



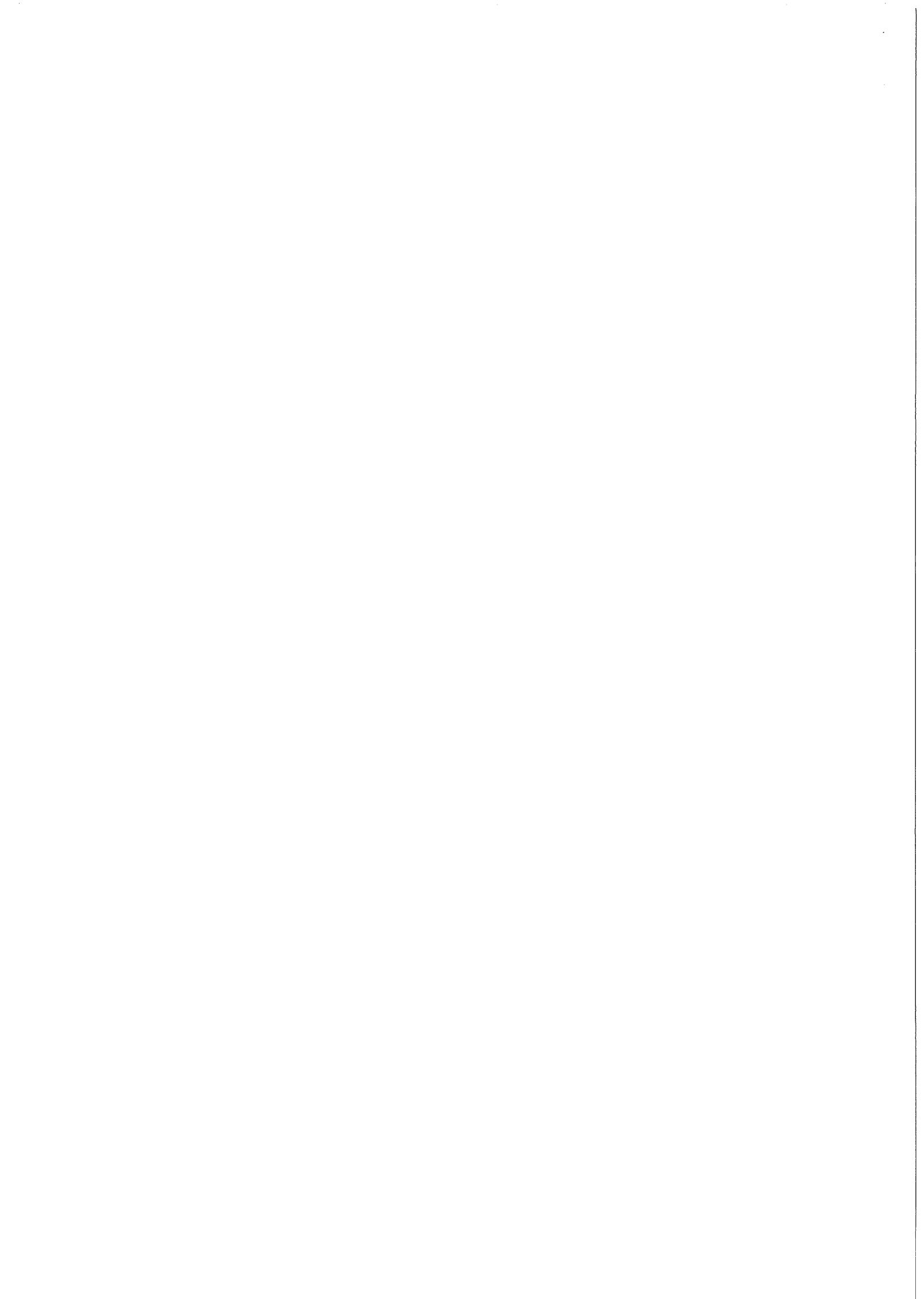
Government Response

to the Report of the
Select Committee on Estimates
2004-2005

Tabling Statement

June 2004

Ted Quinlan MLA
Treasurer



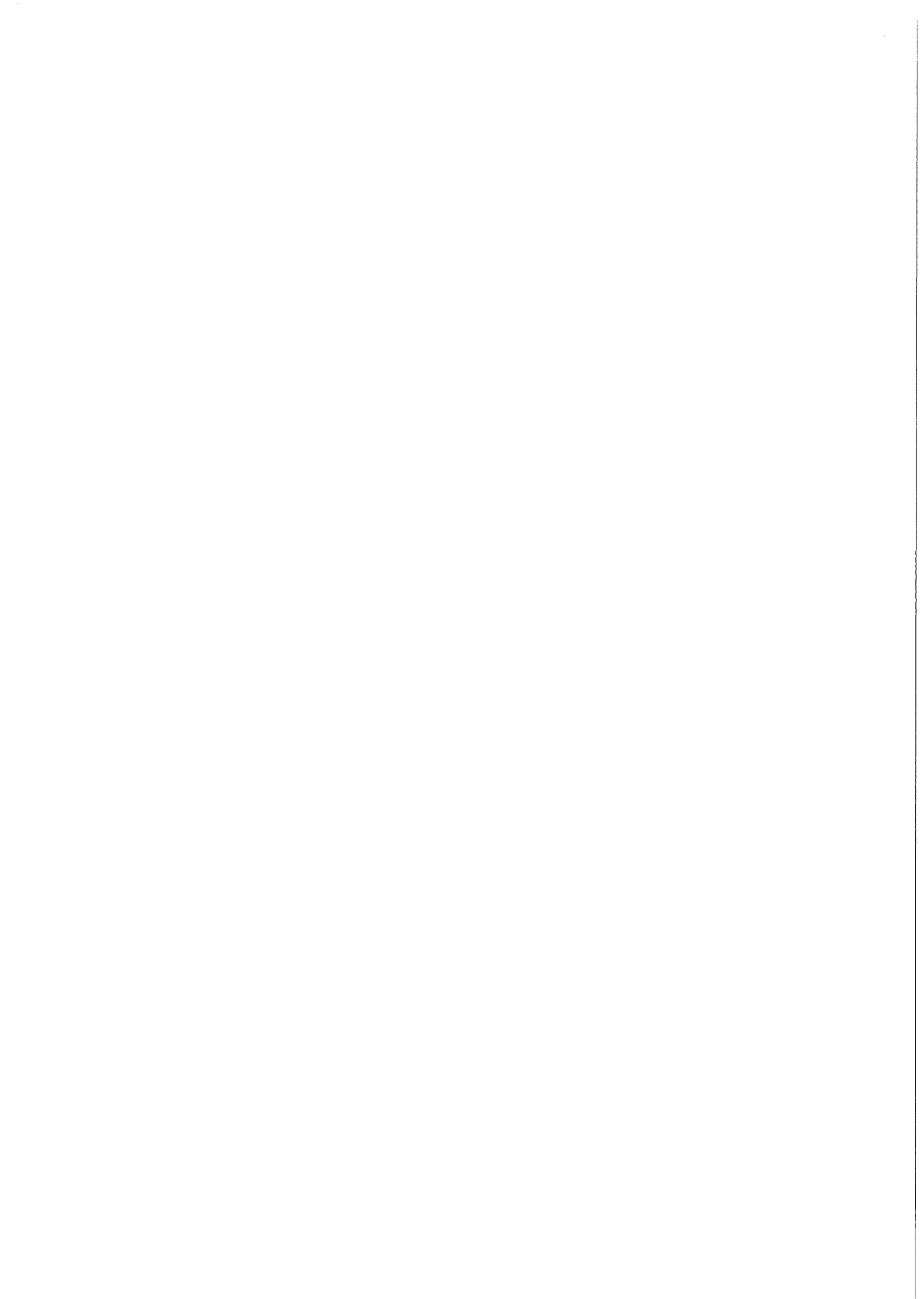
Mr Speaker, I present the Government Response to the report of the Select Committee on Estimates 2004-2005.

This Budget delivers an aggregate surplus over the life of the budget and forward estimates, and sets a prudent approach to expenditure while making provision for investment in our infrastructure.

The Committee made 57 recommendations and with the exception of one recommendation, which is a matter for future estimates committees and the Assembly (Recommendation 2), the Government has responded to all the recommendations of the Committee.

Mr Speaker, the Government is extremely proud of the Budget. I note with great satisfaction that the Government has delivered a budget that has received the Committee's endorsement to pass through the Legislative Assembly. – the Government thanks the Committee for its support of the Budget.

Mr Speaker, the Government also thanks the Committee for its deliberations and time.

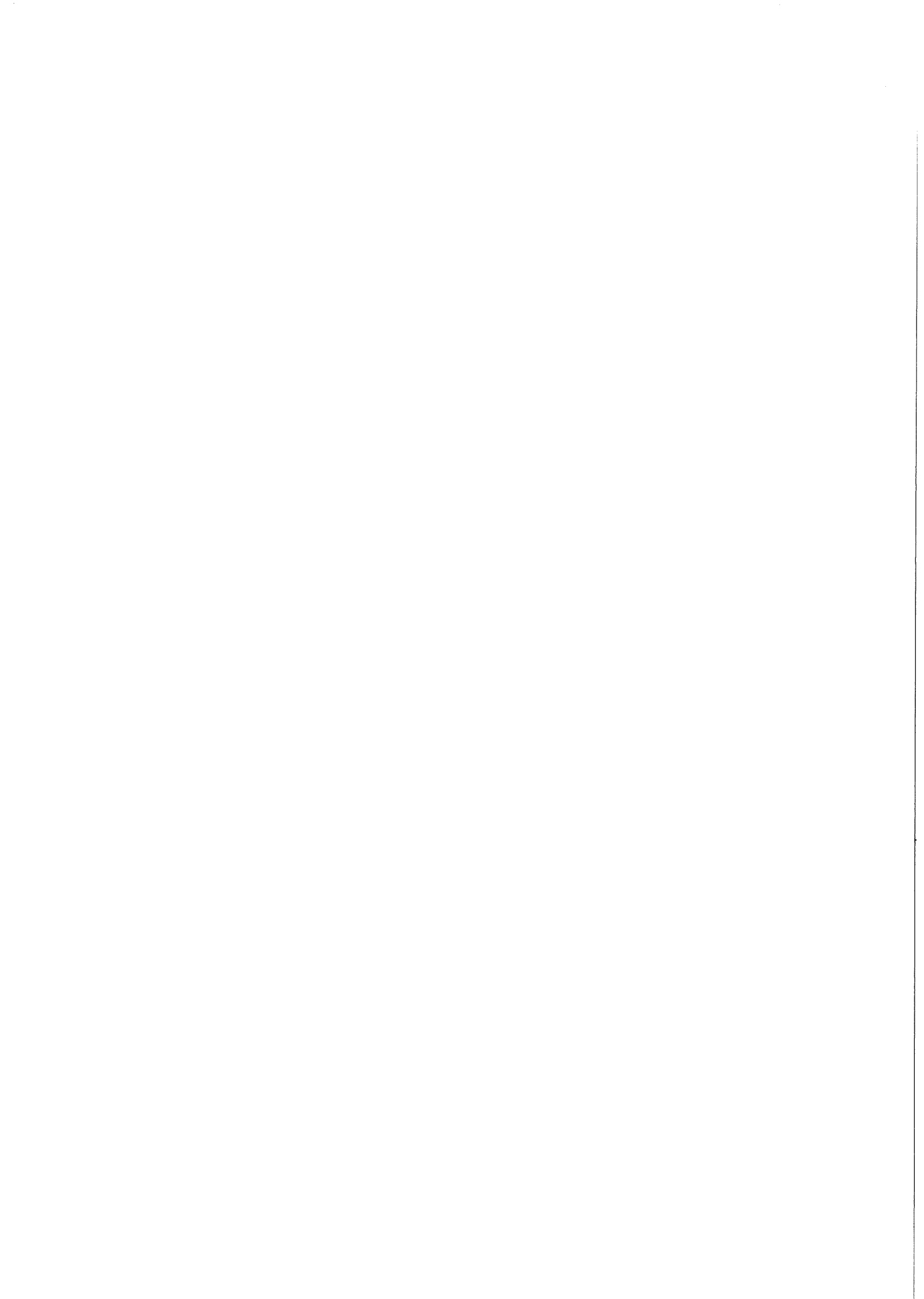


While it is the Committee's prerogative what issues it wishes to pursue, one has to wonder, however, Mr Speaker, whether it was time well spent.

It is a disappointment that the Committees sees fit to utilise valuable time to investigate and make recommendations on such trivial matters as the typographic errors in the editing of the budget papers, and the calculation of percentage movements in performance measures. The latter is not even an issue directly relevant to the Budget Papers, but to the Annual Reports.

Further, I note the Committee makes a number of recommendations about the existing performance measures framework, with little consideration for the Supplementary Discussion Paper on this very issue.

Mr Speaker, the most significant concern relates to an apparent lack of understanding of the legislative provisions, processes and bases of some agencies' budgets. For example, the Committee has recommended that the Chief Minister direct the Commissioner for Public Administration on certain matters (Recommendation 18).

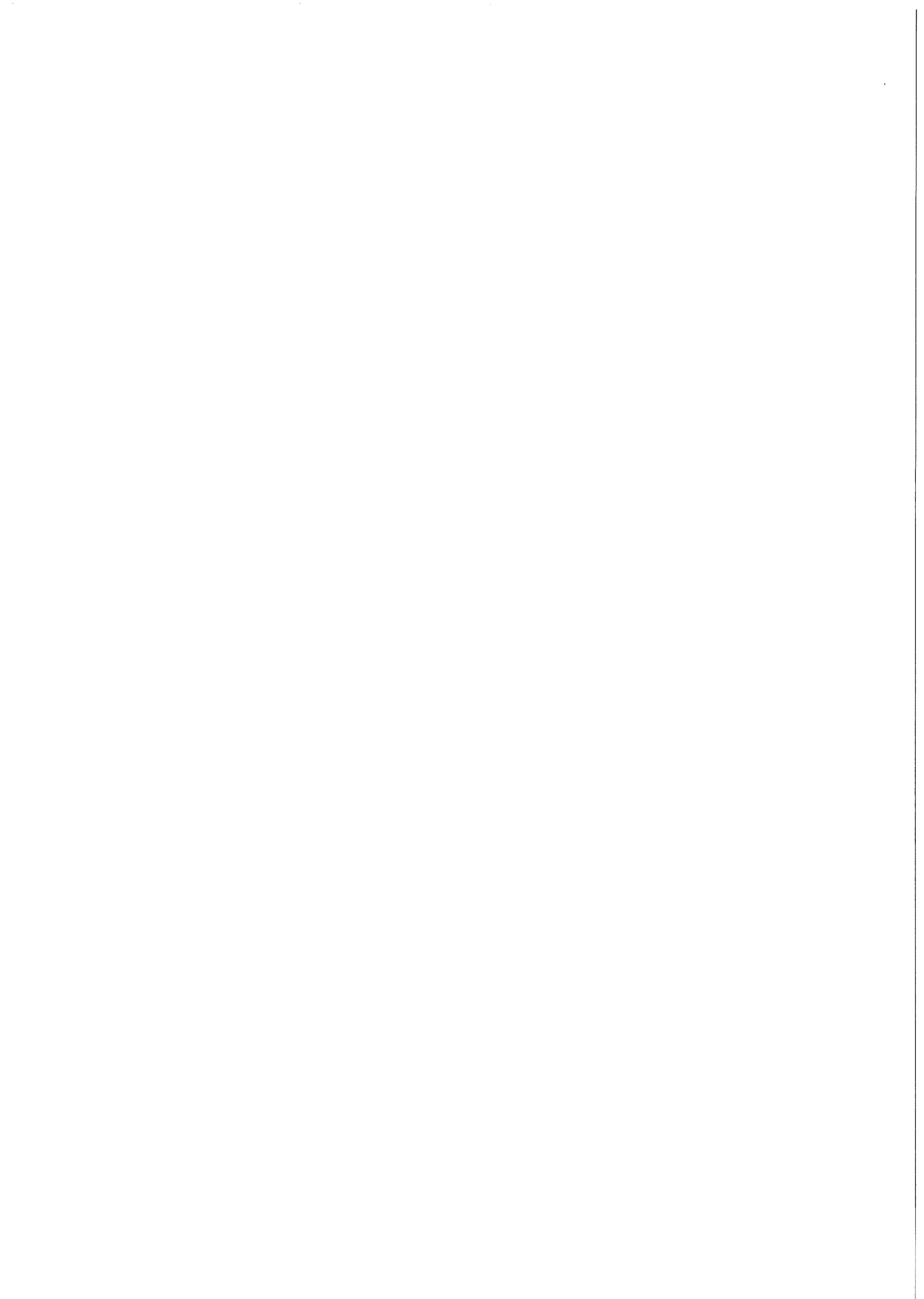


In making this Recommendation, the Committee does not appear to have taken account of the extent of powers that the Chief Minister has under the *Public Sector Management Act 1994*, to direct the Commissioner, and on what matters he could do so.

Mr Speaker, in Recommendation 9 the Committee has recommended to increase the appropriation for the Auditor-General's Office for the review of performance statements. The Committee failed to recognise that there is an established process under the legislation for setting the Auditor-General's budget. The Office's budget was increased in line with the proposal received from the Public Accounts Committee.

The Committee also does not appear to have understood that the performance statements form part of the Annual Financial Statements under the *Financial Management Act 1996*, and the associated costs are directly charged to agencies rather than appropriated.

In a number of cases, the Committee's approach has been to effectively micromanage Government activity. The Government of course welcomes Committee's views, and the Assembly's input in this regard.



Notwithstanding these disappointments, Mr Speaker, I once again thank the Committee for its work and support of the Budget.

I commend the Government Response to the Assembly.



AUSTRALIAN
CAPITAL TERRITORY

**GOVERNMENT RESPONSE TO THE
SELECT COMMITTEE ON THE INQUIRY INTO THE
APPROPRIATION BILL 2004-2005**

29 June 2004

INTRODUCTION

The Select Committee on Estimates tabled its report on the inquiry into the Appropriation Bill 2004-2005 on Tuesday 22 June 2004.

The Committee made 57 Recommendations in its Report. With the exception of one Recommendation, which is a matter for future estimates committees and the Assembly (Recommendation 2), the Government has responded to all the Recommendations.

The Government appreciates the Committee's support of its Budget and its recommendation to pass the Appropriation Bill.

The Government has concerns with a number of aspects of the Report, and the approaches adopted by the Committee in those regards.

The most significant concern relates to an apparent lack of understanding of the legislative provisions, processes and bases of some agencies' budgets. For example, the Committee has recommended that the Chief Minister direct the Commissioner for Public Administration on certain matters (Recommendation 18). In making this Recommendation, the Committee does not appear to have taken account of the extent of powers that the Chief Minister has under the *Public Sector Management Act 1994*.

In relation to the Committee's recommendation to increase the appropriation for the Auditor-General's Office for the review of performance statements (Recommendation 9), the Committee failed to recognise that the Office's budget was increased in line with the proposal received from the Public Accounts Committee.

The Committee also does not appear to have understood that the performance statements form part of the Annual Financial Statements under the *Financial Management Act 1996*, and the associated costs are directly charged to agencies rather than appropriated.

In a number of cases, the Committee's approach has been to effectively micromanage Government business. The Government of course welcomes Committee's views, and the Assembly's input in this regard.

The Government also welcomes the Committee's support of the Budget and its recommendation to pass the Appropriation Bill 2004-05.

RESPONSE TO RECOMMENDATIONS

Recommendation 1

The Committee recommends that all ministers ensure that they are available for the full scheduled estimates period, including recall day/s.

Government Response

The Government is committed to a robust and constructive Estimates process. Government Ministers will continue to make every effort to make themselves available at mutually agreeable times to provide evidence to Estimates Committee hearings, including scheduled recall days.

Recommendation 2

The Committee recommends that the Speaker consider the following matters for the Sixth Assembly:

that the minister representing the education portfolio be allotted a full day in the estimates hearings;

that time be allocated for future estimates committees to hold night sittings where needed; and

that consideration be given to the relevant standing committee being established such as to allow it to conduct the inquiries into the appropriation bills.

Government Response

The Government notes the Committee's recommendations. The decision to implement these changes rests with estimates committees established to review future appropriation bills.

Recommendation 3

The Committee recommends that Treasury ensure that the Budget Papers are edited to a high standard prior to printing and that all information is presented consistently.

Government Response

The Government takes all reasonable steps to ensure that the budget papers are prepared to the highest possible standard and will continue to do so. The Committee should note that the documents of the size and complexity of Budget Papers, being

prepared in tight time frames, would require inordinate amount of resources to guarantee perfection.

Recommendation 4

The Committee recommends that the Government ensure that key initiatives are included in the 'highlights' of department overviews in the budget papers, even if they are also highlighted in the women's or other budget statements.

Government Response

The Government is committed to the provision of information within the Budget Papers that is easily accessible and highlights the benefits of the budget to women. The introduction of the Women's Statement within Budget Paper 3 was a significant step forward.

The Highlights section of agency chapters is presented at strategic level and does not aim to represent the extensive list of initiatives undertaken by the Government. The focus of the Highlights section is the key strategic drivers of the whole agency. The Government will, however, consider the Committee's recommendation in the preparation of the 2005-06 Budget Papers.

Recommendation 5

The Committee recommends that the Government only uses the term 'initiative' when it refers to new money or new programs, and not be applied to enhancements of existing programs.

Government Response

Each budget allows the Government to review the use of financial resources available, and to allocate them based on its policy priorities. This may involve undertaking a new program, or the expansion of an existing program. These may be funded from additional revenue, or from reallocation/reprioritisation of existing resources.

In relation to the application of the term 'initiative' to new money, the Committee is referred to the approach adopted by the previous Government in the 1999-2000 Budget, where agency or program savings were identified as Budget initiatives (for example, 1999-2000 Budget Paper No. 3, pages 174, 180, 192, 194). Obviously, this existing money was reallocated as budget initiatives.

In relation to the application of the term to new programs only, the Committee is again referred to the approach adopted by the previous Government in its 2001-02 Budget in which it described the following 'initiatives':

- Expansion of the Out of School Education Program (2001-02 Budget Paper No. 3, page 68);

- Indigenous Youth Centre – “This initiative provides additional funding for the enhancement of the Indigenous Youth Centre’s services” (2001-02 Budget Paper No. 3, page 69);
- Support of Learning for Life – “This initiative expands the work of the successful “Learning for Life” program of the Smith Family” (2001-02 Budget Paper No. 3, page 70); and
- Enhanced Indigenous Health Services – “This initiative provides funding to enhance indigenous Health services” (2001-02 Budget Paper No. 3, page 73).

The Government considers that new or increased expenditure on both existing and new projects warrants representation as an initiative.

Recommendation 6

The Committee recommends that the Government develop a consultation framework for the Supplementary Budget Paper and presents this to the Assembly as soon as possible.

Government Response

The Supplementary Budget Paper *Framework for Future Budget Presentation* foreshadows extensive consultation with all the stakeholders. The Paper also indicates that the process of consultation is to recognise the various links and channels of communication with the stakeholders.

The Government considers the Legislative Assembly and its Committees as key stakeholders, and will engage in discussion and debate through appropriate processes. The Committee should note that details of such processes were beyond the scope of the Paper.

A consultation plan for incorporating Triple Bottom Line/Sustainability in Budget Papers is being developed, and once completed, will be provided to the Legislative Assembly.

Recommendation 7

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;
- take into account the need for triple bottom line reporting; and
- adequately address effectiveness and efficiency.

Government Response

The issues raised by the Committee in this Recommendation, and the preceding discussion, have already been well recognised by the Government. These are to be addressed through the scope of work foreshadowed in the Supplementary Budget Paper.

Recommendation 8

The Committee recommends that future women's budget statements be limited to a discussion of new initiatives and programs specifically aimed at women, not a general list of budget expenditure items.

Government Response

The Women's Budget Statement was a first for this Government and as such is part of an evolving process. The Government will seek feedback on the Statement from the community and the Ministerial Advisory Council on Women as a guide to determining the next statement.

Recommendation 9

The Committee recommends that the Government ensure next year's budget provides additional funding to the Auditor General's Office commensurate with the need to increase the Office's capacity to review performance statements.

Government Response

The Government draws Committee attention to the basis on which the Auditor-General's budget has been established, and adjusted annually.

The Office charges the relevant agencies for financial statements audits, and is appropriation funded for general performance audits. Under the *Financial Management Act 1996*, agency performance statements are deemed to be part of the financial statements, and their audit should be (and is) charged to agencies as audit fees.

The Committee should also note that the legislation provides for the process for determining the Offices's budget. For 2004-05, its budget was adjusted in line with the proposal received from the Standing Committee on Public Accounts, and is understood to be consistent with the proposal from the Auditor-General. The Office's base funding has increased by \$300,000 in appropriation, and additional revenues of \$215,000 in audit fees for 2004-05 and onwards.

The Government remains committed to providing appropriate level of resources for the Auditor-General's Office, in the context of its budgetary priorities and fiscal capacity.

Recommendation 10

The Committee recommends that the Government amend the format for variance disclosures to provide for accurate variance reporting where the target is expressed as a percentage.

Government Response

The Government notes that the issue raised by the Committee relates to variance reporting in the annual reports, rather than the targets in the Budget Papers. The Committee should note that the current format for variance reporting, and in particular the methodology for calculating variances have been developed in consultation with advice from the Auditor-General's Office.

The performance measures form part of the Annual Financial Statements, and are subject to audit under legislation. While a formularized approach for variance reporting may simplify auditing, particularly in the context of a maturing audit framework, it has the potential for different interpretations by some of the stakeholders.

There is no single "standard" formula for determining percentage variance on percentage targets. The relevance of the particular approach adopted will depend on the purpose of the performance measure. For example, in relation to the example provided in Paragraph 4.4 of the Report, the performance measure could relate to CPI which was forecast to be 1% with an actual of 2%. In this case, a variance of 1% will be correct if the measure was to report on the increase in the cost of a basket of goods, which actually costs \$102, against a forecast of \$101. However, if the performance measure was to provide an assessment of the forecasting model (or the forecaster), the variance will be 100%.

The Committee is also referred to the Government response to the same recommendation in the Report of the standing Committee on Community Services and Social Equity.

The need for improving performance reporting has been highlighted in the Supplementary Budget Paper, and would be addressed as part of the work outlined in that discussion paper. The Government intends to consult extensively to develop a framework of performance reporting that is relevant to, and understood by, the diverse range of stakeholders.

Recommendation 11

The Committee recommends that the Government continue to pursue this matter with the Commonwealth Grants Commission.

Government Response

The Government supports the Committee's recommendation and will continue to vigorously pursue changes to the gambling revenue raising capacity measure with the Commonwealth Grants Commission.

A number of options, and/or alternative measures to assessing gambling tax revenue raising capacity, will be developed and progressed with the Commonwealth Grants Commission.

Recommendation 12

The Committee recommends that the Government advise the Assembly and the community generally at the earliest possible opportunity how the parking space levy will be implemented.

Government Response

After extensive consultation with the interested parties the Government has decided that the proposed Parking Space Levy needs further consideration by the Sustainable Transport Working Group. Those interested parties that made submissions on the matter have been informed of this decision.

Recommendation 13

The Committee recommends that the Government consider mechanisms that would enable the immediate introduction of schemes such as the Home Buyer's Concession Scheme.

Government Response

The timing of the introduction of policy initiatives is a matter for the Government, subject to the passage of appropriation, if required. The Government could in principle introduce the changes to the Home Buyer Concession Scheme in May. There are, however, a number of practical complexities, additional costs and issues of equity associated with a mid-year change to the Scheme. Those do not appear to have been recognised by the Committee in making this recommendation.

The Government does not agree with the Committee's suggestion of a slump in the housing market (Paragraph 5.15), and draws its attention to the recent housing finance and commitment figures.

Recommendation 14

The Committee recommends that the Government resist using the term ‘economic cycle’ without providing a clear definition of the term.

Government Response

Definitions of an economic cycle generally do not provide a set duration for a cycle. In addition, economic cycles are not strictly defined through time differences between successive peaks or troughs. Further, changes in economies are not perfectly cyclical, and terminologies of wave dynamics are not directly applicable.

A four year timeframe was set in this context because it represents a measure of the Government’s short term financial objectives (page 6 of Budget Paper 3) and because the time period covered by the budget papers and the underlying economic forecasts do not exceed this time period.

Recommendation 15

The Committee recommends that the Government inform the Assembly on changes to the treatment of the Totalcare business units as they occur.

Government Response

On 27 November 2003, the Assembly debated and agreed to transfer the Totalcare business units into Government departments as per the auspicious of the TOC Act. These transfers have all occurred apart from the Fleet services unit. Currently, Fleet services remains within Totalcare Industries, however its immediate future and structure is still under review.

The Government is committed to transparent reporting of policy directions and any relevant decisions pertaining to Totalcare Fleet services will be communicated to the Assembly. The Committee should note, however, all agencies may undergo minor changes as part of operational management, and it is not practical or feasible to advise the Assembly of all those changes.

Recommendation 16

The Committee recommends that there be a coordinated interagency and streamlined approach to aged-care development applications.

Government Response

The Government released the *Building for Our Ageing Community* Strategy in December 2003. The Strategy is a whole of government response to the accommodation needs of older Canberrans. Implementation of the Strategy is being coordinated by the Chief Minister’s Department with input from ACT Health,

Treasury, ACT Planning and Land Authority, Land Development Agency, Department of Urban Services and Department of Disability, Housing and Community Care.

As part of the Strategy, a Case Manager commenced work in January 2004. The Case Manager continues to work with agencies and an inter-departmental committee of senior executives to provide a coordinated interagency approach to aged persons' accommodation projects and strategy development. This will continue to include a focus on streamlining planning approval and land grant processes in a way that meets the accommodation needs of older Canberrans whilst maintaining the character of residential neighbourhoods.

Recommendation 17

The Committee recommends that the Government consider the *Audit and Case Review* before:

- **finalising implementation plans; and before**
- **bringing to the Assembly amendments to the Budget, or if needed, a second appropriation bill.**

Government Response

The Government recognises the importance of the *Audit and Case Review*. The review will be instrumental in formulating and finalising implementation plans.

There is, however, a need for an immediate response to strengthening care and protection services for children and young people in the ACT. The Government will therefore propose an amendment of \$6m to the Appropriation Bill 2004-05 to implement key recommendations of the Vardon Report as a priority. Future amendments to budget would be considered after a full assessment of the *Audit and Case Review* is complete and implementation plans are finalised, this would include an assessment of the impact of the additional \$6m on the sector.

Recommendation 18

The Committee recommends that the Chief Minister direct the Commissioner for Public Administration, at the conclusion of the review of child protection in the ACT, to:

- **report to relevant ministers and the Chief Minister those officers who have been found to have breached statutory obligations or been otherwise negligent; and**
- **recommend appropriate disciplinary action.**

Government Response

The Government does not support this recommendation. The power of the Chief Minister to direct the Commissioner for Public Administration is limited. To the extent that this power exists, it is provided under section 20 (1) (b) of the *Public Sector Management Act 1994* where the Commissioner has the power to implement administrative rearrangements at the direction of the Chief Minister.

The Chief Minister released the terms of reference of the review of child protection in the ACT on 21 January 2004. The terms of reference were approved by the Chief Minister in accordance with the power of the Commissioner to authorise a management review under Section 21 of the Act. The Commissioner will complete the review in accordance with the Act and the terms of reference and make such findings and recommendations as she sees fit.

Recommendation 19

The Committee recommends that the Government develop new arrangements within the Emergency Service Authority for responding to emergencies that do not involve staff of Family Services otherwise engaged in child protection being removed from their duties.

Government Response

The new emergency service arrangements in the ACT, including the establishment of the Emergency Services Authority on 1 July 2004, place a greater emphasis on recovery. A liaison officer position in the Authority has been proposed as a support to the community recovery role coordinated by the Office for Children, Youth and Family Support.

A national review is also being undertaken which involves a broad overview of recovery management, including the role of human services or welfare departments in coordinating community recovery. The Office is completing an analysis of current arrangements in the ACT with the aim of identifying and training a broader range of people as Community Recovery Managers. The aim is to share the response and ongoing recovery effort whilst maintaining a responsive service for children and young people in the care of the Territory or at risk of being placed in care.

Recommendation 20

The Committee recommends that the Government, in relation to the identification of a dragway site, as a matter of priority, progress negotiations and inform the Assembly of its progress.

Government Response

The Committee had been advised of the complexities involved with the siting of the dragway. The Government notes the recommendation, and will keep the Legislative Assembly informed as necessary.

Recommendation 21

The Committee recommends that the Government increase funding to the Stadiums Authority so that it can meet its safety repair program.

Government Response

The Government does not support its recommendation. The budget allocated to meet yearly maintenance requirements of Canberra Stadium through its 10-year Strategic Maintenance Plan falls within the range of that expected for general office buildings.

The Committee was advised that the maintenance plan takes into account the changes in the Building Codes. Any urgent issues will be subject to annual budgetary considerations.

Recommendation 22

The Committee recommends that:

- **the Government ensure that contracts in relation to the Workers Compensation Supplementation Fund are available publicly;**
- **all Ministers remind departments and agencies of the need to comply with the *Financial Management Act 1996* and the *Government Procurement Act 2001*; and**
- **the Government immediately correct any breaches and advise the Assembly.**

Government Response

Copies of the earlier contracts are publicly available in hard copy from ACT Workcover. Copies are also being provided to the Assembly Secretariat for the information of members.

A procurement planning process has commenced to establish new contracts for the provision of legal services. Such contracts, once established, will be notified on the

Central Contracts Register in accordance with the provisions of the *Government Procurement Act 2001*.

The Government notes that compliance with legislation is an obligation and not a discretionary choice for anyone in the community. This obligation underpins the performance agreements for Chief Executives and other staff. In addition, through circulars and guidelines, including those issued by the Department of Treasury and the Government Procurement Board, agency staff are provided with assistance in understanding and complying with their legislative obligations.

Recommendation 23

The Committee recommends that the Government, through the Emergency Service Authority, work with community organisations to develop their own emergency response plans.

Government Response

The Government will work with community organisations as necessary and appropriate, to assist them in preparing their emergency response plans.

Recommendation 24

The Committee recommends that the Government include an explanatory note to all future statements of assets and liabilities on behalf of the Territory, which are contained in budget papers or annual reports for the purpose of providing more relevant and useful information.

Government Response

Notes are included for all the budget statements including those on behalf of the Territory, explaining material variations. The Department will include notes to future statements of assets and liabilities on behalf of the Territory in the budget papers and annual reports to provide more relevant and useful information.

Recommendation 25

The Committee recommends that the Government develop and implement a plan for addressing energy and water efficiency issues in public housing stock that includes both short and long-term goals.

Government Response

As advised to the Estimates Committee in May 2004, the Government is conscious of its responsibilities as a significant property owner, and makes energy efficiency a priority in its property acquisitions to assist its tenants in reducing energy

consumption. As a consequence, energy efficiency of the portfolio will increase over time, particularly as the portfolio is regenerated.

Currently, around 30 per cent of public housing properties have water efficient showerheads and dual flush cisterns as a result of policies on construction, refurbishment and repairs. A number of programs introduced under *Think water, act water* strategy allow the tenants access to subsidised showerheads, the water tune up program and rainwater tanks.

In implementing its public housing asset management strategy, the Government is seeking to leverage off the value of the assets and therefore create more opportunity to increase property numbers. As noted above, acquisition and refurbishment policies, repairs and replacement of plumbing fixtures are all being used progressively to improve the water and energy efficiency of the asset portfolio at the same time as continuing to provide housing for people in need.

Recommendation 26

The Committee recommends that the Minister for Disability, Housing and Community Services consider including performance measures for 2005-2006 on:

- **indigenous housing outcomes;**
- **energy and water efficiency in public housing;**
- **adaptable/accessible housing;**
- **tenant satisfaction with the suitability of their properties; and**
- **clients engaged in repaying debt.**

Government Response

The suggested areas for additional performance measures will be considered in the annual review of departmental performance measures.

The Committee is also referred to the Supplementary Budget Paper *Framework for Future Budget Presentation*, which highlights the issues associated with Triple Bottom Line/Sustainability measures being incorporated in the Budget Papers. The scope of work in this regard includes extensive consultation with all the stakeholders, including the Members of the Assembly and its Committees, to develop a manageable set of performance measures that is relevant to the needs of all the stakeholders.

Recommendation 27

The Committee recommends that the Government develop plans to establish departmental offices in town centres.

Government Response

Noted. Locational policies will be developed in accordance with the Government's Spatial Plan, the Social Plan and the Economic White Paper.

Recommendation 28

The Committee recommends that the Government, with some urgency, determine a means of dealing with bio-waste.

Government Response

The Government recognises that organic waste is an issue that needs to be addressed. The decision on an appropriate reprocessing technology for this stream, however, has long term implications for waste management in the ACT. Any decision on a technology should only be made once there is certainty about the long-term viability of the technologies.

The Government will continue to monitor the available technologies to ensure that the right technology is chosen for the ACT. In the interim, the Government is exploring options to divert more organic material from landfill by encouraging more home composting of food and kitchen wastes, facilitating the establishment of commercial organic collection and processing services, and through differential landfill pricing that provides incentives to sort and divert organic material to commercial composting operations.

Recommendation 29

The Committee recommends that it be a requirement for approval of multi-unit development applications that recycling waste collection occurs.

Government Response

The Government notes the Committee's recommendation. The Government will assess whether it is feasible and cost effective to mandate this for all developments.

Recommendation 30

The Committee recommends that the Government provide to the Assembly an ongoing program for shopping centre upgrades which details future plans.

Government Response

The upgrading of public space at shopping centres occurs under the Precinct Management Program. The Program has been in operation since 1996 and is managed by Canberra Urban Parks & Places (CUPP). The Retail Activity Coordination Group (RACG) provides advice on priorities for the Program and consists of representatives from the ACT Planning and Land Authority, the Land Development Agency and the Department of Urban Services.

RACG is developing a long-term strategy to ensure that all centres are considered equitably for inclusion in the Program. In the future (from the 2005-06 financial year), all centres that have not previously been included in the Program will be assessed against the criteria and prioritised according to merit and need.

It would not be practicable to provide an ongoing program as the centres to be upgraded are subject to funding that is determined on an annual basis in the budgetary context.

Recommendation 31

The Committee recommends that the Government implement a budget-funded buy-back scheme of hire car licence plates, followed by a lease scheme for the plates.

Government Response

Consistent with the Standing Committee on Planning and Environment's recommendation, the Government announced on 22 June 2004 that it would undertake reform of the hire car industry. Specifically, the Government will implement a budget-funded buy-back scheme of hire car licence plates, and make available for lease an unlimited number of hire car licences.

The buy-back scheme will be accompanied by adequate and appropriate compensation. The price offered under the buy-back will be fair to licence owners and affordable to the community.

Existing arrangements will continue until the buy-back scheme has been implemented and hire car licences are available on a lease basis.

Recommendation 32

The Committee recommends that the Government establish an integrated catchment management system.

Government Response

The Budget provides for two additional positions whose express purpose will be to develop catchment management plans for the ACT's two water supply catchments.

Recommendation 33

The Committee recommends that the Government not downgrade its greenhouse target.

Government Response

The Minister for Environment has recently provided a comprehensive advice to the Legislative Assembly on this matter.

Recommendation 34

The Committee recommends that the Government investigate a combined water and energy audit program.

Government Response

The Government acknowledges that there would be synergies in combining elements of the home energy audit and the water tune-up programs. Opportunities for combined promotion campaigns, information material and cross-referral of inquiries between the two programs will be explored.

Recommendation 35

The Committee recommends that the Minister for Environment ensure that where environment programs have targets, that they are reported in a meaningful manner allowing for comparison over time.

Government Response

Output measures related to the environment budget have been used consistently for a number of years with minor adjustments to cater for new and completed activities. The particular measure referred to by the Committee (Delivery of environment grants program) was discontinued in 2004-05 as it was considered that it did not provide meaningful performance information.

The environment performance measures will be re-examined in the context of any review undertaken in response to Recommendation 7.

Recommendation 36

The Committee recommends that the Government give consideration to increasing funding for the ACT Commissioner for the Environment to enable that position to be filled on a full-time basis.

Recommendation 37

The Committee recommends that the funding and resourcing of the ACT Office of Environment be strengthened to ensure that it is able to appropriately discharge its functions.

Government Response

The Government is considering the consultant's review of the role and functions of the Office of the Commissioner for the Environment. The review recommendations considered the hours of work of the Commissioner and the resourcing of the Commissioner's Office. The Government will be affording the new Commissioner, Dr Rosemary Purdie, an opportunity to review the Government's preliminary findings and provide input before all aspects of the review are finalised.

Recommendation 38

The Committee recommends that the Government implement Recommendation 2 in Report No 4 of the Standing Committee on Community Services and Social Equity.

Government Response

The Annual Report Directions already require agencies to report on external scrutiny. Statutory entities are already required to report on the exercise of their statutory functions. Consultation has now been completed with the Standing Committee on Public Accounts, as required by the *Annual Reports (Government Agencies) Act 2004*, for the 2004 Annual Report Directions. A further reference to require external scrutiny agencies to include in their reports a specific section of issues of significant concern in relation to agency's performance in relation to these functions will be included in next year's Annual Report Directions.

Recommendation 39

The Committee recommends that the Government explore strategies to increase police numbers.

Government Response

JACS and the AFP are conducting a joint study into the community policing needs of the ACT. The terms of reference for the study focus on resource issues including staffing levels.

Recommendation 40

The Committee recommends that the Government pursue, in the context of the new Policing Agreement, in concert with the AFP, recruitment strategies which address the attrition rate, lateral recruitment and critically examine the nature of deployment of community based police officers in the ACT.

Government Response

Police are currently required to report on the deployment of police officers in the ACT. This requirement will continue. Lateral transfer is already a strategy used in police recruitment.

Recommendation 41

The Committee recommends that the Government fully respond to the concerns identified in the Auditor General Report 1, 2004 and identify when it intends to seek funding to implement the recommendations.

Government Response

The Governments formal response to the Auditor General's Report on policy will be submitted to the standing committee on public accounts in August 2004.

Recommendation 42

The Committee recommends that the Government expedite planning and resourcing of post-terrorist incident recovery planning as a matter of urgency.

Government Response

In the 2004-05 budget, the Government provided funding for the security co-ordination planning unit and it is anticipated that this unit will work closely with the new planning unit at the Emergency Services Authority on the development of relevant plans and response capabilities.

ESA and ACT Policing have collaborated in a review of ACT response and consequence management capabilities. This review was prompted by the National Counter Terrorism Committee and the Commonwealth Attorney-General and has highlighted that additional capabilities are required to ensure that a reasonable capability exists. The Commonwealth is proposing that funding up to \$15m may be available on a shared funding basis with the States. A response from the ACT to the NCTC Secretariat is currently being prepared.

Recommendation 43

The Committee recommends that the Government continue to inform the ACT community about the current location of the community fire units and any planned expansion of the program with underpinning rationale of the allocation of trials in current localities.

Government Response

Noted.

The ESA will continue to work with the ACT community in relation to the Community Fire Unit program.

Recommendation 44

The Committee recommends that the Minister for Health ensure that the proposed changes to the Rehabilitation and Independent Living Unit will not compromise the outcomes for rehabilitation patients in any way and if this cannot be done, not to proceed with the changes.

Government Response

The Government notes the Committee's recommendation and the subsequent resolution of the Assembly on 23 June 2004.

Recommendation 45

The Committee recommends that the Minister for Health does not proceed with the proposed changes to the Rehabilitation and Independent Living Unit without informing the Assembly.

Government Response

The Government notes the Committee's recommendation and the subsequent resolution of the Assembly on 23 June 2004.

Recommendation 46

The Committee recommends that the Government urgently review the use of nurses' overtime in ACT hospitals.

Government Response

The Government does not agree that a review of nurses' overtime in ACT Hospitals is necessary. The use of overtime is minimal and is only used after attempting to cover the shift from the relief arrangements in place across the Service Management Teams, and after utilizing the casual pool of staff, the on-call arrangements, those staff who have made themselves available to do extra shifts, part-time staff who could be considered for recall and agency staff. Once all these other options have been exhausted overtime is offered to staff on a voluntary basis. The average overtime as a percentage of total productive full time equivalents for the last 12 months is 2.8%.

As part of the negotiations for the new ACT Health Certified Nursing Agreement, the Government has demonstrated its commitment to healthy work environments and promoting improved quality of nursing staff work life through such initiatives as researching the impact of workload and the development of a workload measurement framework and health work life environment guidelines.

Recommendation 47

The Committee recommends that the Government should publish a three-year rolling total of cost weighted separations for elective surgery.

Government Response

The Government disagrees with the recommendation. Performance Measures and Targets are reported on an annual basis and therefore it is not clear what benefit could arise from reporting three year rolling data sets.

Recommendation 48

The Committee recommends that the Government take steps to ensure the continuation of this project.

Government Response

The Government notes the recommendation and advises that the appropriate planning processes will be followed and that the Government continues to support the Little Company of Mary in its Aged Care accommodation proposal.

Recommendation 49

The Committee recommends that the Government ensure that the effectiveness of the Community and Health Services Complaints Commission is not compromised by any reduction in funding.

Government Response

The Government has provided the required support for this function and will continue to do so within the overall budget.

Recommendation 50

The Committee recommends that the Government consider enhancing the mentoring role of HealthPACT to assist grant recipients to secure ongoing funding from other sources.

Government Response

The Government is supportive of HealthPACT taking an enhanced role in mentoring community organizations to assist them in developing their capacity to secure ongoing funding from other sources. This recommendation will be forwarded to the HealthPACT Board for their consideration as they develop their 2005/08 Strategic Plan.

Recommendation 51

The Committee recommends that the Minister outline to the Assembly at the earliest possible time, the process and timeline for consultation on the proposal for including community councils in the planning process.

Government Response

The Minister for Planning announced in a press release on 25 May 2004 a proposal for Community Councils to have a greater involvement in planning and development issues and a new role for the Planning and Development Forum.

The Minister said the Forum would be chaired by the Minister or his delegate and would meet quarterly. The Minister met with the Chairs of the Councils on 16 June 2004 to discuss the proposal. The Minister will meet again with the Chairs on 14 July 2004.

Recommendation 52

The Committee recommends that the Government advise the Assembly, and the community at the earliest possible time, about the process for implementing the housing affordability initiative.

Government Response

Noted.

Recommendation 53

The Committee recommends that the Government make available information about the land release program.

Government Response

The *Residential, Commercial and Community Land Supply Strategy* document is available publicly from ACTPLA, ACT Government Shopfronts, and the ACT Government website.

Recommendation 54

The Committee recommends that the Authority ensure that its cross referencing relating to the Community Service Obligations list is clearly identified to ensure that components from Urban Services, Disability and Housing are easily identified and accessible.

Government Response

The Committee is referred to Budget paper 3, page 127, where Community Service Obligations (CSOs) provided by various business units are identified by Portfolio Department.

Recommendation 55

The Committee recommends that the Government explore greater options for students with severe behavioural difficulties.

Government Response

The department currently provides a mix of student support and behaviour management approaches for schools with students presenting with severe behavioural difficulties. These programs and strategies are consistent with the *National Safe Schools Framework* that was developed following extensive consultation with researchers, academics and experts as well as parents, schools and student representatives. The department will continue to explore options for bringing about behavioural change in these students.

Contemporary research from within Australia and overseas points to the benefits for students with severe behavioural difficulties of maintaining links with appropriate support mechanisms including positive role models and peer relationships. Current alternative education programs offered by the department aim to re-integrate students as soon as possible to ensure they are not marginalised further. Alternative schools, for many students, fail to provide long term, sustainable change and improvement in academic achievement and may actually provide reinforcement of inappropriate behaviour.

Recommendation 56

The Committee recommends that the Government posts its response to Committee reports on the internet after tabling in the Assembly.

Government Response

As Government Responses to Committee Reports are tabled in the Legislative Assembly, there would appear to be no in-principle reason why they should not be available on the Internet. The Government is currently assessing the implications of

this proposal for all Government responses to Committee Reports, and will follow up this issue with the Committee Secretariat.

Recommendation 57

The Committee recommends that the Appropriation Bill 2004-2005 be passed.

Government Response

Noted.

