



Government Response

to the Report of the
Select Committee on Estimates
2002-2003

Tabling Statement

August 2002

Ted Quinlan MLA
Treasurer

Mr Speaker, I present the Government response to the report of the Select Committee on Estimates 2002-2003.

Mr Speaker, the Government is quite proud of this year's Budget. It has been set in an economic and financial climate that is tighter than that experienced by our predecessors over the past two years. It delivers an aggregate surplus over the life of the budget and forward estimates, and an expected surplus for the 2002-2003 financial year.

This budget also presents our vision for shaping Canberra's future. It outlines what we stand for and how we will deliver on our priorities.

And this budget also delivers on the promises we made to the citizens of Canberra leading into the 2002 Election.

Mr Speaker, the Select Committee's report discusses a wide range of issues. However, there do not appear to be any major issues that go to the fundamentals of the Budget.

Certainly it would have given the Government greater satisfaction to have been able to address more areas of need in the community, however, financial constraints will always exist.

The Government's Response addresses the Estimates Committee's 65 recommendations, on their merits.

I will not take the Assembly's time by working through 65 recommendations. They are discussed in the Response document. I will, nevertheless, touch on a few.

Firstly, I observe that several recommendations reflect discussions in the Estimates Hearings that, in turn, centred on "when" and "how" the Government was implementing several of its programs or projects.

We appreciate that Assembly members wish to be fully apprised of the Government's actions, and we will do what we can to provide such information. However, sometimes it may not be possible or advisable to "telegraph" all actions. As stated, we will do our best.

As to some of the recommendations:-

The Committee recommended that it should be standard Government practice to undertake a rigorous and independent cost benefit analysis for significant projects. Arrangements for this

are already underway. The Department of Treasury is already developing a standard process for preparing financial and economic analyses of major projects. A Major Project Analysis Section has been created in Treasury to work with agencies to improve the quality of financial and economic information provided to government.

The Committee also recommended that the Government advertise the existence of its insurance premium hotline until public awareness of it is satisfactory. The response tabled today provides the Assembly with the details of what is already in motion.

Let me first advise that I am aware of the limitations of “public notice” style advertising as a sole means of communication. It may afford the opportunity to make claims of notifying the general public, but there is no certainty of widespread dissemination of the particular message.

We, constructively, set about targeting the most affected parties. We conducted a number of seminars and meetings with community organisations and umbrella community groups. At these the availability of the hotline has been advised.

Additionally, the hotline has been widely advertised, in the Canberra Times on 27 and 31 July 2002, the Valley Voice on 2 August 2002 and Canberra Chronicle 13 August 2002.

Mr Speaker there are 13 recommendations to which the Government does not agree. I will not respond to these recommendations in detail in the tabling statement. Those are outlined in the response. I would, however, like to take this opportunity to touch on one of the Committee's recommendations.

The Committee recommended that workplace managers must seek full involvement of workplace employees in the first instance for the negotiation of workplace general agreements, and guarantee that while workers will have the option to appoint any union to represent their negotiations, they are not bound to union representation if they desire to represent themselves.

The Government recognises the importance of employees being involved in and consulted about the development of certified agreements. The agreement must be approved by a majority of employees before the Australian Industrial Relations Commission can certify the agreement.

However, under the Workplace Relations Act 1996, certified agreements in the ACT Public Sector may take the form of either an agreement with the relevant union(s) (under s170LJ), or an agreement with employees (under s170LK). The Government's preference is for agreements with unions and it is within this model that we have started discussions with the unions.

Mr Speaker, in general the recommendations raised by the Committee, do not raise any serious issues in relation to the 2002-03 Budget. In particular no issue that would prevent the passing of the Appropriation Bill.

I appreciate the work of the Select Committee on Estimates and its support staff. I also appreciate the hearing given to my officers and I at the Estimates hearings.

Mr Speaker, I commend the Government Response to the Assembly.



AUSTRALIAN
CAPITAL TERRITORY

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN
CAPITAL TERRITORY**

GOVERNMENT RESPONSE TO THE

SELECT COMMITTEE ON ESTIMATES 2002-03

BUDGET 2002-03

27 August 2002

INTRODUCTION

The Select Committee on Estimates tabled its report on the 2002-2003 Budget on Monday 19 August 2002.

Of the 65 recommendations in the Select Committee's Report, there is only 13 recommendations to which the Government has not been able to respond positively. These are discussed in the Government's Response.

For the majority of recommendations the Government has either provided additional information within this report or has indicated specific action that is already underway or where specific action will occur in the future.

The Government thanks the Committee for its detailed analysis of the 2002-03 Budget and looks forward to the Committee's future involvement in consideration of issues within the fiscal constraints of the Government.

RESPONSE TO RECOMMENDATIONS

Recommendation 1

2.7 The Committee recommends that community groups be engaged earlier in the estimates process so that issues raised by the community can be further explored with Ministers.

Government Response

The Government notes this recommendation. The engagement of community groups in an Estimates Committee process is also a procedural matter for future Estimates Committees to decide upon. The Government will be looking to improve the budget process for the next budget and this will consider what approach it will take to community consultation in the future process.

Recommendation 2

The Committee recommends that the Government undertake a review of performance measures across the budget so that measures:

- **are meaningful;**
- **allow for comparison over time;**
- **are consistent with measures in ownership agreements and annual reports; and**
- **take into account the need for triple bottom line reporting.**

Government Response

Part 1 and Part 2:

Department's outputs will again be reviewed in the formulation of the 2003-04 Budget. It should be noted that changes to outputs and performance measures is more likely to be incremental over time as opposed to any significant or wide-ranging change. The need for changes needs to be balanced against the desire to have information in budgets that is comparable from year to year – something which is difficult if broad change occurs in one year.

A number of 'core' measures will be identified for each Department that will allow for a more longitudinal analysis of performance.

Part 3:

Output performance measures provided in the Budget papers are currently required to be reported on in Department's annual reports.

Performance measures in the budget papers are aimed at measuring the timeliness, cost, quantity and quality of services provided. These should be defined in a way that is meaningful to external parties, such as the community.

Ownership Agreements are intended to establish and protect the Government's ownership interests in each entity, to ensure the Government receives the best possible return from the resources employed by the Department.

The Ownership Agreement encompasses corporate objectives of the department, main undertakings, business and corporate strategies, and financial objectives. In addition, it contains contextual information in relation to an agency's financial performance. The nature and use of the performance measures in the Ownership Agreement is therefore different, and they do not necessarily duplicate these in the budget papers.

Part 4:

Consideration will be given to the inclusion of sustainability performance measures in the development of future budgets.

Recommendation 3

2.22. In light of the considerable public interest in the component areas of the Multicultural and Community Affairs Group, the Committee recommends that the Budget advise of funding and outputs for areas such as the ACT Office of Multicultural Affairs, the ACT Office of Women, the Office for Ageing and the Aboriginal and Torres Strait Islander Unit.

Government Response

Retention of an overall budget allocation for the Multicultural and Community Affairs Group is preferred as it maintains the necessary flexibility to address emerging pressures and priorities within each financial year, while also minimising management overhead costs. More specific outputs for the areas within the Group will be provided in the next Budget, while resources used will be identified in annual reports.

Recommendation 4

2.26. The Committee recommends that it should be standard Government practice to undertake a rigorous and independent cost benefit analysis for significant projects such as the decision for the ACT Government to become the major land developer in the Territory. This is consistent with the findings of Auditor-General's Report No. 5 of 2002.

Government Response

The Department of Treasury is developing a standard process for preparing financial and economic analyses of major projects. A Major Project Analysis Section has been created in Treasury to work with agencies to improve the quality of financial and economic information provided to government.

Recommendation 5

2.28. The Committee recommends that the Knowledge Fund consist of two programs, one of which is specifically a grants program while the other is a program with defined performance measures, including a timeframe for a return on investment.

Government Response

Not agreed. The Knowledge Fund has a number of components and splitting into a grants fund and an equity option will not meet the structural requirements for focussing on proof-of-concept; management; commercialisation; and equity. These are the four stages of possible development needed for firms as they develop and the Fund is structured accordingly.

It is intended that the equity investment component will be delivered through pre-qualified fund managers or business angel groups, which will be selected on the basis of their ability to grow and realise investments in the ACT. This restriction is necessary to meet the Government's purpose, but is not necessarily attractive to funds; thus it is essential to retain the flexibility to make investments as they arise, rather than attempt to pre-determine whether an investment will be short-term or long-term, passive or active etc. Performance indicators necessarily involve such restrictions.

The Fund will be judged a success by the investments themselves, not the number of them or their quantum. As advised to the Committee, the performance of any investment made by the Fund will depend on the industry focus of the fund manager and the terms of the investment.

As an example of the type of performance measures that might be possible, once the Government joins with a pre-qualified fund to make an investment, it is normal for funds to be invested in biotechnology sectors to have up to 15 year closed-end investment plans. However, no agreements with funds have been struck as yet and thus no performance indicators exist.

Recommendation 6

2.30. That the Government determines why no offers of research and development grants have been taken up yet, and if necessary adjust the grants program to meet the needs of business and the community.

Government Response

Not agreed. A review of the Estimates Committee transcript indicates the problem debated related to the ACT Business Incentive Fund (ACTBIF), not the Research and Development Grants Scheme. The ACTBIF program provides business with the

opportunity of receiving substantial assistance in return for major investment and/or employment growth.

The delay in business taking up offers has been at the discretion of applicants. The process often involves offer and counter offer, occurs at the initiation of an applicant, and is occasionally dependent on third party decisions.

Recommendation 7

2.32 The Committee recommends that future Estimates Committees treat the time set aside for 'Recall' as an opportunity to deal with issues not adequately addressed with witnesses previously, not merely as a 'catch-up' facility.

Government Response

The Government notes this recommendation. This is a procedural matter for future Estimates Committees to decide upon. Should the Select Committee require ministerial attendance on a particular 'recall' day, then arrangements of this nature would be made with minister's offices at the time hearings are scheduled.

Recommendation 8

3.7 The Committee recommends that in future technical adjustments be itemised separately from savings.

Government Response

There is a significant number of adjustments that are made as part of the Budget process and the classification or description of these adjustments can be difficult and may at times be open to interpretation. All effort is made to reflect those adjustments appropriately.

Recommendation 9

3.15. The Committee recommends that the Government lay its plan for the Science and Technology Council (or its successor) on the table as soon as possible.

Government Response

Agreed.

Recommendation 10

3.17. The Committee recommends that the Government develop the foreshadowed Ministerial Code of Conduct as a matter of urgency and that the Code be tabled in the ACT Legislative Assembly by the first sitting day in 2003.

Government Response

The Government will work towards tabling this document by the suggested timeframe, however, the achievement of this timeframe will need to be balanced against any other workflow or priority issues that may emerge in the interim.

Recommendation 11

3.24. The Committee recommends that the Minister set a deadline for the development of the Economic White Paper, and that in any case it should be prepared as soon as possible.

Government Response

Not agreed. The Government has not set a deadline for the completion of the White Paper. There are a number of complex issues that need to be considered and, given the significance of the paper, it is preferable that the paper is not hurried and that sufficient time is taken to achieve a quality output.

Recommendation 12

3.27. The Committee recommends that the budget papers should continue to show openly the resources devoted to, and the outputs of, departmental support of Ministers in all areas.

Government Response

Not agreed. Policy advice to Ministers is an element of the outputs of many areas of departments and it is not readily separable from other functions. Administrative support provided to Ministers is an overhead or input cost rather than an output.

Recommendation 13

3.33. The Committee recommends that the list of financing options for construction of a new Multicultural Centre be tabled in the ACT Legislative Assembly when available.

Government Response

Agreed. The finance options for a new Multicultural Centre will form part of a report to Government about the need for a new Centre and the options for funding a new Centre. The relevant part of the report will be tabled in the ACT Legislative Assembly when available.

Recommendation 14

4.5. The Committee recommends that the Government give consideration to a scheme to return part of its windfall gain from stamp duty on rising insurance premiums to the community. Such a scheme might, for example, establish an advisory service on reducing actuarial risk or establish an underwriting pool for community organisations.

Government Response

There is no evidence to support any claims of a stamp duty windfall flowing from the increasing costs of public liability insurance policies.

In 2001-02 Duty on General Insurance revenue was \$23.237m, which compared to an original forecast of \$20.620m, a variance of 12.7%.

Research undertaken by Treasury indicates that this variance was primarily due to increases in property insurance premiums. This is attributable to the sale of buildings formally owned by the Commonwealth (and hence not subject to Insurance duty) but now liable for duty in the ACT. Furthermore, it was believed that the collapse of HIH may have caused some property holders to take up new policies.

The budget revenue for 2002-03 is \$24.137m.

The Government has undertaken a number of actions to make insurance more accessible and affordable for community organisations. These are as follows.

- Provided stamp duty relief for not for profit organisations effective from 31 March 2002. The exemption is for public liability or other general insurance required to hold a public event and is provided to amateur sporting and community organisations run on a not-for-profit basis who pursue their objectives and incur expenditure principally in the ACT.
- The Government has recently agreed to the agencies indemnifying, eligible, non government organisations (NGOs) against claims in excess of \$5million. The Government's exposure will be re-insured by the ACT Insurance Authority. The lower level of insurance required by the NGOs should assist in achieving improved access and more affordable insurance.

- In addition, the ACT Insurance Authority is seeking to obtain an insurance policy on behalf of NGOs which would provide cover for the first \$5 million. However, this is proving to be a difficult task in the current market environment.
- The Government is also negotiating with NSW for inclusion of ACT community and non-profit organisations in a group insurance scheme currently under development. There is a possibility that such a scheme may be announced by the NSW Government in the next few days. Such a scheme should deliver more affordable insurance.
- The Government is developing an internet based risk advisory service to assist community organisations, sporting groups and small business. The service will primarily focus on improved risk management. The site will be developed in consultation with key community groups and linked to community organisation websites. The estimated cost of the project is \$300,000 to be met within the Department of Treasury budget.

Recommendation 15

4.7. The Committee recommends that the Government advertise the existence of its insurance premium hotline until public awareness of it is satisfactory.

Government Response

A number of seminars and meetings with community organisations and umbrella community groups have been conducted at which the existence of the hotline has been advised. Additionally, the hotline is advertised on the Internet at the three most accessed ACT Government web sites. An e-mail advising of the hotline was sent to over 2200 organisations, including small businesses and community organisations. Over 200 letters were sent to business and community umbrella groups. The hotline will be advertised on the risk management web site.

A total of 74 enquiries to the hotline have been recorded. In addition a large number of e-mails has been received by the ACT Insurance Authority.

The government has advertised its hotline very widely, in the press : Canberra Times on 27 and 31 July 2002, Valley Voice on 2 August 2002 and Canberra Chronicle 13 August 2002.

Recommendation 16

4.11. The Committee recommends that if full retail contestability is applied in the ACT, the Government undertake an extensive and timely publicity campaign to acquaint ACT consumers of the consequences of any decision to apply full retail contestability in the Territory.

Government Response

In conjunction with the ICRC, ActewAGL Distribution and licensed electricity retailers including ActewAGL Retail, the Government will ensure an extensive and timely public awareness campaign is conducted if full retail contestability in electricity is introduced in the ACT.

Recommendation 17

4.16 The Committee recommends, in light of the Government's reluctance to reveal details of the funding source for possible public service pay rises, that briefings be available immediately following any wage decision about the impact it has on the Territory's finances.

Government Response

Agreed.

Recommendation 18

4.36 The Committee recommends that changes in value of the Territory's superannuation investments should continue to be shown in the ACT budget, consistent with accounting standards and the Auditor-General's recommendations.

Government Response

The Government accepts that the reporting of superannuation investments will be in accordance with Australian Accounting Standards, consistent with present and past practice. It should, however, be noted that the gains or losses on these investments can lead to significant distortion of the Territory's operating result. By including these gains or losses the Territory's financial performance is measured not only by the operations over which any Government does have policy control but also measured by the change in the value of investments which will be driven by many factors beyond the control of a Government. While this Government considers that a more useful measure of financial performance is one that targets the effects of policy decisions, it accepts that this is inconsistent with the accounting standards.

Recommendation 19

4.41. The Committee recommends that the Independent Competition and Regulatory Commission review whether Totalcare's operations are consistent with National Competition Policy guidelines.

Government Response

The Government does not agree with this recommendation.

The ACT's progress in relation to implementation of National Competition Policy reforms, along with all other jurisdictions, is reviewed annually by the National Competition Council.

The National Competition Council has not raised any issues regarding Totalcare in any of its assessment reports. The Council has advised that appropriate arrangements to meet Clause 3 and 4 of the Competition Principles Agreement have been applied to the Government's full range of business activities. These obligations relate to the adoption of competitive neutrality principles and the structural reform of public monopolies. In particular, the obligations under Clause 3 relating to competitive neutrality require Governments to ensure that publicly owned businesses are not operating at a competitive advantage over their private sector counterparts.

The Government also notes that the Independent Competition and Regulatory Commission has not received any complaints about Totalcare.

Recommendation 20

5.7. The Committee recommends that the Government inform the ACT Legislative Assembly about where the money allocated to the V8 car race is to be spent. A majority of the Committee recommends that the money remain with the Canberra Tourism and Events Corporation for tourist-related expenditure.

Government Response

The intent of the Government is that the additional funds that are allocated to CTEC in the forward estimates will be spent on other means of improving tourism benefits to the ACT. The exact nature of those commitments will be considered on an ongoing basis.

Recommendation 21

5.10. The Committee recommends that adequate funding be made available for the implementation of the Tourism Marketing Plan.

Government Response

Noted. The Government believes the Committee is referring to the ACT Tourism Masterplan. The ACT Tourism Masterplan 2001–05 is currently being updated and completed, even as elements are being implemented. This Masterplan provides the blueprint for further development of the ACT tourism industry, and adequate provision of funding is being made for its completion and implementation. The

Tourism Masterplan is not solely the province of the Government as the industry also has a lead role in its implementation.

Recommendation 22

5.12. The Committee recognises the importance of convention tourism to Canberra's economy and recommends that the Government urgently determine the future of convention facilities in the ACT.

Government Response

Convention tourism is an important element of the ACT tourism industry. In recognition of this, the Chief Minister's Department has undertaken a study of convention facilities.

Recommendation 23

6.10. The Committee recommends that budget planning and funding allocations for general oval maintenance be reviewed to ensure that the present organisational arrangements deliver the best possible outcome for Canberrans.

Government Response

The Government is confident that the present organisational arrangements will achieve the best outcome for the ACT.

The decision to separate the operational facility management role from the Bureau's policy and industry development role reflects common practice in many government authorities, particularly in local government. The previous arrangement of separating the management of sportsgrounds from other open space and locating it in the Department of Education was highly unusual, if not unique.

The current arrangement provides a clear connection with the main function Canberra Urban Parks and Places (CUPP) within DUS of managing, for the benefit of the community, areas of informal public open space for passive and active recreation. To have the full spectrum of urban open space, from town parks, through district and local parks, to neighbourhood and district sportsgrounds, all managed by a single agency provides clarity for the community and considerable efficiencies for the agency. The key activities of the sportsgrounds and swimming pools operational management - asset management, maintenance contracting, resource allocation and enforcement, are essentially the same as those undertaken by CUPP for the rest of the ACT.

There is a clear need for continuing close communication between CUPP and the Bureau on such issues as strategic planning for facility development and this link has already become well established since the restructure. A sound working relationship

has developed so that relevant information is flowing readily between the two agencies.

Recommendation 24

6.15. The Committee recommends that the Government indicate how it will fund the construction of replacement car-park spaces at Canberra Stadium, to replace those lost by the Gungahlin Drive Extension road works.

Government Response

The cost of replacing the car parking spaces lost at Canberra Stadium due to the construction of Gungahlin Drive Extension has been estimated at \$100,000. Funding for this work will be sourced from the contingency provision included in the estimates for the project.

Recommendation 25

6.19. The Committee recommends that the Government review the financial arrangement between itself and the North Melbourne Kangaroos to ascertain whether reasonable benefits are flowing through to the ACT in relation to this substantial funding commitment, and that the ACT Legislative Assembly be informed of the outcomes.

Government Response

Agreed. It should be noted that in this review, “reasonable benefits” might not necessarily be purely financial.

Recommendation 26

7.24. The Committee recommends that the Planning and Land Bill not be debated until the associated consequential amendments are completed and made available for scrutiny.

Government Response

The Consequential amendments, along with regulations under the new Act, will be tabled prior to the debate of the Planning and Land Bill.

Recommendation 27

7.26. The Committee recommends that the Government review the Land Act before the passage of the Planning and Land Bill.

Government Response

Not agreed. The Planning and Land Bill 2002 deals with the governance structure for the planning and land system within the Territory. It sets out the clear roles and responsibilities of:

- the Minister and other elected representatives who will be responsible for setting the policy framework;
- the Planning and Land Authority which will administer the planning system;
- the Chief Planning Executive (in whom the powers of the P&LA are vested);
- the Planning and Land Council which has an expert advisory role; and
- the Land Development Agency which will be charged with undertaking government land development in a rigorous and accountable manner.

The Bill does not propose detailed changes to the operations of, or the rights and responsibilities conferred by, the Land Act.

Consequential changes to the Land Act will focus on ensuring the powers and functions in the Land Act are distributed according to the above framework.

The only other significant changes to the Land Act are the strengthening of the transparency and accountability mechanisms surrounding the use of the call-in powers by the Minister, and ensuring maximum opportunity for mediation by the Planning and Land Authority. This includes allowing the Authority to review its decision upon application by a proponent in a similar manner to the process available in NSW.

There is no removal or reduction of appeal rights.

The Land Act has now been in effect for 10 years, and it is timely to undertake a comprehensive review of its operations. This will require detailed, expert analysis of the effectiveness of all of its provisions, and the rights and responsibilities the Act bestows upon leaseholders within the Territory. This will require considerable analysis and is likely to require some time.

It is therefore considered appropriate that individuals with substantial expertise and experience be involved in informing the analysis and debate surrounding the broader Land Act review. The appointment of a Chief Planning Executive and a Planning and Land Council, with their substantial experience and expertise, will provide a robust basis from which to undertake that much-needed review of the Land Act.

Recommendation 28

7.27. The Committee further recommends that the Planning and Land Bill and all the consequential amendments be referred to the Standing Committee on Planning and Environment for investigation.

Government Response

Agreed. The Government has supported the referral of the Planning and Land Bill to the Standing Committee on Planning and Environment.

Recommendation 29

7.37. The Committee recommends that the business plan and financial modelling underpinning the new land development agency proposed by the ACT Government be subject to independent assessment, the results of which are published.

Government Response

Agreed. The financial modelling, including any additional information that supports the proposed land development system, will be subject to independent assessment. This advice will be made available to members of the Assembly.

Recommendation 30

7.47. The Committee recommends that the Government publish a full timetable for the processes necessary to complete the Gungahlin Drive Extension and full costings for the whole project, including the Caswell Drive upgrade, and that any amendments to the timetable or the costings become notifiable, to the ACT Legislative Assembly, as soon as they are known.

Government Response

Information on the capital works program is published in annual budget papers. The 2002-03 budget includes up to date costing and timing information. The majority of the information is also available on the Gungahlin Drive Extension web site. In order to improve access to the timetable and costing information the web site will be modified to make these items more prominent.

Recommendation 31

7.54. The Committee recommends that the Government immediately commence a draft variation to clearly define the limits of residential development at East O'Malley and secure the legal transfer of the land for the reserve into Canberra Nature Park.

Government Response

Work on this variation is currently underway.

Recommendation 32

The Committee recommends that the Government connect Dalman Street with Ngunnawal Drive to provide for better traffic flows from East O'Malley.

Government Response

Not agreed. Extending Ngunnawal Drive by approximately 700 metres from its existing cul-de-sac in Isaacs to the residential estate is not necessary because there is sufficient capacity in the existing street network in O'Malley to accommodate traffic generated by the estate. The estate will be serviced by Callemonda Rise, Dalman Crescent, Timbarra Crescent and Wallangara Street.

Recommendation 33

7.61. The Committee recommends that if the developers of Horse Park approach the Government for any form of compensation, and the Government agrees that compensation is warranted, then the entire development should be re-auctioned with clearer development controls.

Government Response

Not agreed. The Government would be unable to implement this recommendation. When any land is sold, there is a clear contractual relationship between the Territory and the purchaser. Any attempt to break such a contract as suggested would have severe legal and financial repercussions for the Territory.

Recommendation 34

8.3. The Committee recommends that performance measures in the agreement with Care Incorporated, for the operation of the Consumer Law Centre, be put on the public record.

Government Response

Agreed. The Government is happy to place the Agreement between the Department of Justice and Community Safety and Care Incorporated on the public record. The Agreement will contain performance measures against which Care Incorporated will be required to satisfy. The Agreement will be tabled in the Assembly after it has been duly executed.

Recommendation 35

8.7. The Committee recommends that the nature and effect of cuts to the budget of the Department of Justice and Community Safety be laid before the ACT Legislative Assembly at the earliest opportunity.

Government Response

This information is provided below.

The \$850,000 reduction in the budget for 2002-03 will be achieved through reductions in the Department's administrative expenses without impacting on the Department's operations or services.

The expenditure reductions will be achieved across the Department as follows:

Output Class 1 Policy Advice	\$ 35,000
Output Class 2 Justice and Legal Services	\$309,000
Output Class 3 Regulatory Services	\$ 61,000
Output Class 4 Emergency Management	\$311,000
Output Class 5 Correctional Services	\$134,000

Recommendation 36

8.11. The Committee recommends that the Minister should consult widely with key stakeholders in the legal profession, the community and the Law Reform Commission itself, before he makes any decision about the future of the Commission.

Government Response

Agreed.

Recommendation 37

8.15. The Committee recommends that performance measures in the area of crime prevention programs be formulated. The Committee further recommends that the Department of Justice and Community Safety look at performance measures for crime prevention used interstate, and internationally, to determine whether they might be suitable for adoption in the ACT.

Government Response

The existing performance measure relates to the number of projects implemented in this budget. More meaningful indicators, including those that reflect current priority crime prevention targets, will be considered as part of a more general review of performance measures across Government.

Recommendation 38

9.9. The Committee recommends that unspent monies for crime prevention programs be returned to the Department of Justice and Community Safety or the Australian Federal Police for crime prevention programs.

Government Response

Not agreed. It is accepted that money budgeted for crime prevention initiatives in any given year should be directed at supporting those initiatives through that year. While consideration would be given to using any unspent funds on other crime prevention proposals that might be put forward, the best use of the unspent funds will, in accordance with normal budget management practice, be allocated according to the priorities at the time.

Recommendation 39

9.29. The Committee recommends that the Government table in the ACT Legislative Assembly, as soon as possible, the terms of reference for the construction of the Remand Centre.

Government Response

Detailed work on the capital and operational costs for a new remand centre is proceeding. Specifications and costings will depend on a decision yet to be made on whether the project will be for a Remand Centre only or for a Remand Centre within a footprint for a more comprehensive correctional facility. The terms of reference and/or specifications will be provided once they are finalised.

Recommendation 40

9.30. The Committee recommends that the Government table in the ACT Legislative Assembly, as soon as possible, how it determined that \$50m would be an appropriate amount to spend on a new Remand Centre.

Government Response

The figure of \$50m is preliminary planning provision only, as was already outlined to the Committee. This estimate will be refined further as more detailed work proceeds in relation to the nature, scope and size of the facility. The final costing and the basis of that costing will be provided when the detailed work is completed.

Recommendation 41

9.31. The Committee recommends that the Government table in the ACT Legislative Assembly, as soon as possible, the guidelines for determining which remandees will be housed in the temporary Symonston facility.

Government Response

Induction of all remandees will continue to take place at the Belconnen Remand Centre (BRC). The Symonston Temporary Remand Centre (STRC) will accommodate remandees only where the practical safe operating capacity of the BRC is exceeded. Only lower risk remandees as assessed by senior Corrective Services staff will be accommodated at the STRC.

Recommendation 42

9.32. The Committee recommends that the Government explain how the health needs of remandees housed in the temporary Symonston facility will be met.

Government Response

Health services for all remandees are the responsibility of the Department of Health and Community Care and those services will be provided as required at the STRC as well as at the BRC. The STRC will have the necessary facilities for the provision of health and related services.

Recommendation 43

9.38. The Committee recommends that the Government provide details to the ACT Legislative Assembly of how the \$1.3m for the ACT Prison will be expended.

Government Response

The 2002-03 Budget initiative for the ACT prison was based on the estimated cost of employee establishment including a Project Director and personal assistant, a Project Manager, a Senior Policy Officer and Policy officer, and associated accommodation and administrative expenses. The other major cost components relate to project consultancy services and site assessment work.

Recommendation 44

9.39. The Committee recommends that the Government table in the ACT Legislative Assembly, as soon as possible, the terms of reference for the selection of the site for the ACT Prison.

Government Response

Attached to this response are the "Siting Guidelines" (Attachment A) that the Government will be using in identifying a preferred site for the facility. These guidelines were developed by ACT Corrective Services in 1998 and have not changed.

Recommendation 45

9.40. The Committee recommends that the Government table in the ACT Legislative Assembly, as soon as possible, the list of sites considered for the ACT Prison.

Government Response

Noted. The Government has yet to identify a preferred site for the correctional facility. A public announcement will be made when a preferred site is selected.

Recommendation 46

9.41. The Committee recommends that the Government table in the ACT Legislative Assembly, as soon as possible, the terms of reference for the construction of the ACT Prison.

Government Response

Agreed. The development of terms of reference for the construction of an ACT Prison are dependent on the issues discussed in the Government Response to recommendation 39.

Recommendation 47

10.7. The Committee recommends that workplace managers must seek full involvement of workplace employees in the first instance for the negotiation of workplace general agreements, and guarantee that while workers will have the option to appoint any union to represent their negotiations, they are not bound to union representation if they desire to represent themselves.

Government Response

Not agreed. The Government recognizes the importance of employees being involved in and consulted about the development of certified agreements.

However, under the *Workplace Relations Act 1996*, certified agreements in the ACT Public Sector may take the form of either an agreement with the relevant union(s) (under s170LJ), or an agreement with employees (under s170LK). The Government's preference is for agreements with unions.

In either case, the agreement must be approved by a majority of employees before the Australian Industrial Relations Commission can certify the agreement.

Recommendation 48

11.8. The Committee recommends that the Government, as a matter of urgency, find alternative heavy vehicle routes and remove the current heavy vehicle detours from suburban streets.

Government Response

Not agreed. All options for alternative heavy vehicle routes have been explored and where available have been used for this purpose. Given the proximity of the affected bridges in the Belconnen area the detours will have to continue to use a number of residential streets until the bridges on William Slim Drive are upgraded. However, a high priority is placed on rectifying the relevant bridges; projects covering the upgrade of these bridges have gone out to public tender and the work is scheduled for completion by the end of November 2002.

At this time the load limit restrictions will be removed from William Slim Drive and the need to detour heavy traffic on Chuculba Crescent, Owen Dixon Drive, Copland Drive and William Webb Drive will no longer be necessary.

Recommendation 49

11.17. The Committee recommends that adequate provision be made at all Canberra's colleges for free car-parking for staff and students.

Government Response

The provision of any dedicated parking for staff and students at Canberra colleges is primarily a tenant parking matter, and a responsibility of the administering agencies of those colleges, whether Government or private. Staff and students can also use public carparking adjacent to the college, but need to abide by any parking restrictions on that public carparking, including pay parking if it exists.

In most cases, adequate parking provision already exists at ACT Secondary colleges. If not, parking demand and supply measures can be reviewed on a case by case basis, similar to parking issues at any other location.

In the case of Lake Tuggeranong College, options are currently being considered to ensure that adequate carparking facilities are provided in advance of the introduction of pay parking.

Recommendation 50

11.18. The Committee recommends that the Government review any plan to attribute any cost, other than that relating to the building and maintenance of the relevant car-parks for colleges, to the Education Department.

Government Response

Construction of any car parks at government facilities would be subject to approval through the annual capital works process. The costs of maintenance would be borne by the relevant Agency as part of their on-going maintenance program.

Recommendation 51

11.19. The Committee recommends that, before introducing paid parking into Belconnen and Tuggeranong, a parking study be conducted and the impact on businesses be analysed formally.

Government Response

Detailed implementation planning will be undertaken before pay parking commences from early-mid 2003. This will include consultation with stakeholders and an analysis of the impact on businesses. A consultant to assist with this task is expected to be appointed shortly.

Recommendation 52

11.20. The Committee recommends that adequate free disabled car-park spaces be provided adjacent to facilities that provide government-funded services.

Government Response

Urban Services regularly reviews the provision of spaces for persons with disabilities, in response to changing use of facilities and comments received by the public. Where warranted, additional "wide bay" spaces are provided in government controlled carparks.

It should be noted that holders of mobility parking permits can also park in any space in government carparks for free. There is no charge for these permits.

It should also be noted that an adequate number of spaces for persons with disabilities is also required to be provided in carparks open to the public and controlled by the private sector.

Recommendation 53

12.17. The Committee recommends that, should the Government decide to call tenders for the operation of community centres, it develop a rigorous and transparent process which applies across all community centres.

Government Response

Guidelines for the tendering of the management of any community facilities would be done in accordance with Government procurement policy and in conjunction with the sector.

Recommendation 54

14.12. The Committee recommends that the Government reconsider this across-the-board reduction in CPI indexation and examine the way that savings can be generated based on the differing levels of need being met by programs and the efficiency with which particular programs are meeting that need.

Government Response

Noted.

Recommendation 55

14.16. The Committee recommends that the Government report to the ACT Legislative Assembly, at the earliest opportunity, on its expenditure intentions with regard to the unallocated \$7.2m in the education budget.

Government Response

The Government will determine the use of the unallocated \$7.2m in the context of the 2003-04 budget deliberations. To inform its deliberations, Government will be seeking advice from the Government Education Council, Ministerial Advisory Council on Non-Government Schooling and be advised by the schools based reviews and the Inquiry into ACT Education Funding as part of this process.

Recommendation 56

15.4. The Committee recommends, in light of the Government's wish to maintain transparency, that the community be informed when funding for new projects is given and is non-ongoing.

Government Response

The Government's budget papers provide information concerning new initiatives including the current year and three forward year funding allocations for each one. This provides clear guidance to the community of any initiatives of a one off nature.

Recommendation 57

15.9. The Committee recommends that the Minister for Health should address the lack of medical services for the Lanyon Valley as a matter of priority as the current situation provides inequitable access to medical care across the Territory.

Government Response

The Government is concerned about the shortage of general practitioners in the ACT, is aware that this shortage is of particular concern in areas like the Lanyon Valley and is working with the relevant parties to address this issue.

Provision of general practitioner services is the responsibility of the Commonwealth, and the Government has raised the shortage of GPs with the Commonwealth Government seeking assistance with this problem. The Commonwealth Department of Health and Aged Care has responded by saying that it does not consider the ACT to be a District of Workforce Shortage for GPs and that they are unable to help to attract more doctors to the ACT.

The Commonwealth Government also announced in its recent Budget an initiative to improve access to GP services in outer metropolitan areas. This initiative is restricted to the six State capital cities and specifically excludes the ACT and Northern Territory. Excluding the ACT from this initiative demonstrates that the Commonwealth is not interested in trying to help to fix the problems that some people in Canberra have accessing GPs.

Without Commonwealth assistance, the Government needs to look at alternative models for health service provision in areas like the Lanyon Valley where it is difficult to attract doctors to work in the area, and is working with the local medical profession to develop solutions.

Recommendation 58

15.10. The Committee recommends that the Government urgently move to provide access to after-hours health care options - including doctors.

Government Response

The Government currently provides a range of after hours care options in the ACT, including hospital Emergency Departments to treat more urgent conditions, the Health First telephone service, and more targeted services such as mental health crisis services.

The Canberra After Hours Locum Medical Service (CALMS) also provides after hours General Practitioner (GP) services. Around 80% of General Practitioners (GPs) in the ACT are members of CALMS and patients of these GPs are able to use the service.

In addition, there are currently four general practices in the ACT which offer an extended hours service, mostly until 8pm on weeknights and Saturday afternoons. Two practices offer appointments on Sunday. There are 5 medical centres in the ACT which operate differently from the CALMS in that they see any client and offer extended hours and consultations seven days a week. The majority of the centres close at 8pm weeknights and earlier on weekends.

Despite these options, some people in the ACT have difficulty accessing after hours services, particularly medical care, and the Government is working to resolve these problems.

Working with the ACT Division of General Practice, the Canberra After Hours Locum Medical Service, both public hospitals, Health First and consumer groups, a model for improved after hours primary medical care in the ACT has been developed. The ACT Branch of the Australian Medical Association has indicated support for the project.

This model forms the basis of a proposal that was submitted to the Commonwealth Department of Health and Ageing on 14 June this year for funding. The Commonwealth is currently considering the proposal. The outcome is not expected to be known until mid September.

If the application to the Commonwealth is not successful the Government will, in cooperation with stakeholders, identify which aspects of the model can be implemented without Commonwealth assistance.

Recommendation 59

15.14. The Committee recommends that the Government implement a comprehensive management plan to ensure the ongoing viability of the ACT to attract specialist medical staff.

Government Response

The Government recognises that the future success of the ACT's health and community care system relies greatly on our ability to build and sustain a strong workforce. Like other jurisdictions in Australia, the ACT faces difficulties attracting and retaining staff in some medical specialties.

Building a sustainable workforce is a key theme in the draft Health Action Plan that the Government has distributed for public consultation, and initiatives for attracting and retaining medical specialists are included in the draft Plan. These initiatives include:

- developing strategies to improve recruitment and retention of skilled staff in areas of need;
- establishing a Medical School to deliver high quality training for doctors and provide locally trained doctors to reduce the shortage in the ACT, and attract specialist staff to take up teaching and research positions; and
- working with the Commonwealth, other States and Territories and key stakeholders to develop sustainable medical indemnity arrangements to ensure medical practitioners remain in the workforce.

Work on establishing the Medical School and workable solutions to the medical indemnity issues are already underway, and implementation strategies for other initiatives identified in the Health Action Plan will be developed once the public consultation has been undertaken and the Plan has been finalised.

Recommendation 60

15.18. The Committee recommends the Government review out-year funding to appropriately address the hospital funding shortfall.

Government Response

Not agreed. These funds are held centrally and allocated annually through a process of determining where growth is occurring and is needed. This also ensures that funding is provided to the most appropriate service providers.

The Department also examines overall service priorities annually and if funds in excess of the levels of growth referred to above are required, it seeks additional funds through the Budget process.

Recommendation 61

15.19. The Committee recommends that in future, proposals that are funded from internal growth funding should be listed in the budget papers.

Government Response

The Government already provides information concerning specific initiatives in Budget Paper 3 and this includes key health initiatives that are funded from Growth funds. The Government will consider including in future budget papers a listing giving the broad categories in which health growth funds are being used. This would pick up the smaller value items not currently covered in the Budget Paper 3 Initiatives chapter.

Recommendation 62

15.24. The Committee recommends that the Government take steps to improve the accuracy of waiting list figures published in the budget papers.

Government Response

Not agreed. Waiting list figures are not published in budget papers.

The number of people on the waiting list and the trend of long waiting patients is provided in the ACT Public Hospitals Quarterly Activity Report which is tabled in the Assembly.

The performance measures included in the Budget Papers focus on high level performance indicators that are meaningful and realistic. The Government publishes waiting times for category one patients in the Budget Papers. This indicates the success of the hospitals in dealing with those most urgently requiring treatment and is the best 'snap shot' measure of the management of elective surgery patients.

Recommendation 63

15.30. The Committee recommends that the Government acts urgently to establish a permanent convalescent care facility.

Government Response

The Department of Health and Community Care is currently undertaking a feasibility study to review rehabilitation, older persons mental health, post hospital/transitional care and dementia respite services and support infrastructure. This study will identify the level of unmet need and explore service and physical design options for providing a full range of sub and non-acute care services. This feasibility study will include convalescent care.

In the interim funding has been provided to Calvary Hospital for the provision of a 9 bed convalescent care unit. This unit will open in September 2002.

Recommendation 64

15.35. The Committee recommends that, as soon as possible, the Government table its plan to address the medical indemnity crisis.

Government Response

The Government has made it clear that achieving sustainable reforms to the problems facing Australia's medical indemnity insurance crisis is a high priority. To be effective the reforms need to be integrated and as far as practical, adopted as national reforms. We are working closely with our jurisdictional colleagues to achieve consistent reforms in litigation process, quality improvement, care of the long term injured, data capture and market structure. Reforms in these areas will be introduced over different time frames but the intention is to establish the fundamentals of reform this year.

In terms of litigation process reforms the government is soon to consider two major national reports that are approaching finalisation. The Justice Ipp led report on the laws of negligence and the Professor Neave chaired review of legal process will inform the Government in its approach to litigation process reform.

The Government had demonstrated its commitment and preparation to legislate for medical indemnity reform by introducing the Civil Law (Wrongs) Bill 2002 as a reform framework Bill. This Bill contains the essential and necessary legislative foundation provisions upon which any meaningful reform process can be built.

Recommendation 65

15.43. The Committee recommends that the current level of respite day care for older persons be maintained and provided where demographic analysis proves that it is needed.

Government Response

Additional respite services will be funded following the completion of an empirical study assessing respite care needs in the ACT. The Department of Health and Community Care advertised the tender for the respite empirical study on 13 July 2002. The first stage of the study should be completed by mid November and the final stage by the end of December. The Department will then proceed to move funds into identified areas of need. The first stage of the study involves mapping of existing service provision and identifying future, met and unmet needs for respite in the ACT. The second stage involves stakeholder and community consultation concerning access, equity and future directions for respite service provision.

The ACT population is ageing and it is unlikely that the need for respite care for older persons will fall. ACT demographics indicate that there will need to be an increase in services for older people and their carers.