken before any bid for a capital works project is placed on the program and agreed to by Government.

Program 11 - Sport and Recreation

Capital Works Projects: Improvements to Sportsgrounds and Sportsground Floodlighting Program

4.66. The Committee notes Government expenditure of \$1.2m over three years to upgrade sportsground facilities and \$250 000 to be spent in 1994-95 to install or upgrade sportsground floodlighting.⁸⁴

4.67. Committee members asked questions during the hearing into the Bureau of Sport, Recreation and Racing as to how priorities for the work would be determined.⁸⁵

The Chair: Your Bureau has come up with an indicative list on the basis presumably of some criteria that you have developed in terms of your decision-making processes?

*Mr Lamont: Well, what we have had to do is look at the range of sports that we deal with and the geography of the ACT, to come up with an appropriate mix, both in terms of sport and in terms of location. Now, they have been two of the test(s) that we have used in identifying these priorities. What we have tried to concentrate on is the upgrading of canteen and similar facilities which will allow sporting organisations and clubs to raise their own revenue. That has also been one of the matters that have been taken into account...*⁸⁶

4.68. While the Committee commends the Government for introducing these initiatives which will facilitate greater sporting community responsibility for facilities, the Committee believes it will be essential for the Government to develop as quickly as possible selection criteria for funding which will enable the highest priority works to be completed first.

4.69. The Committee recommends that:

- selection criteria for funding of improvements to sportsgrounds and sportsground floodlighting be developed as quickly as possible and be provided to the Committee later in 1994 for further scrutiny.

⁸⁴ Department of the Environment, Land and Planning Program Explanatory Notes for 1994-95, pp 21, 23
⁸⁵ Transcript pp 693-695
⁸⁶ Transcript p 694

Sub-Program 12.1 - Legal Policy

Development of Legislative Criteria for Powers of Inspection, Entry and Search by Government Employees

4.70. Questions were asked of the Attorney-General, Mr Connolly, and his officers about the time frame pertaining to the development of legislative criteria for powers of inspection, entry and search by Government employees.⁸⁷

4.71. The Committee notes that the development of these criteria are currently anticipated by the Assembly's Standing Committee on the Scrutiny of Bills and Subordinate Legislation.

4.72. The Committee further notes the advice provided by the Secretary of the Attorney-General's Department, Mr Hunt, which indicates that there are two phases to the process which has been adopted to develop the legislative criteria. The first phase is related to the powers of inspection, entry and search by ACT officers of the Australian Federal Police and the second is related more generally to the use of these powers by Government employees in general.

4.73. The Committee also notes the ongoing consultation process with a wide range of agencies and ultimately community groups which will be undertaken by the Attorney-General's Department in relation to this issue.

4.74. The Committee regards as interesting the comment made by the Attorney-General, Mr Connolly, that:

*many agencies believe that it is important for their officials to have, in effect, vastly greater powers than police.*⁸⁸

4.75. The Committee recommends that:

- the development of legislative criteria for powers of inspection, entry and search by Government employees continue to receive a high priority and that consultation proceed to a swift resolution of the issues.

Sub-Program 13.4 - Public Trustee

Public Trustee

4.76. The Committee asked questions about the continuing position of Mr Don Dunckley in an acting role as the Public Trustee of the Territory.

Mr Humphries: Mr Dunckley, I understand that you are very close to setting a world record as longest service by a public servant in an acting capacity. I think you will beat someone in the 15th century in a couple of months from now. I do actually have a question for Mr Hunt. He said last year at estimates, "I will be confidently stating that there will be no acting Public Trustee barring unforeseen

⁸⁷ Transcript pp 599-600

⁸⁸ Transcript p 600

events by this time next year. I do apologise for that slowness." and I responded, "Do not apologise to me, apologise to Mr Dunckley."

Mr Connolly: This time next year of course referring to September, when the estimates committee was being heard.

Mr Humphries: Yes, there is always an out for lawyers, is there not?

Mr Connolly: We are indeed confident that the matter is before the Public Service Commission and we hope will be resolved as the last of this year's appointments before the new service begins.

Mr Hunt: There is a formal recommendation by the head of administration with the Public Service Commissioner. I suppose I cannot help in observing in terms of your initial background to that question that in the early states of this rather long period the reason why it had to remain acting was the future of the Public Trust Office was not guaranteed. The Priorities Review Board engaged by the former Government had recommended the possible closure of the office and there was a long period before a decision was taken to keep it in place.

Mr Connolly: I am not sure whether Mr Dunckley was appointed to the acting position by Labor when it was in Government for the first time or by your Government when it was in office or by us when we came back into office.

Mr Humphries: I think it was the Whitlam Government, was it not?

*Mr Dunckley: Or was it Menzies?*⁸⁹

4.77. The Committee welcomes the permanent appointment, finalised just after the completion of hearings into Sub-program 13.4, of Mr Don Dunckley as the Public Trustee, after several years acting in that position.

Sub-Program 14.3 - Tribunals

Application of the Privacy Act to ACT Government Service Employees

4.78. Questions were asked of the Attorney-General, Mr Connolly, in relation to the separation of the ACT Public Service from the Commonwealth regarding the fact that the Privacy Act will not automatically apply but that the Commonwealth has agreed to extend the provisions of the Act as they apply to ACT Government service employees.

4.79. The Committee queried whether the Government would consider a reference to the Standing Committee on the Public Sector once the Attorney-General had indicated that the ACT Government would want a thought through model of ACT privacy regime.

4.80. The Committee notes the in principle agreement of the Attorney-General that it would be appropriate to "finesse" arrangements through a reference to the Standing Committee on the Public Sector once a bill has been introduced in the Assembly.⁹⁰

⁸⁹ Transcript pp 632-633

⁹⁰ Transcript pp 648-649

4.81. The Committee recommends that:

- when a bill in relation to privacy matters regarding employees of the ACT Government Service has been introduced into the Assembly that it be referred to the Standing Committee on the Public Sector.

Sub-Program 14.4 - Supreme Court

Supreme Court Case Management Procedures

4.82. Committee Members asked questions about the deadline set for 1 January 1994 by the Supreme Court for the introduction of the monitoring of cases filed in Court from the initiating process stage.⁹¹

4.83. The Committee notes the failure of the Supreme Court to meet the deadline of 1 January 1994 to implement a new information technology process on the basis of, what Acting Registrar, Ms Circosta, described as a lack of finance.

*We did not have the finance to purchase the software.*⁹²

4.84. The Committee asked that the Assembly be kept informed of progress on the implementation of this new system.

4.85. The Committee recommends that:

- the Attorney-General provide progress reports on the implementation of case management procedures to the Assembly, following the failure by the Supreme Court to achieve its stated 1 January 1994 deadline for implementation.

Program 15 - Maintenance of Law and Order

Police Budget

4.86. The Committee notes a Media Statement by the Attorney-General issued on 14 June 1994 which said:

*Attorney-General Terry Connolly today announced an overall increase in the ACT police budget of over \$290 000.*⁹³

4.87. The Committee examined the police budgets from this and last year and noted that there was no increase on last year's budget⁹⁴. The Committee notes the Minister's explanation that there was an increase against the Forward Estimate, but finds this not an adequate basis to claim an increase in the budget.

⁹¹ Transcript pp 649-650

⁹² Transcript p 650

⁹³ Media Statement by Attorney-General, 14 June 1994

⁹⁴ Appropriation Bill 1993-94, p 8, Appropriation Bill 1994-95, p 10

4.88. The Committee notes that the budget for Maintenance of Law and Order for 1993-94 was \$53.010m, while for 1994-95 it is \$51.138m. The Committee further notes that during the course of 1993-94, as a result of revised administrative arrangements, \$112 000 was transferred to Program 19, Fire and Emergency Services, for the transfer of emergency telephones, leaving a revised appropriation of \$52.898m.

Table 4 - Police Budget 1990-91 to 1994-95⁹⁵

Year	Budget Appropriation (\$m)	Actual Spent (\$m)
1990-91	54.680	54.644
1991-92	53.409	53.684
1992-93	53.044	51.585
1993-94	53.010*	53.885
1994-95	51.138	-

* revised to \$52.898m as a result of transfer of emergency telephones to Fire and Emergency Services

4.89. Additional information provided to the Committee in a letter from the Attorney-General addressed to the Chairperson set out two budget reconciliations, one based on a set of figures that line up with the estimates contained in the 1993-94 and 1994-95 Budget Papers and the other based on the 1993-94 outcome in comparison to the 1994-95 Budget. The Attorney-General arrives at the overall increase in the ACT Police Budget after making adjustments for one-off expenditures.

4.90. The Committee believes that the question of whether or not the Police Budget has increased or decreased in 1994-95 from 1993 is best established in practical terms when information on actual monies spent during the financial year becomes available.

Sub-Program 16.1 - Housing

Rental Bonds

4.91. Repayment of Rental Bonds direct from the Office of Rental Bonds to the ACT Housing Trust apparently was achieved by administrative action in March 1994 at about the same time a Private Member's Bill was introduced into the Assembly to achieve the same purpose.

⁹⁵ Treasurer's Quarterly Financial Statement, June Quarter 1994

4.92. At no time was the Assembly or the Member introducing the legislation advised of the Trust's administrative action and neither was the Member concerned briefed by Trust officers, as claimed in Estimates.⁹⁶

Mr Cornwell: ...I am asking - well are you introducing parallel legislation? What is happening? I mean, I introduced a private members Bill to allow the movement between ORB and the Trust.

Mr Lamont: Mr Cornwell, as I said to you during the debate in relation to your bill, we have achieved the same outcome by administrative action on behalf of the Trust.

Mr Cornwell: But I have yet to be formally advised.

Mr Lamont: Mr Cornwell, at the time you were offered a full briefing by my officers in relation to that matter and the success of that method to date.

Mr Cornwell: I do not believe that is correct, but I will not stand by it. I do recall you making a statement along those lines.⁹⁷

Vacated Arrears

4.93. The ACT Housing Trust appointed debt collectors in December 1993 to seek repayment of vacated arrears.

4.94. From 8 December 93 to 20 June 1994, \$25 592 has been recovered, yet in the period June 1993 to March 1994, vacated arrears have grown by approximately \$400 000 from \$2.8 million to \$3.2 million.⁹⁸ Subsequent advice indicates vacated arrears to 27 May 1994 total \$3 349 519.⁹⁹

4.95. In attempting to explain the small amount recovered, the Minister said "... you have also got to understand that the information which is provided to Laurens did not include information which could assist Laurens to trace the debt, ie the forwarding address, dates of birth, as this information was not previously maintained by the Trust data base... (emphasis added).¹⁰⁰

4.96. The fact that vacated arrears grew by \$400 000 between June 1993 and March 1994, ie some of this increase taking place after the appointment of debt collectors, suggests false optimism, that no further steps need be taken to minimise vacated arrears.

4.97. From the Minister's own words, there was insufficient information on the Trust's data base to give the debt collectors sufficient information to track down the defaulters. It is to be hoped the omission of this data now has been rectified.

⁹⁶ Transcript pp 150-152

⁹⁷ Transcript pp 151-152

⁹⁸ Transcript p 134

⁹⁹ Housing and Community Services Bureau Response to Estimates Committee Questions on Notice

¹⁰⁰ Transcript p 134

Wilful Damage

4.98. The ACT Housing Trust advised that wilful damage to 30 April 1994 totalled \$670 622 and that 50% of this damage related to ex-tenants who left no forwarding address. It also advised that wilful damage recoveries are not recorded against the financial year incurred and that 1993-94 recoveries to 30 April 94 totalled \$14 182. It should be noted that although 50% of wilful damage relates to ex-tenants, \$335 311 is owed by existing tenants.¹⁰¹

4.99. The Committee notes from the Auditor-General's report¹⁰² that \$153 317 has been invoiced 1990-91 through to 1992-93. This amount is far short of the \$335 000 above and raises the question whether or not wilful damage has increased in 1993-94 ie by about \$148 000 or if the Trust's assessment procedures for itemising wilful damage, have improved.

4.100. Either way, questions can be asked about what steps are being taken to collect more of the \$135 000 in wilful damage caused by existing tenants than the \$14 182 in recoveries to April 1994.¹⁰³

4.101. In view of the increases in vacated arrears and in wilful damage, it is unfortunate that the Trust still has not merged account numbers where a tenant moves to new accommodation.¹⁰⁴

4.102. It also is unfortunate that the stock audit of Trust properties has not proceeded beyond 40 percent of Trust households.¹⁰⁵ Such an audit is useful, for example, in keeping track of maintenance levels on properties and also where tenants are entitled to rental rebates.

Sub-Program 16.2 - Family Services

Implementation of Recommendations Made by the Auditor-General

4.103. It was stated in the Explanatory Notes provided by the ACT Housing and Community Services Bureau:

that other recommendations made by the Auditor-General will also be considered for implementation in 1994-95.¹⁰⁶

4.104. Questions were asked by Committee members about the nature of the measures to be implemented.

4.105. The Committee welcomes the clear statement made by the Minister for Housing and Community Services, Mr Lamont, that the recommendations made by the Auditor-General in relation to the Family Services sub program will be implemented during 1994-95.¹⁰⁷

¹⁰¹ Housing and Community Services Bureau Response to Estimates Committee Questions on Notice

¹⁰² Auditor-General's Report Number 3 of 1994: Public Housing Maintenance

¹⁰³ Housing and Community Services Bureau Response to Estimates Committee Questions on Notice

¹⁰⁴ Transcript p 143

¹⁰⁵ Transcript pp 142-43

¹⁰⁶ Housing and Community Services Bureau Program Explanatory Notes for 1994-95, p 37

¹⁰⁷ Transcript pp 160-162

Program 17 - Public Transport

ACTION Patronage

4.106. During the course of the hearings certain claims were made in relation to the impact of fare increases and changes to the patterns of ticket purchasing as they would impact on revenue. Further questioning revealed that a substantial fall was expected in patronage despite an expansion of services that was proposed.

Mrs Carnell: I think that maybe what Mr Moore had in his mind is that you suggested that in terms of fares you have got a net increase of \$313 000 which includes, according to the papers, a 2 percent increase in general fares which produce \$470 000 which is offset by an anticipated reduction in overall fare revenue of \$157 000. That would tend to indicate you are anticipating a reduction in usage of services.

Mr Turner: No. That is not so. In fact, that is an arithmetic projection which says that if you do increase fares by the percentage that is allowed in the formula you get \$470 000, but we would expect some loss of that due to the fact that more people would, say, shift from cash to monthly tickets and that sort of thing and that is, I understand, an averaging figure.¹⁰⁸

4.107. Later Mr Flutter corrected Mr Turner's comments:

Mr Flutter: Madam Chair, I think I need to correct John Turner there in that he is right that there is that notion but it does reflect some anticipated reduction in patronage in line with what we have seen in the last couple of years.¹⁰⁹

4.108. Mr Flutter further explained that since 1989-90, passenger trips had fallen from 25 million to 23.76 million in 1992-93, a reduction of 5%. Further advice from the Chief Executive of ACTION indicated an expected decline in patronage of 1.5% this year, despite an expansion of services.¹¹⁰

4.109. The Committee is concerned by the continuing decline in patronage of ACTION. It appears that the community does not value the service as highly as the key corporate goals of ACTION would aspire to, which include - "To ensure that all stakeholders see ACTION as a valuable community resource."¹¹¹

4.110. The Committee recommends that:

- this decline in ACTION patronage be considered as part of the Study on the "Future Transport Needs of the ACT Community".

¹⁰⁸ Transcript p 20

¹⁰⁹ Transcript p 21

¹¹⁰ Transcript p 22

¹¹¹ Department of Urban Services Program Explanatory Notes for 1994-95, p 6

ACTION Policy

4.111. The Estimates Committee considered at length during the hearings proposed reforms of ACTION. A recent Industry Commission Report¹¹² recommends a system of corporatisation and competitive supply of urban transport services, and deregulation, and further identified large savings that could be obtained in service provision. An earlier ACTION commissioned benchmarking study by Travers Morgan had identified potential savings in operating costs of ACTION of some \$38 to \$43 million per annum.

4.112. The Government is currently undertaking a cost reduction strategy at ACTION which is expected to yield savings of \$10 million per annum. When the Minister was questioned about potential savings that would not affect service access, the Minister advised that the Government would accept no recommendations along the lines suggested by the Industries Commission. This was indicated as follows:

Mr Lamont: In relation to the Industries Commission Report, Mr De Domenico, those savings were predicated on a changed scheme of arrangements as far as the operational questions are concerned and that I can assure you is not the position that this Government will accept.¹¹³

4.113. The Minister outlined to the Committee his reasons why the Government is not prepared to accept the economic model of public transport policies proposed by the Industries Commission.

Mr Lamont: Mr De Domenico, the social obligations of a public transport system are not necessarily met by such a regime as proposed by the Industry Commission. This Government, in reviewing the reforms that are occurring within ACTION, in particular, believe that we are on track through both the benchmarking study and indeed our enterprise agreements being negotiated with our employees to achieve best practice, not just best practice identified as vis-a-vis a model, say, the Sydney urban transit system, but best practice of each of the public transport systems in Australia.

Now, I think that needs to be borne in mind. We are on track. We have identified the savings and we will continue to identify the way in which our system can become more and more efficient, not only to reflect best practice in a particular area, but best practice across the board. The economic model proposed by the Industry Commission is simply not one that this Government is prepared to accept.¹¹⁴

4.114. The Committee was concerned by the swiftness with which the Minister dismissed the Industry Commission report. Following his response it is evident that the Minister's attitude to the Industry Commission's Report is based on Government policy.

¹¹² Industry Commission Report Number 37: Urban Transport, 15 February 1994

¹¹³ Transcript p 4

¹¹⁴ Transcript p 5

4.115. The constraints of Government policy appeared evident when ACTION's Chief Executive, Mr Flutter, was questioned about entrepreneurial activity within ACTION to improve performance.

Mr Moore: Will you be able to be a far better entrepreneur if you were privatised, as some have suggested?

Mr Flutter: I guess that anyone would say there are some constraints of being a public enterprise, but I have never seriously felt constrained about thinking about new ideas because of the nature of the owners and I hope that the whole organisation can feel free to be as creative and deliver a service as good as anybody.

Mrs Carnell: What do you expect him to say - yes?¹¹⁵

Erection of Bus Stops, Pads and Shelters

4.116. Questions were asked about \$100 000 allocated to the provision of new bus stop pads and shelters from the 1993-94 budget. It is stated in the Explanatory Notes for the Department of Urban Services that, the community consultation process undertaken on all sites prior to design resulted in delays to the committal of this project.¹¹⁶

4.117. At the time of the hearings it was estimated that approximately 10 shelters and a range of pads would be committed from the \$100 000 allocated.

Mr Flutter: I am not sure precisely how many we have committed but the committing of 93 000 against about a \$7 000 cost for a shelter would indicate we have probably - given that there is some administrative costs associated with that, we have probably put in about 10 shelters and a range of pads. I do not precisely have the figure.¹¹⁷

4.118. Additional material provided to the Committee by the Department of Urban Services indicates that four bus shelters are planned to be constructed from the 1993-94 allocation and that the remaining funds will be committed to the construction of concrete pads and posts.¹¹⁸

4.119. Given the fact that only four bus shelters have been committed from 1993-94 funds the Committee queries why the community consultation process would result in such considerable delays.

4.120. The Committee can only conclude that community consultation is now undertaken before the construction of concrete pads and posts in addition to consultation undertaken before the erection of shelters.

¹¹⁵ Transcript p 27

¹¹⁶ Transcript pp 33-35, Department of Urban Services Program Explanatory Notes for 1994-95, p 124

¹¹⁷ Transcript p 34

¹¹⁸ Department of Urban Services Responses to Questions on Notice

Sub-Program 18.1 - Roads and Transport

Motor Vehicle Testing

4.121. A series of questions were asked during the Estimates Committee hearings about vehicle inspections.

Mr Moore: Can you give us an indication of the sort of money that we are spending? Are we in the millions ... to run both Phillip and Dickson Inspection Stations?

Ms Austin: It is around \$3m.

Mr Moore: ... In a recent article in the South Australian Automobile Association's magazine, there is quite a significant article which refers to a whole series of different studies which show that such inspections deliver basically no benefit at all. What is your response to that?

Ms Austin: We have just had a major review of transport regulation, the results of which have yet to be discussed by Government. Certainly, most of the studies show that the standard and condition of the vehicle does not have a direct correlation with safety...

Mr Moore: In fact, the reality is that vehicle failure related accidents account for far less than 1 percent of accidents in the first place, and not only that, of that less than 1 percent, something like 80 percent of that are accounted for in terms of tyres and tyre control which is, basically, an irrelevant part - I am sure they are picked up in the vehicle stations - but they are really irrelevant. So one has to ask, on a cost-benefit analysis, what is the point of spending this \$3m a year?

Mr Lamont: Well, you see, it has worked.

Mr Moore: Well, it has not worked because, as the studies are from right across the US, right across Australia and certainly in South Australia where they have - and have never had - any such inspections, and in Queensland, there is no difference, so it has not worked.¹¹⁹

4.122. The Committee notes subsequent advice given by the Minister during the hearings:

Mr Lamont: Well, Mr Moore, there are two things that I would put to you: first of all, the study which has been undertaken, as Ms Austin has indicated, is yet to be considered by the Government and, at the moment, is in the phase of consultation with staff and stakeholders within the system, has addressed a considerable number of those issues and I look forward to making that study available for public comment, and indeed to Members of the Assembly at the earliest opportunity.¹²⁰

¹¹⁹ Transcript p 45

¹²⁰ Transcript pp 45-46

4.123. The Committee recommends that:

- the Government respond expeditiously to the Transport Regulation Study and urgently consider radically changing the way in which motor vehicles are inspected in the ACT, by closing at least one Testing Station, following consultation with the relevant unions.

Sub-Program 18.5 - City Operations

Introduction of Wheeled Garbage Bins

4.124. The Committee sought information regarding the introduction of wheeled garbage bins, the cost of operation and the tendering process.¹²¹

4.125. The Minister confirmed that implementation day, the day of first collection is anticipated to be 1 November 1994 and that all of Canberra would be serviced under the new arrangements from that day. The Secretary of the Department of Urban Services, Mr Turner, confirmed that three contracts in all would be let.

*Mr Turner: We will, in fact, have three contracts. One will be for garbage collection across Canberra, one will be for hopper emptying from flat complexes and one will be for the recycling part of it. The garbage side of it will certainly be cheaper than the present system.*¹²²

4.126. Further information about the costs of operation of the new system was provided by Mr Mylrea of City Operations.

*Mr Mylrea: ...What we have got to consider in terms of the current contracts and the new system is we are going to a different technology. So the costs involved in the system - we have got capital costs for bins, capital costs for trucks of a different nature to what we have got, and we have got different labour cost components. In terms of the costs that are coming out of the tenders and the contracts being awarded, we are getting a system which is going to be cheaper than similar systems that have been implemented in other parts of Australia in recent times. We are getting a best value for the Territory, a very economic collection system for garbage and recyclables in the ACT.*¹²³

4.127. Further questions were asked by Committee Members about whether a requirement existed for contractors to employ unionised labour at the time the contracts were awarded. Mr Mylrea responded in the following terms:

Mr Mylrea: ...in terms of the issue we are talking about we do in the assessment of tenders look at industrial relations implications as one of the criteria that is there, the performance of the company. In this particular case, the company, we discussed the company and how they will deliver the option that they had put on

121 Transcript pp 60-68
122 Transcript p 62
123 Transcript pp 62-63

the table at tender time. In those discussions they indicated to us how they would structure that arrangement and they indicate that their normal arrangement was to have union coverage of that arrangement. If I can just continue, please? In terms of that, we sought more detail, what discussions they had held prior to tender in relation to that matter.

*They indicated that they had had discussions and they indicated that in terms of delivering that offer they would need to have further discussions and reach agreement with the relevant party. In this case being the union which covered the operators that they would have to provide the service. They undertook to hold those discussions. As an evaluation committee, we afforded them the opportunity and the time to have those further discussions and come back to us with answers on how those discussions had gone. That was what was requested. It came out through the proposal they had and how they said they would structure the arrangements to deliver the contract. Now, we gave them time, we gave extended time to come back to us with those answers. They have done that and that has been taken into account in the evaluation process.*¹²⁴

4.128. Questioning regarding this matter was concluded in the following terms:

Mr De Domenico: So, you are saying that before this private company could guarantee delivery of a service to the ACT community they would have to get, first of all -

Mr Lamont: No, Mr De Domenico, what is being said, quite clearly, from Mr Mylrea was that the prospective tenderer indicated that was their preferred course of action and, indeed, they were then asked to provide that detail as part of the assessment. That is, as I understand, what Mr Mylrea has just said.

*Mr Mylrea: That is correct.*¹²⁵

4.129. The Committee recommends that:

- in calling for tenders and awarding contracts, the ACT Government should not be influenced by union or other outside pressures; and
- the contracting process regarding the introduction of wheeled garbage bins and the recycling service be referred to the Auditor-General for more detailed examination.

Program 22 - Canberra Institute of Technology

Fees and Charges

4.130. The Committee asked questions about CIT's key corporate goals for 1994-95 and performance indicators in relation to:

124 Transcript pp 65-66
125 Transcript p 68

8 Key Corporate Goal

Achieve acceptable level of revenue from student fees and charges.

Performance Indicators

10% of CIT Education Delivery total operating costs from student fees and charges over a four year period starting 1994-95.¹²⁶

4.131. The Minister for Education and Training, Mr Wood, acknowledged that he thought CIT fees were amongst the highest in Australia.¹²⁷

4.132. The CIT Director, Mr Fisher added in response to a question from the Chair:

The Chair: Would you be looking at reviewing it over that four year period from 1994-95?

Mr Fisher: There is a not a year that goes by now that we have not reviewed our fees and charges structure...¹²⁸

4.133. The Committee welcomes the commitment by CIT to review the fees and charges structure on an annual basis.

4.134. The Committee recommends that:

- especially over the four year period commencing 1994-95 that CIT provide information about fees and charges to future Estimate Committees.

Program 23 - Government Schooling

Montessori School

4.135. While welcoming the allocation of funds to relocate the Yarralumla Montessori School from MacGillivray Street to Yarralumla Primary School, the Committee was concerned that information about the condition of the MacGillivray Street site, particularly Occupational Health and Safety issues, was contradictory in a response given on 10 May¹²⁹ and in the Budget statement¹³⁰ of 14 June.¹³¹

4.136. In spite of the Minister's attempts to rationalise the two replies, it is clear from the transcripts that misleading information was given and an adequate explanation or apology is yet to be provided.

¹²⁶ Canberra Institute of Technology Program Explanatory Notes for 1994-95, p 10, Transcript pp 289-290
¹²⁷ Transcript p 269
¹²⁸ Transcript p 270
¹²⁹ Response to Assembly Question on Notice Number 1246
¹³⁰ Budget Statement, p 68
¹³¹ Transcript p 323-324

Nicholls Primary and Pre-School

4.137. Extensive questions were asked by Committee members about the proposed Nicholls Primary and Pre-School to be constructed in the suburb of Nicholls in Gungahlin and which will share selected facilities with a catholic primary school to be constructed on an adjoining site. Both facilities are scheduled to open in 1996.¹³²

4.138. The Committee recognises that for the first time in the ACT school facilities are to be shared between Government and non-Government school students. It is obvious that for the future sharing of school facilities between the sectors that the first initiative should be successful and should have readily identifiable benefits for both Government and non-Government school students.

4.139. The Committee notes that although extensive consultation has taken place in relation to the proposed sharing of school facilities and forums have been established for community, union and professional bodies consultation, further consultation will be undertaken during the design stage with Government agencies and union, community and specialists representatives.

4.140. The Committee recommends that:

- detailed discussions about sharing of facilities at the Primary and Pre-School in Nicholls take place as quickly as possible which will enable any outstanding difficulties to be resolved.

4.141. The Committee believes that Government school students intending to attend Nicholls Primary and Pre-School should not be disadvantaged due to any possible delay in the construction of facilities which as the Department of Education and Training states would place pressure on school facilities at Palmerston and mean primary and pre-school students would need to travel out of the local area to attend school.¹³³

Numeracy and Literacy Initiative

4.142. While the Committee welcomes the allocation of \$300 000 to provide assistance for primary school children with literacy and numeracy problems, it notes that the funding is available only for 12 months, is classified as a pilot program and represents about eight additional teachers.¹³⁴

4.143. Given that surveys¹³⁵ show some 19 percent of students entering Year One require reading recovery assistance and only 13 percent of such students are in fact receiving help, the Committee believes both the amount apportioned and the limited time-scale are inadequate to address such a major learning concern.

¹³² Transcript pp 314-320, Department of Education and Training Program Explanatory Notes for 1994-95, pp 56-57
¹³³ Department of Education and Training Program Explanatory Notes for 1994-95, p 56
¹³⁴ Transcript p 335
¹³⁵ House of Representatives Report of the Standing Committee on Employment, Education and Training: The Literacy Challenge, December 1992, paragraph 1.12

4.144. The Committee recommends that:

- the Government extend and expand the Numeracy and Literacy pilot program to a permanent program with appropriate growth funds.

Peak Enrolments

4.145. The Committee received confirmation that planned peak enrolments in new schools had risen from 600 to 750 pupils in primary and 800 to 1 000 pupils in high schools.¹³⁶

4.146. Evidence exists (Commonwealth Schools Commission Survey 1984) that primary schools function best below 600 pupils and high schools below 800 pupils. The Committee also draws attention to its 1992 comments and recommendations concerning primary school size, viz:

The Committee queried the proposal to build primary schools in Gordon and Conder in the Tuggeranong Valley with peak enrolments of 750 students. Of particular concern was the expected duration of such peak enrolments being from five to twelve years.

The Committee particularly wished to know if students and parents would be satisfied with such a learning environment for their children. The question of the adequate socialisation of young children was also raised.

The Committee contrasted the expected enrolments at Gordon and Conder with current enrolments at Cook and Lyons Primary Schools.

The Committee recommends that:

- *future planning of primary schools and anticipated peak enrolments take cognisance of the socialisation of young children; and*
- *where primary schools with large enrolments are anticipated, the need for additional resources is examined with a view to adequately supporting both the students and staff of such schools.*¹³⁷

Programs 23 - Government Schooling and 24 - Non-Government Schooling

Above Standard Expenditure in Education

4.147. The Committee notes that Government and non-Government schooling were large contributors to above standard expenditure (\$20.6m in 1992-1993) and that this is substantially explained by the ACT's higher retention rates. The Committee further notes that future expenditure policy needs to distinguish between expenditures related to higher retention rates and expenditure related to higher costs per student.¹³⁸

¹³⁶ Transcript p 307

¹³⁷ Report of the 1992 Select Committee on Estimates, p 35

¹³⁸ Budget Paper Number 2: Budget Overview, p 44

4.148. Questions were asked of both the Minister for Education and Training, Mr Wood, and his officers and of the Treasurer, Ms Follett, and her officers about the proportion of the \$20.6m which relates to higher retention rates.¹³⁹

4.149. Treasury officers confirmed that about 70% of the \$20.6m is related to the ACT's higher retention rates, about \$14.4m.

4.150. The Committee notes the Government's intention to continue to fund higher retention rates in the ACT even though the Commonwealth Grants Commission has recently discontinued the funding provision for these retention rates, which continue to be consistently higher than the Australian average.

Program 24 - Non-Government Schooling

Commonwealth Grants to Organisations Other Than Non-Government Schools

4.151. The Committee believes that confusion exists concerning funding distortions in respect of Program 24, Non-Government Schooling. The problem arises because grants for organisations other than non-Government schools are listed in the Program and hence the impression is conveyed that the non-Government school sector is in receipt of more funding than is in fact the case.

4.152. A specific problem also arises in the funding distortion that applies to the junior secondary bursary scheme, which applies to both the Government and non-Government education sectors and yet is listed in total in Program 24.¹⁴⁰

4.153. The Committee welcomes the Government's undertaking to examine these distortions.

Mr Wood: ...It is proposed to come out of Non-Government [Schooling], so we look at the whole situation of that and just what may be - and if you remind me, I will report back to Mr Cornwell about the outcomes.

The Chair: Perhaps if I can come in there and then I think Mr Moore has a follow-up question. Over what time-frame would you expect those changed arrangements to occur?

Mr Wood: Well, let us look and see if the arrangements will be changed. But if that decision is taken, I do not think there would be too much time delay on it.

The Chair: So in time for next year's estimates process, for example?

*Mr Wood: Probably. I mean, every year there are changes in the way the columns are recorded and it takes a bit of time to track things through.*¹⁴¹

¹³⁹ Transcript pp 289-291, 911-912

¹⁴⁰ Transcript pp 297-298

¹⁴¹ Transcript pp 298-299

4.154. The Committee recommends that:

- funds for activities other than funding for Non-Government Schools be removed from Program 24, Non-Government Schooling in the 1995-96 and subsequent budgets.

Program 26 - Health

\$3m Health Savings

4.155. The Committee notes that in 1993-94 the Government proposed that \$3m of savings would be achieved in the Health budget by a series of cost cutting measures.

4.156. Following questions during those hearings the former Minister produced a generic list of anticipated savings. A report produced by Arthur Andersen Consulting¹⁴², commissioned by the ACT Government said of the 1993-94 savings initiatives:

1993/94 savings initiatives:

- Were poorly developed, including several that were based on incorrect premises resulting in unachievable savings targets;
- Did not include strategies for achieving savings targets;
- Did not have the support of management or unions (especially in the case of WVH)
- Did not account for all savings required to meet budget plans;
- Were introduced three months into the financial year, ignoring significant staffing overruns already incurred at the time the budget was announced;
- The 1992-93 overrun was not well understood and could not be fully accounted for. Therefore, it was virtually impossible to identify the problems the 1993-94 budget had to overcome.

4.157. The Committee had recommended in the 1993-94 Estimates Committee Report¹⁴³ that the Minister provide full details of where and how reductions will be achieved and in the light of the 1993-94 results and the Andersen Report findings, the Committee's concern was warranted.

4.158. In response to Committee Members' questions during this year's hearings, the Minister for Health, Mr Connolly, indicated to the Committee that detailed information about the \$3m savings would be available once the financial outcome for 1993-94 was known.¹⁴⁴

4.159. The Committee therefore expects that detailed information about the \$3m savings proposed to be achieved in the Department of Health during 1993-94 will be available for Committee scrutiny later in 1994.

¹⁴² Andersen Consulting Report, p 437

¹⁴³ Report of the 1993 Select Committee on Estimates, p 45

¹⁴⁴ Transcript pp 459-460

4.160. The Committee reaffirms its 1993-94 recommendation¹⁴⁵ that:

- where expenditure reductions are foreshadowed, that the Minister for Health provide the Committee with full details of where and how the reductions will be achieved.

Sub-Program 26.1 - Woden Valley Hospital and Associated Regional Services

Adolescent Ward

4.161. The Committee notes the lack of provision in the ACT Government's budget for the establishment of an adolescent ward at Woden Valley Hospital.¹⁴⁶

4.162. The Committee further notes the comments by the Minister for Health, Mr Connolly:

Mr Connolly: Again, there is a range of areas where we would like to enhance services. I guess, that is probably the one that would come behind the list after cardio-thoracic...¹⁴⁷

4.163. The Committee reminds the Government, however, that it supported the establishment of an adolescent ward at Woden Valley Hospital during a debate in the Assembly on 16 September 1992, the terms of the motion being:

that the ACT Government should establish as soon as possible an adolescent ward as part of the hospital redevelopment project.¹⁴⁸

4.164. The Committee notes that the Government will not meet its commitment to establish the adolescent ward during its current term.

4.165. The Committee recommends that:

- the future ACT Government elected in 1995 seek to establish an adolescent ward at Woden Valley Hospital as part of the hospital redevelopment project as agreed to by the Assembly in 1992.

Health - Activity Levels

4.166. During the 1993-94 Estimates hearings the Committee focused particularly on the inconsistency in the projected activity levels between the ACT Health Corporate Plan¹⁴⁹ and the effective capping of services at 50 500 admissions¹⁵⁰. The figure of 50 500 admissions remained the budgeted figure for the 1992-93, 1993-94, and 1994-95 years, despite the fact that activity levels had been growing at 4 percent per annum for several years:

¹⁴⁵ Report of the 1993 Select Committee on Estimates, p 48

¹⁴⁶ Transcript pp 534-535

¹⁴⁷ Transcript p 535

¹⁴⁸ Debates of the Legislative Assembly for the Australian Capital Territory: Weekly Hansard; 16 September 1992 p 2335

¹⁴⁹ ACT Health Corporate Plan 1993-98, p16

¹⁵⁰ Transcript p 442

Mr Moore: My concern, Minister, is that in almost every other area of budget, people try to make sensible predictions - predictions and that is why we use, for example, demographers in other areas and so on. We try to have sensible predictions as to what might happen. What I am suggesting to you is, having just taken over this portfolio, that that does not look like a sensible prediction.

Mr Connolly: I do not think you can make sensible predictions - I mean, you can make sensible predictions on school estimates in out years because that is straight demographic driven. It is on the number of birth rates, population, ageing and the rest of it.¹⁵¹

and:

Mr Moore: So, maybe if people actually tried to do sensible predictions as was suggested last year in terms of patient services, then we might start to get reasonable outcomes.

Mr Connolly: Well, I do not think you can make sensible predictions as a State Government on an issue that really depends on an interaction between private insurers and the way they structure themselves, and Commonwealth policy in terms of both taxation and health policy.

Mr Moore: But you can make much more sensible predictions than what we see here.¹⁵²

4.167. The Committee believed in respect of the 1993-94 year that such artificial limits could produce longer waiting lists for elective surgery.

4.168. The Committee reiterates the concerns of the 1993-94 Committee that the information provided by the Minister and the Department of Health in relation to activity levels, waiting lists and demographic trends cannot be reconciled.¹⁵³

Health Budget

4.169. During the course of the Estimates hearings, Committee Members reiterated their concerns expressed during the 1993-94 hearings about continuing overruns of expenditure.¹⁵⁴

4.170. The Committee notes that during the early months of 1994 it was expected that the overrun for the 1993-94 financial year would be about \$9m.¹⁵⁵

4.171. The ACT Health Budget was expected to increase by \$14.054 million on estimated 1994-95 expenditure¹⁵⁶. From the Estimates hearings it was not evident exactly how this apparently additional money was to be spent, although the Minister indicated that some \$4 million would be spent on computers.

¹⁵¹ Transcript p 443
¹⁵² Transcript p 444
¹⁵³ Transcript pp 527-531
¹⁵⁴ Transcript pp 448-452
¹⁵⁵ Andersen Consulting Report, p 11
¹⁵⁶ Media Statement by Minister for Health

4.172. The Committee also notes the inconsistency between the arguments of the former Minister, Mr Berry, and the present Minister, Mr Connolly, as regards health over-expenditure. The former Minister rejected the basis of the calculations and findings of the KPMG study, for example, whilst the present Minister was using them now as the Andersen Report essentially substantiated the earlier report. It should be noted that earlier studies, namely the 1988 Kearney Review, the 1990 Priority Review Board Report, the 1991 Enfield Report, and the 1991 Hirth Review also indicated substantial over expenditure.

4.173. The Committee recommends that:

- where increases in health expenditure are proposed that the Minister for Health provide the Committee with full details of where and on what additional expenditure will be made.

Health Costs Relative to National Averages

4.174. The Department of Health supplied to the Committee a written response in relation to the differences between the average cost of services in the ACT and the national averages. A six month study conducted during 1992 by KPMG indicated a typical service cost more than 30 percent higher than the national average to provide health services in the ACT. An alternative measure from the Commonwealth Grants Commission 1993 Report indicated a much lower figure of 4.9 percent. The same Grants Commission Report, however, quantified the level of health over expenditure in the ACT as \$44.9m. Whatever measure is used, it is evident that a substantial difference still exists between the costs of operating the ACT health system and that at which the other States and Territories are able to operate their systems.

4.175. Page 14 of the Andersen Report refers to the earlier KPMG study, which indicates the ACT has the highest cost per patient in comparison with all States, including States with teaching hospitals. On the basis of Casemix-based comparisons the total cost of Woden Valley Hospital would need to be reduced by \$32.9 million in order to meet the national average of costs.

4.176. The Committee welcomes the findings of the Andersen Report and understands that the findings of the report will be addressed as a matter of urgency.

Health Promotion Fund

4.177. The Committee viewed with continuing concern the projected decline in Government support for the Health Promotion Fund. During the 1993-94 Estimates Committee hearings projections indicated that for 1994-95 \$936 000 was to be spent on health promotion, which represented some 3.6 percent of anticipated revenue from the Tobacco Franchise Fee.¹⁵⁷

4.178. The decline is expected to continue as follows:

¹⁵⁷ Transcript pp 457-458

Table 5 - Health Promotion Fund

Year	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
Health Promotion Fund Spending (\$'000)	1 336	1 146	808	753	743	743	743
Tobacco Franchise Fee Revenue (\$'000)	16 425	22 378	23 900	26 150	26 150	26 150	26 150
Fund Spending as % of Tobacco Revenue	8.1	5.1	3.4	2.9	2.8	2.8	2.8

4.179. The Committee acknowledges that the apparent reduction results from unexpended balances from previous years' funding being reappropriated in the following year¹⁵⁸. However, the Committee believes that the overall trend is unsatisfactory from a health promotion funding perspective.

4.180. The Committee recommends that:

- the Government review the rationale for the establishment of the Health Promotion Fund.

4.181. As an interim measure, the Committee recommends, as it did in 1993-94¹⁵⁹, that:

- the Government ensure funding for the Health Promotion Fund is at least 5 percent of the revenue raised by the Tobacco Franchise Fee.

Health Waiting Lists

4.182. The Committee notes the substantial increase in public hospital waiting lists. As at 30 June 1993, the number of people awaiting elective surgery was 3 119 and at 31 March 1994 the figure was 4 417.¹⁶⁰

4.183. The Committee further notes that the ACT Government recently received \$232 231 from the Commonwealth to address the length of public hospital waiting lists in the ACT.¹⁶¹

4.184. As expressed in the 1993-94 report of the Estimates Committee¹⁶², the Committee remains concerned at the length of public hospital waiting lists.

¹⁵⁸ Government response to the 1993-94 Estimates Committee report

¹⁵⁹ Report of the 1993 Select Committee on Estimates, p 48

¹⁶⁰ ACT Department of Health Quarterly Activity Report, March Quarter 1994, p 5

¹⁶¹ Media Statement by Minister for Health, 15 July 1994

¹⁶² Report of the 1993 Select Committee on Estimates, p 49

4.185. The Committee recommends that:

- in future the ACT Government provide as much detailed information as possible on the number of people waiting for elective surgery and the nature and severity of their medical conditions.

Sub-Program 26.2 - Calvary Public Hospital

Calvary Nursing Home Beds

4.186. Through written responses, the Committee determined that the cost of the provision of 20 nursing home beds at Calvary Hospital on behalf of the ACT Government was \$530 000 per annum approximately. This excludes any provision for administrative overheads, however, so the actual figure would be higher.¹⁶³

4.187. Responsibility for nursing home bed funding lies with the Federal Government, the reason for the ACT Government providing this service is that the beds are not provided in an environment that attracts Federal funding.

4.188. The Committee acknowledges that at present, if the ACT Government did not fund these nursing home beds, their continuation may be doubtful. Nevertheless, the Committee considers it essential that the Government seek Federal Government assistance in providing these beds.

4.189. Accordingly, the Committee recommends that:

- the ACT Government undertake appropriate action to ensure that the 20 nursing home beds at Calvary Hospital attract Federal funding and no longer constitute a burden on the ACT health budget.

Provision of Private Obstetrics Beds

4.190. In response to Committee questions¹⁶⁴ the Department of Health provided written information in respect of the claimed cost savings of allowing an expansion of private obstetrics beds in the ACT. The response provided the following information¹⁶⁵:

¹⁶³ Transcript pp 479-480, Department of Health Responses to Questions on Notice

¹⁶⁴ Transcript pp 470-471

¹⁶⁵ Department of Health Response to Estimates Committee Questions on Notice

Cost of an obstetric separation at Woden Valley Hospital	\$1 997
Average length of stay (ALOS) (days)	4.3
Average revenue generated from inpatient charging to private patients	\$243
Therefore, the average bed day revenue generated per private obstetric separation (\$243 x 4.3) is	\$1 054
The net cost to the Government of each private obstetric separation (\$1 997 - \$1 054) is	\$943
This figure was discounted by 15 percent to allow for fixed costs (\$943 x 0.85), so the cost per separation is	\$800

The Government is budgeting for 1 400 obstetrics patients to move from public obstetrics beds to private beds at John James and Calvary Hospitals.

Therefore, the Government estimates that its savings (\$800 x \$1 400) will be \$1.1 million

4.191. This saving can only be achieved if the public obstetrics beds at Woden Valley Hospital are closed and separations are decreased by 1 400. As service agreements with both Woden Valley Hospital and Calvary Hospital require the same number of separations as last year, the Committee assumes that the 1 400 separations referred to are being relocated elsewhere in the hospitals.

4.192. The Committee calculates as follows:

4.193. The projected public/private patient mix for 1994-95 is 80:20. Therefore, these 1 400 separations will be split into 1 120 public and 280 private patients. The 1 400 separations will predominantly be in the elective surgery area (as indicated by the Health Department). The average cost per separation at Woden Valley Hospital¹⁶⁶ is \$3 200.

Therefore, the cost for 1 120 public separations will be approximately (\$3 200 x 1 120)	\$3 584 000
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The cost for 280 private separations will be [\$3 200 (average cost of WVH Separation) - (4.3 days ALOS x \$243 private inpatient revenue generated)] x 280 patients	\$603 428
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Therefore, the total cost will be	\$4 187 428
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4.194. The ACT Government will not have saved \$1.1 million. In fact, the opening of the private obstetrics beds will have cost the Government \$4 187 428.

¹⁶⁶ Andersen Consulting Report

4.195. The Committee supports the opening of new private obstetrics beds as they will increase activity in the public and private hospital system in the ACT, should help reduce waiting lists and provide choice for women.

4.196. The Committee, however, believes that the Department of Health has misinformed the Estimates Committee about claimed savings of \$1.1 million due to the opening of private obstetrics beds at Calvary and John James Hospitals.

Sub-Program 26.4 - Community Health

Hospice

4.197. The Committee requested information regarding the capital and recurrent cost of the Hospice facility to operate on Acton Peninsula. From the written information it is understood that the Hospice will begin operation in early 1995.

4.198. Whilst the maximum capacity for the Hospice will be 17 beds, it is expected that on average 10 beds will be in operation at any one time. Recurrent costs per annum have been estimated at \$461 000 on this basis, with no cost attributed to capital expenditure. Given an estimated 1 500 occupied bed days for the period 1 February to 30 June 1995, the daily cost is some \$300 per day (approx).¹⁶⁷ This costing appears to be optimistic, as it is very much less than costs at other Hospice facilities.

4.199. The site on which the Hospice is to be located and this is on the basis of 5 year tenure, involves fitout and operational expenses in 1994-95 of some \$850 000, and continued full year operation expenses after that of \$1.45 million¹⁶⁸. Advice from consultants and literature on the subject of Hospices indicated that an integrated approach to palliative care is the most desirable in terms of quality of care and economic operation. This view was typified by Reports by consultants Professor Ian Maddocks and Dr Ruth Redpath, and the Palliative Care Working Party, published in January 1991.

4.200. Typically the daily cost of hospice care was in the range of \$300-\$500 in 1991-92¹⁶⁹, but those facilities were attached to hospital facilities. A stand alone facility on Acton Peninsula may also involve additional costs of operation unlike these other facilities because it is remote from many services of a medical and hospitality nature, for example food preparation.

4.201. The Committee remains sceptical of the claimed costs of operation of the hospice as detailed by the Minister and the Department of Health.

4.202. The Committee will take the opportunity to verify the accuracy of these figures at the Estimates hearings for the 1995-96 Budget.

¹⁶⁷ Transcript pp 549-551

¹⁶⁸ Budget Paper Number 2: Budget Overview, p 53

¹⁶⁹ Royal Adelaide Hospital, Calvary Hospital Adelaide - Mary Potter Hospice, Calvary Hospital Kogarah

OVERVIEW BY AGENCY AND AUTHORITY

5.1. This chapter provides a brief summary by agency on the major issues raised by the Committee during the 42 hours of public hearings held in June 1994. This chapter should be read in conjunction with the previous chapters of this report.

ACT Legislative Assembly

Program 1 - ACT Legislative Assembly

5.2. In her opening statement, the Speaker mentioned the increased budget for the Legislative Assembly Secretariat as a result of the 1993/94 Estimates Committee recommendation; and talked about the new premises including accommodation costs and administrative expenses such as computer networking and furniture upgrading; the creation of the position of Education Officer and the Youth Parliament.¹⁷⁰

5.3. Topics of discussion included administrative expenses and matters associated with the new premises¹⁷¹, various staffing issues including the role of the Education Officer¹⁷², funding comparisons with Brisbane City Council¹⁷³ and comparisons of Committee work load with other parliaments¹⁷⁴, repairs and maintenance¹⁷⁵, entertainment and gifts¹⁷⁶, committee hospitality¹⁷⁷ and media monitoring services¹⁷⁸. Members also asked about any expenses met by the Assembly for overseas delegations through the Commonwealth Parliamentary Association.¹⁷⁹ Questions were also asked about the cost of Tuesday night sittings and the additional cost of the Special Sitting on 22 June 1994.¹⁸⁰

Chief Minister's Department

Program 2 - Government and Co-ordination

Program 3 - Economic Development

5.4. In relation to the Chief Minister's Department, and in particular to program 2, Government and Co-ordination, questions were asked about the cost of the Executive¹⁸¹, the findings of the Special Needs Transport Working Group¹⁸², the nature of involvement in the Australian National University Public Policy Course¹⁸³, funding for the ACT Electoral

¹⁷⁰ Transcript pp 741-743

¹⁷¹ Transcript pp 746-747, 750-752, 755-756, 761-765

¹⁷² Transcript pp 748-749, 753-754, 757-759

¹⁷³ Transcript pp 749-750

¹⁷⁴ Transcript pp 744-745

¹⁷⁵ Transcript pp 752-753

¹⁷⁶ Transcript p 752

¹⁷⁷ Transcript pp 765-766

¹⁷⁸ Transcript pp 763-764

¹⁷⁹ Transcript pp 759-760

¹⁸⁰ Transcript p 755

¹⁸¹ Transcript pp 768-771, 775-776

¹⁸² Transcript pp 771-773

¹⁸³ Transcript pp 773-774

Commission¹⁸⁴, work place reform strategies and productivity improvements¹⁸⁵, payment arrangements for the Casino License Fee¹⁸⁶, International Year of the Family funding initiatives¹⁸⁷, the sister city agreement with Nara in Japan and other twinning proposals¹⁸⁸, measures in place to address the high level of substantive vacancies and resulting acting positions¹⁸⁹, the Worker's Compensation Data Base¹⁹⁰, the Inter-Departmental Committee on the Frail Aged¹⁹¹, a high projected increase in salaries for a corresponding increase in sales of ACT Electoral Commission Acts and associated information¹⁹², and rationalisation of the ACT Government Library Service¹⁹³.

5.5. Members asked the Chief Minister and the Acting ACT Electoral Commissioner a number of questions relating to the ACT Electoral Commission. Issues raised included the cost of the February election and the timeframe for the final count¹⁹⁴, the planned public education campaign¹⁹⁵, ACT electorate boundaries and Commonwealth electorate boundaries¹⁹⁶, the need for additional polling booths¹⁹⁷ and the scope and duration of a proposed review of the election process¹⁹⁸.

5.6. In relation to sub-program 2.1, questions were asked about the travel budget¹⁹⁹, official, semi-official telephones and mobile phones²⁰⁰, and staff employed under the *Legislative Assembly Members Staff Act*²⁰¹. Questions about sub-program 2.2, Government Business Co-ordination, related to subventions to ACT Government Agencies²⁰², the Ceremonial and Hospitality Unit²⁰³, and further information was requested about miscellaneous expenditure²⁰⁴. Questions about sub-program 2.5, Social Policy, covered the matters of the National Strategy on Violence Against Women²⁰⁵, advisory councils to consider the needs of families, the aged and people with disabilities²⁰⁶, social indicators²⁰⁷, a consultancy for the Youth Services Grants Program²⁰⁸ and the restructure of the branch²⁰⁹.

184	Transcript pp 774-775
185	Transcript pp 776-777
186	Transcript pp 781-785
187	Transcript pp 787-789
188	Transcript pp 789-792
189	Transcript pp 827-828, 879-880
190	Transcript p 793
191	Transcript p 793
192	Transcript pp 794-796
193	Transcript p 798
194	Transcript pp 809-813
195	Transcript pp 807-809
196	Transcript pp 808-809
197	Transcript p 810
198	Transcript p 811
199	Transcript p 799
200	Transcript pp 799-801
201	Transcript pp 799-800
202	Transcript pp 801-802
203	Transcript pp 802-803
204	Transcript pp 803-804
205	Transcript pp 779-780, 804-807, 814-815, 824-825
206	Transcript p 816
207	Transcript pp 817-821
208	Transcript pp 822-823
209	Transcript pp 826-827

5.7. Questions on sub-program 2.3, Territory Wide and Private Sector Industrial Relations, were directed to the Minister for Industrial Relations and officers from the Chief Minister's Department. Questions related to the discrepancy between budgeted and estimated receipts²¹⁰, the high level of worker's compensation premiums relative to the rest of Australia²¹¹, working days lost relative to the rest of Australia due to industrial disputes²¹², and the Tripartite Labour Consultative Forum funding²¹³. Amendments to the *Worker's Compensation Act* were the subject of intensive questioning including the matters of a termination clause, the "Barbaro" case, Comcare, rehabilitation, and differences between provisions for private and public sector employees.²¹⁴

5.8. In relation to Program 3, Economic Development, Members asked extensive questions of the Chief Minister and her officers about the Canberra Investment Program and investment in the ACT²¹⁵. Questions were also asked about the Regional Economic Development Council²¹⁶, funding related to an International Technology Fair to be held in Hanover next year²¹⁷, the Tilt Train and Speed Rail proposals²¹⁸ and assistance for new business in the Territory²¹⁹.

5.9. In relation to sub-program 3.1, Development, questions were asked by the Committee about the Business Services Centre²²⁰, local business opportunities²²¹ and future development of the Canberra Airport²²². Questioning by Members on sub-program 3.3, Employment and Training, dealt with the issues of job skills and the youth job link programs²²³, links with the ACT Chamber of Commerce and Industry²²⁴, the New Enterprise Initiative Scheme (NEIS)²²⁵ and the Tradeswomen on the Move Program²²⁶. In relation to sub-program 3.4, ACT Tourism Commission, the Committee asked questions about cultural and eco-tourism initiatives²²⁷, overseas promotion²²⁸, the Special Events Unit and in particular, Autumnfest²²⁹.

Department of Public Administration

Program 4 - Public Administration

210	Transcript p 723
211	Transcript pp 721-723
212	Transcript pp 720-721
213	Transcript pp 738-739
214	Transcript pp 709-720
215	Transcript pp 829-834, 839-841
216	Transcript pp 836-839
217	Transcript pp 824-825, 844-848, 857
218	Transcript p 848
219	Transcript pp 852-857
220	Transcript pp 858-859
221	Transcript p 865
222	Transcript pp 865-866
223	Transcript pp 867-875
224	Transcript pp 872-873
225	Transcript pp 875-877
226	Transcript pp 877-878
227	Transcript pp 878-879
228	Transcript pp 880-882
229	Transcript pp 882-884

5.10. Committee Members expressed concern at the apparent lack of attention to proper process in establishing this new Department.²³⁰ Questions were also asked about the necessity of creating a new department, its role and the benefits flowing from it.²³¹ In relation to the functions of the Department of Public Administration, questions were asked about fundamental definitional work as to the functions of the new ACT Government Service and its role in ongoing reform.²³²

5.11. Other issues raised by Committee Members included the Annual Reporting Government Agencies Bill 1994²³³, enterprise bargaining and the role and membership of the newly established Government Business Co-ordination Unit²³⁴, centralisation of the Human Resource Management System (HRMS)²³⁵, the Telephone Information Management System²³⁶, and running costs, rollovers and agency services items²³⁷.

ACT Treasury

Program 5 - ACT Financial Management

5.12. The Committee asked questions about the creation of the position of Deputy Under Treasurer²³⁸, the absence of a draft Capital Works program²³⁹, asset management strategies²⁴⁰, cost recovery reviews of Asset Management Services and ACT Fleet²⁴¹, and an economics seminar for women²⁴².

5.13. In relation to Financial Services, Committee members asked questions about the purpose, cost and timing of the Financial Resource Management Strategy and the Financial Management Development Project. The Committee notes that this is a major activity and has whole of Government involvement.²⁴³

5.14. Several questions were asked about the ACT Borrowing and Investment Trust (ACTBIT) including presentation of the ACTBIT account, debt servicing, borrowing and lending rates, and a review in hand by Bankers Trust.²⁴⁴ Questions were also asked about the relationship between ACTBIT and the Superannuation Provision Trust Account (SPTA).²⁴⁵

5.15. Questions in relation to Budget Management concerned intergovernmental relations and funding.²⁴⁶

230	Transcript pp 888-889
231	Transcript pp 889-891
232	Transcript pp 891-895
233	Transcript pp 885-886
234	Transcript pp 886-888
235	Transcript pp 905-906
236	Transcript p 906
237	Transcript pp 901-903
238	Transcript pp 916-918
239	Transcript pp 997-999
240	Transcript p 1000
241	Transcript pp 999-1000
242	Transcript pp 1008-1009
243	Transcript pp 932-935, 972, 999
244	Transcript pp 919, 972-989
245	Transcript pp 918-919
246	Transcript pp 1009-1010

5.16. The Commissioner for Revenue was asked extensive questions about changes in various taxation receipts. Questions were asked about the tobacco franchise fee, payroll tax, petroleum franchise fees, bookmakers fees, X-rated video fees and fees for regulatory services.²⁴⁷

ACT Government Audit Office

Program 6 - Audit Services

5.17. The Committee was impressed with the increase in the number of financial audits achieved within existing resources and taking into account the 2% budget cut.²⁴⁸ Members asked questions about performance audits²⁴⁹, the earlier completion of financial statements audits²⁵⁰, and reductions in revenue²⁵¹.

Department of the Environment, Land and Planning

Program 7 - Environment and Conservation

Program 8 - Territory Planning

Program 9 - Land

Program 10 - Culture and Heritage

5.18. The Committee questioned the Minister for the Environment, Land and Planning and his officers about the use of recycled paper for publications²⁵², the decrease in miscellaneous revenue²⁵³, Floriade²⁵⁴, funding for the National Landcare Program²⁵⁵, funding for fresh water ecology research²⁵⁶, the ACT Weed Strategy²⁵⁷, assessment of new dog control strategies²⁵⁸ and the rationalisation of City Parks depots including closures, upgrades and future site use²⁵⁹. The Committee also raised questions about the role, reporting functions and staffing of the Office of the Commissioner for the Environment.²⁶⁰

5.19. Questions were asked about the following Program 7 Capital Works: expenditure delays in the playground safety program²⁶¹; the Margaret Timson Park²⁶²; improved visitor facilities for the Tidbinbilla Nature Reserve²⁶³; Tuggeranong Town Park beach and playground facilities²⁶⁴; replacement of street trees²⁶⁵; and extensive questions about the relocation of chemical storage facilities²⁶⁶.

247	Transcript pp 924-930, 1007
248	Transcript pp 907-908
249	Transcript pp 909-910
250	Transcript p 907
251	Transcript pp 908-909
252	Transcript pp 347-349
253	Transcript pp 357-358
254	Transcript p 358
255	Transcript pp 346-347
256	Transcript pp 360-361
257	Transcript pp 349-353
258	Transcript pp 350-351
259	Transcript pp 358-359
260	Transcript pp 355-357
261	Transcript pp 361-363
262	Transcript p 363
263	Transcript p 363
264	Transcript pp 363-365

5.20. Questions in relation to the Office of the Environment addressed matters of consultants²⁶⁷, green jobs²⁶⁸, rollovers²⁶⁹, and unleased national land in the ACT²⁷⁰. In relation to eco-tourism, Members asked questions about marketing and the relationship to green jobs.²⁷¹

5.21. Issues relating to Parks and Conservation included the restructure of mowing operations²⁷², the draft neighbourhood open space management plan²⁷³, the travel budget and locations visited²⁷⁴, the Environment Grants program²⁷⁵, and the Yarralumla Nursery²⁷⁶.

5.22. General questions relating to Program 8, Territory Planning dealt with the statutory nature of the Planning Authority²⁷⁷, the draft strategy for liaison between the ACT, Commonwealth, NSW and surrounding local Governments²⁷⁸, and telecommunications towers²⁷⁹. Intensive questioning followed about the Gungahlin Town Centre including the nature and extent of community consultation, correlation between peoples' workplace and where they live and commuting considerations, the role of the Planning, Development and Infrastructure Committee and possible effects on general planning patterns²⁸⁰.

5.23. Members asked questions about major resource variations and the difference between ACTEW's river monitoring and the Department's water monitoring programs in relation to Strategic and Environmental Planning.²⁸¹ Dual occupancy applications²⁸² and planning considerations relating to the dual public/private school facilities in Nicholls²⁸³ were the subjects of questioning in relation to District Planning.

5.24. Capital Works Projects for the Land Program considered by the Committee were the Tuggeranong Homestead site, Kerrigan Street extension, neighbourhood landscaping, the Nicholls Floodway Gross Pollutant Trap, Gungahlin Drive-Kosciusko Avenue to Nicholls and Mirrabei Drive-Yerrabi Pond to Ngunnawal and Distributor.²⁸⁴

5.25. Issues raised by Members in relation to Land included reductions in salaries and vehicles²⁸⁵, building requirements²⁸⁶, the development of a vacant site at the corner of Anzac

265	Transcript pp 365-366
266	Transcript pp 367-370
267	Transcript pp 370-371
268	Transcript pp 371-372
269	Transcript pp 374-375
270	Transcript pp 374-376
271	Transcript pp 345-346, 372-373, 375-376
272	Transcript pp 376-378
273	Transcript p 378
274	Transcript p 379
275	Transcript pp 379-381
276	Transcript pp 381-383
277	Transcript p 397
278	Transcript pp 383-384
279	Transcript pp 384-386
280	Transcript pp 386-392
281	Transcript p 392
282	Transcript p 393
283	Transcript pp 393-395
284	Transcript pp 413-416
285	Transcript pp 400-402, 404
286	Transcript pp 395, 398-400

Parade and Constitution Avenue²⁸⁷, and the transfer of ACT Building Control from City Services, Department of Urban Services to this program²⁸⁸. Additional questions were asked about the nature of joint ventures, possible use of Government land as collateral and returns to Government from joint ventures.²⁸⁹ Members also asked questions about the orderly development and re-development of the ACT, highlighting Holder High School, Montessori, John Knight Hostel, City Parks depots, St Peter Chanel's School and the Yowani Golf Club as sites of interest.²⁹⁰ The Committee was impressed with the Department's explanation of the "grossing up" process for Fringe Benefits Tax.²⁹¹

5.26. Members' questions about Culture and Heritage included spending of the casino premium on the Playhouse Theatre and for regional cultural facilities²⁹², expenditure on consultants²⁹³ and repairs and maintenance at Mugga Mugga²⁹⁴. Further questions were asked about the Cultural and Heritage Centre²⁹⁵, the Ngunnawal Exhibition in the Nolan Gallery²⁹⁶ and the management of Stage 88 facilities²⁹⁷. The Committee was also interested in the new funding arrangements for the Canberra Institute of the Arts (CITA) and the proposal for a School of Dance and Drama.²⁹⁸

Bureau of Sport, Recreation and Racing

Program 11 - Sport and Recreation

5.27. Committee Members questioned the Minister for Sport, Recreation and Racing and officers from the Bureau of Sport, Recreation and Racing extensively about racing, harness racing and greyhound racing. Questions addressed the issues of the success of the three codes, the effect of the World's Biggest Barbeque on the Canberra Cup, TAB turnover and the linking of ACTTAB to a larger betting pool. This also led to discussion about the Sky Channel link to places such as Las Vegas and Hong Kong and associated betting arrangements.²⁹⁹

5.28. A variety of other subjects were raised by Committee Members including Mature Age Sport and Gender Equity in the ACT³⁰⁰, the Belconnen Softball Centre³⁰¹ and the ACT Academy of Sport funding and administrative arrangements and its involvement in the ACT 2000 Committee.³⁰² Other subjects of interest were recurrent running costs³⁰³, management of

287	Transcript p 416
288	Transcript pp 412-413
289	Transcript pp 404-409
290	Transcript pp 409-412
291	Transcript p 402
292	Transcript pp 418-420
293	Transcript pp 423-424
294	Transcript pp 424, 426
295	Transcript pp 424-425
296	Transcript p 425
297	Transcript pp 425-426
298	Transcript pp 420-423
299	Transcript pp 672-678, 695-696, 699-705
300	Transcript pp 681-683, 705-706
301	Transcript pp 692-693
302	Transcript pp 683-690
303	Transcript p 707

sporting grounds³⁰⁴, Tuggeranong Enclosed Oval³⁰⁵ and the refurbishment of the Erindale Leisure Centre and the Civic Merry-Go-Round³⁰⁶.

Attorney-General's Department

Program 12 - Legal Services to Government

Program 13 - Community Legal Services

Program 14 - Administration of Justice

Program 15 - Maintenance of Law and Order

5.29. In relation to Program 12, Legal Services to Government, a range of questions were asked by the Committee of the Attorney-General and relevant Government officials. Matters raised included the release of sites for independent service station operators³⁰⁷, information technology systems³⁰⁸, assistance for victims of crime³⁰⁹ and the community safety strategy³¹⁰.

5.30. In relation to the Legal Policy sub-program, questions were also asked about the Bill of Rights³¹¹, a penalties review³¹², community safety initiatives including Neighbourhood Watch³¹³, a review of medical treatment law³¹⁴, development of a drug education program and appropriate consultation³¹⁵, the Confiscated Assets Trust Fund³¹⁶ and re-imburement of limited legal costs to litigants³¹⁷.

5.31. The Government Solicitor was questioned about the increasing cost of law suits under the *Criminal Injuries Compensation Act*³¹⁸ and settlement of legal claims against Government³¹⁹.

5.32. Questions relating to Public Prosecutions included definitions of offences³²⁰, the degree of public consultation on prosecution policy and guidelines³²¹, the Winchester case³²² and screening processes³²³.

5.33. Parliamentary Counsel was asked about the drafting of Government legislation and private Member's legislation³²⁴ while Corporate Support was questioned about the Court administration review³²⁵.

304	Transcript pp 690-692
305	Transcript pp 678-680
306	Transcript pp 706-709
307	Transcript pp 595-597
308	Transcript pp 588-590
309	Transcript pp 590-593
310	Transcript pp 593-595
311	Transcript pp 584-585
312	Transcript pp 598-599
313	Transcript pp 600-601
314	Transcript pp 597-598
315	Transcript pp 601-602
316	Transcript p 603
317	Transcript p 597
318	Transcript p 604
319	Transcript pp 603-604
320	Transcript pp 606-607
321	Transcript pp 607-608
322	Transcript pp 609-612
323	Transcript p 613

5.34. In relation to program 13 Community Legal Services, and in particular, the Consumer Affairs sub-program, Committee Members asked about education and client services³²⁶, measurement of consumer awareness and compliance with the *Fair Trading Act 1992*³²⁷, industry regulation³²⁸ and telephone hotline access³²⁹.

5.35. Several questions related to Liquor Control included measures to address overcrowding, underage drinking and responsible serving of alcohol³³⁰, the voluntary proof of age card³³¹, the Liquor Advisory Group³³² and the proposed extension of police powers to include confiscation and disposal of liquor³³³. Questions were also asked about the registration and de-registration of brothels and the *Prostitution Act*.³³⁴

5.36. Questions in relation to other sub-programs included arrangements for legal advice by a solicitor for persons under arrest³³⁵ and mediation as an alternative to court procedures³³⁶, and Interfax and National Indices for the Registrar-General³³⁷; and the Guardianship, Management and Property Tribunal for the Public Trustee³³⁸.

5.37. With regard to Program 14, Administration of Justice, Members raised questions of cooling services to the ACT Law Courts³³⁹, delays in construction of the courts complex³⁴⁰ and plans for a Commercial and Tenancy Tribunal³⁴¹.

5.38. Questions were asked of the Ombudsman about an independent management review and restructure and the volume and nature of complaints.³⁴² The Human Rights Office was asked about additional funding for a part-time Discrimination Commissioner and complaints under the *Discrimination Act*.³⁴³ Questions directed to the Supreme Court were about information technology and case management³⁴⁴ and the proposed upgrade of holding cells in the Law Court building in response to the Royal Commission into Aboriginal Deaths in Custody Report³⁴⁵. The Community Advocate was asked about the community guardianship scheme and the planned expansion of the role of Director of Family Services.³⁴⁶

324	Transcript pp 617-618
325	Transcript pp 618-619
326	Transcript pp 620-621
327	Transcript pp 621-624
328	Transcript pp 625-626
329	Transcript pp 624-625
330	Transcript pp 633-634
331	Transcript pp 636-637
332	Transcript p 638
333	Transcript pp 634-635
334	Transcript pp 635-636
335	Transcript pp 627-628
336	Transcript pp 628-629
337	Transcript pp 630-631
338	Transcript pp 631-632
339	Transcript p 639
340	Transcript pp 639-641
341	Transcript pp 641-642
342	Transcript pp 642-645
343	Transcript pp 646-647
344	Transcript pp 649-650
345	Transcript pp 650-651
346	Transcript pp 651-654

5.39. Members' questions relating to the Maintenance of Law and Order Program addressed the issues of a police services review³⁴⁷, implementation of savings targets³⁴⁸, per capita spending on police services³⁴⁹, new District Headquarters in Belconnen and Tuggeranong and regional headquarters³⁵⁰, the Winchester Police Headquarters refurbishment costs and relocation of the Garema Place Kiosk³⁵¹, Police Citizen's Youth Clubs³⁵² and speed cameras³⁵³.

Housing and Community Services Bureau

Program 16 - Housing and Community Services

5.40. In relation to the Housing Trust, Members asked questions about public housing across Canberra and comparisons with other States³⁵⁴, the number of new tenants assisted³⁵⁵, the waiting list cull³⁵⁶, direct debit arrangements³⁵⁷, rent payments for defactos and boarders/lodgers³⁵⁸, the private leasing scheme³⁵⁹, maintenance³⁶⁰, the discharge of the Melba loan³⁶¹, Commonwealth funding³⁶², flats occupied by Diplomats³⁶³, electrical property services³⁶⁴ and the Bureau's relationship with ACTEW³⁶⁵. Extensive questions were asked about the range of home-ownership programs.³⁶⁶

5.41. In relation to Community Services, extensive questions were asked about child protection and mandatory reporting³⁶⁷ and about the joint Commonwealth, State and Territory strategy for prevention of child abuse³⁶⁸. Further questions about Family Services included payments to foster carers³⁶⁹, staffing in Regional Services³⁷⁰, grants to non-Government organisations³⁷¹ and the Joint Commonwealth ACT National Child Care Extension Strategy³⁷².

347 Transcript pp 661-662
 348 Transcript pp 663-664
 349 Transcript pp 665-667
 350 Transcript pp 667-670
 351 Transcript pp 668-669
 352 Transcript pp 664-665
 353 Transcript pp 662-663
 354 Transcript pp 127-128
 355 Transcript pp 128-130
 356 Transcript pp 139-140
 357 Transcript pp 130-132
 358 Transcript p 127
 359 Transcript p 130
 360 Transcript pp 140-141, 143-144, 153-154, 156-159
 361 Transcript pp 144-145
 362 Transcript p 145
 363 Transcript p 246
 364 Transcript pp 154-155
 365 Transcript pp 159-160
 366 Transcript pp 146-150
 367 Transcript pp 163-172
 368 Transcript pp 162-163
 369 Transcript p 162
 370 Transcript pp 173-174
 371 Transcript pp 174-175
 372 Transcript p 172

5.42. In relation to Community Development, the Committee asked questions about the Home and Community Care Program and associated Commonwealth funding³⁷³, capital works³⁷⁴ and the transfer of Technologically Dependant Children costs from Health³⁷⁵.

5.43. The Quamby Juvenile Justice Facility was also the subject of extensive questioning, including the matters of upgrading, periodic weekend detention for adults, sentencing options, and arrangements for Queanbeyan offenders³⁷⁶.

5.44. Questions about Disability Services covered the issues of transport needs of people with disabilities³⁷⁷, the Acute Behavioural Management Unit³⁷⁸, and the closure of John Knight Hostel and the future use of the building³⁷⁹.

Department of Urban Services

Program 17 - Public Transport

Program 18 - City Services

Program 19 - Fire and Emergency Services

Program 20 - Public Works and Services

Program 21 - Corporate Development for DUS

5.45. The Minister for Urban Services made a brief opening statement highlighting significant savings achieved through reform.

5.46. In relation to Program 17, Public Transport, questions were asked about the reducing subsidy³⁸⁰, increasing administrative expenses³⁸¹, a recently conducted benchmarking study³⁸², the bus replacement program and age profile of ACTION buses³⁸³, Network '94 and routing³⁸⁴, automated ticketing³⁸⁵, enterprise agreements³⁸⁶, community consultation³⁸⁷, buses run on Natural Gas and Diesohol³⁸⁸ and further detail on capital works expenditure³⁸⁹.

5.47. A number of general questions related to Program 18, City Services, including further detail about minor new works³⁹⁰, program goals and performance indicators³⁹¹.

373 Transcript pp 178-179
 374 Transcript pp 180-182
 375 Transcript p 180
 376 Transcript pp 182-186
 377 Transcript pp 196-197
 378 Transcript pp 186-192
 379 Transcript pp 192-196
 380 Transcript pp 24-26
 381 Transcript pp 31-32, 741-72
 382 Transcript pp 18-19
 383 Transcript pp 8-11, 13-15, 31
 384 Transcript pp 12, 15-16, 28-31
 385 Transcript pp 19-20
 386 Transcript pp 12, 19, 23-24
 387 Transcript pp 16-18, 32-33
 388 Transcript pp 29-30, 32
 389 Transcript pp 35-36
 390 Transcript pp 36-37
 391 Transcript p 37

5.48. With regard to Roads and Transport, the issues discussed were the proposed National Vehicle Registration Scheme and the National Heavy Vehicle Registration Scheme³⁹², increases in parking fees, motor vehicle registrations and drivers licences³⁹³, photographic expenses for drivers licences³⁹⁴, proposed increased roads and maintenance funding³⁹⁵, taxi licence auctioning³⁹⁶, the proposed introduction of paid parking in Belconnen³⁹⁷ and developments in the Drakeford Drive duplication between Johnson Drive and Isabella Drive in Tuggeranong³⁹⁸.

5.49. Questions about Library Services covered the matters of expenditure for disability services³⁹⁹, the appointment of a Regional Librarian⁴⁰⁰ and the temporary nature of Kippax Library⁴⁰¹. The Committee questioned the Chief Executive of ACT Forests about increased log sales⁴⁰², the percentage of seedlings planted that reach maturity⁴⁰³ and trial plantations of hardwoods⁴⁰⁴. He was also questioned about the budget overrun of Cemeteries.⁴⁰⁵ Issues discussed with City Operations were long-term waste management issues⁴⁰⁶, a municipal services review⁴⁰⁷, fees for regulatory services⁴⁰⁸, sale of garbage trucks and garbage hoppers⁴⁰⁹ and stormwater⁴¹⁰.

5.50. Members asked a number of questions about Program 19, Fire and Emergency Services. Topics discussed included the recently conducted review of emergency services leading to consolidation of ministerial responsibilities⁴¹¹, planning for a joint emergency complex in Gungahlin⁴¹², maintenance of high quality Road Rescue Services⁴¹³ and staff redundancies⁴¹⁴.

5.51. Members spent considerable time considering Public Works and Services. A general issue raised by Members was the Drakeford Drive duplication and the Monaro Highway reconstruction⁴¹⁵. In relation to Construction Services, questions were asked about the Supply and Tender Agency and purchasing arrangements⁴¹⁶. Matters raised in relation to Asset

392	Transcript pp 44, 48-49
393	Transcript pp 38-41
394	Transcript p 52
395	Transcript pp 41-42
396	Transcript p 41
397	Transcript pp 37-38
398	Transcript pp 50-51
399	Transcript pp 52-53
400	Transcript pp 53-54
401	Transcript pp 54-55
402	Transcript p 55
403	Transcript pp 55-56
404	Transcript pp 59
405	Transcript pp 59-60
406	transcript pp 68-71
407	Transcript pp 72-74
408	Transcript pp 42-43
409	Transcript p 44
410	Transcript pp 49-50
411	Transcript pp 80-82
412	Transcript pp 74-75, 81
413	Transcript pp 75-80
414	Transcript p 82
415	Transcript pp 95-96
416	Transcript pp 103-108

Management Services were differences between budgets and the budget estimates⁴¹⁷ and the Memorandum of Understanding with the Housing and Community Services Bureau⁴¹⁸. ACT Fleet was the subject of extensive questioning about fleet numbers⁴¹⁹, exclusion of Department of Health vehicles from ACT Fleet servicing arrangements⁴²⁰ and insurance arrangements⁴²¹.

5.52. Questioning on Program 21, Corporate Development for DUS, concentrated on the matters of the effectiveness of the Government Capital Works Group⁴²², the Travers Morling study of ACT Government Portfolio Management⁴²³, furniture stores⁴²⁴, property management, in particular Acton Peninsula, ACTAC and the refurbished South Building⁴²⁵, outstanding debts⁴²⁶, reductions in consultancies undertaken⁴²⁷ and a planned review of pre-schools⁴²⁸.

Canberra Institute of Technology

Program 22 - Canberra Institute of Technology

5.53. A number of questions related to enrolment at the CIT: part time enrolments⁴²⁹; interstate enrolments⁴³⁰; enrolment by Government or non-Government sector of year 12 school leavers⁴³¹; and the range of courses offered⁴³². Committee members expressed concern at the continuing practice of prospective students queuing overnight for enrolment and was informed that measures are being taken to address this.⁴³³

5.54. The Committee also asked questions about capital works⁴³⁴, rollovers⁴³⁵, CIT involvement in the implementation of the whole of Government Financial Resource Management System⁴³⁶, physical access for people with disabilities⁴³⁷, the Draft Facilities Master Plan⁴³⁸, the establishment of a CIT Foundation⁴³⁹, Tally with TAFE⁴⁴⁰, nature of

417	Transcript pp 108-110
418	Transcript p 109
419	Transcript pp 110-112, 117
420	Transcript pp 112-117
421	Transcript pp 117-120
422	Transcript p 83
423	Transcript p 85
424	Transcript pp 85-87
425	Transcript pp 87-88, 91
426	Transcript pp 84-85
427	Transcript p 84
428	Transcript pp 90-91
429	Transcript pp 254-255
430	Transcript pp 256-257
431	Transcript p 256
432	Transcript pp 277, 280
433	Transcript pp 278-280
434	Transcript pp 260-261
435	Transcript p 263
436	Transcript pp 263-264
437	Transcript pp 267-269
438	Transcript pp 280-281
439	Transcript pp 281-282
440	Transcript pp 282-283

participation in the ACT Government Olympic 2000 Committee⁴⁴¹, the discontinuance of special initiative courses for year 12 leavers⁴⁴², and weekend colleges⁴⁴³.

5.55. Members asked extensive questions about Hotel Kurrajong, the Australian International Hotel School to be commence operation in February 1995. Questions related to delays in construction and refurbishment, the involvement of Cornell University USA, enrolment and fees, staffing and competitors. The Committee commended the CIT on the achievement regarding this initiative.⁴⁴⁴

Department of Education and Training

Program 23 - Government Schooling

Program 24 - Non-Government Schooling

Program 25 - Training

5.56. The Minister for Education and Training made an opening statement to the Committee outlining three new policy initiatives: literacy and numeracy learning assistance; student support arrangements; and the establishment of an early childhood support unit. The Minister acknowledged that the Department did not meet its required savings, and drew attention to the fact that despite a successful targeted separation scheme, the Assembly decision not to allow a further reduction in teacher numbers in the Government schooling sector contributed largely to this. The Minister commented on the opening of Conder Primary and Pre-Schools earlier in the year, the planned opening of Lanyon High School and Nicholls Primary School in 1996, Ngunnawal Primary School in 1997 and Nicholls High School in 1998. The Minister mentioned the facilities sharing arrangements of Nicholls Primary School with the Catholic Education Office.⁴⁴⁵

5.57. Questions were asked about additional funding for the new numeracy and literacy initiative and the early childhood services unit⁴⁴⁶. Committee Members also asked questions about consideration and response to the Department of Employment, Education and Training report on Assessment of Average Government School Recurrent Costs and the Ministerial Advisory Council on Public Education Report.⁴⁴⁷ Further questions related to the Commonwealth transitional allowance for education⁴⁴⁸, design of new schools⁴⁴⁹, Government assistance to P and C Council⁴⁵⁰, commercial sponsorship and school fundraising⁴⁵¹, expulsion of Aboriginal children⁴⁵², funding for school sport⁴⁵³, the use of schools as sporting and cultural facilities⁴⁵⁴, the facilities at Telopea Park School⁴⁵⁵, refurbishment and replacement of

441 Transcript p 283
 442 Transcript p 255
 443 Transcript p 284
 444 Transcript pp 262, 270-277
 445 Transcript pp 287-289
 446 Transcript pp 335-337
 447 Transcript pp 295-296, 300-301
 448 Transcript pp 296-297
 449 Transcript pp 330-331
 450 Transcript p 297
 451 Transcript pp 312-314
 452 Transcript pp 337-338
 453 Transcript pp 338-339
 454 Transcript pp 329-330
 455 Transcript p 331

playground equipment⁴⁵⁶, replacement of automatic flushing urinals in Government schools,⁴⁵⁷ and ACTEW charging policies⁴⁵⁸.

5.58. The targeted separation scheme, teacher numbers, teacher gender balance and retraining of teachers were also the focus of substantial questioning.⁴⁵⁹ Considerable time was devoted to questioning on student numbers, average size of schools, surplus spaces and buffer space, and relative funding for small and large schools.⁴⁶⁰

5.59. In relation to Non-Government Schooling, questions were asked about increased funding⁴⁶¹, registration procedures⁴⁶², eligibility for the Junior Bursary Scheme⁴⁶³, and the links between the Government and non-Government sectors⁴⁶⁴.

5.60. In relation to Program 25, the question of parent representation on the State Training Authority was raised by Committee Members.⁴⁶⁵

Department of Health

Program 26 - Health

5.61. The Committee questioned the Minister for Health and his officials about the following general issues: filling of vacant substantive positions⁴⁶⁶; rollovers⁴⁶⁷; cross-border receipts⁴⁶⁸; grants to the non-ACT Government sector⁴⁶⁹; and increases in salaries and administrative expenses⁴⁷⁰. Members also asked questions about funding for hospital access⁴⁷¹, the relationship between the Special Purpose Funds Trust Account and the Health Transitional Operations Trust Account⁴⁷², in-patient fees and the level of private insurance in the ACT and financing arrangements with the Commonwealth⁴⁷³. Committee questioning about Commonwealth Hospital Funding Grants was vigorous.⁴⁷⁴

5.62. The Committee requested further detail of minor works including the chiller replacement at Woden Valley Hospital, the hydrotherapy pool, the Hospice, the relocation of lower Jindalee Nursing Home, the Calvary kitchen and cafeteria, and the Moore Street and abortion clinic refurbishments.⁴⁷⁵

456 Transcript pp 320-323
 457 Transcript pp 328-329
 458 Transcript p 340
 459 Transcript pp 291-295, 301, 332-334, 339-340
 460 Transcript pp 302-311
 461 Transcript pp 299-300
 462 Transcript p 341
 463 Transcript pp 342-344
 464 Transcript p 342
 465 Transcript pp 285-287
 466 Transcript pp 438-439
 467 Transcript p 455
 468 Transcript pp 452-454
 469 Transcript p 456
 470 Transcript pp 462-464
 471 Transcript pp 455-456
 472 Transcript pp 556-557
 473 Transcript pp 439-444
 474 Transcript pp 444-452
 475 Transcript pp 464-470

5.63. With regard to the Woden Valley Hospital and Associated Regional Services budget the Committee raised the following issues: efforts to reduce cost per episode of care⁴⁷⁶; the cardio-thoracic unit⁴⁷⁷; and questions about the costs, revenues and number of scans performed by the Magnetic Resonance Imaging Unit⁴⁷⁸. Questions about costs and staffing arrangements were raised in relation to the establishment of the Clinical School.⁴⁷⁹ Other questions posed by Members included postponed elective surgery⁴⁸⁰, tours of the new facilities⁴⁸¹, the Child at Risk Unit and ante-natal clinic⁴⁸² and the re-organisation of rehabilitation and aged care services⁴⁸³.

5.64. Several questions were asked about Calvary Public Hospital. Issues included occupancy rates⁴⁸⁴, the Day Procedure Unit⁴⁸⁵, the mid-call early discharge program⁴⁸⁶, the ante-natal clinic⁴⁸⁷ and the proposed Medical Centre⁴⁸⁸. Other questions related to emergency levels and patient referral to Woden Valley Hospital⁴⁸⁹, agreed service levels⁴⁹⁰, nursing costs⁴⁹¹ and the use of the old nurses accommodation building⁴⁹².

5.65. Subjects of questioning about the Queen Elizabeth II Hospital were expansion of hours and decreased labour costs⁴⁹³, a client satisfaction survey⁴⁹⁴, the newly-established Quality Improvement Committee⁴⁹⁵ and post-natal care and support⁴⁹⁶. The Committee took great interest in the issues of accreditation and potential relocation of the hospital.⁴⁹⁷

5.66. In the Community Health sub-program, Members asked questions about the generic model of community nursing and the level of services provided⁴⁹⁸, the budget overrun and major resource variations and rollovers⁴⁹⁹, review of Health Centres⁵⁰⁰, expanded methadone programs⁵⁰¹, school dental services⁵⁰², extended clinic hours⁵⁰³, Jindalee⁵⁰⁴, consolidation at Moore Street⁵⁰⁵ and involvement in the International Year of the Family Conference⁵⁰⁶.

476	Transcript pp 496-499
477	Transcript pp 535-537
478	Transcript pp 531-535
479	Transcript pp 522-526
480	Transcript pp 500-501, 531
481	Transcript pp 495-496
482	Transcript pp 518-521
483	Transcript p 525
484	Transcript pp 471-472
485	Transcript p 472
486	Transcript p 473
487	Transcript pp 473-474, 477
488	Transcript p 470
489	Transcript pp 474-476
490	Transcript p 481
491	Transcript pp 478-479
492	Transcript p 480
493	Transcript pp 483-484, 494
494	Transcript pp 484-485
495	Transcript pp 485-486
496	Transcript pp 488-493
497	Transcript pp 486-487, 493
498	Transcript pp 542-546
499	Transcript pp 546-549, 558
500	Transcript pp 551-552
501	Transcript p 553
502	Transcript pp 553-554

5.67. In relation to Public Health questions were asked about budget underspending and falling administrative expenses⁵⁰⁷, grants administration⁵⁰⁸, the Health Goals and Targets Project⁵⁰⁹, childhood immunisation and infection control procedures⁵¹⁰, the Belconnen air-monitoring facility⁵¹¹, the maternity services review and alternative birthing services⁵¹², the establishment of the Cancer Registry⁵¹³ and the increase in cases of Hepatitis C reported⁵¹⁴.

5.68. Issues discussed relating to the Resources sub-program were the success of the transition for ACT Health from a Statutory Authority to a department⁵¹⁵, replacement of the financial management system and increasing funding for information technology⁵¹⁶, plans for Strategic Capital, Fraud Control and Asset Management⁵¹⁷, vehicle fleet arrangements⁵¹⁸, the adolescent ward⁵¹⁹, Acton Peninsula⁵²⁰ and questions about refurbishment of the Hospice and in-patient fees⁵²¹.

5.69. Officers of the Corporate sub-program were asked about sponsorships⁵²², legal expenses⁵²³, public relations⁵²⁴ and the involvement in drafting the Public Sector Management Bill and associated legislation and standards⁵²⁵.

ACT Electricity and Water

5.70. Topics discussed with the Minister for Urban Services and ACTEW officials included the mid-year financial report⁵²⁶, productivity measurement⁵²⁷, an imminent enterprise agreement⁵²⁸, investment⁵²⁹, competition⁵³⁰, reconciliation of cash flow and accrual figures⁵³¹

503	Transcript pp 55-556
504	Transcript p 549
505	Transcript p 555
506	Transcript pp 552-553
507	Transcript pp 560, 567-568
508	Transcript pp 559-560
509	Transcript pp 560-562
510	Transcript pp 562-566, 568-569
511	Transcript pp 566-567
512	Transcript pp 569-570
513	Transcript pp 570-571
514	Transcript pp 571-572
515	Transcript pp 572-573
516	Transcript pp 572, 576
517	Transcript pp 573-576
518	Transcript pp 576-577
519	Transcript pp 573-574
520	Transcript p 575
521	Transcript pp 578-579
522	Transcript pp 580-581
523	Transcript p 582
524	Transcript pp 581-582
525	Transcript pp 579-580
526	Transcript pp 199-200
527	Transcript pp 206-207
528	Transcript pp 207-209
529	Transcript p 202
530	Transcript pp 215-217
531	Transcript p 217

and Federal funding for sewerage⁵³². Of particular interest to the Committee was the issue of cross-subsidisation of water by electricity, which led to discussion of the new water pricing policy, the need for a new dam, electricity purchasing arrangements and alternative electricity sources.⁵³³ Also of concern to the Committee was the reduction in demand and fall in profit during the first half of the year, this sparked discussion about unusual weather conditions, profit forecasting and profitability, dividends to Government, and per capita use of electricity.⁵³⁴

ACT Totalisator Administration Board

5.71. The Minister for Sport, Recreation and Racing and officials from the ACT Totalisator Administration Board (ACTTAB) attended the Committee for questioning. A number of marked differences between budget and estimates were discussed including replacement of computer equipment, communications, unclaimed dividends, rates, sundry income, errors, insurance, investments, dividends to Government, vehicles, Board Members' Fees, TAB charges and VITAB fees.⁵³⁵ A series of questions was also asked about employee entitlements⁵³⁶ and travel and entertainment⁵³⁷. The Committee was justifiably concerned about the profitability of the TAB and the implications of the Pearce Report for ACTTAB.⁵³⁸

Helen Szuty MLA
Chairperson
12 August 1994

⁵³² Transcript pp 217-218
⁵³³ Transcript pp 205-206, 210-215
⁵³⁴ Transcript pp 200-201, 203-204, 209
⁵³⁵ Transcript pp 220-227, 230-236, 242, 244-245
⁵³⁶ Transcript pp 229-230, 236-238, 247-249
⁵³⁷ Transcript pp 244-245
⁵³⁸ Transcript pp 221-222, 233-235

APPENDIX A - WITNESSES AT PUBLIC HEARINGS

Thursday 23 June

Department of Urban Services

Minister for Urban Services
Mr J Turner, Secretary
Ms A Austin, Director, City Services
Ms G Beauchamp, Acting General Manager, Strategy Development and Review
Mr R Black, General Manager, ACT Capital Works
Mr B Colbey, General Manager, ACT Fleet
Mr J Dance, Acting General Manager, Emergency Management
Mr G Davidson, General Manager, Roads and Transport
Mr B Dockrill, Director, Public Works and Services
Mr J Flutter, Chief Executive, ACTION
Mr R Gowing, General Manager, Business Services
Mr G McKenzie-Smith, Chief Executive, ACT Forests & Chairman, Canberra Cemeteries Trust
Mr P Mylrea, General Manager, City Operations
Mr V Smorhun, General Manager, ACT Library Service
Mr M Sullivan, General Manager, Asset Management Service

Housing and Community Services Bureau

Minister for Housing and Community Services
Ms S Birtles, Commissioner for Housing
Mr K Horsham, General Manager, Housing and Community Services
Ms H Briggs, Executive Director, Special Projects
Ms L Grayson, Executive Director, Community Programs
Ms C Healy, Executive Director, Family Services
Mr J Wynants, Housing Review Secretariat

ACT Electricity and Water

Minister for Urban Services
Mr C Orr, Corporate Manager, Finance
Mr A Morrison, Corporate Manager, Strategy

ACT Totalisator Administration Board

Deputy Chief Minister
Mr R Smeed, Acting Chief Executive
Mr B Glanville, Chairman
Mr N Luff, Director, Finance and Administration

Friday 24 June

Canberra Institute of Technology

Minister for Education and Training
Mr N Fisher, Chief Executive and Director
Mr W Dickson, General Manager, Corporate Services

Ms M Kinsman, Associate Director, Education Services

Department of Education and Training

Minister for Education and Training
Ms C Vardon, Secretary
Ms F Hinton, Acting Deputy Secretary
Mr T Wheeler, Executive Director, Budget and Facilities

Department of the Environment, Land and Planning

Minister for the Environment Land and Planning
Mr G Fraser, Acting Secretary
Mr G Bellchambers, Acting Director, Environment and Conservation
Mr P Guild, First Assistant Secretary, Land
Ms D Jackson, Manager, Budget Management, Environment and Conservation
Mr J Meyer, Assistant General Manager, Office of Culture and Heritage
Ms C Parsons, Acting Chief Planner, ACT Planning Authority

Monday 27 June

Department of Health

Minister for Health
Mr J Ayling, Acting Chief Executive
Ms V Busted, General Manager, Corporate Affairs
Mr P Dyer, General Manager, Calvary Hospital
Mr G Gaskell, General Manager, Woden Valley Hospital and Associated Regional Services
Dr P Gregory, General Manager, Resources
Dr J Houston, Acting Executive Director, Clinical Services
Ms J Jacobs, Director of Nursing, Queen Elizabeth II Hospital
Dr C Mead, Public Health and Chief Medical Officer
Ms H Ramsay, General Manager, Community Health

Attorney-General's Department

Attorney-General
Mr C Hunt, Secretary
Mr T Brown, Registrar, Liquor Licensing
Mr A Charge, Director, Consumer Affairs Bureau
Ms J Circosta, Acting Registrar, Supreme Court
Mr K Crispin, Director of Public Prosecutions
Assistant Commissioner P Dawson, Chief Police Officer
Mr D Dunckley, Acting Public Trustee
Mr N Grant, Executive Officer, Resources
Mr D Hunt, Parliamentary Counsel
Mr S Maguire, Acting Director, ACT Human Rights Office
Mr J Malouf, Registrar-General
Ms H McGregor, Community Advocate
Mr M Peedom, Chief Solicitor, Government Solicitor
Mr K Simpson, Director, Police Affairs and Law Enforcement
Mr C Staniforth, Chief Executive, Legal Aid Office (ACT)
Mr J Taylor, Acting Senior Assistant, Ombudsman

Mr R Zatorski, Manager, Information Technology

Tuesday 28 June

ACT Bureau of Sport, Recreation and Racing

Minister for Sport
Mr G Fraser, Acting Secretary, Department of the Environment, Land and Planning
Ms D Jackson, Manager, Budget Management, Environment and Conservation

Industrial Relations

Minister for Industrial Relations
Mr S Hunter, Division Head, Chief Minister's Division, Chief Minister's Department
Mr J Woodrow, Special Advisor, Industrial Relations, Chief Minister's Department

ACT Legislative Assembly

Speaker
Mr M McRae, Clerk of the Legislative Assembly
Mr J Campbell, Editor of Debates
Mr T Duncan, Deputy Clerk of the Legislative Assembly

Wednesday 29 June

Chief Minister's Department

Chief Minister
Mr J Townsend, Acting Secretary
Dr C Adrian, Acting Division Head, Economic Development Division
Ms L Foreman, Acting Assistant Secretary, Social Policy Branch
Mr P Green, Acting ACT Electoral Commissioner
Mr S Hunter, Division Head, Chief Minister's Division
Ms P Karmel, Executive Director, Business Support and Employment Branch
Ms R Walsh, Acting Assistant Secretary, Government Branch

Department of Public Administration

Chief Minister
Ms L Webb, Acting Secretary
Mr P Sadler, First Assistant Secretary

Government Audit Office

Chief Minister
Mr J Parkinson, Auditor-General

Treasury

Treasurer
Dr D Rosalky, Under Treasurer
Mr G Faichney, Commissioner for Revenue
Mr G Harper, Assistant Under Treasurer, Financial Services
Mr N Morgan, Assistant Under Treasurer, Budget Management
Mr M Woods, Acting Deputy Under Treasurer

Wednesday 6 July

Treasury

Treasurer

Dr D Rosalky, Under Treasurer

Mr G Faichney, Commissioner for Revenue

Mr G Harper, Assistant Under Treasurer, Financial Services

Mr N Morgan, Assistant Under Treasurer, Budget Management

Mr M Woods, Acting Deputy Under Treasurer