

Service Delivery

2002-2003 Budget consultation process

Report No. 1

Standing Committee on Public Accounts

April 2002



Committee membership

Mr Brendan Smyth, MLA (Chair)

Ms Katy Gallagher, MLA (Deputy Chair)

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Secretary: Patrick McCormack

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Resolution of appointment

On 11 December 2001 the Legislative Assembly agreed to the following resolution.

(1) The following general purpose standing committees be established and each committee to inquire into and report on matters referred to it by the Assembly or matters that are considered by the committee to be of concern to the community:

(a) a Standing Committee on Public Accounts to:

(i) examine:

(A) the accounts of the receipts and expenditure of the Australian Capital Territory;

(B) the financial affairs of authorities of the Australian Capital Territory; and

(C) all reports of the Auditor-General which have been presented to the Assembly;

(ii) report to the Assembly, with such comments as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Assembly should be directed;

(iii) inquire into any question in connection with the public accounts which is referred to it by the Assembly and to report to the Assembly on that question and

(iv) examine matters relating to economic and business development, small business, tourism, market and regulatory reform, public sector management, taxation and revenue and sustainability

Terms of reference

To examine the priority issues for service delivery to be considered in the 2002-2003 Budget in the areas within the Committee's responsibility, namely:

- the management of the ACT's public finances;
- matters relating specifically to economic and business development;
- small business;
- tourism;
- market and regulatory reform;
- public sector management;
- taxation and
- revenue sustainability.

1. Introduction

Background

1.1. On 21 February 2002, the Chair of the Standing Committee on Public Accounts informed the Legislative Assembly that the Committee had agreed, on 30 January 2002, to undertake an inquiry into the delivery of services in programs that come within the Committee's terms of reference. The Committee was responding to the invitation made by the Treasurer in a statement to the Assembly on 13 December 2001 and repeated in a letter to the committee dated 20 December 2001.

1.2. In his statement to the Assembly, the Treasurer clearly accepted that setting the budget agenda for service delivery and service prioritisation was a responsibility for Government. He went on to state that the Government also recognised that Members of the Assembly may wish to be involved in the process. The invitation was then made to committees to take up a reference, which would engage them in a community consultation program on the delivery of services within each committee's area of responsibility.

1.3. It was in this context that the Public Accounts Committee conducted its inquiry and produced this report. The Committee did not seek to prioritise expenditure but to report to the Assembly where it was made aware of any gaps in the services provided, duplication of programs and areas where services could be enhanced.

Conduct of inquiry

1.4. The Committee advertised in *The Canberra Times* of Wednesday 6 February 2002. The Committee sought both expressions of interest and submissions relating to service delivery in the areas of: the management of the ACT's public finances; matters relating specifically to economic and business development; small business; tourism; market and regulatory reform; public sector management; taxation and revenue sustainability. The Committee received four submissions (see Appendix 1).

1.5. The committee conducted a public hearing on Wednesday 27 March 2002. Community consultation normally would greatly assist the Committee and be a valuable means of assessing the effects of the Budget at the community and individual level. The Committee is grateful to the representatives of the four organisations that were able to appear before the Committee at its public hearing (see Appendix 2), but feels that the public hearing would have been far more beneficial if the Budget Consultation Document promised by the Treasurer had been made available.¹

1.6. The delay in the provision of the 2002-2003 Budget Consultation presented a considerable problem for the Committee. The Treasurer in his letter to the Committee of 20 December 2001, indicated that the Government, to assist the Committee's work

¹ The Treasurer letter of 20 December 2002 indicated that if the results of the committee's consultation process were to be taken into the Government's budget deliberations then the committee should report by 9 April 2002.

would release “an initial Budget Consultation Document in early to mid February to aid the debate on budget issues and priorities”.² The Treasurer’s letter of 20 December 2002 also indicated that if the results of the Committee’s consultation process were to be taken into account in the Government’s Budget deliberations then the Committee should report by 9 April 2002. Despite this tight deadline the Treasurer did not release the Budget Consultation Document until Thursday 28 March 2002, the day after the Committee had completed its public hearing, and a mere six working days before the Committee is required by the Treasurer to table its report. The Committee believes that the Treasurer has been remiss in not providing the Budget Consultation Document earlier.

1.7 The Committee also regards this inquiry as limited in that the timeframe did not allow full investigations of areas of unmet need. The Government therefore must undertake its own analysis.

1.8 The Committee is of the view that the Government should provide Budget Consultation Documents at least six weeks before public hearings are to be held on Budget consultation.

² Letter from Treasurer, dated 20 December 2001.

2. Overview of Evidence

General Comment

2.1. The submissions received, and evidence heard, by the Committee are discussed below.

2.2. **The ACT Council of Social Service Incorporated (ACTCOSS)** aimed in its submission, and in the evidence its officers gave to the Committee, to advocate various means of addressing the sources of poverty and help people to avoid, or climb out of, poverty. These various means included:

- Developing a People's Charter
 - Which would affirm the rights and entitlements of all members of our community, including people experiencing poverty, and [ensure] all members of our community are treated with dignity and respect;
- Raising awareness of the rights and entitlements of people on low incomes by making certain that appropriate information services are accessible;
 - With regard to access to information in electronic formats, the Committee asks that the Government note that, for people with a sight impairment, some formats of electronic data are unusable. ADOBE ACROBAT files, for instance, are not actually text, but are a picture of the text. Computer programs developed to read text aloud from computers cannot therefore read these files. The Committee exhorts the Government to make material available online as text documents, for example Word or Rich Text Format, so as to make this material more accessible to people who need to use computer programs that read text;
- Considering, in its current purchaser-provider review, Government funding of the indirect costs of community organisations;
- Increasing consumer and service provider participation in policy development and service planning to ensure that services are appropriately targeted.
- Improving awareness of, and accessibility to, community services;
 - Ensuring that community organisations have the same access to high profile locations as other organisations and not be disadvantaged simply by being community organisations;
 - Ensuring the ACT Council of Cultural and Community Organisations is fully involved in the Griffin Centre reconstruction;
- Reducing financial inequality among Canberrans by:
 - Ensuring that concessions and rebates are used to alleviate economic inequities, for example, travel concessions need to be made available promptly to the unemployed;
 - Implementing a community based review of taxation that focuses on increasing revenue and boosting equality by ensuring a progressive taxation system.
- Providing access to affordable housing and transport;

- Funding a study into unmet advocacy needs in Canberra;
- Providing access to health facilities; and
- Improving data collection to ensure that Government policies are appropriate the make-up of the Canberra population.

2.3. **The Canberra Business Council** in its submission, and the Council's officers while giving evidence before the Committee, put forward several propositions aimed to enhance the sustainability, diversity and growth of the private sector in the Australian Capital Region.

2.4. The Canberra Business Council submitted that the ACT Budget needed to be fiscally responsible, "thus avoiding an unsustainable short-term fiscal stimulus". In particular the Council suggested that there should be

- provision of regulatory and taxation frameworks which support all industry, both existing and new;
- the reform of workforce regulations (particularly those impeding the growth of small business), for example, occupational health and safety;
- more timely decision-making on issues of land usage and development; and
- the reduction of government charges on business inputs as exemplified by payroll tax.

The Committee notes that the Government has recently announced a Business Regulation Review.

2.5. The Canberra Business Council also raised the issue of insurance which, the Council stated, was
a major financial burden on businesses and community organisations alike, spreading to most sectors of insurance, from professional indemnity, through public liability to workers compensation.

The Council urged, and the Committee completely endorses it in doing so, that the ACT Government actively participates in the development of a national solution to the current problem of public liability insurance.

2.6. Other propositions put forward by the Canberra Business Council included:

- The Government monitoring demographic changes which, over the medium term will see the ageing of the Canberra's population and this in turn will put considerable pressure on the ACT's health, public transport and housing expenditure;
- The Government supporting national inquiries into health and superannuation and the Committee supports this suggestion;
- Government authorities refraining from entering into the marketplace, delivering goods and services, where there is a well performing and competitive market, as there is in relation to land development;
 - The Council suggested that the Government's capital could be better utilised in addressing community needs;
- The Government supporting efforts to lobby the Commonwealth to provide greater access for regional businesses to outsourcing opportunities;
 - The Council noted that while outsourcing was proceeding, "too many Commonwealth tenders ... are unnecessarily bundled into project sizes which are outside the capacity of many regionally based enterprises";

- The Government supporting the development of sustainable urban areas in Canberra and the region through such initiatives as the Centre for Developing Cities at the University of Canberra and the work of the professional Institutes in strategic urban planning;
- The Council, however, has strong concerns about the time involved in implementing sustainable policies;
- The Committee notes with approval the establishment by the Government of the Office of Sustainability;
- The Government improving facilities at Canberra's National Convention Centre which, according to the Council, needed a significant injection of funds if they were to compete with conventional facilities elsewhere;
 - The Council particularly was concerned that the relocation of the Commonwealth Heads of Government Meeting from Canberra to the Sunshine Coast, had diminished Canberra's appeal as a convention destination; and
- The Government taking a more active role in promoting tourism.

2.7 **The Tourism Industry Council (ACT & Region) Limited** did not make a submission but in evidence before the Committee officers representing the Tourism Industry Council strongly put forward the view that tourism was Canberra's major industry and more needed to be done to promote it.

2.8 The Committee also received submissions from **The Junction Youth Health Service**, part of Anglicare Canberra and Goulburn Youth and Family Services, and from the **Catholic Education Office** of the Archdiocese of Canberra and Goulburn. The specific issues raised in these submissions are more properly within the purview of other Committees, nevertheless, the Committee notes the comments made for reference.

2.9 **The Junction Youth Health Service** submitted that not enough was being done to promote the health and emotional and social well-being of young people in Canberra. The Junction had some specific suggestions for improving youth health in Canberra, namely:

- The Junction being provided with additional funding to allow it to hire a full-time health promotion officer;
- An additional \$8,300 per annum being given to The Junction Youth Health Service Brokerage Program to enable the increased assess of young people to essential health supplies; and
- The Junction being provided with funding for a full-time counsellor to expand existing counselling services.

2.10 **The Catholic Education Office** submitted that the Catholic education system educates some 28 per cent of Canberra's primary and secondary students, however, Catholic schools operate at less than 65 per cent of the per student resource level of the average ACT Government school. The CEO stated that the 16,800 students attending Catholic schools in the ACT have a right to an equitable share of public expenditure on education.

2.11 In particular the CEO observed that students with disabilities who attended Government schools attracted an additional \$11,276 in funding per year from the ACT Government, whereas similar students attending Catholic schools attracted only \$5,748 in additional funding from the Commonwealth and Territory.

3. Conclusion

- 3.1 The Committee is grateful to all those who took the time to make submissions, and to those who appeared to give evidence to the Committee.
- 3.2 The Committee reiterates that it regards this inquiry as limited in that the timeframe did not allow full investigations of areas of unmet need. The Government therefore must undertake its own analysis.

Brendan Smyth, MLA
Chair
9 April 2002

Appendix 1 – Submissions received by the Committee

Submission No.	Organisation/Individual
1	The Junction Youth Health Service
2	ACT Council of Social Service Inc. (ACTCOSS)
3	Catholic Education Office, Archdiocese of Canberra and Goulburn
4	Canberra Business Council

Appendix 2 – Witnesses heard at the Committee’s Public Hearing

Organisation	Witness/position
Canberra Business Council	Mr Craig Sloan – Deputy Chairperson Mr Dale Budd – Interim Executive Director Mr John Miller – Deputy Executive Director Mr Brock Cambourne – Tourism, Arts & Sports Task Force member Ms Dee McGrath – Tourism, Arts & Sports Task Force member
Tourism Industry Council (ACT & Region) Limited	Mr Brock Cambourne, Chairman Ms Michelle Slater, Executive Director
The Junction Youth Health Service	Mrs Melanie Greenhalgh, Coordinator
ACT Council of Social Services (ACTCOSS)	Mr Daniel Stubbs, Director Ms Karen Nicholson