



**Government Response
to Volume 2: Dissenting Report of the
Select Committee on Estimates 2010-11
Appropriation Bill 2010-2011**

by Zed Seselja MLA and Brendan Smyth MLA

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Katy Gallagher MLA
Treasurer

The Government notes that Mr Seselja and Mr Smyth have provided a Dissenting Report containing 123 recommendations, in addition to the Estimate Committee's consensus report containing 47 recommendations.

The Government recognises that Committee Members have the right to provide an additional and/or dissenting report if they so choose. The need for such a report in this instance, however, is unclear and no sound arguments have been provided by the proponent Members of the Committee.

The main issues of concern that the authors purported to highlight through their dissenting report were (Executive Summary, Pages 3-8), unreliable budget forecasts; sanitised evidence; protection of Ministers; failure to answer questions; conduct of the hearings and the role of the Chair; and lack of analysis and recommendations in the main report.

Unfortunately, these are generally unsubstantiated assertions. Some of these assertions (for example, in relation to the reliability of budget forecasts) ignore the expert advice commissioned by the Committee without providing any analysis to justify rejection of that advice.

The Government is concerned in many respects.

It is unfortunate the Members have not sought to engage with the Committee's work, the advice it received, and its deliberations.

The Government is concerned about the direct criticism of the Chair, who the Government believes conducted the hearings in an efficient and professional manner.

The Government is concerned about the 33.6 per cent increase in the number of questions on notice on the previous year's inquiry, with more than 50 per cent being asked by the dissenting Members.

The Government is concerned about the incorrect and unfair conclusion drawn by the dissenting Members that it has sought to avoid scrutiny.

In raising this concern, the Government is mindful of the need and its obligation to provide information to the Committee to assist scrutiny of the expenditure proposals for the Budget being considered. Unfortunately, the majority of the questions had little or no relevance to the expenditure proposals in the Budget. It is noteworthy there are only 13 specific references to Questions on Notice in the Dissenting Report.

The Government does not propose to respond to the individual recommendations of the Dissenting Report, noting that:

- Many of the recommendations made in the report are unsubstantiated, unclear and appear to have little substance.
- Some of the recommendations appear to question the decisions of Government.
- The bases of some of the recommendations and corresponding discussion are entirely flawed both in fact and logic. They rely on incorrect inferences drawn from contradictions of evidence to conclude, inaccurately, the existence of possible errors or discrepancies within the budget documents. It is unclear if this is deliberate – for the purpose of misleading the Assembly or political gain – or just plain incompetence.
- In a number of instances, there is little justification or evidence provided to support the recommendations of the report.
- In many instances, Mr Seselja and Mr Smyth appear to be ignorant of the information provided through questions on notice, or have explicitly chosen to ignore the facts as they have been provided.
- The report and its figures are unreferenced, which undermines the credibility and veracity of the purported analysis.
- Throughout the report, there are numerous subjective judgements, often derisory, on Ministers' and Officials' responses. In some instances, Messer's Seselja and Smyth are simply mocking.
- A number of comments and recommendations ignore well established sources of information and national comparisons.

The above list and the examples are not exhaustive, rather only illustrative.

The Dissenting Report demonstrates the authors have little comprehension of the ACT economy and the drivers of key budget outcomes. Further, it chooses to ignore expert advice. In an effort to undermine the Budget's credibility, the Dissenting Report dismisses the possibility that State Final Demand could fall if employment growth were strong, suggesting that answers provided to the Committee contradicted each other. When in fact, the latest data demonstrates exactly this.

The Government considers the report from Mr Seselja and Mr Smyth lacks balance, objectivity, evidence, research, accuracy and relevance to the issues concerning an Estimates Committee.

The Government will continue to focus on the prudent financial management of the Territory, and returning the Budget to surplus (now two years earlier than originally projected), while ensuring core services are maintained, adequate growth for expenditures to meet the needs of a growing population, and initiatives and projects are pursued to ensure future generations continue to inherit the quality of services and infrastructure currently enjoyed.