ESTIMATES 2006

Question on Notice

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05 Treasurer Richard Mulcahy

COAG National Reform Agenda

RICHARD MULCAHY MLA : To ask the Treasurer – In relation to the COAG National Reform Agenda:

As the 2006-07 Budget Papers indicate, the Council of Australian Governments (COAG) has established a national reform agenda. Under the direction of the Heads of Territories, State Treasuries are developing a set of principles that could be used to underpin the funding arrangements, thus enabling States to effectively pursue the COAG reform agenda.

1. How many people are developing these guidelines?

2. What are these principles designed to measure?

3. More generally, to what purpose will these principles be specifically put?

4. How developed are the guidelines?

5. When are the guidelines anticipated to be ready?

6. Will the guidelines be circulated for comment before consideration by COAG?

…(Richard J Mulcahy MLA, 20 June 2006)…

The answer to the Member's question is as follows:

1. Heads of Treasuries has established a sub-committee which among other things is to undertake work on possible funding models to support the National Reform Agenda. All States and the Australian Government are represented on the committee.

2. The Committee has only met once. The Australian Government has yet to produce its paper on possible funding models. Accordingly, principles have not yet been established.

   Broad principles for the funding of reforms were set out in the COAG Communique of 10 February 2006.

   COAG Senior Officials met on 16 June 2006 and agreed to recommend to COAG eleven high level outcomes across the human capital agenda. Funding mechanisms underpinning these reforms have not yet been developed, contrary to the claims in some media articles.

3. It is not possible to answer this question as the principles have not been determined, pending input from the Australian Government.

4. As per 2 and 3 above, guidelines have yet to be developed.

5. The timing of any output from the committee is unclear and depends on the timing of the contribution by the Australian Government.

6. The expectation is that the Committee will report through Heads of Treasuries to COAG Senior Officials (SOM). It is expected that SOM will decide on the circulation of any relevant documents.

09 Treasurer Deb Foskey

Triple Bottom Line Framework and Poverty Proofing

Dr FOSKEY MLA : To ask the Treasurer:

Is Treasury working with the Community Inclusion Board to incorporate poverty impact analysis into Triple Bottom Line frameworks?

If yes, what process will Treasury use to ensure continuing dialogue with the Community Inclusion Board?

What timeframe does Treasury have to develop appropriate indicators and a framework for budget preparation?

When can we expect the first budget prepared in this way?

The answer to the Member's question is as follows:

1. Yes. The Chief Minister's Department (CMD) is coordinating poverty impact analysis. In October 2005, during Anti-Poverty week, an open forum was held with speakers from the Department of Disability, Housing and Community Services (DHCS), Treasury and the Community Inclusion Board (CIB) on the poverty proofing trial and its links to triple bottom line reporting.

2. CMD is responsible for establishing consultation processes with respect to poverty proofing. CMD will reconvene an interdepartmental committee early in the 2006-07 financial year to ensure continuing dialogue between CMD, DHCS, Treasury and the Chair of the Community Inclusion Board.

3. The ACT Government adopted an appropriate reporting framework in the 2005-06 and 2006-07 Budget papers. This framework includes strategic indicators that cover both social and environmental factors. It has been recognised that the indicators should be refined as greater experience is gained with the new framework. This will be a process of continuous improvement over the next few years.

4. As per answer 3 above.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA **Date:………………………..**
Treasurer

11 Treasurer Deb Foskey

Triple Bottom Line Framework Accounting

Dr FOSKEY: To ask the Treasurer – In relation to Triple Bottom Line accounting:

(1) Do you think a greater commitment to Triple Bottom Line reporting generates positive financial results in terms of long-term savings?

(2) Will there be a consistent and meaningful framework for social and environmental indicators throughout future budgets and annual reports?

The answer to the Member's question is as follows:

(1) The ACT Government is committed to the Triple Bottom Line approach. The Government believes that the greatest benefits flow from embedding triple bottom line considerations into decision-making processes and is focusing its efforts to that end.

(2) The Government recognises the importance of clear reporting processes and has introduced an appropriate reporting framework. The Government's approach to incorporating triple bottom line in Budget Papers was outlined in the 2004-05 Supplementary Paper Framework for Future Budget Presentation. The 2005-06 and 2006-07 Budget papers were produced following that framework and included strategic indicators covering financial, social and environmental factors.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA **Date:………………………..**
Treasurer

21 Treasurer Brendan Smyth

Different in State Final Demand Annual Growth Rate

Select Committee on Estimates Hearing

Tuesday 20 June 2006

Question Taken on Notice

Mr Smyth: - To ask the Treasurer:

You might like to look at the state final demand figure on page 47 of the March ’06 paper that says for the four quarters in 04-05 there was 3.5 per cent growth –0.9 per cent growth and no growth, so the figures don’t seem to match what you put in your documents.

Treasurer - The answer to the Member’s question is as follows:

1. The State Final Demand (SFD) annual growth rate for 2004-05 of 3.2% shown in Tables 1.1.2 and 8.1.1 of Budget Paper No. 3 is a year-average growth rate. That is, it compares the aggregate of ACT SFD over the four quarters of 2004-05, with the aggregate of SFD over the four quarters of 2003-04.
2. This 3.2% rate was the rate contained in the ABS release of the December quarter 2005 National Accounts on 1 March 2006. These were the latest national accounts data available prior to the handing down of the ACT’s 2006-07 Budget on 6 June 2006.
3. The ABS released the March quarter 2006 National Accounts on 7 June 2006 — the day after the ACT’s 2006-07 Budget was released. These latest national accounts data show the ACT’s SFD annual average growth rate for 2004-05 has been revised up from 3.2 per cent to 3.4 per cent.

Approved for circulation to the Member and incorporation into Hansard.

Jon Stanhope MLA
Treasurer **Date:……………………**

35   Treasurer   Brendan Smyth

Chart of the last 3 to 5 years

Select Committee on Estimates Hearing

Thursday 22 June 2006

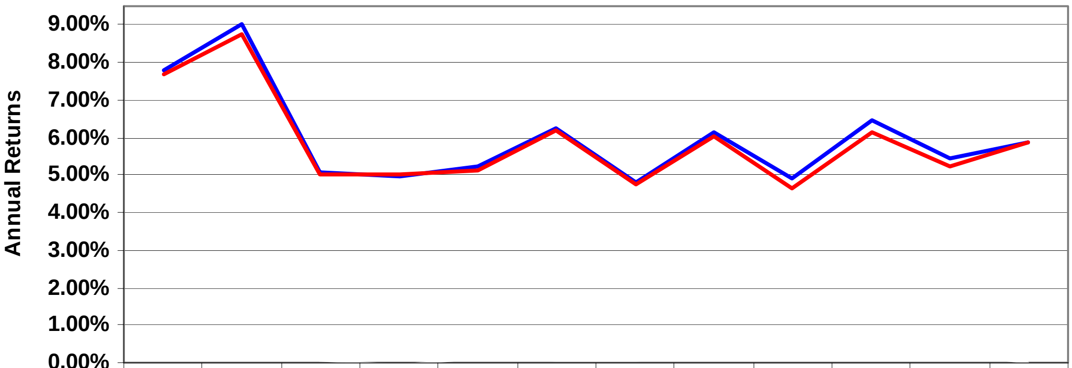
Question Taken on Notice

Mr SMYTH: To ask the Treasurer –

Is there more data in years before. Is it possible to get a chart of the last three or four years, or the last five years?

The answer to the Member's question is as follows:

General Government Investment Portfolio Returns versus Benchmark Returns



	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07
Actual	7.80%	9.03%	5.09%	4.96%	5.25%	6.27%	4.79%	6.12%	4.90%	6.46%	5.45%	5.86%
Benchmark	7.70%	8.77%	5.02%	5.04%	5.13%	6.19%	4.73%	6.02%	4.66%	6.16%	5.22%	5.86%
Excess Over Bmrk	0.10%	0.26%	0.07%	-0.08%	0.12%	0.08%	0.07%	0.10%	0.24%	0.30%	0.23%	0.00%

Actual   Benchmark

36 Treasurer Richard Mulcahy

Output 1.1 in the 04/05 budget

Select Committee on Estimates Hearing

Tuesday 20 June 2006

Question Taken on Notice

Mr Mulcahy: To ask the Treasurer:

In output 1.1, in the ’04/’05 budget, the estimated outcome was $4.3 million but the budget was 2.956. Why did it increase in that time? It’s almost an increase of 45 per cent.

Mr Hextell: Phillip Hextell, Director of Accounting. The main variance between the $2.9 million original budget and the 4.3 estimated outcome is to do with the reallocation of costs across our output classes due to changes in structure within Treasury, one of them being the transfer of the previous government business unit into finance and budget. And there was a redistribution of costs across the output classes, across the outputs associated with that move. So it’s just a technical redistribution of costs. There’s no underlying business activity which drives that.

Mr Mulcahy: Is there an accompanying decrease therefore in one of the other areas that I haven’t seen? It’s just a redistribution, it’s got to come from somewhere.

Mr Hextell: There is in a number of outputs. It affects all of the outputs. All of the outputs are impacted by it, with the exception of 1.4. So from 1.1 to 1.3 there are a number of ups and downs, but there are also quite a number of other adjustments which net off against that redistribution.

Mr Mulcahy: Is it possible to get a reconciliation of that, a written reconciliation?

Mr Hextell: Yes, that would be possible.

The answer to the Member’s question is as follows:

The increase represents correction of a $1.4m error made in the 2005-06 Budget relating to the transfer of the former Government Business Enterprises Unit from Output 1.1. to 1.2. Part of the decrease in total cost for Output 1.2 from the Original Budget is attributable to the matching $1.4m cost correction.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA **Date:………………………..**
Treasurer

39 Treasurer Richard Mulcahy

Payments to Small Business

RICHARD MULCAHY MLA: To ask the Treasurer: - In relation to payments made by the Treasurer's department to small business:

For 2004-05, (a) how many, and (b) what proportion, of payments made by the Treasurer's department to small business were not made within:

(i) 30 days of receipt of the goods or services and a proper invoice in accordance with Government procurement policy?

(ii) 60 days of receipt of the goods or services and a proper invoice in accordance with Government procurement policy?

The answer to the Member's question is as follows:

It is not possible to address this question as the Department's financial systems are not configured to identify which payments are made to small business versus other business.

Nor is it possible to determine the proportion of invoices paid within payment terms without these being checked individually, a time-consuming and uneconomic exercise.

However, Treasury seeks to ensure that payments are made expeditiously. In this context, Treasury is not aware of significant complaints being made about the timeliness of its payments to business.

Approved for circulation to the Select Committee on Estimates 2006.

Jon Stanhope MLA **Date:………………………..**
Treasurer

40 Treasurer Richard Mulcahy

Outstanding taxes, fees and fines owned the ACT Government

RICHARD MULCAHY MLA: To ask the Treasurer: - In relation to outstanding taxes, fees and fines owed to the ACT Government:

(iii) What is the total amount of outstanding taxes, fees and fines owed to the ACT Government that are over 120 days overdue?

(iv) Of this total amount:

a. What proportion comprises parking or traffic offence fines?

b. What is the amount of fines incurred by foreign diplomatic missions that remain unpaid and were incurred within the last two years?

(v) Which foreign diplomatic missions are the top five accumulators of unpaid fines?

The answer to the Member's question is as follows:

1. The total amount of outstanding taxes, fees and fines owed to the ACT Government, as at 31 May 2006, that are over 120 days overdue is $21.8 million. This amount does not include outstanding amounts owing on rates and land tax, which are secured over the land ownership, minimising the risk of default.

2. (i) 69 per cent or $17.6 million relates to parking and traffic offence fines.

   (ii) $0.1 million.

3. I do not believe it is appropriate to provide this level of detail in relation to foreign diplomatic missions, but for the information of Members of the Committee, I can inform you that there are 60 embassies or missions that have outstanding bills with the Territory.

Approved for circulation to the Select Committee on Estimates 2006.

Jon Stanhope MLA **Date:………………………..**
Treasurer

41 Treasurer Richard Mulcahy

Employees contract arrangements with INTACT

RICHARD MULCAHY MLA: To ask the Treasurer – In relation to Employment contract arrangements within InTACT**:**

In relation to the hiring of employees on contract arrangements within InTACT;

1. What are the different types of contract arrangements offered to employees by InTACT?

2. What types of job description are typically given to employees working on a contract basis? Are these types of job descriptions also available to employees working on a permanent full-time basis?

3. What are the parameters used to determine the remuneration of employees working on a contract basis?

4. How do the average rates of pay for employees working on a contract basis compare to their equivalent permanent full-time counterparts (where applicable)?

The answers to the Member's questions are as follows:

1. When possible InTACT offers temporary ACT Public Service contracts to suitable staff that are available on the Department of Treasury's Employment Register.

   In addition, InTACT has a sole provider managed service arrangement contract with Verossity for the supply of temporary or specialist staff that cannot be recruited permanently. Under this arrangement InTACT has a contractual arrangement with Verossity but not with the individuals that Verossity supply.

2. InTACT has Position Descriptions for all permanent and temporary positions and has a preference for using permanent staff where possible.

   InTACT does not distinguish between permanent and contract staff with regard to position descriptions. As far as is possible InTACT has the same work expectation of its permanent and contract staff, although employment conditions do differ.

3. Temporary ACT Public Service contracts are paid at the rates specified in the Department of Treasury Certified Agreement.

   Where contract staff are sourced through Verossity, they are paid against a market-rates schedule that has been negotiated between InTACT and Verossity. This schedule specifies Entry, Intermediate and Expert rates to be paid to the contractors against activity classification. Once a suitable contractor has been identified, InTACT negotiates a daily rate to the contractor based on an assessment of the individual against the position, the market rate and the length of the contract.

4. For specialist skills and where no equivalent permanent full time comparison is applicable, InTACT pays lower end market rates for contract staff. Where an equivalent full time comparison is applicable, InTACT pays a small premium for flexibility of employment.

Approved for circulation to the Select Committee on Estimates.   **Jon Stanhope MLA**   **Date:………………………..** **Treasurer**

55 Treasurer Richard Mulcahy

Functional and strategic review

RICHARD MULCAHY MLA: To ask the Treasurer - In relation to the Functional and Strategic Review:

Who were the consultants used on the review, on what matters did they report and how much was each one paid?

The answer to the Member's question is as follows:

1. While accounts have not been finalised or audited, the following table details the payments that have been made exclusive of GST. The table also includes an estimate for payment to be made to a consultant pending an invoice.

Consultant	Payment	Area of Advice
Greg Smith	$68,250	Reviewer
Prudence Ford	$40,000	Shared Services
ValueSourcing	$30,650	Information Technology
Ian Thomson	$45,240	Professional Accounting Services
Price Waterhouse Coopers	$50,000	Rhodium Asset Solutions
Bernie McKay and Associates	$10,000	Health Services
Alan Bansemer*	$10,000	Health Services
John Langoulant	$6,017	Vocational Education and Training; Procurement
Avila Ltd	$5,000	Economic Development
Like Minded Individuals	$5,000	Economic Development
Pinnacle Development Management	$3,750	Capital Upgrades Work Plan - Government Schools
University of Melbourne - Professor Richard Teese	$1,500	Education and Training

* Invoice yet to be received. The figure is an estimate.

Approved for circulation to the Select Committee on Estimates 2006.

Jon Stanhope MLA **Date:………………………..**
Treasurer

56 Treasurer Richard Mulcahy

ACT 2006-07 budget by ratings agency Standard and Poors Act

RICHARD MULCAHY MLA: To ask the Treasurer – In relation to comments about the ACT 2006-07 budget by the ratings agency Standard and Poors Act (sic) referred to by the Treasurer during Estimates Committee hearing on 20 June 2006:

1. What precisely were the comments about the ACT Budget to which the Treasurer refers made by Standard and Poors on 6 June?
2. What additional comments did Standard and Poors make about the longer term sustainability of the government's budget policy?
3. Did the Standard and Poors report of 6 June express any concerns about the short term and long term budgetary position?

Treasurer - The answer to the Member's question is as follows:

The answers to the Member's questions can be found in the attached press release dated 6 June 2006.

(with attachment)

Approved for circulation to the Member and incorporation into Hansard.   **Jon Stanhope MLA** **Treasurer** **Date:..........................**

57 Treasurer Richard Mulcahy

Use of wage price index

Mr MULCAHY: To ask the Treasurer –

In relation to the use of the Wage Price Index:

1. Is the projected Wage price Index for 2006-07 about 45 per cent greater than the Consumer Price Index?

2. What is the projected increase in revenue in each of the next four years from general rates and administrative fees and charges due to their being based on the Wage Price Index relative to what they would have been if based in the Consumer Price Index?

3. What administrative fees and charges will now be based on the Wage Price Index and how much revenue will be derived from each one?

The answer to the Member's question is as follows:

1. To maintain quality municipal services, government revenue needs to rise in line with costs. As wages are a significant component of the cost of providing government services, indexing revenues by growth in the wage price index (WPI) provides a better matching to these costs than indexing by the CPI.

2. Annual growth in the WPI has, on average, been around 1 percentage point higher than the CPI. For 2006-07, indexation based on the WPI is expected to be around 3.7 per cent, while indexation based on the CPI would have been around 3 per cent (based on the increase over the year to the December quarter 2005).

   In 2006-07 the application of WPI, rather than CPI, equates approximately to an additional $1.3 million for fees and $0.5 million for user charges based on the size of the revenue base. Fees and user charges are anticipated to increase marginally across the forward estimates as the revenue base increases.

3. While most existing fees and charges have been indexed at WPI, it is not possible to discuss on a line-by-line basis revenue from the application of WPI, rather than CPI. Numerous factors may be considered in determining fees and charges affecting inter-year comparison. Considerations may include comparisons with other jurisdictions and business activity.

Approved for circulation to the Select Committee on Estimates.   **Jon Stanhope MLA**   **Date:………………………..** **Treasurer**

58 Treasurer Richard Mulcahy

Capital gains in Government Financial Statistics basis

Mr MULCAHY: To ask the Treasurer –

In relation to the inclusion of capital gains in Government Finance Statistics basis for budgeting and reporting:

1. Does the Uniform Presentation Framework for GFS presentation provide for the inclusion of capital gains (or losses) in calculating the net operating balance?

2. Are long-term capital gains (as included in the government's budget presentation) available for current spending?

3. Does the inclusion of long term capital gains in the budget operating result accurately reflect the impact of the government's current policy and legislative operations?

4. What is the definition of "long term" in this context?

5. What is the reason for choosing 7.5 per cent per annum as the expected long-term gain on superannuation investments?

6. What is the process by which the expected long term-gain on superannuation investments will be adjusted if it turns out to be significantly different from the outcome? For example, how many years of actual losses will be tolerated before the expected long-term gain on superannuation investments is adjusted?

The answer to the Member's question is as follows:

1. The Uniform Presentation Framework (UPF) requires governments to present budget information in accordance with the Australian Bureau of Statistics' Government Finance Statistics (GFS) standard. As a general rule, the GFS net operating balance treats gains and losses on the value of assets as "other economic flows" and excludes these flows from the calculation of the net operating balance.

However, as explained in some detail in Budget paper No.3, the GFS statements prepared by state governments, and published by the ABS, incorporate the expected long term rate of return on superannuation assets in the net operating balance.

As noted in the Government's Budget papers (at page 8 of Budget paper No.3), this treatment has not been applied by the ACT in its Uniform Presentation Framework statements at this stage because, unlike state governments, the ACT is precluded from holding its superannuation assets in the CSS and PSS funds. The superannuation assets are instead held in the Superannuation Provision Account, a statutory fund in the general government sector.

Consequently, to allow the ACT budget to be compared on a "like by like" basis with the GFS balances reported by state governments, the primary measure for the 2006-07 budget is the GFS net operating balance incorporating long term expected capital gains on superannuation assets.

2. The long term capital gains are available to meet the Government's long term superannuation liabilities.

   It should be stressed that the accrual operating result records significant superannuation expenses each year that will not actually have to be paid in cash terms for many years into the future (when current employees retire). It is therefore quite logical and appropriate to also include the long term gains on superannuation assets in calculating the net operating balance. This is explained at page 9 of Budget Paper No.3.

   It follows that the capital gains are not immediately available for current spending, as they represent non-cash increases in the value of the underlying asset/s. Assets must be sold before any increase in their value can be made available for spending.

3. Yes.

4. The budget reflects the level of return on superannuation investments that is expected over a rolling period of approximately 10 years.

5. The investment objective of the Government is to achieve a real return (net of fees and inflation) of 5 per cent. This currently equates to a nominal average annual return of 7.5 per cent.

   This target is based on portfolio risk/return profile modelling provided by the Territory's asset consultant. This modelling is based on past asset class risk/return experience and future capital market assumptions.

   This target is reasonable when compared to other superannuation funds with asset allocations similar to the ACT. Since 1997 (the base year), the Superannuation Provision Account (SPA) has achieved an average annual rate of return of greater than 9.3 per cent (6.7 per cent real).

6. The SPA investment portfolio is configured to achieve a long term rate of return of 7.5 per cent. This could be changed in the future if it becomes apparent that higher returns can be achieved at the same level of risk, or if the Government decides to accept a lower rate of return in exchange for a lower level of risk.

   The performance of the portfolio, both over the short and longer term, is assessed on an ongoing basis and adjustments including alterations to the asset allocation or the addition or removal of an asset class, can be made to ensure that the investment objective is achieved.

Approved for circulation to the Select Committee on Estimates.   **Jon Stanhope MLA**   **Date:………………………..** **Treasurer**

59 Treasurer Richard Mulcahy

Land sales in Government Financial Statistics basis

Mr MULCAHY: To ask the Treasurer –

In relation to the inclusion of land sales in the Government Finance Statistics basis for budgeting and reporting:

1. Does the Uniform Presentation Framework for GFS presentation provide for the inclusion of revenue from land sales in calculating the Net Operating Balance?

2. Why has the government included revenue from land sales in its 2006-07 budget presentation?

3. Why will revenue from land sales be deleted from the GFS operating statements in 2008-09?

4. If, in the event, the budget (excluding revenue from land sales) is not in surplus by 2008-09 will the government continue to include revenue from land sales until the budget is in surplus without it?

The answer to the Member's question is as follows:

1. The GFS net operating balance excludes gains from the sale of land, as these are classified as asset sales.

   In consultation with the ABS, the LDA has been classified as a Public Trading Enterprise, to appropriately reflect the commercial activities of the entity. Consistent with this status, operating profits accrued by the LDA are paid to the general government sector as dividends and incorporated in the operating balance.

2-4. As noted above, receipts from land sales have not been included in the GFS net operating balance.

Approved for circulation to the Select Committee on Estimates.
Jon Stanhope MLA **Date:………………………..** **Treasurer**

60 Treasurer Richard Mulcahy

Water abstraction charge

RICHARD MULCAHY MLA: To ask the Treasurer - In relation to the Water Abstraction Charge:

How will revenue from the charge be used?

The answer to the Member's question is as follows:

All of the Water Abstraction Charge (WAC) is paid into consolidated revenue.

The first 25 cents of the WAC offsets costs incurred by the ACT Government for:

- water supply costs – for catchment maintenance and Government expenditure;
- scarcity value – the value associated with the consumptive use of water by the Territory preventing its alternative use for economically valuable purposes such as irrigation; and
- environmental costs – for costs relating to environmental flow, including the effect of storing water in dams on downstream flow.

The additional revenue from the 30 cents increase in the WAC provides a return on a valuable resource and assists in managing the demand for water.

Approved for circulation to the Select Committee on Estimates 2006.
Jon Stanhope MLA   **Date:………………………..** **Treasurer**

61 Treasurer Richard Mulcahy

Increase in INTACT budget

RICHARD MULCAHY MLA: To ask the Treasurer - In relation to the remark by Mr Vanderheide during Estimates Committee hearings on 20 June that “the increase in the InTACT budget is largely offset by decreases elsewhere. Staff move from IT positions and agencies to IT positions within InTACT” (page 48 of uncorrected *Hansard* proof):

1. What has been the value of reductions in funding “elsewhere” to fund in part the increase of $28.3 million (+28%) in the budget of InTACT?

2. In which areas of government have those reductions occurred and what is the reduction in each case?

The answer to the Member’s question is as follows:

1. The increase in InTACT’s 2006-07 budget is due mainly to the implementation of the information, technology and communications (ICT) reforms that involve the transfer of Agency ICT staff and business systems costs to InTACT.

   In relation to staffing, there will be an increase in staffing in InTACT offset by decreases in staffing in agencies. In relation to funding, because InTACT is funded by user charges, agencies themselves will continue to receive appropriations for their ICT costs which they will pay to InTACT. The increase in the InTACT budget is therefore fully funded by agencies.

2. As explained above, the InTACT budget is funded by user charges from agencies. In other words, agency funding has not been reduced to achieve the increase in the InTACT budget.

   Nevertheless, the ICT reforms will deliver significant net savings. These savings will largely be achieved by InTACT reducing its user charges. The projected ICT savings by agency are set out in Table 5.2.17 of Budget Paper No.3 (page 100).

Approved for circulation to the Select Committee on Estimates 2006.

Jon Stanhope MLA **Date:………………………..**
Treasurer

62 Treasurer Richard Mulcahy

Output 1.1 Financial Management

RICHARD MULCAHY MLA: To ask the Treasurer – In relation to Output 1.2, Financial Management:

1. Why did the cost of Output 1.2 increase from the 2005-06 budget amount of $28.362 million to the estimated 2005-06 outcome of $35.804 million, an increase of 26%?

2. Were any downward cost adjustments made elsewhere to offset the cost increase in Output 1.2?

3. If so, what was the value of each offsetting cost adjustments made elsewhere, and where was each one made?

The answer to the Member's question is as follows:

1. The estimated cost of Output 1.2 in 2005-06 has not increased from $28.362 million to $35.804 million. The 2006-07 Budget papers show that the estimated cost of Output 1.2 in 2005-06 has been revised downwards to $18.556 million. This is mainly due to lower than anticipated expenditure from the Restructure Fund which has been carried over to 2006-07.

   The estimated total cost of $35.804 million is the estimate for 2006-07. Of this projected total cost, $25.57 million is estimated expenditure from the Restructure Fund in 2006-07.

2. No.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA **Date:………………………..**
Treasurer

63 Treasurer Richard Mulcahy

Output 1.2 Economic Management

RICHARD MULCAHY MLA: To ask the Treasurer – In relation to Output 1.1, Economic Management:

What were the values of individual cost adjustments made elsewhere, and where were they made, in order to offset the $1.344 million (+45%) cost increase in Output 1.1 from the 2005-06 budget to the 2005-06 estimated outcome?

The answer to the Member's question is as follows:
The increase represents correction of a $1.4m error made in the 2005-06 Budget relating to transfer of the former Government Business Enterprises Unit from Output 1.1. to 1.2. Part of the decrease in total cost for Output 1.2 from the Original Budget is attributable to the matching $1.4m cost correction. This correction had no impact on the overall Treasury Budget, but simply affected the attribution of costs across the two outputs.

Approved for circulation to the Select Committee on Estimates.   **Jon Stanhope MLA** **Date:………………………..** **Treasurer**

64 Treasurer Richard Mulcahy

Impact of Utility land use permit

RICHARD MULCAHY MLA: To ask the Treasurer - In relation to the impact of the Utility Land Use Permit:

What is the projected impact likely to be on average telephone bills, gas bills, water bills and electricity bills?

The answer to the Member's question is as follows:

It is expected that the introduction of the Utility Land Use Permit will increase the costs to consumers of utilities. However, the size of the increase will depend on the extent to which these costs are passed on to consumers and the extent to which they are absorbed by the utility companies themselves.

Consequently, it is not possible to say precisely how much consumer bills will increase by. However, if the costs are passed on in full to consumers, it is estimated that the costs to an average household would increase by the following amounts:

- water — increase of $37;
- sewerage — increase of $22;
- gas — increase of $35;
- telecommunications — increase of $15; and
- electricity — increase of $28.

As noted above, utilities may choose to absorb some or all of the costs rather than pass them on in full to consumers. It is also possible that some charges will not be passed on immediately, particularly in relation to electricity costs that are regulated by a price direction under the National Electricity Code.

Approved for circulation to the Select Committee on Estimates 2006.

Jon Stanhope MLA **Date:………………………..**
Treasurer

65 Treasurer Richard Mulcahy

Future of Independent competition and regulatory commission

RICHARD MULCAHY MLA: To ask the Treasurer - In relation to the future of the Independent Competition and Regulatory Commission:

1. Will its administrative functions be moved to Treasury?

2. If not, what department will be responsible for the administration of the ICRC?

3. To whom will the ICRC report and be accountable?

4. Will its reports and recommendations be the responsibility of the minister responsible for its administration?

5. When the ICRC becomes part of a department will its reports on investigations of competitive neutrality complaints and government-regulated activities be made public?

6. To what extent will its powers to investigate and provide advice on the implementation of competition policy in the ACT and the effectiveness of regulatory activity undertaken by government agencies be influenced by the new arrangements?

The answer to the Member's question is as follows:

1. The ICRC is not being moved to Treasury.

2. The administration of the ICRC will be part of the Department of Justice and Community Safety.

3. The ICRC will be responsible to the Attorney-General and various other Ministers as currently required by the *Independent Competition and Regulatory Commission Act 1997* (ICRC Act).

4. Reports and recommendations of the ICRC will remain the responsibility of the independent Commissioner of the ICRC.

5. All reports on investigations are required to be presented before the Legislative Assembly by Part 4A of the ICRC Act and are not affected by the transfer of the ICRC to JACS.

6. The new arrangements for the ICRC will not affect the powers of the ICRC to investigate and provide advice on competition and regulation as this activity is prescribed under the ICRC Act.

Approved for circulation to the Select Committee on Estimates 2006.

Jon Stanhope MLA **Treasurer**	**Date:………………………..**

66 Treasurer Richard Mulcahy

Purchases of non-financial assets by Government

Mr MULCAHY: To ask the Treasurer –

In relation to purchases of non-financial assets by the government:

1. What are the reasons for the increase of $144 million (+52 per cent) over one year from the estimate for 2006-07 made in 2005-06 to the estimate made in 2006-07?

2. What are the reasons for the increase of $136 million (+78 per cent) over one year from the estimate for 2007-08 made in 2005-06 to the estimate made in 2006-07?

3. What are the major components of the increase?

4. Why does the government plan to increase its purchase of non-financial assets when it expects to have a negative net operating balance and a negative fiscal balance in both 2006-07 and 2007-08?

The answer to the Member's question is as follows:

1. The $144 million increase in the 2006-07 Budget for the purchase of non-financial assets, compared with the 2006-07 estimate included in the 2005-06 Budget, is largely due to:
   - an increase in the size of the 2006-07 new capital works program above original estimates of $38 million;
   - approximately $75 million in project rollovers from the 2005-06 capital works program;
   - $12 million in capital injection for recurrent initiatives which have an asset component; and
   - $12.5 million for the purchase of ICT assets which had previously been budgeted to be leased.

   A detailed breakdown of the New Capital Works Program and Rollovers can be found in 2006-07 Budget Paper Number 3, Chapter 6.

2. The $136 million increase in the 2007-08 estimate for the purchase of non-financial assets, compared with the 2007-08 estimate included in the 2005-06 Budget, is largely due to:
   - an increase in the size of the 2007-08 component of the 2006-07 new capital works program above original estimates ($88 million);
   - approximately $40 million increase in capital works rescheduled from previous years;
   - $6 million in capital injection for recurrent initiatives which have an asset component; and
   - $12.5 million for the purchase of ICT assets which had previously been budgeted to be leased.

   A detailed breakdown of the New Capital Works Program and Rollovers can be found in 2006-07 Budget Paper Number 3, Chapter 6.

3. The major components of these increases are identified above.

4. The 2006-07 capital works program announced by the Government provides for the future needs of the ACT by investing in a range of high priority capital projects, including the refurbishment of schools across the ACT, replacing medical equipment and expanding IT facilities in schools. The 2006-07 capital works program also includes significant funding for investment in major roads infrastructure.

   The continued strategic investment in non-financial assets is possible due to the Territory's existing strong cash balance position.

Approved for circulation to the Select Committee on Estimates.   **Jon Stanhope MLA**   **Date:………………………..** **Treasurer**

67 Treasurer Deb Foskey

Records management

Dr FOSKEY MLA: To ask the Treasurer - In relation to records management:

Q1. The records management function is being relocated from Treasury and Municipal Services to the Shared Services Centre (Financial Services):

a) Will there be a reduction in funding?

b) Will the Advisory Council continue?

c) Will there be a physical relocation of the Archives?

d) Are electronic as well as paper records kept?

e) Are the extra resources required to maintain electronic records being made available?

f) How will records managers and the Archives office be able to evaluate and communicate the impact of restructuring on their ability to perform their role?

The answer to the Member's question is as follows:

In answering this question it should be noted that the area transferring to the Shared Services Centre is the Records Services branch of the Department of Territory and Municipal Services (TAMS). This transfer does not include the Territory Records Office.

The Records Services branch provides a full range of records management for hard copy files in addition to mail/courier activities.

a) No, as the transfer of Records Services from TAMS only reflects a change in the reporting line.

b) Yes, as the Territory Records Advisory Council is associated with the Territory Records Office (which remains as part of TAMS), not Record Services, and is established in accordance with *Territory Records ACT 2002*.

c) Records Services does not have an archive area. They provide storage for files but do not fulfil a complete archive function.

There are no plans to relocate Records Services.

d) Yes. However, electronic records management is not a function of Record Services.

Each Agency in accordance with the *Territory Records Act* is responsible for the management of their electronic records.

e) No, Records Services does not have responsibility for electronic records, and is transferring as is, with no extra resources.

f) There will be no impact on Agencies from this change, as Record Services already operates as a shared services provider across government.

The ACT Government does not have an Archives Office.

Approved for circulation to the Select Committee on Estimates 2006.

Jon Stanhope MLA **Date:………………………..**
Treasurer

85 Treasurer Deb Foskey

Sustainable infrastructure fund

Select Committee on Estimates Hearing

Question Taken on Notice

Dr Foskey: To ask the Treasurer

I just wanted to say that I'd really like to see the criteria by which that funding was allocated because it sounds to me like quite a mixed list and also we'd like to see the guidelines and who evaluates if sustainability funding becomes part of the mainstream, how on earth is that evaluated to have occurred? Because, you know, that list you gave me, worthwhile projects, I am not sure what they have to do with sustainability.

Dr Grimes: Yes, now, Dr Foskey, we'd be very happy to take that on notice and Give you the evaluation criteria

The answer to the Member's question is as follows:

1. On 9 November 2005, in response to Question on Notice No.13, sub-question 9, from Dr Foskey during the hearings of the Standing Committee on Public Accounts on the Annual and Financial Reports 2004-05, the then Treasurer, Mr Quinlan, provided a copy of the Guidelines for the Sustainable Infrastructure Fund. Hansard Standing Committee on Public Accounts, Annual and Financial Reports 2004-05: Supplementary Information – Questions and Answers to Questions on Notice, page 44 onwards refers.

   A copy of the guidelines is attached.

Approved for circulation to the Select Committee on Estimates. **Jon Stanhope MLA** **Date:………………………..**

Sustainable Infrastructure Fund

Background

The ACT Government announced the Sustainable Infrastructure Fund in the 2004/2005 Budget to provide practical assistance for the implementation of the Government's sustainability policy, *People, Place, Prosperity (2003)*. This program provides the capacity to supplement existing capital works project allocations to enhance the environmental performance and sustainability of ACT Government infrastructure and public facilities.

Objectives

The program will enable ACT agencies to implement leading edge sustainability measures in conjunction with existing capital works projects and undertake smaller demonstration and testbed activities. Activities which may be supported by the fund will primarily focus on innovative demonstration projects and provide a demonstration effect for agencies and the broader community. Overtime, the activities which are supported by the Fund will be expected to encourage the wider adoption of sustainability measures in building and construction activities in the public and private sectors, including in the residential construction sector. Such activities will be aimed at improving the environmental performance of public facilities and infrastructure through:

- increasing energy efficiency;
- conserving and/or reusing water;
- reducing greenhouse gas emissions;
- exploring the use of alternative energy sources;
- exploring the use of materials and design elements to deliver cost effective enhancements.

Where possible, the projects supported will demonstrate and trial innovative approaches to improving the sustainability of infrastructure and public facilities. Lessons learned from projects supported by the Fund will help inform future bids for capital works funding and remove the need for a discrete fund in the later years of the Budget Forward estimates period and beyond.

The Fund may help ensure that sustainability elements are retained in capital works projects where tendered prises for individual projects exceed budget allocations. This will be dependent on sufficient monies remaining in the Fund for allocation for this purpose. Monies from the Fund will only be applied to meet the cost of sustainability elements and not to supplement general funding shortfalls.

The Fund is not available for normal maintenance purposes. It is also not available to support standard practices and well understood activities such as insulation using standard materials or other activities which are necessary to comply with existing building standards and other regulatory requirements. Such activities should be incorporated in normal budget bids or funded from on-going running costs and maintenance budgets.

Projects which demonstrate the application of approaches or technologies which currently are not generally utilised in the ACT region may be considered for funding. Projects may focus on achieving enhanced sustainability outcomes over the whole life of the underlying facility or during the construction phase.

Program Administration

The Fund is administered by ACT Procurement Solutions. Applications may be made by individual agencies or officers of Procurement Solutions on behalf of agencies.

Decisions on allocation of funds will be made by the Director, Procurement Solutions, following assessment by Branch officers. Where funds are sought to retain sustainability elements in a project where the tendered price exceeds project budget allocations, decisions on allocating funds will be made by the Director, Procurement Solutions in consultation with the Chief Executive of Treasury and the relevant agency Chief Executive.

The Funds will not be allocated in discrete rounds. In allocating funds, priority will be given to projects delivered through Procurement Solutions to ensure that the full costs and impacts of the initiative are accurately measured and identified for demonstration purposes and to help inform future capital works funding allocations for similar activities.

Application

Agencies intending to seek support from the Fund are encourages to discuss their intended application with officers of Procurement Solutions prior to lodgement of the application. Proposals seeking funding under this project will be required to:

- Demonstrate that the project is leading edge or innovative; and
- Outline how the proposed activity will lead to substantial environmental or other sustainability benefits; and
- Identify how the proposed project will demonstrate enhanced sustainability outcomes.

Applications should include:

- full details of the proposed project and any plans or drawings that have been developed;
- details of benchmark or other criteria in the following areas (where relevant) in support of the application:

  - energy use and efficiency;
  - water conservation and re-use;
  - material use and recycling;
  - improving the indoor environment;
  - waste minimisation;
  - space efficient design and orientation
  - reduction of emissions;
  - anticipated payback timeframe.

- details of the method by which the sustainability of the approach will be measured and demonstrated following completion of the associated construction activities.

Project Examples and further information on Sustainable Infrastructure

Sustainable Building and Construction, Implementing Green Building in WA
www.sustainability.dpc.wa.gov.au/docs/sustainablebuildingconstruction.pdf

Emissions Reduction Incentive Program (ERIP) Greenhouse Gas Reduction Initiatives, funded by Australian Greenhouse Office (AGO)
www.greenhouse.gov.au/government/operations.html

University of Technology, Sydney
http://www.sustainability.uts.edu.au/research/sinfra/

The Centre for Sustainable Design, Faculty of Engineering, Physical Science and Architecture, http://www.csdesign.epsa.uq.edu.au/index.php?dir=110

Applications are to be submitted to:

The Director
Procurement Solutions
3rd Floor, Dame Pattie Menzies House, North
16 Challis Street
DICKSON ACT 2602

OR

The Director
Procurement Solutions
PO Box 818
DICKSON ACT 2602

For further information contact:

Robyn Hardy
Manager
Policy Unit
Procurement Solutions

Phone: 6207 5876

86 Treasurer Brendan Smyth

Voluntary redundancies

Select Committee on Estimates Hearing

Tuesday 20 June 2006

Question Taken on Notice

Mr Smyth: To ask the Treasurer:

MR SMYTH: For the current - given that Dr Grimes has dragged the current year in, for the current year and the following year what are the expected number of redundancies, how many will be through attrition, how many will be voluntary and how much will the $14,500,000 cover? Exactly how much jobs?

The answer to the Member's question is as follows:

1. As part of the 2005-06 Budget savings measures, it was estimated that there would be 260 positions made redundant across 2005-06 and 2006-07. The 2005-06 Budget included capacity to fund voluntary redundancies for 192 officers in 2005-06. As of 23 June 2006, 134 officers have received a voluntary redundancy payment funded through the Restructure Fund.

2. While many of the estimated job losses due to the 2006-07 Budget savings measures will be managed through natural attrition, financial capacity for restructuring through voluntary redundancies was also considered necessary. The 2006-07 Budget has provided an additional $14.5 million for restructuring costs.

3. The purpose of this funding is to mainly provide capacity for voluntary redundancies and other support costs associated with restructuring activities. The estimate of redundancy costs is based on a number of assumptions, including the take up rate, the length of service and the payout per employee. The funding is estimated to provide capacity for 180-200 redundancies.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA **Date:………………………..**
Treasurer

87 Treasurer Bill Stefaniak

Gaming machine licensee

Select Committee on Estimates Hearing

Thursday 22 June 2006

Question Taken on Notice

MR STEFANIAK: To ask the Treasurer:

You mightn't have these figures off the top of your head, but could you provide a breakdown of how many Class C machines there are in operation and at which clubs and how many Class B machines there are currently licensed to hotels and taverns. If you have that figure at present I'd be grateful to get it, and if not …..

Mr Jones: Look I don't have those exact numbers, not by licensee Mr Stefaniak, so I'll take that on notice …..

The answer to the Member's question is as follows:

The attached table lists the names of each gaming machine licensee and whether they are a club, a general licensee (hotel) or an on licensee (tavern).

Also provided are the number and class of gaming machine that each licensee is permitted to operate.

Approved for circulation to the Select Committee on Estimates. **Jon Stanhope MLA** **Date:………………………..** **Treasurer**

Gaming Machine Licensee Summary as at 23 June 2006

Club Licensee		
Trading Name	**Class**	**Quantity**
ACT Public Service Sports Club Limited (Kaleen Sports)	C	150
ACT Rugby Union Club Incorporated (The)	C	15
ACT Tennis Association Incorporated	B (1), C (17)	18
Ainslie Football & Social Club Limited	C	219
Akuna Club Limited	C	35
Australian Croatian Club Limited	C	13
Austrian Australian Club Incorporated	C	17
Belconnen Bowling Club Incorporated	C	15
Belconnen Magpies Sports Club Limited	C	78
Belconnen Soccer Centre Limited	C	70
Belconnen Soccer Club Limited	C	74
Benjamin Club Limited	C	30
Braddon Club (The)	C	46
Calwell Club	C	85
Canberra & District Bocce Club Incorporated	C	6
Canberra Bowling Club Incorporated	C	11
Canberra City Bowling Club	C	9
Canberra Club Limited (The)	C	45
Canberra Highland Society and Burns Club Limited	C	130
Canberra Irish Club Limited	C	36
Canberra Labor Club Limited	C	225
Canberra Racing Club Incorporated	C	14
Canberra Raiders Leagues Club (Southside) Limited	C	150
Canberra Raiders Sports Club Limited	C	142
Canberra RSL Memorial & Citizens Club Limited	C	40
Canberra Services Club Limited	C	15
Canberra Southern Cross Club Limited	C	270
Canberra Tradesmen's Union Club Limited	C	400
Chisholm Sports Club	C	150
City Club (The)	C	50
City Labor Club	C	58
Croatia Deakin Soccer Club Limited	C	40
Eastern Suburbs Rugby Union & Amateur Sports Club Inc.	C	21
Eastlake Football Club Limited	C	90
Federal Golf Club Limited	C	9
Ginninderra Labor Club	C	95
Gungahlin Lakes Golf & Community Club	C	195
Harmonie German Club Incorporated	C	20
Hellenic Club of Canberra Limited	C	233
Hockey Centre Incorporated (The)	C	6

Italo Australian Club (ACT) Limited	C	60
Lanyon Valley Rugby Union & Amateur Sports Club	C	140
Magpies Golf Club	C	15
Murrumbidgee Country Club Incorporated	C	8
National Press Club Incorporated	C	10
Serbian Cultural Club "St Sava" Incorporated	C	27
Soccer Club Of Canberra	C	30
Southern Cross Club Tuggeranong	C	155
Southern Cross Yacht Club	C	30
Spanish Australian Club Incorporated	C	14
Trading name	**Class**	**Quantity**
Town Centre Sports Club	C	183
Tuggeranong Valley Leagues Club Limited	C	50
Tuggeranong Valley Rugby Union & Amateur Sports Club	C	231
Vikings Capital Golf Club	C	30
West Belconnen Rugby League Football Club Limited	C	153
West Deakin Hellenic Bowling Club Incorporated	C	12
Western District Rugby Union Club Limited	C	140
Weston Club (The)	C	90
Weston Creek Labor Club	C	63
Wests @ Kaleen	C	35
Wests @ Turner	C	16
White Eagle Club Incorporated	C	16
Woden Tradesman's Union Club	C	140
Yamba Sports Club	C	67
Yowani Country Club Limited	C	26
Club Sub-Total		**5066**

General Licensee (Hotels)		
Trading name	**Class**	**Quantity**
Bel Boa Pty Ltd T/A Statesman Hotel Motel	B	10
Bragon Traders Pty Ltd T/A Fyshwick Tavern	B	10
Bresheld Pty Ltd T/A Kambah Inn	B	10
Civicflow Pty Ltd T/A Civic Pub	B	10
Dawsal Pty Ltd T/A Kingston Hotel	B	10
Dohm Hotel Group Pty Ltd T/A Jamison Hotel Motel	B	10
Schwartz Family Co Pty Ltd T/A Olims Canberra Hotel	B	10
Hotel Sub-Total		**70**

On Licensee (Tavern)		
Trading name	**Class**	**Quantity**
G & B Enterprises (ACT) Pty Ltd T/A PJ O'Reilly's	B	2

Iousta Pty Ltd T/A Calwell Tavern	B	2
Ladron Pty Ltd T/A Federation Inn & Function Centre	B	2
Leslie Henry & Rhonda Henry T/A Moby Dick's Tavern	B	2
McBryohn Pty Ltd T/A Old Canberra Inn	B	2
Tochnetium Pty Ltd T/A Wood Duck Inn	B	2
Tavern Sub-Total		**12**
TOTAL LICENSED GAMING MACHINES		**5148**

88 Treasurer Brendan Smyth

Staff moving

Select Committee on Estimates Hearing

Thursday 22 June 2006

Question Taken on Notice

MR SMYTH: To ask the Treasurer:

All right, in terms of the staff. When the Chief Minister initially announced this project there was numbers like 1,200 staff affected with up to 800 staff moving. I note in your answer on the staffing it now looks a lot more like 600 staff have come across. What's the savings in staff across - and it might be a question for you, Treasurer. How many staff in the departments are losing their jobs when they don't - when the rest of their colleagues don't transfer to the Shared Services. And how many are staying embedded in the departments.

and

So 200 staff will go into the financial services output class. Do we know approximately how many finance staff will remain in the departments and what will they do?

The answers to the Member's questions are as follows:

The initial Shared Services announcement on 21 May 2006 stated that across the ACT Public Service, more than 1,000 staff are engaged in delivering core corporate services, which include human resource (HR) management, finance, information technology and communication (ICT), procurement and records services.

The breakdown of appropriate staff numbers in the Shared Services organisation will be as follows:

- InTACT - 500 (including DET and CIT ICT staff)
- Procurement – 80
- Records Management – 30
- Publishing Services – 10
- Human Resources Services – 200
- Finance Services – 200

It has been estimated that 650 full time equivalents (FTE) are employed in the delivering of human resource and finance management across government. This figure includes staff providing both strategic advice to support core corporate service business and those involved in more tactical or transactional roles.

Of the 650 FTE staff involved in the provision of HR and finance services across government approximately 70 positions will be cut, 400 will transfer into Shared Services (across both streams) and the remainder will stay within agencies and be focussed on the strategic clients of HR and finance. Of the 70 positions to be abolished, the reduction in staff will be achieved through a combination of natural turnover and voluntary redundancies. As previously advised to the Committee, it is not possible to say precisely how many job losses through voluntary redundancies will occur.

In addition, it is not currently possible to specify exactly how many finance staff will remain in Departments, as the Shared Services Transition Team is currently working on making the distinction between those staff involved in providing strategic advice and those involved in more tactical or transactional issues and designing the structure of the new organisation.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA **Date:………………………..**
Treasurer

89 Treasurer Brendan Smyth

Ambulance levy

Select Committee on Estimates Hearing

Tuesday 20 June 2006

Question Taken on Notice

Mr Smyth MLA : To ask the Treasurer:

How do the revenue estimates for Ambulance Levy on Page 43 of Budget Paper No. 3 equate to an increase of $3.3m in 2006-07?

The answer to the Member's question is as follows:

1. The Ambulance Levy will raise $10.6m in 2006-07 increasing to $11.9m in 2009-10.

2. The estimated outcome for 2005-06 is $8.2m against an original budget estimate of $6.9m. A compliance audit identified additional one-off revenue of $0.9m in 2005-06, and an on-going increase of $0.4m. The starting base for 2006-07 is therefore $7.3m.

3. The measure introduced in the 2006-07 Budget will raise an additional $3.3m, increasing the total revenue from Ambulance Levy to $10.6m.

4. The following table provides reconciliation across the budget and forward estimates.

Ambulance Levy

	2005-06 Budget ($'m)	**2005-06 Est. Out. ($'m)**	**2006-07 Estimate ($'m)**	**2007-08 Estimate ($'m)**	**2008-09 Estimate ($'m)**	**2009-10 Estimate ($'m)**
Base	6.9	8.2*	7.3	7.3	7.3	7.4
Budget Increase			3.3	3.7	4.1	4.5
2006-07 Revenue Estimate	6.9	8.2	10.6	11.0	11.4	11.9

* Includes one-off revenue of $0.9m following a compliance audit
Reference: 2006-07 Budget Paper No. 3 Page 43.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA **Treasurer**	**Date:………………………..**

97 Treasurer Deb Foskey

Construction and development projects

Dr FOSKEY: To ask the Treasurer – In relation to construction and development projects:

(1) Can a list please be provided of all the construction and development companies that the ACT Government is currently funding for construction and development projects, including how much ACT Government funding is being provided to each company and for which projects?

The answer to the Member's question is as follows:

(1) The ACT Government engages construction and development companies, via tender processes, to deliver building and construction projects on behalf of the ACT community.

Details of all building and construction contracts above $50,000 are available from the ACT Government Contracts Register on the BASIS website at: www.basis.act.gov.au, which is located under the menu option: '*Contracts from July 03*'. To view the list of such contracts, select: '*Search Contracts*'. From the drop down box of the field headed '*UNSPSC*' (United Nations Standard Products and Services Code) select: '*Building and Construction and Maintenance Services*'.

Search results from the Contracts Register may be cut and pasted into programs such as Microsoft Excel or Word for further filtering and review as required.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA **Date:………………………..**
Treasurer

109 Treasurer Brendan Smyth

Increase in ambulance levy

Select Committee on Estimates Hearing

Tuesday 20 June 2006

Question Taken on Notice

Mr Smyth MLA: To ask the Treasurer:

If you read on page 40 [Budget Paper No. 3] on the ambulance levy it actually says the ambulance levy on health funds will increase to a level that recovers the full cost of ambulance services. So what this does is apportion to those in health funds the full cost of ambulance services, then, I assume - unless you're about to tell us that you're not going to charge those who aren't in health funds, but I assume you'll cover - you'll continue to ask them for the ambulance transport costs. So is it the intention of the government to turn a profit on the ambulance service and double dip or is this incorrectly worded and only recovers that proportion of the cost of those in the health fund?

The answer to the Member's question is as follows:

1. The increase in Ambulance Levy is to cover the cost of the ambulance service net of revenue collected in relation to patient transport and fees collected from people who are not members of health funds.

2. The direct cost of Ambulance Service in 2005-06 is estimated at $13.9m. In addition, there are corporate overheads and administration costs to support the Ambulance Service.

3. Total revenue related to the Ambulance Service in 2006-07 is estimated at $13.8m. This includes:

   - $10.6m from the Ambulance Levy (response to a separate question on notice explains how this estimate incorporates an increase of $3.3m);

   - $2.1m from own source revenues such as patient transport and standby fees. This includes the increase of $0.5m related to Ambulance Transport Fees; and

   - $1.1m of revenue from the Road Rescue Fee attributed to the Ambulance Service.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA **Treasurer**	**Date:………………………..**

110 Treasurer Richard Mulcahy

Special employment arrangement

Select Committee on Estimates Hearing

Thursday 22 June 2006

Question Taken on Notice

Mr Mulcahy :To ask the Treasurer – Well can I ask on notice maybe, Mr Vanderheide, if you could take this to indicate a percentage or the numbers of those 80 people that are remunerated at a rate significantly higher than they would enjoy as members of the ACT public service? I'm asking you to take it on notice. You don't have to have that figure today. But I think it goes to the point as to whether these people in fact are employees by another name.

The answer to the Member's question is as follows:

For the purposes of this response, "significant" is taken to mean where the rate to the contractor exceeds the maximum rate payable under the Special Employment Arrangements specified in the Department of Treasury Certified Agreement 2004-07, i.e. 1.4 times the maximum rate at that level.

As at 23 June 2006, InTACT obtained 78 contractors through Verossity. Of these, 45 received a rate of pay higher than that available under a Special Employment Arrangement. However, it should be noted that contractors do not receive a number of benefits available to employees including annual leave. It should also be noted that InTACT has relied on contractors to fill specialist skill needs for many years, and the proportion of contractors in InTACT's overall staffing is now lower than at any time since 1999-2000.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA **Date:………………………..**
Treasurer

111 Treasurer Richard Mulcahy

Road rescue levy

Select Committee on Estimates Hearing

Thursday 22 June 2006

Question Taken on Notice

Mr Mulcahy: To ask the Treasurer:

Just supplementary to Mr Pratt's point on this levy, what's the rescue levy on car registration worth in terms of revenue and what's happening.

The answer to the Member's question is as follows:

1. The Road Rescue Fee on a car registration is $16. The revenue estimated from the Fee in 2006-07 is $3.7m.

2. The Fee helps fund the provision of all emergency services for people who have been injured in a motor vehicle accident on a public road within the ACT. This includes Fire Brigade services at accident scenes and ambulance transportation to the nearest hospital.

Approved for circulation to the Select Committee on Estimates. **Jon Stanhope MLA** **Date:………………………..** **Treasurer**

112 Treasurer Steve Pratt

Basis of $20 million fire levy

Select Committee on Estimates Hearing

Thursday 22 June 2006

Question Taken on Notice

Mr Pratt MLA: To ask the Treasurer:

Chair, can I ask the Chief Minister to take on notice and to provide this committee with a detail of what the determining basis of that $20 million levy is, why is it $20 million? Exactly what decisions were taken to target that amount of money.

The answer to the Member's question is as follows:

4. The cost of Fire Brigade services in the ACT including direct and support costs is $40.6 million. This excludes the cost of State Emergency Service and Rural Fire Service.

5. The ACT receives $7.4m from the Commonwealth to provide fire services to Commonwealth property. The net cost of the Fire Brigade Service in the ACT is $33.2m.

6. Fire and emergency services levies in other jurisdictions generally recover approximately 75 percent of the costs of services.

7. The Government has decided to recover $20m, which equates to approximately 60% of the net costs.

8. A further $2.5 million is recovered through the Road Rescue Fee. The Fee helps fund the provision of all emergency services for people who have been injured in a motor vehicle accident on a public road within the ACT including Fire Brigade services at accident scenes.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA **Date:………………………..**
Treasurer

136 Treasurer Steve Pratt

Jurisdictions – Government owed utilities

Select Committee on Estimates Hearing

Thursday 22 June 2006

Question Taken on Notice

Mr SMYTH: To ask the Treasurer –

What jurisdictions were looked at, were you aware of, data was gained from that you might be able to provide the committee that led you to put this tax on, and the basis of this tax.

The answer to the Member's question is as follows:

The charge to be imposed relates to the use by utilities of unleased land in the Territory. In other jurisdictions, this use is the subject of formal arrangements, including easements and permits. In the Territory, this use is generally attended by no formality, and no direct economic benefit is gained by the Territory from utilities building and maintaining infrastructure over unleased Territory land.

In preparing the 2006-07 Budget, the Government was advised of a variety of payments based on land usage that are payable by some or all utility companies operating in all other States, apart from in South Australia. The form of these payments varies and includes municipal rates, land tax, and leasing or licence fees.

In some jurisdictions, Government owned utilities that are otherwise exempted from government charges are required to pay equivalent — administratively based — payments to the relevant state or territory for reasons of competitive neutrality.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA **Date:………………………..**
Treasurer

158 Treasurer Smyth

Reduce allocation from $47 mil to $25 mil

Select Committee on Estimates Hearing

Thursday 22 June 2006

Question on Notice

Mr Smyth: To ask the Treasurer

Which is what allows you to reduce the allocation from $47 million to $25 million this coming year?

Dr Grimes: I'm not sure of the figure that you're referring to there, are you able to refer me to - - -

MR SMYTH: My understanding is that – I'm just trying to find the page - - -

The answer to the Member's question is as follows*:*

The table referred to in the question is a reconciliation of the changes to the Capital Injection appropriation to be received by the Superannuation Provision Account (SPA) from the 2005-06 Budget to this 2006-07 Budget.

The SPA holds the assets necessary to meet the Territory's future superannuation liabilities under the defined benefit superannuation schemes (the CSS and PSS).

The amount of cash that needs to be contributed to the SPA to meet the Government's long term funding target for superannuation is reviewed periodically to take account of the impact of actuarial and other changes.

The Government's previous target was to achieve 90 per cent funding of the total CSS and PSS superannuation liability by 2040.

The table referred to in the question shows that this funding target could be met by reducing cash contributions to the SPA by $46.5 million in 2006-07 relative to the level estimated at the 2005-06 Budget. This reflects the impact of the new accumulation superannuation arrangements as well as the net impact of actuarial variations.

The new accumulation superannuation arrangements require superannuation for new employees to be paid each fortnight. This means that less cash now needs to be set aside in the SPA to meet future superannuation payments because new employees will generally not be eligible for membership of the CSS and PSS (which only pay benefits when employees retire or leave the public service).

Separately, as a result of the introduction of the new accumulation superannuation arrangements, the Government has brought forward the date for funding the

Territory's defined benefit superannuation liabilities. The new target announced in the 2006-07 Budget is to fully fund those CSS and PSS liabilities by 2030.

The table shows that cash contributions to the SPA need to be increased by $25 million in 2006-07 to meet this new target.

In summary, under the old funding target, cash contributions to the SPA could have been reduced by $46.5 million in 2006-07. This is because superannuation for new employees is now paid on a "pay as you go" basis. However, this is partly offset by the fact that the new target (to fund 100 per cent of defined benefit superannuation liabilities by 2030) requires more cash to be put aside each year in the SPA relative to the target of 90 per cent funding by 2040.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA **Date:………………………..**
Treasurer

167 Treasurer Brendan Smyth

First homeowner's grant scheme

Mr SMYTH: To ask the Treasurer – In relation to the First Home Owners' Grant scheme:

4. How many instances of fraud have been identified against this scheme during 2003-04, 2004-05 and 2005-06.

5. Were any people who committed acts of fraud against the scheme under the age of 18; if so, did these people have approval from the Commissioner for ACT Revenue to apply for assistance under this scheme.

6. What types of fraud have been identified.

7. What action has been taken against people who have committed these fraudulent acts.

8. What loss has been incurred by the ACT Government as a consequence of any fraudulent acts.

9. What action has been taken by the ACT Government to counter fraud against this scheme.

The answer to the Member's question is as follows:

1. The number of assessments issued to applicants found ineligible to retain the grant is listed below. In some instances potential fraud was identified and these matters were referred to the Director of Public Prosecutions (DPP) for consideration and action. The number of cases referred to and dealt with by the court are listed.

Year	Number of re-assessments	Number of court proceedings	Amount of revenue collected (including penalties & interest)
2003-04	24	2	$209,883.28
2004-05	14	1	$159,207.09
2005-06	47	2	$599,060.67
Year-to-date 2006-07	1	3 pending	$13,551.22

2. There were no acts of fraud committed by applicants under the age 18.

3. The types of issues identified where assessments are issued include:

a. Applicant/s who had owned propert(y)ies;

b. Non-declaration of a spouse or partner who had owned propert(y)ies;

c. Applicant/s retaining the grant where residency requirements have not been met;

d. Applicant/s providing false or misleading information or making a false or misleading statement; and

e. Applicant/s retaining the grant when settlement did not proceed, i.e. the applicant/s did not purchase the grant property.

4. Assessments are issued for the repayment of the grant and, depending on the circumstances, interest and penalties may also be applied. Where cases of fraud have been identified, these matters are referred to the DPP for further legal action.

5. In 2005-06, a loss of $14,542.60 was incurred as a result of writing off a grant ($7,000.00), penalties ($5,250.00) and interest ($2,292.60) which was unrecoverable.

6. The ACT Government undertakes the following actions to counter the level of fraud related to FHOG applications:

   a. conduct 100% check on all FHOG application by data matching against the national database;

   b. penalties up to 100% and/or interest are applied to assessments issued to ineligible FHOG applicants;

   c. pursuing court proceedings (and criminal convictions, where possible) to highlight the seriousness of instances of fraud to the public;

   d. ACT Treasury actively engaged in public education activities via the presentation to various forums to members of the public and various stakeholders (e.g. financial institutions, loan brokers, the law society);

   e. ACT Treasury is liaising regularly with interstate jurisdictions on the latest administrative and compliance audit issues to share experience and knowledge.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA **Date:………………………..**
Treasurer

201 Treasurer Zed Seselga

Sales, advertising and marketing costs

Mr SESELJA: To ask the Treasurer –

In relation to sales, marketing and advertising costs of Government Departments:

5. What is the total amount spent on sales, marketing and advertising costs across all Government Departments in the 2005-06 financial year?

6. What are the projected sales, marketing and advertising costs across all Government Departments for the 2006-07 financial year?

The answer to the Member's question is as follows:

2. Total unaudited expenditure on sales, marketing and advertising across all Government Departments for the 2005-06 financial year is approximately $3.2 million.

   This expenditure includes some of the costs associated with the provision of important information to the community about government services, legislation and regulations in a wide range of areas, but does not include costs associated with advertising vacant positions.

3. Agency budgets often do not go down to this level of detail, although actuals for 2005-06 are indicative of likely expenditure to be incurred during the 2006-07 financial year. The exception to this is the impact associated with ACTION being classified as a government department from 1 July 2006, which increases the forecast expenditure for 2006-07 by $1 million.

Approved for circulation to the Select Committee on Estimates. **Jon Stanhope MLA**   **Date:………………………..** **Treasurer**

285 Treasurer Jacqui Burke

Summary of non appropriation new works

Mrs BURKE: To ask the Treasurer –

1. Indicate where the Table exists in Budget Paper 3, 2006-07 on the Summary of Non Appropriation New Works under the Capital Works program that refers to Off Budget Projects;

2. If the table does not exist, where are Off Budget Capital Works projects formerly reflected elsewhere in the Budget Papers for 2006-07.

The answer to the Member's question is as follows:

1. This information was not included in the Capital Works chapter to allow for a greater focus on the Budgeted Capital Works Program.

2. Whilst not identified specifically in the 2006-07 Budget papers, information regarding Off Budget Capital Works can be derived from agencies financial statements in Budget Paper 4. For example, ACTEW's Off Budget Capital Works is easily identifiable as the Purchase of Property, Plant and Equipment on the Cash Flow statement on page 439, in 2006-07 Budget Paper 4.

   Agencies also report on both Budgeted and Off Budget Capital Works Programs in Annual Reports.

Approved for circulation to the Select Committee on Estimates.

Katy Gallagher MLA
Date:………………………..
A/g Treasurer

287 Treasurer Richard Mulcahy

Estimates revenue for the road rescue fee

Mr MULCAHY: To ask the Treasurer – In relation to the estimated revenue from the Road Rescue Fee:

In an answer to a QoN from Mr Mulcahy (No. E06-111) on 22 June 2006, it was stated that:

"…the revenue estimated from the (Road Rescue) Fee in 2006-07 is $3.7 million…"

In another answer to a QoN from Mr Pratt (No. E06-112) on 22 June 2006, it was stated that:

"…$2.5 million is recovered through the Road Rescue Fee…"

1. Given these two contradictory statements, what is the actual figure that the Road Rescue Fee is estimated to recover?

The answer to the Member's question is as follows:

1. The revenue estimated from the Road Rescue Fee in 2006-07 is $3.7 million as indicated in the response to Mr Mulcahy (E06-111). Of this $2.5 million is attributed to the ACT Fire Service, as indicated in the response to Mr Pratt (E06-112). The remaining $1.2 million is attributed to the ACT Ambulance Service.

Approved for circulation to the Select Committee on Estimates.

Katy Gallagher MLA **Date:………………………..**
Acting Treasurer

288 Treasurer Richard Mulcahy

New ACT fleet financing Arrangements

Mr MULCAHY: To ask the Treasurer – In relation to the new ACT Fleet Financing arrangements in the 2006-07 Budget:

1. Please explain the new ACT Fleet Financing arrangements as of 1 July 2006 as outlined in the 2006-07 Budget.

The answer to the Member's question is as follows:

1. Prior to 30 June 2006, all agencies were required to lease all passenger and light commercial motor vehicles ("ACT Fleet") from Rhodium Asset Solutions under a whole of government finance facility in place with Macquarie Bank.
2. The Macquarie Bank finance facility is no longer available to finance new vehicles after 30 June 2006.
3. The terms and conditions of the operating lease arrangements for all vehicles remaining under lease via the Macquarie Bank financing facility with Rhodium as at 30 June 2006 will continue unchanged, until each lease expires and the vehicles are returned to Rhodium for disposal.
4. From 1 July 2006 the new arrangements to apply for new ACT Fleet vehicles include:
   - ACT Fleet requirements will continue to be established under a centralised finance lease arrangement and all agencies continue to be tied to the centralised facility whilst commercial authorities/corporations have the option to access the centralised facility;
   - Rhodium will continue to provide the fleet leasing and fleet management services;
   - Financing for new vehicles will be provided internally from the Territory Banking Account to Rhodium in the form of monthly loans;
   - The form of lease applying to all new vehicles will be a Finance Lease, this means:
     - Agencies (lessees) will receive the full benefits and bear the risks of ownership associated with the vehicle over the lease term;
     - Rhodium retains full title to the vehicle, notwithstanding:
       : the delivery of the Vehicle to the Lessee; and
       : the possession, registration and use of the Vehicle by the Lessee;
     - Agencies will be required to account for these leases as Finance Leases in their monthly and annual financial statements;

- The **minimum** lease term is 24 months and where possible all leases should be fixed for this term and longer term leases should be sought only in special circumstances;
- New vehicle leases will be invoiced monthly, in advance, with the first monthly invoice including the first annual cost of registration and insurance; with
  - all other costs not included in the lease rental to be invoiced to agencies directly by Rhodium as they are incurred; and
  - at the expiry of the lease, the vehicle is required to be returned for disposal, which will be managed by Rhodium, with:
    - : any sale proceeds in excess of the residual value set in the lease schedule being returned to the agency; or
    - : any shortfall on sale being at the agency's cost.

Approved for circulation to the Select Committee on Estimates.   **Katy Gallagher MLA** **Date:………………………..** **Acting Treasurer**

289 Treasurer Richard Mulcahy

Planned redundancies in the ACT Public Service

Mr MULCAHY: To ask the Treasurer –

In relation to planned redundancies in the ACT Public Service:

1. What is the anticipated cost of redundancies planned for the ACT Public Service in the 2006-07 period?

The answer to the Member's question is as follows:

1. The total cost will depend on the level of job reductions that will be achieved through natural attrition. While there is not a firm figure, it is estimated that around 180 to 200 redundancies could be required as a result of measures in the 2006-07 Budget. In addition, in the 2005-06 Budget it was estimated that 68 redundancies would be required in 2006-07 from the measures contained in that Budget.

   Depending on the actual number of redundancies and average payment rates, the estimated cost in 2006-07 could be up to approximately $19 million. Provision for these costs, together with other restructuring costs, is made in the Restructure Fund administered by the Department of Treasury.

Approved for circulation to the Select Committee on Estimates.

Katy Gallagher MLA **Date:………………………..**
A/g Treasurer

290 Treasurer Richard Mulcahy

Functional Review

Mr Mulcahy: To ask the Treasurer:

In relation to the Functional Review:

1. How many staff hours / days did the review take?

Of the Staff employed to undertake the review:

2. How many were ACT Public Sector staff?

3. How many were Treasury Staff?

4. Where did the remainder of the staff come from?

5. Were the costs of seconded / transferred staff treated as an expense against their substantive positions or was there a separate budget for the Functional Review?

6. Were any consultants employed by, or contracted, to the review? If so who where they, what work did they do, how much was paid to them and from which departmental budget were the payments made?

The answer to the Member's question is as follows:

1. It is estimated that 11 staff worked full time on the review between November 2005 and April 2006. An additional 6 staff spent approximately 50 per cent to 80 per cent of their time on the review over eight to twelve weeks in early 2006.

2. There were 17 public sector staff involved in the review.

3. Nine of the 17 staff were from Treasury.

4. Eight staff were seconded from the following agencies:
   a. ACT Health;
   b. Department of Disability, Housing and Community Services;
   c. Department of Economic Development;
   d. Department of Education and Training; and
   e. Chief Minister's Department.

5. The costs of seconded staff were treated as an expense against their substantive positions.

6. A number of consultants were used in the Review. While accounts have not been finalised or audited, the following table details the payments that have

been made to these consultants exclusive of GST. Payments were made from the Treasury Budget. No payments were made to the lead Reviewer Mr Michael Costello.

Consultant	Payment	Area of Advice
Greg Smith	$68,250	Reviewer
Prudence Ford	$40,000	Shared Services
Value Sourcing	$30,650	Information Technology
Ian Thomson	$45,240	Professional Accounting Services
Price Waterhouse Coopers	$50,000	Rhodium Asset Solutions
Bernie McKay and Associates	$10,000	Health Services
Alan Bansemer*	$10,000	Health Services
John Langoulant	$6,017	Vocational Education and Training; Procurement
Avila Ltd	$5,000	Economic Development
Like Minded Individuals	$5,000	Economic Development
Pinnacle Development Management	$3,750	Capital Upgrades Work Plan - Government Schools
University of Melbourne - Professor Richard Teese	$1,500	Education and Training

* Invoice yet to be received. The figure is an estimate.

Approved for circulation to the Select Committee on Estimates.

Katy Gallagher MLA **Date:………………………..**
Acting Treasurer

336 Treasurer Deb Foskey

Medical malpractice

Select Committee on Estimates Hearing

Tuesday 4 July 2006

Question taken on notice

Dr FOSKEY MLA : To ask the Treasurer:

Yes, I'd just like to explore the medical malpractice and public liability lawsuits. I think you've indicated that obstetrics form a percentage of those lawsuits, but I wonder if you could tell us what other types of lawsuits generate the bulk of these claims and how many are malpractice and how many are public liability suits?

The answer to the Member's question is as follows:

As at 30 June 2005, ACTIA's provision for Medical Malpractice claims was $68.7m, 60% of the total provision for all liability classes.

Public Liability claims accounted for $37.7m, or 33%, of the provision.

By contrast, there were 250 open claims for Medical Malpractice and 256 Public Liability claims, comprising 45% and 46% respectively of the total number of open liability claims.

Of the 250 medical claims, 66 or 12% of the total liability claims related to birthing claims.

The remainder of liability claims were for Professional Indemnity and Directors and Officers liability matters.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA **Date:………………………..**
Treasurer

362 Treasurer Vicki Dunne

Queensland government fleet management unit

Select Committee on Estimates Hearing

Tuesday 4 July 2006

Question Taken on Notice

Mrs DUNNE MLA : To ask the Treasurer:

Not so much about meeting the needs as when the lease comes to an end and you on-sell them, will you have the capacity to on-sell them? I've become aware that the Queensland government went down this path and had a great deal of difficulty shifting the vehicles at the end of the lease.

Mr Moore: Well, for a normal 4-cylinder vehicle I'm unaware of any difficulty we would have in selling them through auction, bearing in mind that under the new fleet arrangements we have with the ACT government the residual value risk of these vehicles doesn't lie with Rhodium, it lies with the agencies. And we estimate at the start of the lease what that expected residual value will be. We've got a number of people on staff who are pretty expert at that, and that would be calculated into the lease payments. If at the end of the lease period an agency made a profit or a loss on that residual value, they would either get the profit or take the loss. But I've had a lot -

MRS DUNNE: But you're not aware of the difficulties that Queensland apparently encounter?

Mr Moore: No. Look, I'd have to take that on notice if you wanted me to be sure.

MRS DUNNE: Could you? Thank you.

The answer to the Member's question is as follows:

Q Fleet (the Queensland Government fleet management unit) has confirmed that it incurred some residual losses on the sale of 4-cylinder vehicles over the last year. Q Fleet has advised that the reasons for these losses are commercial-in-confidence.

In contrast to Q Fleet, Rhodium has experienced strong demand for ex-ACT Government 4-cylinder vehicles at auction in the last 12 months. The returns on sale of 4-cylinder vehicles in 2006 have been on average $1,000 higher than the corresponding period in 2005.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA Date:………………………..

Treasurer

364 Treasurer Richard Mulcahy

Wage price index

Select Committee on Estimates Hearing

Thursday 22 June 2006

Question Taken on Notice

Mr MULCAHY: To ask the Treasurer –

In terms of the impact of the new formula of the wage price index formula on administrative fees and charges, you've obviously factored that in to your forward projections, this may be one for Dr Grimes, Treasurer, what are the percentage increases over the forward years that are likely to be - and you may have to take this on notice, that are likely to be enjoyed in revenue increases, as opposed to the increases you would have enjoyed had you applied the CPI, for instance. Over the next, say, three years.

The answer to the Member's question is as follows:

For 2006-07, indexation based on the WPI is expected to be 3.7 per cent, while indexation based on the CPI would have been 2.75 per cent. Based on the size of the revenue base, in 2006-07 this equates approximately to $1.3 million for fees and $0.5 million for user charges, both increasing marginally across the forward estimates as the revenue base increases.

It should be noted, however, that the budget and forward estimates take into consideration a number of other factors when determining fees and user charges including the cost of associated services and comparisons with other jurisdictions.

Approved for circulation to the Select Committee on Estimates.

Jon Stanhope MLA **Date:………………………..**
Treasurer