

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**REPORT ON THE PERFORMANCE AND OUTCOMES OF ACT
GOVERNMENT AGENCIES FOR THE YEAR ENDING 1993-94**

**THE SELECT COMMITTEE ON BUDGET PERFORMANCE AND OUTCOMES
FOR 1993-94**

November 1994

Resolution of Appointment

That:

- (1) a Select Committee on budget performance and outcomes be established to examine and report on the performance outcomes of ACT government agencies for the year ending 1993-94 having regard to information including agency financial statements and annual reports;
- (2) the Committee shall consist of 5 members, 2 from the government, 2 from the opposition and 1 independent member each of whom shall be nominated to the Speaker in writing by 4.00 pm, 15 September 1994;
- (3) the Committee shall report by 25 November 1994;
- (4) if the Assembly is not sitting when the Committee has completed its inquiry, the Committee may send its report to the Speaker, or in the absence of the Speaker, to the Deputy Speaker, who is authorised to give directions for its printing and circulation;
- (5) the Committee is authorised to release copies of its report, prior to the Speaker or Deputy Speaker authorising its printing and circulation, and pursuant to embargo conditions and to persons to be determined by the Committee; and
- (6) the foregoing provisions of this resolution, so far as they are inconsistent with Standing Orders, have effect notwithstanding anything contained in Standing Orders.

ACT Legislative Assembly Minutes of Proceedings, (1992-94), No. 119, 15 September 1994, p 706

Committee Membership

Ms Helen Szuty MLA (Chairperson)
Mr Trevor Kaine MLA (Deputy Chairperson)
Mr Wayne Berry MLA
Mrs Ellnor Grassby MLA
Mr Bill Stefaniak MLA

Secretary: Mr Bill Symington
Assistant Secretaries: Mr Russell Keith
Mr Chris Papadopoulos

TABLE OF CONTENTS

RESOLUTION OF APPOINTMENT iii

COMMITTEE MEMBERSHIP iv

SUMMARY OF RECOMMENDATIONS viii

CHAPTER ONE: INTRODUCTION 1

CONDUCT OF THE INQUIRY 1

CHAPTER TWO: GENERAL ISSUES 3

FINANCIAL INFORMATION AVAILABLE TO THE COMMITTEE 3

ANNUAL REPORTS 3

PERFORMANCE INDICATORS 4

AUSTRALIAN ACCOUNTING STANDARD (AAS 29) 5

TREASURY RESPONSE TO ACCRUAL ACCOUNTING 5

QUALIFIED AUDIT STATEMENTS 6

CORRELATION BETWEEN LAST YEARS PROGRAM OBJECTIVES AND THIS YEAR'S
ACHIEVEMENTS 6

STRUCTURE OF THE BUDGET PERFORMANCE AND OUTCOMES COMMITTEE 7

2% BUDGET SAVINGS 7

CHAPTER THREE: SPECIFIC ISSUES 9

INDUSTRIAL RELATIONS 9

 SUB-PROGRAM 2.3: INDUSTRIAL RELATIONS 9

CHIEF MINISTER'S DEPARTMENT 9

 PROGRAM 2: GOVERNMENT & COORDINATION 9

 Executive Staffing 9

 ACT Electoral Commission 9

 PROGRAM 3: ECONOMIC DEVELOPMENT 10

 Nara Sister City Agreement 10

DEPARTMENT OF PUBLIC ADMINISTRATION 10

 PROGRAM 4 : PUBLIC ADMINISTRATION 10

 PROGRAM 6: AUDIT SERVICES 11

 Financial Management and Reporting 11

 Ngunnawal 3A Joint Venture 11

DEPARTMENT OF THE ENVIRONMENT LAND & PLANNING 12

 DELP Process Review 12

 PROGRAM 7: ENVIRONMENT & CONSERVATION 12

 City Parks Operational Savings 12

 Floriade 13

 PROGRAM 8: TERRITORY PLANNING 13

 Housing Energy Efficiency Rating Scheme 13

 Lansdown Inquiry 14

 PROGRAM 9: LAND 14

 Profit from Joint Venture Land Developments 14

 PROGRAM 10: CULTURE AND HERITAGE 14

 Gallery of Aboriginal Australia 14

BUREAU OF SPORT RECREATION AND RACING 15

 PROGRAM 11: SPORT & RECREATION 15

 Asset Values and Capital Expenditure 15

 VITAB 15

ATTORNEY GENERAL'S DEPARTMENT 15

 AFP & Statutory Bodies' Annual Reports 15

 PROGRAM 12: LEGAL SERVICES TO GOVERNMENT 16

 Reporting of Legal Advice Received by Agencies 16

Parliamentary Counsel Drafting Arrangements and Work Practices	17
Removal of Sexist Language From Legislation	17
Human Rights/Civil Issues	18
Community Law Reform	18
Community Safety	18
Consumer Affairs	18
Informed Consent for Medical Procedures	19
PROGRAM 13: COMMUNITY LEGAL SERVICES	19
Legal Aid Commission Annual Report	19
Legal Aid Commission Funding	19
PROGRAM 14: ADMINISTRATION OF JUSTICE	20
Correlating Budget Outlooks and Information in Annual Reports	20
Credit Tribunal	20
Justices of the Peace	21
PROGRAM 15: MAINTENANCE OF LAW AND ORDER	21
Community Policing	21
HOUSING & COMMUNITY SERVICES BUREAU	22
PROGRAM 16: HOUSING & COMMUNITY SERVICES	22
ACT Housing Trust Planning	22
Non-Government Community Services	22
Child Abuse	22
DEPARTMENT OF URBAN SERVICES	23
PROGRAM 17: PUBLIC TRANSPORT	23
ACTION Patronage	23
Ticketing System	23
Claimed ACTION Savings	23
PROGRAM 20: PUBLIC WORKS & SERVICES	23
Belconnen Pool	23
DEPARTMENT OF EDUCATION AND TRAINING	24
PROGRAM 22 : CANBERRA INSTITUTE OF TECHNOLOGY	24
Library Collection	24
Maintenance of Effort	24
Australian International Hotel School	24
PROGRAM 23 : GOVERNMENT SCHOOLING	25
Targeted Separation Scheme	25
Nicholls Primary and Pre-school	25
Overseas Students	25
National Learning Profiles	25
Social Justice Programs	26
PROGRAM 24 : NON GOVERNMENT SCHOOLING	26
PROGRAM 25 : TRAINING	26
DEPARTMENT OF HEALTH	27
PROGRAM 26: HEALTH	27
Hospital Admissions	27
Static Numbers of treatments	27
Deferral of Expenditure	27
Savings	28
Decline in activity levels	28
Same Day Surgery	29
Bed Numbers	29
Financial Inconsistencies	30
Budget Outcome — 1993-94	30
Accreditation of the Department of Health's Services	30
Review of the Department of Health	31
Canberra Clinical School	31
ACT Public Hospitals Redevelopment Project	31
Changes to Child Health Clinics	31
Establishment of the ACT Cancer Registry	31
Mental Health Strategic Plan	31

Commissioning of NSW Tresillian	32
Health Complaints Commissioner	32
Development of Casemix Management System at Woden Valley Hospital	32
THURSDAY 20 OCTOBER 1994	33
ATTORNEY GENERAL'S DEPARTMENT	33
DEPARTMENT OF HEALTH	33
FRIDAY 21 OCTOBER 1994	33
BUREAU OF SPORT RECREATION AND RACING	33
INDUSTRIAL RELATIONS	34
ACT LEGISLATIVE ASSEMBLY	34
MONDAY 24 OCTOBER 1994	34
DEPARTMENT OF THE ENVIRONMENT, LAND & PLANNING	34
DEPARTMENT OF EDUCATION AND TRAINING	34
TUESDAY 25 OCTOBER 1994	34
DEPARTMENT OF URBAN SERVICES	34
BUREAU OF HOUSING AND COMMUNITY SERVICES	35
WEDNESDAY 26 OCTOBER 1994	35
CHIEF MINISTER'S DEPARTMENT	35
DEPARTMENT OF PUBLIC ADMINISTRATION	35
ACT AUDITOR-GENERAL	35
ACT TREASURY	35

Summary of Recommendations

Recommendation 1

2.5. The Committee recommends that in future the Government provide explanatory notes on the previous year's receipts and expenditures for all agencies on a sub-program basis.

Recommendation 2

2.8. The Committee recommends that the Government alert all agencies to the need to ensure that all annual reports presented to the Assembly are complete and accurate and that all agencies adhere to their statutory obligation to report to the Assembly within the required time for such reporting.

Recommendation 3

2.14. The Committee recommends that the Government place a greater emphasis on the development of appropriate performance indicators as an essential management tool and that it ensure that agencies use only objective measurable performance indicators.

Recommendation 4

2.31. The Committee recommends that the Assembly review the existing estimates and budget performance committee arrangements with a view to establishing a time effective and cost effective means of examining the annual appropriations and agency budget performances and outcomes.

Recommendation 5

2.35. The Committee reiterates the thrust of the recommendation of the Estimates Committee that appropriate documentation be provided in agency annual reports for the year 1994-95 on where and how agency percentage savings have been made.

Recommendation 6

3.81. The Committee recommends that the Attorney General review the cost of providing compulsory training for Justices of the Peace, and seek to make the cost to the individual as minimal as possible as is the practice in other jurisdictions.

Recommendation 7

3.83. The Committee recommends that future committees review reports on the effectiveness of Diversionary Conferencing.

Recommendation 8

3.93. The Committee emphasises the need for urgency in addressing this important issue and recommends that in the introduction of mandatory reporting of child abuse sufficient staffing resources be provided to address an anticipated increase in notifications.

Recommendation 9

3.122. The Committee recommends that detailed information be available to support claimed savings in outlays, consistent with the 1994-95 Estimates Committee report.

Chapter One: Introduction

1.1. The inquiry of the Select Committee on Budget Performance and Outcomes is the second part of the former process of inquiry by the annual Select Committee on Estimates. The advent of the introduction of the Appropriation Bill 1994-1995 in June, prior to the end of the 1993-94 financial year, meant that this year the final figures for the 1993-94 financial year were not available to allow the Estimates Committee to gauge the full accountability of agencies during the year. The Select Committee on Estimates reported on the Appropriation Bill 1994-95 in August 1994, and this report complements the work of that Committee by examining the Government's expenditure in 1993-94.

1.2. Due to the creation of the new Department of Public Administration towards the end of 1993-94, there has been a slight change to the Government's program structure. In order to be more relevant to the Government as presently structured, the Committee has reported against the structure outlined in the 1994-95 Budget rather than the 1993-94 Budget structure.

CONDUCT OF THE INQUIRY

1.3. The Assembly resolved on 15 September 1994 to establish the Select Committee on Budget Performance and Outcomes and Mr Wayne Berry MLA, Mrs Ellnor Grassby MLA, Mr Trevor Kaine MLA, Mr Bill Stefaniak MLA and Ms Helen Szuty MLA were appointed as the members of the Committee.

1.4. The Committee first met on 15 September 1994 and elected Ms Szuty as Chairperson and Mr Kaine as Deputy Chairperson.

1.5. The Committee examined Government agencies' Annual Reports as tabled in the Assembly and was briefed by Treasury officials on the documentation that would be available from agencies.

1.6. The Committee held five days of public hearings with Ministers and officials appearing on a program basis, some 35 hours of hearings. Details of who appeared at those hearing are at Appendix A. In order to attempt to keep to the time allotted for hearings, questions not asked by the end of a hearing were taken on notice.

Chapter Two: General Issues

FINANCIAL INFORMATION AVAILABLE TO THE COMMITTEE

2.1. The principal resource for the Committee's consideration of agency accountability during the past financial year has been agency annual reports combined with the unitary financial statements attached to those reports.

2.2. In the event, with some exceptions, the information provided was found to be insufficient to enable the Committee to fully examine each agency's performance and, during the hearings, the Committee found it necessary to seek from agencies more detailed information on their expenditures on a sub-program basis. That this more detailed information was not available to the Committee at the commencement of the hearings can be attributed to a lack of understanding by the Committee and agencies as to how the new process would function.

2.3. Agencies responded readily to the Committee's request for details of agency expenditures on a program basis and this information did assist the Committee. However, the provision of this information at an earlier stage of the Committee's processes would have provided a better focus for the Committee's examination of agency performances during the past financial year.

2.4. Should the Assembly provide for a committee review of budget performance and outcomes next year, it will be essential that, in addition to agency annual reports, the committee have details of agency financial information on a sub-program basis. Desirably, this information should be in the form of explanatory notes which outline receipts and expenditures for the 1994-95 year and the reasons for variations from the estimates.

Recommendation 1

2.5. The Committee recommends that in future the Government provide explanatory notes on the previous year's receipts and expenditures for all agencies on a sub-program basis.

ANNUAL REPORTS

2.6. As mentioned above, the principal resource available to the Committee was agency annual reports for the year 1993-94. These reports were, on the whole, of value in providing indicators to the Committee as to the major areas of agency activity and provided a basis for the Committee to draw out from Ministers and agency representatives details about agency performance throughout the year. As already mentioned, the lack of more detailed financial data, apart from the unitary financial statements, meant that the Committee was less successful in coming to firm conclusions about financial outcomes on a sub-program basis.

2.7. The Committee encountered some problems with the use of annual reports. In some cases the reports were incomplete in that the versions presented to the Assembly and which were used by the Committee as the basis for the questioning of agencies, were amended when the agencies appeared at the hearings. In other cases, page reference numbers, especially in the attachments dealing with unitary financial statements, were not printed in the reports, thus making it difficult for the Committee to reconcile the data, and in one case the annual report of an agency was tabled at the Committee hearing.

Recommendation 2

2.8. The Committee recommends that the Government alert all agencies to the need to ensure that all annual reports presented to the Assembly are complete and accurate and that all agencies adhere to their statutory obligation to report to the Assembly within the required time for such reporting.

PERFORMANCE INDICATORS

2.9. The 1994-95 Estimates Committee expressed concern that in many cases agencies did not have objective measures of performance. That committee noted that the Auditor-General was to undertake a review of performance indicators used by ACT Government Departments and it recommended that the review include measures of consistency, assessment and evaluation.¹

2.10. The Committee is aware that the Auditor-General's review is now underway and it reiterates the views expressed by the Estimates Committee. However, the Committee acknowledges that it will be a challenging task to develop objective performance indicators which can be appropriately applied across the board to all government agencies. This was exemplified by the Attorney General when he pointed out the difficulty in applying qualitative measures of effectiveness to an area of administration where a major part of its work is to proffer advice. The Attorney General gave as an example one officer who gives, say, 20 legal opinions a week and an officer who may need to take two weeks to produce an opinion.² On the other hand the Committee is aware that the value of policy is successfully quantified elsewhere.

2.11. Similar examples exist elsewhere in the ACT Administration where major functions are to provide policy and other advice to the Government and client agencies, advice which may be accepted, rejected or accepted in part by the recipient. This contrasts with those agencies, for example, the Auditor-General's Office, which have program management responsibilities where performance is measured in quantitative terms such as the number audits completed and the cost per audit.³

¹ Select Committee on Estimates, Report on Appropriation Bill 1994-95, p 16

² Transcript, p 5

³ Auditor-General's Annual Management Report 30 June 1994, p 11

2.12. Nevertheless, the Committee notes that many agencies work in the context of performance indicators which are virtually incapable of measurement in any objective way, and should not be accepted as performance indicators.

2.13. On the question of developing performance indicators the Committee notes that there has generally been little improvement over the past five years.

Recommendation 3

2.14. The Committee recommends that the Government place a greater emphasis on the development of appropriate performance indicators as an essential management tool and that it ensure that agencies use only objective measurable performance indicators.

AUSTRALIAN ACCOUNTING STANDARD (AAS 29)

2.15. AAS 29 is a new accounting standard issued in December 1993 and has the purpose of specifying financial reporting requirements for government departments. The standard requires that all costs and revenues relating to the operation of departments be included. In previous years services or assets which were provided by another agency free of charge or were funded by another agency were not included in the revenue or expenditure of that department and were only disclosed by way of note to the financial statements. The standard also requires revenue, expenditure, assets and liabilities be separated into those over which the department has control, and those which are not controlled but are administered by the department.

2.16. The Committee was pleased to note that the introduction of AAS 29 was proceeding in accordance with the timetable to introduce it to the ACT Government Service by 1996. The Auditor General again expressed his opinion that effort was required to put in place the level of accounting skills capable of implementing changes in accordance with the standard.

2.17. The Committee was advised that the full benefits of accrual accounting will not be apparent until accrual budgeting is in place. Accrual budgeting not only provides a meaningful benchmark, but provides a planning framework for managers. The Auditor-General gave examples of agencies where the tendency is to still think in terms of cash, and simply to produce accrual statements at the end of the year, rather than planning or budgeting on the basis of accrual accounts.⁴

TREASURY RESPONSE TO ACCRUAL ACCOUNTING

2.18. Treasury shares the Auditor General's view on the importance of accrual budgeting as well as accrual accounting. Treasury has prepared for internal discussion

⁴ Transcript, p.803

within departments on a concepts paper which will identify the benefits of accrual accounting and budgeting.

2.19. Treasury advised that accrual accounting will be in place by 1996-97. A pilot program has been introduced in the Department of Health, and will be progressively moving through Education, Treasury and other departments.

2.20. Treasury is continuing an extensive training program in accrual budgeting for middle and senior managers but could not say when this would be finalised. However, Treasury advised the Committee that the process would not be complete by the time accrual accounting would take effect. The Committee noted its disappointment that the two projects could not be dovetailed in such a way as to have them ready for implementation simultaneously.

2.21. The Treasury's promulgation of an asset accounting manual in March 1994 is expected to provide agencies with a clearer understanding of how they should account for their assets. Treasury expects this to result in a more consistent approach to asset management across the ACT Government Service. Better asset management is expected to be one of the major benefits of accrual accounting and planning. The Committee was advised that it was too early to tell what sort of effect the release of the manual had had on agencies' financial statements.

2.22. The Committee notes the agreement in the potential benefits of accrual budgeting and accounting and supports their early introduction.

QUALIFIED AUDIT STATEMENTS

2.23. The Committee noted that the Auditor-General was obliged to qualify the audited statements provided by four agencies. The agencies are the Treasury, Department of the Environment, Land and Planning the Department of Urban Services and the Canberra Institute of Technology. The Committee draws attention to the need for all agencies to ensure that they are fully accountable and that their unitary financial statements are in accord with standard accounting practices.

CORRELATION BETWEEN LAST YEARS PROGRAM OBJECTIVES AND THIS YEAR'S ACHIEVEMENTS

2.24. The Committee considers that when the Government foreshadows action in a budget paper or annual report under a specific program, that program should also account for what action was undertaken in response to that commitment in the agency's annual report. The Committee had occasion to take up this issue with the Attorney General's Department. This is covered in paragraphs 3.76 to 3.78 below.

2.25. The Committee noted that, in a number of programs, the annual reports made no mention of specific projects and program objectives identified in the budget papers. The Committee was left uninformed, in some instances, as to where these specific

projects had been implemented or the specific program objectives met. The Committee considers this to be unsatisfactory.

STRUCTURE OF THE BUDGET PERFORMANCE AND OUTCOMES COMMITTEE

2.26. As outlined earlier, the Committee was established as a direct result of the early budget process which prevented the Estimates Committee from examining the performance of agencies during the previous financial year.

2.27. While strong argument was made in the Assembly that the role of the Budget Committee would be more appropriately carried out by the Public Accounts Committee, the Assembly decided to establish the Budget Committee, with five members representative of the political groupings within the Assembly, to deal with all deliberative business of the Committee.

2.28. In practice, the Budget Committee has, to a large extent, worked over very similar ground to that of the Estimates Committee which reported to the Assembly barely three months earlier in considerable detail on the estimates for the current financial year.

2.29. Aspects of this difficulty were foreseen when the Committee was established. Past practice has been for virtually all non-executive members to be members of the Estimates Committee. With the Budget Committee it was noted that under the Standing orders of the Assembly other members of the Assembly would, by leave of the Committee, be permitted to attend hearings and to ask questions of witnesses.

2.30. It is clear that a more directly focussed means of examining the budget performance of agencies, and, indeed, the estimates also, needs to be considered by the Assembly. The Committee proposes that these matters be subject to a rigorous examination by the Assembly before the next round of estimates and budget performance hearings.

Recommendation 4

2.31. The Committee recommends that the Assembly review the existing estimates and budget performance committee arrangements with a view to establishing a time effective and cost effective means of examining the annual appropriations and agency budget performances and outcomes.

2% BUDGET SAVINGS

2.32. The Estimates Committee noted that some agencies had not specifically identified those areas where the 2% efficiency dividend would achieve savings in the

1994–95 year, and it recommended that agency annual reports advise where and how the savings are to be made.⁵

2.33. This Committee is disappointed that, in general, annual reports for the 1993–94 year did not specifically identify savings on a sub-program basis, in most cases providing only aggregate savings. A notable exception was the Department of the Environment, Land and Planning, in respect of which the Minister presented to the Assembly on 20 September 1994 supplementary documentation to the annual report with additional information identifying the areas and extent of the savings. Other agencies provided this information in response to questions raised during the hearings.

2.34. While the 2% efficiency dividend is expected to cease after the current financial year, the Committee considers it important that agencies indicate where the savings have been made.

Recommendation 5

2.35. The Committee reiterates the thrust of the recommendation of the Estimates Committee that appropriate documentation be provided in agency annual reports for the year 1994–95 on where and how agency percentage savings have been made.

⁵ Select Committee on Estimates, op cit, p7

Chapter Three: Specific Issues

INDUSTRIAL RELATIONS

SUB-PROGRAM 2.3: INDUSTRIAL RELATIONS

3.1. There was discussion during the hearings on the appropriateness or otherwise of Ministerial intervention in circumstances where issues of discrimination between classes of employees and issues of union membership arise. The Minister for Industrial Relations was inclined to consider questions put to him concerning these issues as hypothetical.⁶

3.2. The Committee accepts that the distinction between what is and what is not a hypothetical situation can be somewhat blurred and suggests that this is an issue which could usefully be considered in future reviews of the industrial relations and discrimination legislation.

3.3. The Committee is concerned that incidents which could be quickly and easily resolved by negotiation can end up before the courts resulting in extra costs and delays.

CHIEF MINISTER'S DEPARTMENT

PROGRAM 2: GOVERNMENT & COORDINATION

Executive Staffing

3.4. The Chief Minister was questioned regarding an overexpenditure of \$136,000 on executive staffing in 1993–94.⁷ The Committee was subsequently provided with details of the number and classification of personal staff currently engaged in each Minister's office.

3.5. This Committee has a responsibility to review such cases of overexpenditure and questioning on this matter is considered to be legitimate. However, the Committee notes that in relation to this issue all information requested was provided.

ACT Electoral Commission

3.6. The Committee welcomed the opportunity to question the Electoral Commissioner on the education campaign relating to the implementation of the Hare-Clark electoral system and notes the level of preparation for the forthcoming election.⁸

⁶ Transcript, pp 312, 317

⁷ *ibid*, pp 715–718

⁸ *ibid*, pp 726–728

PROGRAM 3: ECONOMIC DEVELOPMENT

3.7. The Committee notes that the Government had made guidelines available to businesses considering relocating to Canberra or expanding, setting out the types of projects which would be given consideration for assistance,⁹ following consideration of this matter by the Select Committee on Estimates 1994-95.

3.8. The Committee noted that four national associations were finalising their contracts to build their headquarters in the ACT and 14 further inquiries were in various stages of negotiation.¹⁰

3.9. The Committee welcomed the Government's Purchasing Policy initiative intended to ensure maximum opportunities for local business, reflecting advice from previous Estimates Committees.¹¹

3.10. The Committee also welcomed the initiatives of the Job Skills and Youth Job Link programs in addressing unemployment in the ACT—particularly youth unemployment¹² and endorses these initiatives.

3.11. The Committee recognises the importance of tourism to the ACT economy and acknowledges efforts particularly in relation to Eco-tourism¹³ as well as programs such as Floriade and Autumnfest.¹⁴

Nara Sister City Agreement

3.12. The Committee welcomes the successful negotiation of the agreement between Canberra and Nara. the committee notes the painting of an ACTION bus in Nara colours and that Nara has indicated that they will reciprocate by having a "Canberra" bus in Nara and looks forward to future initiatives.¹⁵

DEPARTMENT OF PUBLIC ADMINISTRATION**PROGRAM 4 : PUBLIC ADMINISTRATION**

3.13. The Committee took the opportunity to question the Chief Minister on the new Department of Public Administration following the implementation of the new separate ACT Public Service. The progress to date is substantial.¹⁶

3.14. The Committee recognises the difficult task addressed by ACT Government Service officers in bringing the legislation to completion in the time available. The

⁹ *ibid*, p 746

¹⁰ *ibid*, p 746

¹¹ *ibid*, p 768

¹² *ibid*, pp 779-780

¹³ *ibid*, p780-781, cf pp 372-375

¹⁴ *ibid*, pp 783-785

¹⁵ *ibid*, pp 714-715

¹⁶ *ibid*, pp 787-799

Committee also notes the outstanding matters to be addressed which include ensuring personnel officers are aware of the new provisions and conducting an education program on how the new temporary and casual employment provisions work.¹⁷

3.15. The Committee also recognises the effective design and implementation of the Human Resources Management System (HRMS) which has improved accounting for ACT Government staff.¹⁸

ACT AUDITOR-GENERAL**PROGRAM 6: AUDIT SERVICES**Financial Management and Reporting

3.16. The Committee was interested in finding out how well agencies were performing in terms of financial management and reporting.

3.17. The Auditor General told the Committee his opinion was that there had been a general improvement in financial reporting, but that it was not a constant improvement and depended very much on the individual finance officers charged with those responsibilities in any particular year. While there was greater appreciation of the need to comply with guidelines, financial accounting skills were lacking.¹⁹

3.18. The Committee further notes the Auditor General's opinion that in order to improve financial reporting, agencies must recruit more people with academic financial qualifications. The Committee is of the opinion that the Government should place greater emphasis on upgrading awareness and skills.

Ngunnawal 3A Joint Venture

3.19. In its financial statement on the Ngunnawal 3A Joint Venture, the Department of the Environment, Land and Planning noted that amounts paid to related parties for management services had not been disclosed as they were treated as commercial-in-confidence, and that this was a departure from Australian Accounting Standard 22, relating to party disclosures.²⁰ The Auditor General expressed his surprise that the parties involved in the joint venture were not pushed to provide the information which, in his opinion, should have been made available.²¹ Clearly the question of what should or should not be revealed to Assembly committees needs review.

¹⁷ *ibid*, p792

¹⁸ *ibid*, p 789

¹⁹ *ibid*, pp 800-801

²⁰ Department of the Environment, Land & Planning, *Financial Statements*, p 136

²¹ Transcript, pp 801-802

DEPARTMENT OF THE ENVIRONMENT LAND & PLANNING

DELP Process Review

3.20. The announcement of the DELP process review as a far reaching examination of the processes used by the Department in handling applications was noted by the Committee. It is the final stage of a tripartite exercise developed at the time DELP was created in 1990.

3.21. The first stage was the introduction of the Land (Planning and Environment) Act in 1992; the second was the preparation of the Territory Plan in 1993; and now the third stage is underway—a review of the way the Department delivers its services.

3.22. Draft recommendations on the redesigned processes are now being considered by staff. When agreement is reached, a final report will be prepared for the Minister and, if agreed, an implementation program devised. Wide-ranging information on the new processes will be provided to the community and clients prior to any implementation.

3.23. The Committee believes that as with the legislation and the Plan Assembly debate emanating from this third stage would be useful.

PROGRAM 7: ENVIRONMENT & CONSERVATION

City Parks Operational Savings

3.24. In considering the achievement of the DELP 2% savings, the Committee noted with particular interest the consultative and effective manner in which savings were achieved in the operations of City Parks.²²

3.25. The result was more flexible working arrangements for the annual spring mowing program. This enabled City Parks to reduce its number of hourly rate mowing contracts by a significant amount. Employees worked a 9 hour day during spring, and took accrued time off in the lower priority times of the year. This initiative achieved a saving in excess of \$200,000. Tighter control of the dry land mowing policy further assisted in achieving this saving.

3.26. The Committee notes this as an innovative, flexible approach to cost savings an example for other agencies.

3.27. Improvements in rehabilitation and redeployment of injured workers is gradually improving productivity, by increasing these workers' capacity to contribute to the overall output of the organisation. Savings were achieved by returning staff recovering from work related injuries to meaningful employment operating the City Parks courier service. This service was previously provided externally.

²² Department of the Environment, Land & Planning, *Annual Report*, pp 40, 61-2

Floriade

3.28. The important contribution of Floriade to the local community was discussed by the Committee. It was noted that from its inception in 1988, Floriade has grown to be regarded as Australia's premier floral festival, providing a social, cultural and economic focus for Canberra over a 30 day period. Floriade is a joint venture between the private and public sector and is financed by a combination of ACT Government funding, sponsorship and revenue raised from commercial means such as site fees and merchandising.

3.29. As an event presented free to the public, Floriade's business success is one of its major benefits to the economy. Last year \$13 million was injected into the Canberra regional economy. Canberra business also benefits by capitalising on the festival as a marketing and promotional tool.²³

3.30. As the major tourism product for Canberra, Floriade is the centrepiece of the Canberra Tourism Commission's spring marketing campaign. It attracts more visitors to Canberra than any other event with 80,000 in 1988, 125,000 in 1990, 460,000 in 1992 to over 499,000 in 1993. The trend towards more visitors than locals is being maintained. National and international interest in the event is increasing evident from the Floriade visitor surveys.

3.31. It was revealed during the hearings that flower bulbs remaining after the Floriade blooms had fallen would not be reused this year because Parks and Gardens would not have the continuing access to Commonwealth Park necessary to allow the bulbs to develop for reuse. As a consequence, the bulbs were to be pulped.²⁴ The Government responded to the Committee's concerns about this situation by allowing the public to collect the bulbs, a practical approach, but, regrettably, one which highlights that the area where Floriade is conducted is not within the control of the ACT.

PROGRAM 8: TERRITORY PLANNING

Housing Energy Efficiency Rating Scheme

3.32. The Committee noted the advances in the area of encouraging energy efficient housing in the ACT following the successful energy efficient house design competition conducted during the latter half of last financial year.²⁵

3.33. Additionally the ACT Planning Authority has been working with the Housing Industry Association and the Master Builders Association to refine the energy rating scheme included in the draft energy guidelines which were released in 1992. This has resulted in the recent release of the interim ACT house energy rating scheme. These

²³ *ibid*, p 66

²⁴ Transcript pp 352-356 & Response to question on notice

²⁵ Department of the Environment, Land & Planning, *Annual Report*, p 77

refinements ensure that the rating scheme is applicable to new housing and multi-unit developments.

Lansdown Inquiry

3.34. The Committee noted the commencement of the Lansdown inquiry into the impact of block consolidation, multi unit development, dual occupancy and design and siting decisions on the amenity of residents. The Standing Committee on Planning, Development and Infrastructure also commenced an inquiry into planning legislation in the ACT and the Minister has foreshadowed a long term strategic study of issues involved in residential development in Canberra.²⁶ The cost of establishing the Lansdown inquiry is estimated to be \$166,000. This was noted by the Committee, in addition to requesting advice to the Assembly on the outcomes.

PROGRAM 9: LAND

Profit from Joint Venture Land Developments

3.35. Benefits to the community from joint ventures were noted, particularly the greater control of estate development and the production of sufficient affordable land for limited means buyers.

3.36. High quality estates which are innovative in urban and housing design and are energy efficient are also an important outcome of this process.

3.37. While noting the benefits that come from joint ventures such as these, concern was expressed at the Government's decision to provide an unconditional irrevocable undertaking for the total indebtedness (potentially up to \$25 million), continued or otherwise, outstanding on or after 7 October 1998 with Cygnet Corporation Pty Ltd to the Commonwealth Bank to enable a joint venture development at Harcourt Hill to go ahead.²⁷ The Committee considered that public money should not unnecessarily be put at risk.

PROGRAM 10: CULTURE AND HERITAGE

Gallery of Aboriginal Australia

3.38. The Commonwealth Cultural Policy Statement, whilst a statement to the nation, included two proposals which have direct and immediate implications for the ACT. One of them was for a Gallery of Aboriginal Australia on Acton Peninsula collocated with the Australian Institute of Aboriginal and Torres Strait Islanders Studies.

3.39. The ACT Government had made a previous commitment for the Museum of Australia of \$13m. That commitment was made in the context of the establishment of a full museum at the Yarramundi Reach site.

3.40. It will be necessary to identify the most appropriate and acceptable site for the new Gallery, in consultation with the Aboriginal and Torres Strait Islander Community and the Commonwealth. It seems likely that infrastructure costs would be substantially lower than the Yarramundi site.

3.41. The Committee noted that the Government will be entering discussions with the Commonwealth to resolve both location and funding issues.

BUREAU OF SPORT RECREATION AND RACING

PROGRAM 11: SPORT & RECREATION

Asset Values and Capital Expenditure

3.42. At this stage of the Government's move towards the presentation of the ACT's accounts on an accrual accounting basis, there is no provision for valuing public infrastructure assets.

3.43. The implications for valuing public assets was exemplified during the hearings in relation to capital expenditure on the Bruce Stadium. The Minister for Sport and Recreation advised the Committee that the financing of improvements to the Stadium had increased its assets value,²⁸ whereas, in the absence of accrual accounting standards, there is presently no means by which the value of the asset can be measured.

VITAB

3.44. One of the matters before the Committee was the claim that the negotiation of the deal with the Vanuatu based VITAB betting agency was a 'major achievement'.²⁹ The Committee notes that this agreement led to a loss of some \$3.3 million of public money and was the subject of an independent inquiry by Professor Pearce.

3.45. The Minister declined to provide a copy of the \$3.3m settlement between ACTTAB and VITAB³⁰. This response was consistent with earlier answers on this matter, which was essentially that no information would be made public.

ATTORNEY GENERAL'S DEPARTMENT

AFP & Statutory Bodies' Annual Reports

3.46. The Attorney General advised the Committee that at present legislative and contractual requirements were such that the national annual report of the AFP and that of the ACT Region were linked together. The Attorney General advised that the

²⁶ Mr Bill Wood MLA, Media Release, 19 August 1994

²⁷ Transcript, p 411 & written response

²⁸ *ibid*, p 286

²⁹ *ibid*, p 288

³⁰ *ibid*, p 291

Commonwealth is being consulted on this matter with a view to enabling the AFP (ACT Region) report to be produced separately and in advance of the national annual report.³¹

PROGRAM 12: LEGAL SERVICES TO GOVERNMENT

3.47. The Committee noted the drafting of the Domestic Relationships Bill, a bill to provide for equitable property distribution for those involved in domestic relationships.³²

3.48. The Committee also noted progress on legislation to reform mental health law in the ACT and the establishment of the Mental Health Tribunal.³³

Reporting of Legal Advice Received by Agencies

3.49. The Committee noted that there was a special component of the ACT Government Solicitor's sub-program for the provision of legal advice to the Health Department and asked why this was needed.

3.50. The Committee was advised that this situation was the result of a previous Health Minister's preference for that function to be coordinated within the Government Solicitor's Office. Up until that time, the Health Department had had its own self-contained legal unit.³⁴

3.51. The Committee was further advised that the section which had provided legal advice to the Health Department had recently been abolished and the lawyers working within it allocated to other sections of the office according to the particular type of law they practised.³⁵

3.52. The Committee noted that Program 11.2 identified payments made by agencies which do not operate under the legal expenses vote, and sought clarification.

3.53. In response, the Secretary advised the Committee that historically some agencies, owing to their size, nature or liability, have carried their own costs. These agencies include Health, ACTION, CIT and the ACT Forestry Trust.³⁶

3.54. When asked whether this division was justified, the Attorney General advised that the system provided a useful signal to agencies that are likely to be involved in major litigation. Health, Education and ACTION are, by their very nature, more vulnerable than other agencies to litigation because of the possibility that action will

be taken for malpractice or negligence resulting in injury. Other agencies are rarely sued.³⁷

3.55. The Committee accepts the proposition that some agencies are more likely than others to be the subject of litigation.

3.56. The Committee was advised that in future years, consultation with other agencies might be undertaken so that their legal costs would be included in the Attorney General's Department's annual report to provide an overview of total legal expenditure. The Committee supports this development.

Parliamentary Counsel Drafting Arrangements and Work Practices

3.57. In response to questions on the substantial workload of the Parliamentary Counsel's Office, the Committee was advised that the office had implemented innovative drafting arrangements and adjusted work practices. Bills come under the scrutiny of at least two people at the drafting stage, and are proof-read by people trained to examine the minutiae for presentational accuracy. These measures were designed to guarantee that the final product was legally and textually accurate.³⁸

Removal of Sexist Language From Legislation

3.58. The Committee was advised that Parliamentary Counsel was making every effort to remove gender specific language from ACT laws. Although Parliamentary Counsel did not have the luxury of dealing with an Act solely for this purpose, whenever an Act required revision it was also subjected to scrutiny with respect to sexist language. Parliamentary Counsel was confident that, with the possible exception of old ordinances, very few if any Acts would contain any gender specific language.³⁹

3.59. The Committee was concerned that some uniform legislation adopted by the ACT might contain sexist language, and that ACT authorities were unable to correct the relevant provisions.

3.60. The Parliamentary Counsel advised the Committee that he could not recall an incident where his Office had been so constrained. He said he would be surprised if uniform legislation did contain gender specific language, as Parliamentary Counsels Offices around the country were equally committed to removing sexist language from legislation.⁴⁰

³¹ *ibid*, p 2

³² Attorney General's Department, Annual report, p 6

³³ Transcript, p 112

³⁴ *ibid*, pp 35-36

³⁵ *ibid*, p 36

³⁶ *ibid*, p 38

³⁷ *ibid*, p 38

³⁸ *ibid*, pp 48

³⁹ *ibid*, p 49

⁴⁰ *ibid*, p 50

Human Rights/Civil Issues

3.61. The Committee noted that a major issues paper was prepared—A *Bill of Rights for the ACT*? This issues paper examined the issues relevant to a Bill of Rights, including the coverage such a document could potentially have as well as specific issues for the ACT.⁴¹

Community Law Reform

3.62. The following specific and important reports prepared by the Community Law Reform Committee were tabled in the Legislative Assembly:

- *Victims of Crime*, which considered the needs of victims of crime in the criminal justice process, including issues such as victim impact statements.
- *Mandatory Reporting Of Child Abuse*, which considered whether children's service professionals should be required to report instances of child abuse.

3.63. The Committee notes that the two reports covered matters of a sensitive nature.

Community Safety

3.64. The Committee notes that a draft Community Safety Strategy was launched. The strategy incorporates guidelines which address community safety, a review of the Neighbourhood Watch Scheme, integration/rationalisation of existing crime prevention programs, and development of a comprehensive drug education program for ACT schools.⁴² The effectiveness of the Community Safety Strategy should be reviewed by a future committee.

Consumer Affairs

3.65. The Committee noted the activity level and pro active approach of the Bureau of Consumer Affairs. The Committee notes that:⁴³

- A proposal was developed for the release of three sites to bring independent service stations into the ACT.
- A code of practice was prepared to regulate commercial and retail tenancies.
- Work on a code of practice for the fitness industry was commenced.

⁴¹ A-G, Annual report, pp 2, 9

⁴² *ibid*, pp 6-7

⁴³ *ibid*, pp 6, 36, 45

Informed Consent for Medical Procedures

3.66. The Community Advocate paid particular attention in 1993-94 to the issue of informed consent to medical interventions. The Committee was advised that, where a person has not put in place an enduring power of attorney, the Community Advocate is the only person in this jurisdiction with the authority to give informed consent if the patient lacks the capacity to give consent (including those who are unconscious or have a mental dysfunction or intellectual disability). This is in contrast to the widespread perception in the community that next of kin are able to give informed consent.

3.67. The Committee was advised that this situation does not cut across the ethical role of doctors, who have the power to make medical interventions, but that in cases where a number of interventions need to be weighed up against each other, the Community Advocate would make a decision about interventions and would sign the consent forms after wide consultation with members of the patient's family.

3.68. The Committee notes that discussions have taken place within the Attorney General's Department on possible law reform processes to deal with the complex and sensitive nature of informed consent to medical interventions, an issue closely related to the complex questions of resuscitation and euthanasia.⁴⁴

PROGRAM 13: COMMUNITY LEGAL SERVICESLegal Aid Commission Annual Report

3.69. The Legal Aid Commission's annual report was not provided to the Committee prior to the hearing. It was subsequently revealed at the hearing that the annual report had been completed on time but, owing to a misunderstanding in the Attorney General's Department, this had not been recognised, and that the Department was under the mistaken impression that the report it had been given did not contain audited financial statements.⁴⁵

3.70. The Committee recognises that misunderstandings can and do occur, but considers that Departments should ensure that complete and accurate annual reports are supplied to the Committee to enable it to properly scrutinise budget performance and expenditure.

Legal Aid Commission Funding

3.71. Concern was expressed that the level of ACT Government funding for the Legal Aid Commission had decreased in 1993-94.

3.72. Both the Secretary and the Attorney General reiterated their commitment to access to justice, and pointed to the pressure on resources with which the Government

⁴⁴ Uncorrected Transcript, p 115-116

⁴⁵ Transcript, p 79-80

must deal. The ACT's performance in this area compared favourably with the other States.

3.73. The Committee was advised that a number of States had in recent years actively cut their legal aid contributions, while the ACT Government had not. It was acknowledged that the demand for legal aid continued to grow and that this put bodies like the Commission in a difficult situation.⁴⁶

3.74. The Committee was advised that the Commonwealth had offered additional funds which the ACT Government would have to match, and that this was being discussed with the Chief Minister.⁴⁷

3.75. The Committee noted that a pilot program to provide telephone advice on civil law issues was successful and is now an on-going part of the Legal Aid Office's work practices.⁴⁸

PROGRAM 14: ADMINISTRATION OF JUSTICE

Correlating Budget Outlooks and Information in Annual Reports

3.76. Part of the outlook for Program 13: Administration of Justice as outlined in 1993-94 Budget Paper No 3 was a review of the practices and procedures of the Coroners Court with particular regard to implementing the recommendations of the Royal Commission into Aboriginal Deaths in Custody. The Committee noted that this review was not referred to in Program 13 of the annual report.

3.77. The Attorney General advised the Committee that the objectives of this part of the program were satisfied by an amendment to the *Coroners Act 1956* passed in the Assembly, and were referred to under sub-program 11.1: Legal Policy and Appendix E of the annual report.⁴⁹

3.78. The Committee considers that when a program foreshadows action in a budget paper or annual report, that program should account for what action was undertaken in response to that commitment in the annual report. (See also paragraphs 2.24 and 2.25 above)

Credit Tribunal

3.79. During the hearings there was discussion of the inability of the Credit Tribunal to deal fully with applications for some two months in early 1994. Given that the Tribunal deals with applications essentially on a fee for service basis, it is regrettable that the Tribunal was unable to operate for two months. The potential impact on the ability of applicants to derive income is one consequence of such delays. The

⁴⁶ *ibid*, p 81

⁴⁷ *ibid*, p 91

⁴⁸ *ibid*, p 85

⁴⁹ *ibid*, pp 103-4

Committee understands that additional positions have since been created to prevent a recurrence of this situation.

Justices of the Peace

3.80. The Committee was advised that it is compulsory in the ACT for Justices of the Peace to be trained but that the cost of training, \$240, is borne by the prospective JP⁵⁰. While it is not the practice in the ACT to have Justices of the Peace sit on Court cases, and perform other such duties as is the case in other States, they do provide a service to the community. In the Committee's view, it is reasonable that the cost of training should be carried by the Department as is the case in other States, where the practice is to provide training at no, or minimal cost.

Recommendation 6

3.81. The Committee recommends that the Attorney General review the cost of providing compulsory training for Justices of the Peace, and seek to make the cost to the individual as minimal as possible as is the practice in other jurisdictions.

PROGRAM 15: MAINTENANCE OF LAW AND ORDER

Community Policing

3.82. The Committee noted the innovative approach that the Australian Federal Police have adopted in dealing with crime and its victims. An integral part of this approach is the implementation of the Diversionary Conferencing Program which was launched in March 1994. Diversionary Conferencing entails a conference attended by the offender and the victim and their respective families to enable all parties to discuss the crime committed and agree on a suitable outcome.

Recommendation 7

3.83. The Committee recommends that future committees review reports on the effectiveness of Diversionary Conferencing.⁵¹

3.84. The Committee notes that the Australian Federal Police is trialing country-town policing in selected suburbs and will be evaluating this against a group of 'control' suburbs policed using traditional methods.⁵²

⁵⁰ Written response, dated 25 October 1994

⁵¹ Transcript, p 127

⁵² *ibid*, p 126

HOUSING & COMMUNITY SERVICES BUREAU**PROGRAM 16: HOUSING & COMMUNITY SERVICES**ACT Housing Trust Planning

3.85. The Committee was advised that the ACT Housing Trust has in place a precinct management arrangement which is centred on consultation with residents on the question of how best to develop ageing housing stock in inner Canberra. This is designed to preserve the amenity and nature of a particular suburb where redevelopment is proposed.⁵³

3.86. As a result of a Housing Trust review, a whole-of-life costing approach would be taken in the design and construction of public housing so as to provide savings in maintenance and repairs.

3.87. The Committee notes the Housing Trust's plans to continually review the planning program with a view to keeping abreast of community expectations.

3.88. The Committee was advised that negotiations between Asset Management and the Housing Trust aimed at providing substantial improvement in cost performance and service delivery for Housing Trust stock in 1994-95 were near conclusion.⁵⁴

Non-Government Community Services

3.89. The Committee was pleased to note the valuable services provided by community organisations, many hundreds of which are funded to varying degrees by the Government.

3.90. Negotiations have been undertaken between Federal, State and Territory governments to gather statistical information from non-government organisations with a view to avoiding the situation where administrative units are funded at the expense of service delivery units. Some non-government organisations have expressed their concern at the administrative costs of providing such statistical information.

Child Abuse

3.91. The Committee was interested in the level of success the Government has had in increasing awareness of child abuse, and the investigation of reports of child abuse.

3.92. The Minister for Housing and Community Services anticipated the introduction of mandatory reporting of child abuse and an increase in staffing resources to expand the investigation of notifications.⁵⁵

⁵³ *ibid*, p 647

⁵⁴ *ibid*, p 672

⁵⁵ *ibid*, p 684

Recommendation 8

3.93. The Committee emphasises the need for urgency in addressing this important issue and recommends that in the introduction of mandatory reporting of child abuse sufficient staffing resources be provided to address an anticipated increase in notifications.

DEPARTMENT OF URBAN SERVICES**PROGRAM 17: PUBLIC TRANSPORT**ACTION Patronage

3.94. The Minister for Urban Services advised the Committee that despite population growth of at least 0.8% in 1993-94 ACTION patronage only grew by 0.06%.⁵⁶ Despite claims that services have been improved, the continuing relative decline in patronage of ACTION services is of concern and warrants urgent attention.

Ticketing System

3.95. The new ACTION ticketing system has yet to be fully introduced,⁵⁷ and this has led to a deferral of the savings that were to arise. The advent of the new ticketing system allows for more accurate ticket charging, and opens up the possibility of a new pricing regime. The Committee understands delays have been beyond the control of ACTION. The continuing delay is of concern to the Committee.

Claimed ACTION Savings

3.96. There was considerable discussion by the Committee of the extent of taxpayer support for ACTION activities.⁵⁸ The Minister demonstrated that the operating costs of ACTION were down. The total appropriation for ACTION was nearly \$58m, or nearly \$4m more than in 1992-93. While the Minister would want to give the impression of continuing and substantial reductions in taxpayer support for ACTION, the facts are rather less clear, and what reductions have occurred have, at best, been modest rather than substantial, and this is against a background of fairly stable patronage in absolute terms, and decline relative to the population of the ACT.

PROGRAM 20: PUBLIC WORKS & SERVICESBelconnen Pool

3.97. The issue of the provision of a public pool at Belconnen was discussed during the Committees hearings. While there is community expectation of a public pool, and a needs survey is currently being undertaken, the Committee noted that no site has yet

⁵⁶ *ibid*, pp 513, 551

⁵⁷ *ibid*, p 515

⁵⁸ *ibid*, pp 518-525

been determined, there are no definite plans for a facility, and there are no funds provided for construction in the foreseeable future.⁵⁹

DEPARTMENT OF EDUCATION AND TRAINING

PROGRAM 22 : CANBERRA INSTITUTE OF TECHNOLOGY

Library Collection

3.98. The Committee notes that the Canberra Institute of Technology is having difficulty in upgrading its library stocks at a rate sufficient to stem the ageing of its collection. This problem has been exacerbated by increasing numbers in full-time students and rapid technological change in many of the disciplines in CIT's curriculum.

3.99. The Committee was advised that part of the solution may be an extension of CIT's access to databases, thereby eliminating to some extent the necessity to purchase books and media resources. The Committee was further advised that more resources would have to be devoted to this aspect of the library service to meet the reasonable aspirations of students.⁶⁰

Maintenance of Effort

3.100. The Committee notes the significant contribution that the Canberra Institute of Technology (CIT) has made to the training needs of the ACT and region as currently reflected in improved educational outcomes for 1993 and the further improvements expected for 1994.⁶¹ This contribution has occurred within the context of CIT providing cumulative savings to the ACT budget of \$31.5m to 1993-94.⁶²

3.101. The CIT's success in gaining substantial "off-budget" funds during 1993-94 is noted. The Committee endorses the successful overseas student program provided by the Institute on a full cost recovery basis that in 1994 is catering for 270 overseas students.

Australian International Hotel School

3.102. The Committee congratulates the Australian International Hotel School and CIT for the recent gaining of the Canberra Business Council's Business Achievement Award for 1994.

⁵⁹ *ibid*, p 628

⁶⁰ *ibid*, pp 458-459

⁶¹ *ibid*, p 447

⁶² *ibid*, p 447

PROGRAM 23 : GOVERNMENT SCHOOLING

Targeted Separation Scheme

3.103. The Committee has previously been advised of the success of this scheme during the 1994-95 Estimates process. The Committee recognised that this scheme did not fit the usual redundancy scheme since most of the teachers who took advantage of it were replaced but generally at lower starting salaries. The Committee acknowledged that the scheme's importance lay not only in achieving savings but also in its contribution to the rejuvenation of teaching in government schools. The Committee thought that extension of the scheme might be worth considering providing financial viability could be demonstrated.

Nicholls Primary and Pre-school

3.104. The Committee noted that discussions with the Catholic Education Office regarding the sharing of some primary school facilities in Gungahlin are proceeding satisfactorily.⁶³

Overseas Students

3.105. The Committee noted the efforts of the Department to build on the links established with Nara, Japan and from promotional activity in a number of Japanese and other Asian cities. The Department advised the Committee that four ACT teachers will spend six months in Nara schools and reciprocal arrangements are being discussed.

3.106. The Committee was advised that the number of Japanese students studying in ACT government schools had been gradually increasing and at October 1994 23 Japanese students are currently enrolled in government schools. Another 14 are due to commence in 1995. The Committee was advised that, overall, 149 international students are currently studying in ACT government schools on a full cost recovery basis.

3.107. The Committee acknowledges the valuable contribution such students make to ACT schools in particular by raising student and teacher cultural awareness and tolerance. They also inject funds into the ACT economy and provide additional employment opportunities for teachers.

National Learning Profiles

3.108. The Committee noted that the Department has moved promptly to incorporate the nationally developed statements in the ACT curriculum frameworks. Curriculum frameworks provide an important basis upon which schools can develop curriculum.⁶⁴ This empowers schools in their decision making and provides a useful guide for

⁶³ *ibid*, p448

⁶⁴ *ibid*, p 467

teachers in developing directions in good teaching practice, developing activities appropriate to age and key learning areas.

3.109. The Committee noted that teachers have given a strong commitment to the profiles trials and that the Department will be supporting teachers during the trial period.⁶⁵

Social Justice Programs

3.110. The Committee noted that a new Learning Assistance program—aimed at assisting students with numeracy and literacy difficulties—was being trialed in 1994. The new program covers students from Kindergarten to year 10 as one cohort rather than dealing with primary and high school students as separate cohorts.⁶⁶

3.111. The Committee was pleased to note that the integration program for students with special needs continues to increase. During 1993–94 the number of students integrated into their local neighbourhood school increased from 13 to 19. The Committee supports the move by the Department to ensure adequate support to those schools and students involved.⁶⁷ The Committee acknowledged the Department's advice that parent feedback has been positive and that the schools involved have been very supportive.

PROGRAM 24 : NON GOVERNMENT SCHOOLING

3.112. With respect to the future funding arrangements for non-government schools, the Committee noted the consultative arrangements which the Minister has put in place to involve the organisations representing non-government schools and parents.⁶⁸

PROGRAM 25 : TRAINING

3.113. The Committee noted the significant progress that had been made by the agencies within the portfolio in contributions to and implementation of the national training reform agenda, and in particular the work that had been undertaken in relation to the proposed Australian Vocational Training System.⁶⁹ The Committee also noted the high level of consultation and coordination between stakeholders in vocational education and training, notably industry, that has been a hallmark of this work.

⁶⁵ *ibid*, p 467

⁶⁶ *ibid*, p 500

⁶⁷ *ibid*, p 498

⁶⁸ *ibid*, p 449

⁶⁹ *ibid*, p 449

DEPARTMENT OF HEALTH

PROGRAM 26: HEALTH

Hospital Admissions

3.114. The Committee noted that the graph on page 14 of the Department of Health's annual report, which shows that hospital admissions were increasing, was at variance with the table on page 41, which states that admissions for 1993–94 had fallen by 6.59 per cent.

3.115. The Health Minister advised the Committee that, through 1993–94 Medicare negotiations, it became open for the Government to claim renal dialysis processes as bed admissions, and that the inclusion of this in the trends graph accounted for the variation in the figures.

3.116. The Committee asked why these had been claimed in the trends graph and not in the performance indicators table. The Health Minister advised that they would appear in future performance indicator tables but that because 1993–94 was the year in which the change occurred it was decided that, to be frank and open with the Committee and the community, the figures should be excluded from the table in order to give a more accurate comparison between the 1993–94 figures and the 1992–93 figures. The Committee noted the future intention that this information will appear in performance indicator tables.

Static Numbers of treatments

3.117. The Committee noted that the total budgeted number of admissions to the ACT Hospital System has remained at 50,500 a year and this was commented on in both the 1993–94 and 1994–95 Estimates Committee reports.

3.118. While the Government may budget on the basis of 50,500 admissions a year,⁷⁰ this is at odds with the fact that the population grew at 0.8 per cent in the 1993–94 year according to the ABS, and higher in earlier years. It is inevitable that the numbers of people awaiting elective surgery will increase in these circumstances. The Committee acknowledges that population growth is one of many factors that contributes to the increased elective surgery waiting lists.

Deferral of Expenditure

3.119. During the hearings the Committee was advised⁷¹ that there was some \$3.729m of deferred expenditure. The Committee notes that while such deferrals may be due to good management, it may also be the case that provision of some services needed by the community are delayed.

⁷⁰ *ibid*, p 175

⁷¹ *ibid*, p 189

Savings

3.120. During the 1993-94 Estimates Committee hearings the then Minister for Health, claimed that some \$3m in savings were to be made from the Health system during the 1993-94 year. ACT Health claimed that some \$2.97m worth of savings had been made. The savings were later detailed in a written response to the Committee.⁷² In the hearings the Committee had an indicative listing provided by ACT Health which advised the Committee as follows:

Savings were realised through consolidation of services and administrative functions in community health. Administrative and staffing efficiencies in public health and corporate divisions. The co-location of the ambulance service control with emergency services. Improved recycling of medical and surgical supplies. A reduction in the amount of waste by incineration. And fleet and accommodation rental savings. Savings were not realised through the renegotiation of VMO contracts and nurse roster changes due to industrial relations and other issues.⁷³

3.121. The principal areas for potential savings were cited by the former Minister as being renegotiation of VMO contracts and nurses' rosters. It would seem that while savings have apparently been made, it is not possible to quantify them exactly, and the largest potential savings are still awaited.

Recommendation 9

3.122. The Committee recommends that detailed information be available to support claimed savings in outlays, consistent with the 1994-95 Estimates Committee report.

Decline in activity levels

3.123. During the hearings there was considerable interest in apparently large declines in the activity in particular health specialities, including the sexually transmitted diseases clinic.⁷⁴ While reasons for the declines were provided to the Committee on notice it is surprising that some detailed answer could not be given during the hearings particularly in the case of the sexually transmitted diseases clinic, given the public attention given to conditions such as AIDS.

3.124. The written response of ACT Health advised that there had been an increase in the number of general practitioners in the community providing services to clients with sexually transmitted diseases. No facts other than this assertion accounted for the decline in treatments from 19,724 in 1992-93 to 13,932 in 1993-94, a reduction of 30% in one year.⁷⁵

⁷² Response to question on notice

⁷³ Transcript, p 175

⁷⁴ *ibid*, p 220

⁷⁵ Response to question on notice

Same Day Surgery

3.125. In response to Committee questions the Minister provided a written response which indicated that Service Agreements did not require a target of 35% 'same day surgery'. However the Agreements do specify a proposed target of 35% of all medical and surgical admissions to be done on a 'day only basis'.⁷⁶ The response appears to be a play on words, and whether a 'day only basis', or 'same day surgery' is used the fact is that the terms are interchangeable and mean the same thing. In any event if the 35% was the target, it was not in fact met, with some 32% at WVH and 30% at Calvary of patients being admitted on a 'day only' or 'same day' basis.

3.126. The Committee is of the opinion that the Government should clarify its policy objective in relation to same day surgery.

Bed Numbers

3.127. There was considerable discussion in the hearings on the issue of bed numbers,⁷⁷ and this reflected earlier interest in the Assembly in the same issue. While in written responses the Minister claimed that the definition of beds conformed to that contained in the National Health Data Dictionary (NHDD), it is not clear whether certain 'beds', such as chemotherapy chairs, and renal dialysis facilities have been consistently treated over time. It can only be assumed that the claimed 560 beds at WVH as at 30 June 1994, is fairly correct and will serve as an accurate benchmark for future comparison.

3.128. With regard to the counting of hospital beds and the effect of numbers on the level of funding that the ACT would receive, a written response to a question on notice indicated that funding under the Medicare grant is partly based on a complex formula for the treatment of public patients. The funding in each State/Territory is varied by alterations in the proportion of public patients in the State/Territory and changes in the proportion in other States/Territories. The response continued by saying "It clearly makes sense then to count as available beds, those beds which are capable of receiving admitted patients."⁷⁸ While ACT Health asserts that it 'makes sense', the answer does not fully explain how this is the case.

3.129. The Committee noted the advice given by the Government on bed numbers in 1993-94 and noted the Government's commitment to increasing the bed numbers at Woden Valley Hospital to 600 in 1994-95. The Committee also noted the progress achieved thus far in increasing bed numbers.

⁷⁶ *ibid*

⁷⁷ Transcript, p 206

⁷⁸ Response to question on notice

Financial Inconsistencies

3.130. During the Committee's hearings it was apparent that there was a discrepancy between the Actual Result of the Capital Budget for the year (page 17 of the ACT Department of Health Activity Report June Quarter 1994) and the 1994 Capital Expenditure column as shown in the Summary of Compliance with Externally Imposed Financial Directives (page 160 of the ACT Department of Health Annual Report 1993-94).

3.131. The Actual result was expenditure of \$7.591m and the amount shown as Capital Expenditure \$7.674m a difference of \$83,000⁷⁹. While the item is immaterial for financial statement purposes, it is of concern that this difference exists.⁸⁰

Budget Outcome — 1993-94

3.132. The Committee noted that the end of year recurrent expenditure result was \$256.6 million which was \$2.8 million lower than the estimate of \$259.4 million as published in the 1993-94 Budget Papers.

3.133. The Committee was advised that on downwardly adjusted allocations, due to cross border charges, wage and salary increases, changes in private/public mix and deferred expenditure, the achievement was a technical over expenditure of \$4.4 million.

Accreditation of the Department of Health's Services

3.134. The Committee noted that various parts of the Department of Health were assessed for accreditation during 1993-94. Accreditation of health services recognises, both nationally and internationally, that the highest possible standard of service has been achieved.

3.135. On 5 November 1993, Woden Valley Hospital and Associated Regional Services was awarded three years accreditation from the Australian Council on Healthcare Standards. It was the first time Woden Valley Hospital has been accredited since its amalgamation with Royal Canberra Hospital in November 1991.

3.136. In October 1993, ACT Pathology was officially granted continuing accreditation for a further three years by the National Association of Testing Authorities and the Royal College of Pathologists Australasia. ACT Pathology is one of the largest hospital laboratories in Australia to have received continuing registration. In August 1993, the Jindalee Nursing Home was also awarded three years accreditation by the Australian Council on Healthcare Standards. The Tuggeranong Health Centre commenced preparations for accreditation with the Community Health Accreditation Standards Program. The accreditation survey is scheduled for July 1994.

⁷⁹ *ibid*

⁸⁰ *ibid*

Review of the Department of Health

3.137. The Committee noted that the Government commissioned Anderson's Consulting to investigate the state of the Department's finances. The Report was received in April 1994 and its recommendations were accepted by Government. The Resource Management Committee has been constituted and is now addressing the many issues affecting financial operations in the hospital.

Canberra Clinical School

3.138. The Committee was advised that the establishment of the Canberra Clinical School is progressing. On 2 March 1993, the ACT Government and the University of Sydney signed a Memorandum of Understanding to establish the Canberra Clinical School. On 11 April 1994, Professor Paul Gatenby commenced his appointment as the inaugural Associate Dean and Professor of the Clinical School.

ACT Public Hospitals Redevelopment Project

3.139. The Committee was advised that the redevelopment of Woden Valley Hospital is proceeding on target and within budget. The ACT Public Hospitals Redevelopment Project is a seven-year project and includes both Woden Valley and Calvary Public Hospitals.

3.140. The Diagnostic and Treatment Building, a \$35.9m state-of-the-art complex which provides new facilities for the Emergency Department, diagnostic imaging facilities, operating theatres, intensive care and high dependency units and day surgery was opened in February 1994.

Changes to Child Health Clinics

3.141. The Committee was advised that services from child health clinics were provided as a response to demographic changes. During 1993-94, the department was able to reallocate community nursing resources to high demand areas following the consolidation of many small child health clinics in low demand areas.

Establishment of the ACT Cancer Registry

3.142. The Committee noted that the ACT Cancer Registry has been established to receive notifications of cancer, coordinate the data and monitor trends in cancer incidence and death rates in the ACT population. The ACT registry is part of a national network of cancer registries which includes all States and Territories in Australia.

Mental Health Strategic Plan

3.143. The Committee notes developments in the provision of mental health services. In February 1994, the ACT Mental Health Strategic Plan was launched. The plan was developed within the context of the National Mental Health Policy and Plan and sets

the direction for an improved mental health service for the people in the Canberra region for the next five years. The plan identifies the need for linkages between health services, Government agencies and community groups providing services to the mentally ill and emphasises the need for community education, supported accommodation and services to people with special needs.

Commissioning of NSW Tresillian

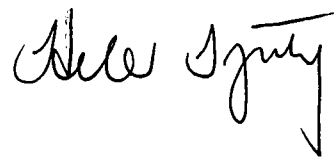
3.144. The Committee was advised that in early 1994, the Department finalised a service agreement with NSW Tresillian to provide an after hours telephone service for parenting advice for ACT residents. Community Nursing is monitoring the service and providing updated information to Tresillian so its staff are able to advise families about local services.

Health Complaints Commissioner

3.145. The Committee noted that the Health Complaints Act 1993 establishing the unit was enacted on 24 December 1993 and came into effect on 24 June 1994. The Commissioner of Health Complaints has been appointed.

Development of Casemix Management System at Woden Valley Hospital

3.146. The Committee was advised that the Government has continued its work on the introduction of Casemix as one of the tools to be used to further refine the management of resources at Woden Valley Hospital. The patient costing system Trendstar has been introduced and benchmarking activity with three interstate hospitals commenced. All of these tools should enhance the information base on which sound resource management decisions are taken.



Helen Szuty MLA
Chairperson

Appendix A: Witnesses at Public Hearing

THURSDAY 20 OCTOBER 1994

ATTORNEY GENERAL'S DEPARTMENT

Mr T Connolly MLA, Attorney General
Mr C Hunt, Secretary
Mr K Simpson, Director, Police Affairs and Law Enforcement
Mr C Dalton, Director, Administrative Law, Policy and Courts
Mr T Brown, ACT Liquor Authority & Registrar of Brothels and Escort Agencies
Ms D Merryfull, Justice Section
Mr P Walker, Acting Territory Solicitor
Mr V Dawson, Finance Officer
Mr K Hempenstall, Office of Director of Public Prosecutions
Mr D Hunt, Parliamentary Counsel
Mr R Satorski, Information Technology Officer
Mr T Charge, Director, Consumer Affairs
Mr C Staniforth, CEO, Legal Aid Commission
Mr D Dunkley, Public Trustee
Mr P Thompson, Registrar, ACT Magistrates Court
Ms S Petherbridge, Director, ACT Human Rights Office
Mr J Taylor, Senior Assistant Ombudsman
Mr A Towill, Registrar of the Supreme Court
Ms H McGregor, Community Advocate
Assistant Commissioner P Dawson, Chief Police Officer
Mr N Grant, Director Corporate Affairs

DEPARTMENT OF HEALTH

Mr T Connolly MLA, Minister for Health
Mr G Fraser, Secretary
Dr P Gregory, Executive Director, Planning and Resource Management
Mr G Gaskill, General manager, Woden Valley Hospital
Mr P Dyer, CEO Calvary Hospital
Ms H Ramsay, General Manager, Community Health
Dr C Mead, General manager, Public Health and CMO

FRIDAY 21 OCTOBER 1994

BUREAU OF SPORT RECREATION AND RACING

Mr D Lamont MLA, Minister for Sport
Mr J Townsend, Secretary, Dept of the Environment, Land and Planning
Mr M Owens, General Manager, Bureau of Sport, Recreation and Racing
Ms D Jackson, Manager, Budget, DELP

INDUSTRIAL RELATIONS

Mr D Lamont MLA, Minister for Industrial Relations
 Ms M Cane, Secretary, Dept of Public Administration
 Mr P Rayner, Assistant Secretary, DPA

ACT LEGISLATIVE ASSEMBLY

Ms R McRae OAM MLA, Speaker of the Assembly
 Mr M McRae, Clerk of the Assembly
 Mr T Duncan, Deputy Clerk of the Assembly
 Mr K Johnson, Sergeant at Arms

MONDAY 24 OCTOBER 1994**DEPARTMENT OF THE ENVIRONMENT, LAND & PLANNING**

Mr Bill Wood MLA, Minister for the Environment, Land & Planning
 Mr J Townsend, Secretary
 Ms L Webb, Director, Environment and Conservation
 Mr G Tomlins, Chief Planner, ACT Planning Authority
 Mr G Croston, General manager Parks and Conservation
 Mr B Bell, ACT Planning Authority
 Ms M Haynes, First Assistant Secretary, Lands Division
 Mr H Sommer, Assistant Secretary, Lands Division
 Mr B Hyland, Lands Division
 Mr J Meyer, General Manager, Culture and Heritage
 Mr D Gration, Manager Canberra Theatre Trust

DEPARTMENT OF EDUCATION AND TRAINING

Mr Bill Wood MLA, Minister for Education and Training
 Mr N Fisher, Chief Executive and Director of CIT
 Mr W Dickson, General Manager, Corporate Services
 Ms M Kinsman, Associate Director Education Services
 Ms C Vardon, Secretary
 Ms F Hinton, Deputy Secretary
 Mr C Thomas
 Mr T Wheeler, Executive Director, Budget and Facilities

TUESDAY 25 OCTOBER 1994**DEPARTMENT OF URBAN SERVICES**

Mr D Lamont MLA, Minister for Urban Services
 Mr J Turner, Secretary
 Mr J Flutter, Chief Executive ACTION
 Mr A Eggins, Manager Finance
 Ms A Austin, Director ACT City Services
 Mr V Smorhun, Manager ACT Library Service
 Mr G McKenzie-Smith, Chief Executive ACT Forests & Chairman Canberra
 Cemeteries Trust
 Mr M Castle, Director Fire and Emergency Services

Mr J Dance, ACT Fire Commissioner
 Mr P Lucas-Smith, Rural Chief Fire Officer
 Mr B Dockrill, Director Public Works and Services
 Mr R Black, General Manager ACT Capital Works
 Mr K Bone, Director Corporate Development

BUREAU OF HOUSING AND COMMUNITY SERVICES

Mr D Lamont MLA, Minister for Housing and Community Services
 Mr J Turner, Secretary Department of Urban Services
 Mr K Horsham, General Manager ACT Community Services
 Ms S Birtles, Commissioner for Housing
 Ms C Healy, Executive Director Family Services
 Ms L Grayson, Executive Director Community programs
 Mr A Galalowicz, Director Corrective Services

WEDNESDAY 26 OCTOBER 1994**CHIEF MINISTER'S DEPARTMENT**

Ms R Follett MLA, Chief Minister
 Dr D Rosalky, Secretary
 Mr S Hunter, Head Government and Policy Co-ordination Division
 Ms R Walsh, Assistant Secretary Government
 Ms L Foreman, Assistant Secretary Social Policy
 Mr P Byrne, Director Executive and Corporate Services
 Mr P Green, ACT Electoral Commissioner
 Mr V Aleksandric, Executive Director Policy and Research
 Mr R Sue See, Executive Director Business Development and Marketing
 Ms P Karmel, Executive Director Business Support and Employment
 Mr I McDougal, Marketing Director ACT Tourism Commission

DEPARTMENT OF PUBLIC ADMINISTRATION

Ms R Follett MLA, Chief Minister
 Ms M Cane, Chief Executive and Commissioner
 Mr P Sadler, First Assistant Secretary
 Mr P Burnett, Assistant Secretary Public Sector Management

ACT AUDITOR-GENERAL

Ms R Follett MLA, Chief Minister
 Mr J Parkinson, ACT Auditor General

ACT TREASURY

Ms R Follett MLA, Chief Minister
 Mr M Woods, Under Treasurer
 Mr N Morgan, Assistant Under Treasurer
 Mr G Harper, Assistant Under Treasurer
 Mr G Faichney, Commissioner for ACT Revenue
 Mr D McKee, ACT Revenue Office