

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 1997-98

APPROPRIATION BILL 1997-98

June 1997



RESOLUTION OF APPOINTMENT

On 8 April 1997 the ACT Legislative Assembly resolved that:

- (1) a Select Committee on Estimates 1997-98 be appointed to examine the expenditure proposals contained in the Appropriation Bill 1997-98 and any revenue estimates proposed by the Government in the 1997 Budget and the Annual and Financial Reports, for the financial year 1996-97;
- (2) the Committee be composed of:
 - (a) two Members to be nominated by the Government;
 - (b) two Members to be nominated by the Opposition; and
 - (c) two Members to be nominated by either the Independent Members or the ACT Greens;to be notified in writing to the Speaker by 4.00pm, Thursday, 10 April 1997;
- (3) the Committee report by 17 June 1997 in respect of the Appropriation Bill and by 27 October 1997 in respect of the Annual and Financial Reports for the 1996-97 financial year;
- (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, circulation and publication;
- (5) the Committee is authorised to release copies of its report pursuant to embargo conditions and to persons to be determined by the Committee, prior to the Speaker or Deputy Speaker authorising its printing, circulation and publication;
- (6) the foregoing provisions of this resolution have effect notwithstanding anything contained in the standing orders.

COMMITTEE MEMBERSHIP

Ms Roberta McRae OAM MLA (Chair)

Mr Harold Hird MLA (Deputy Chair)

Mrs Louise Littlewood MLA

Mr Michael Moore MLA

Ms Marion Reilly MLA

Ms Kerrie Tucker MLA

Secretary

Bill Symington

Administrative Assistants

Fiona Clapin

Kim Blackburn

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Summary of Recommendations

Recommendation 1

2.13. The committee recommends that:

- (i) the 1998-99 budget provide that any material differences in the output classes between that budget and the current budget be documented with explanations for those differences; and**
- (ii) in the case of future budgets brought down before the conclusion of the financial year that, as well as direct financial comparisons for each output class, there be information about the expected outcomes as at the end of the financial year.**

Recommendation 2

2.19. The committee recommends that as soon as the relevant information is available the Government:

- (i) provide to the Assembly details of the specific purpose payments from the Commonwealth; and**
- (ii) provide notes on where there are variations from what is contained in the budget papers and an analysis of the effects of these on the ACT budget.**

Recommendation 3

2.34. The committee recommends that all performance targets, whether budget performance indicators or policy implementation indicators, be included in the budget overview and other relevant budget papers.

Recommendation 4

2.65. The committee recommends that the Government develop, and inform the Assembly on the outline of, an appropriate superannuation scheme for new entrants to the ACTPS which includes the estimated costs per-year on the basis of a desirable funding option compared to a similar funding option for the PSS.

Recommendation 5

2.71. The committee recommends that the Government;

- (i) inform the Assembly on progress with the development of the green paper on environmental accounting and that it seek to present a draft of the green paper for preliminary consideration by the committee when it examines the annual and financial reports for the 1996-97 year; and**
- (ii) include in the "Budget at a Glance" paper in future budgets a separately identifiable provision for those elements of the budget that fall directly under the portfolio of the Minister responsible for environment protection.**

Recommendation 6

3.10. The Committee recommends that the Government address the serious gap in the implementation plans of Community Law Reform Committee Report (No. 9) by ensuring that the Domestic Violence Project Co-ordinator position be established and adequately resourced as soon as possible.

Recommendation 7

3.15. The committee recommends that the Government inform the Assembly on what action is proposed for the private sector in the ACT in the event that the Commonwealth Privacy laws are not extended to the private sector.

Recommendation 8

3.33. The committee recommends that appropriate performance measures be developed in relation to the environmental impact of tourism events.

Recommendation 9

3.39. The committee recommends that the Government advise the Assembly at the earliest opportunity of progress with agreements on the re-development of the Bruce Stadium and that the Assembly be informed, as appropriate, on the content of the agreements including all details of financial arrangements and commitments by the various parties to the agreements.

Recommendation 10

3.75. The committee recommends that the capital works budget for ACT Housing be presented to the Standing Committee on Planning and Environment in the same format as the capital works budgets for all other agencies, and that it be dealt with in the same way as the capital works budgets for other agencies.

Recommendation 11

3.87. The committee recommends that the Government inform the Assembly on the outcome of its inquiries into the building of noise mounds at Fairbairn Park.

Recommendation 12

3.97. The Committee recommends that the Government and ACTEW develop options for a green power scheme in the ACT, in liaison with the NSW Sustainable Energy Development Authority.

1. INTRODUCTION

Function of the Committee

1.1. The Appropriation Bill 1997-98 was presented on 6 May 1997, well before the end of the current financial year. The early budget meant the committee would not be able to examine the Annual and Financial Reports for the financial year 1996-97 in conjunction with its examination of the 1997-98 expenditure proposals.

1.2. As a consequence, the committee was tasked to report to the Assembly by 17 June 1997 in relation to the Appropriation Bill and by 27 October 1997 in respect of the Annual and Financial Reports for the 1996-97 financial year. In giving the committee the further responsibility of reporting later this year on the Annual and Financial Reports for the financial year 1996-97, the Assembly recognised that by end September all departmental and most agency annual reports and financial statements for the 1996-97 year will have been presented to the Assembly. It is expected that the committee will then be in a position to examine and report on the performances of departments and agencies during the 1996-97 year.

1.3. This report is, therefore, the first stage of a process which, by late this year, will have scrutinised both the 1997-98 budget proposals and the outcome of the 1996-97 budget.

1.4. One practical and particular effect of the early budget has been that a significant number of departments and agencies, in responding to committee requests for clarification of detail in the budget papers, were obliged to acknowledge that with the current financial year incomplete, it would be unsafe to assume that output class targets for 1996-97 would be met. For the committee, the implication has to be that in a number of cases, and in some significant areas, the 1997-98 targets based upon 1996-97 outcomes could be in doubt.

1.5. While the committee has little alternative than to accept this restraint on its capacity to fully consider the effect of the 1997-98 budget allocations, it must nevertheless remind the Assembly of this qualification in its consideration of the estimates.

Public Hearings

1.6. Public hearings were held on 8 days beginning on 23 May during which the Chief Minister and all other Ministers, accompanied by officials of departments and agencies, gave evidence.

1.7. In accordance with the standing orders of the Assembly, Members of the Assembly who were not members of the committee attended the hearings and, by leave of the committee, questioned witnesses.

2. OVERVIEW AND GENERAL ISSUES

Committee Approach

2.1. In the past two years the committee has encountered difficulty either in comparing budget forecasts with the outcomes for the previous year because of substantial administrative changes, as was the case in 1995, or because of the transition from input based cash budgeting to output based accrual budgeting, as was the case in 1996.

2.2. A further problem last year was that departmental and agency annual reports and performance measures had tenuous relativities to previous programs and sub-programs due to administrative re-arrangements during the reporting year which caused a number of functions to be dispersed among Ministers.

2.3. This year further administrative re-arrangements have added to the difficulty in tracking the Government's intentions with specific outcome classes during the estimates process.

Comparability and Budget Format

2.4. Last year the committee recommended, inter alia, that future budgets include information about new initiatives and the extent to which such initiatives in the previous budget were achieved. The committee also recommended that future budgets indicate the extent to which the efficiencies expected in the previous budget were met.¹

2.5. The Government response was that this information would be provided in annual reports which would be the primary vehicle for performance measurement.²

2.6. Thus, the committee, of necessity, awaits the annual reports in order to access what it trusts will be meaningful information about the activities of departments and agencies

2.7. Last year's budget was a transition to output based accrual accounting. This change, combined with administrative re-arrangements, caused the committee to recommend that future budget papers contain comprehensive cross referencing and page numbering between all budget papers and supporting documentation.³ While the Government agreed in principle, it pointed to logistical difficulties with the sequential

¹ Select Committee on Estimates 1996-97, Report, November 1996, p5

² Government Response to the Select Committee on Estimates 1996-97, Report, November 1996, pp2,3

³ Select Committee on Estimates op cit, p6

printing of budget papers where later papers are not finalised before earlier papers are printed.⁴

2.8. Nevertheless, the committee sought, and received from the Office of Financial Management (OFM), financial statements for each agency as published in the 1997-98 budget with the 1996-97 budget estimate adjusted for the 1995-96 audited outcome; although OFM was unable to provide any further dis-aggregation to appropriation unit or output class.⁵ The committee found this information of some value and is appreciative of the efforts by OFM in this regard.

2.9. The budget papers provide comparisons with the expected result for the end of the 1996-97 financial year with the forecast budget for 1997-98. While the committee appreciates information about the expected result at the end of the financial year and accepts that the Government may have felt this approach addressed the concerns of the estimates committees of 1995-96 and 1996-97 about comparative figures, the information provided is insufficient for the committee to carry out its task.

2.10. In the absence of information about what was budgeted for in 1996-97 the committee found it extremely difficult to assess the variations between the two budgets.

2.11. This situation could be rectified by the provision of a further column of information in the budget papers, although the committee was advised informally there are technical reasons why this cannot be done.

2.12. The committee is compelled to draw attention to recommendations on these matters by previous estimates committees.

Recommendation 1

2.13. The committee recommends that:

(i) the 1998-99 budget provide that any material differences in the output classes between that budget and the current budget be documented with explanations for those differences; and

(ii) in the case of future budgets brought down before the conclusion of the financial year that, as well as direct financial comparisons for each output class, there be information about the expected outcomes as at the end of the financial year.

2.14. The committee accepts the reality that a comprehensive cross referencing between all budget papers and supporting documentation is unlikely to be possible in the future. However, the committee puts on record that if early budgets are to be the norm, the committee will continue to experience difficulty in making financial

⁴ Government Response, op cit, p4

⁵ Executive Director, OFM, letter to Committee Chair, dated 16 May 1997

comparisons for the output classes for the financial year in review until it has access to annual and financial reports for the current financial year. The current estimates cycle, therefore, remains incomplete until the committee has reported on its examination of the annual and financial reports for the 1996-97 year.

2.15. The committee last year expressed concern that the potential exists for change of some magnitude to take place in administrative structures and that the next estimates committee could encounter difficulties in comparability similar to those which it experienced.⁶ That potential was realised this year and combined with the early budget brought its own set of obstacles to what should be a relatively seamless consideration of proposed expenditures.

2.16. Against this background, the committee has come to the view that there is need for fundamental change to the estimates process, and this matter is addressed below.

Timing of the Budget

2.17. The Committee expresses its dissatisfaction with the budget and estimates timetable. The budget was brought down on 6 May 1997, one week prior to the delivery of the Federal budget, with the Government's intention that it be debated in the June sitting.

2.18. In line with other States the ACT budget was brought down prior to the Federal budget. Because of this, the committee is concerned about the accuracy of the revenue estimates from the Commonwealth. In particular, there is still no information available as to the exact details of specific purpose payments from the Commonwealth. Given the substantial contribution by the Commonwealth to the ACT budget, the committee is especially concerned that the forecasts proposed by the Government will not equate with those of the Commonwealth and that shortfalls could occur.

Recommendation 2

2.19. The committee recommends that as soon as the relevant information is available the Government:

- (i) provide to the Assembly details of the specific purpose payments from the Commonwealth; and
- (ii) provide notes on where there are variations from what is contained in the budget papers and an analysis of the effects of these on the ACT budget.

⁶ Select Committee on Estimates op cit, pp5,6

Estimates Process - The Need for Change

2.20. Last year the committee believed it would be far better placed than this year to examine agencies closely and in more detail on their output class performances. Events, as outlined above, have prevented this.

2.21. The 1995 estimates committee recommended, and the Government accepted, a sensible time line for the committee to examine and report on the Appropriation Bill, a timeline which would allow for proper accountability both by agencies to the committee and by the committee in the preparation of its considered opinion on the appropriations. However, the early budget combined with a tight sitting pattern during the critical months this year has frustrated the committee in achieving the degree of accountability which it considers is due both to the Assembly and the community, by requiring it to conduct its public examination of agencies and report within 3 weeks.

2.22. On the positive side, the committee will examine the detail of all agency operations and performances for the current financial year later this year. However, the Assembly's resolution to retain the committee for this purpose has unnecessarily locked the committee into another very brief period during October in which to undertake that examination.

2.23. There appears to be no reason for haste in the examination of the Annual and Financial Reports for the financial year 1996-97 and the committee chair will give notice to the Assembly of a motion to amend the committee's reporting date to 11 November 1997.

2.24. As with change in both the presentation of the budget and the budget cycle, there has been evolutionary change to the estimates process over the 9 years of self-Government and a reappraisal of the estimates process is now timely.

2.25. If the estimates committee is to have a real and effective purpose in acting for the Assembly prior to its consideration of the Appropriation Bill it will need to be adequately resourced with primary information relative to both the budget and comparisons with the previous budget. However, as discussed above, appropriate comparisons will not be possible with any budget which is brought down before comparable data is available for the previous financial year.

2.26. The committee is also limited in its capacity to come across the agency appropriations in any meaningful way in the absence of comparative data. The budget in its present form has offered little opportunity for the committee to examine the expenditure proposals.

2.27. The committee considers that the main thrust of committee activity should be directed towards ensuring accountability by departments and agencies through their

reporting processes, and that this should take place later in the year when the necessary documentation is available to the committee.

2.28. The committee considers that the current budget structure and the estimates process in its current form needs review. Accordingly, the committee will consider this matter further and report to the Assembly at a later time.

Performance Targets

2.29. Performance targets are given in the budget papers for each agency, and are expressed as numerical or percentage targets. Generally, in the relatively few cases where agencies did not reach their nominated targets, they were forthcoming and credible in explaining the reasons. Indeed, the committee felt that such agencies were probably more believable, or their targets were more realistic, than those agencies which consistently nominated, and achieved, targets of 100 per cent.

2.30. The Auditor-General advised that the Office had not done any audits of the 1996-97 indicators, but that a review of one output class in each agency towards the end of 1996 had shown that most agencies were preparing their indicators satisfactorily. However, the Auditor-General acknowledged this is an evolutionary process and there will be difficulty in arriving at solid figures in the areas of policy advice, for example, where achievement of targets is given in percentages.⁷

2.31. There was a deal of discussion on whether targets should represent aspirations for improvement or whether they should be easy to reach⁸.

2.32. The committee commends those agencies which attempt the aspirations which may be realistic but which also require significant effort to achieve. At the same time, the committee is somewhat sceptical of those agencies which nominate easy to reach targets or set targets which require a subjective assessment as to whether or not they have been met.

2.33. Previous estimates committee reports have made recommendations in relation to performance indicators.⁹ The committee notes that much work is still needed on developing meaningful social and environmental indicators across the budget.

⁷ trans, pp310,311

⁸ for example, transcript p150 et seq and pp553,554

⁹ for example, estimates committee, 1996-97, p7

Recommendation 3

2.34. The committee recommends that all performance targets, whether budget performance indicators or policy implementation indicators, be included in the budget overview and other relevant budget papers.

Revenue Base and Borrowing - the Role of ACTEW

2.35. The budgeted operating loss for 1997-98 shows a deterioration on the forecast outcome for 1996-97 due principally to a reduction in Commonwealth grants of \$10.4m. The Chief Minister advised that tax increases have been kept in line with New South Wales and the CPI and there are no new borrowings forecast in 1997-98 and in the forward years. The committee was advised that total revenue, excluding Commonwealth funding, is expected to remain relatively constant for the year ahead.¹⁰

2.36. The Chief Minister adverted to the strategy of returning \$100m from ACTEW to the general government sector and the increase of \$48m in ACTEW's dividend.¹¹ The hearing discussed ACTEW's capital restructuring and the implications for both ACTEW and the Territory's borrowing account. In essence, this release of capital should allow the Government to avoid any further borrowings and will help fund the capital works program.¹²

2.37. The committee was advised that ACTEW may also buy the streetlights from the Government for approximately \$100m and that, in total, the Government will receive extra payments from ACTEW of about \$305m over the next two years.¹³

2.38. The committee was concerned that these capital injections are really just another form of borrowing similar to the lease back arrangement used last year to fill the budget shortfalls. There was a concern within the committee that no effective efforts have been made to fix the ACT's overall financial position and that it is an attempt by the Government to borrow large sums of money without acknowledging that this is essentially borrowing.

2.39. ACTEW will also be forced to borrow monies from the market to cover the costs of these payments to the government, raising the concern with some members of the committee that the ACT is in fact borrowing by default. The committee noted with some concern that the budget estimates indicate that the dividend for the 1998-99 year

¹⁰ transcript, p4

¹¹ *ibid*, and BP1,p15

¹² trans, p12 et seq and p196

¹³ *ibid*, p.212,p214

will decrease.¹⁴ These figures are of concern to the committee as they seem to give support to the notion that these funds are a short term approach to the growing structural deficit that the ACT is facing.

2.40. The committee considers that the payment of the special dividend may indicate a lack of willingness on the part of the Government to allow ACTEW to manage its own financial affairs, a situation at odds with the Government's philosophy that a corporatised ACTEW should have greater freedom to control its operations. There was a concern within the committee that the special dividend may undermine this operational freedom.

2.41. The committee noted apparent differences of opinion about the level of debt ACTEW would need to undertake to pay for the special dividend.¹⁵

2.42. The committee was also concerned about the apparent lack of information forthcoming about the report commissioned by ACTEW from the independent adviser (the Fay Richwhite study), with contradictory reports on its availability being given. It was indicated that the report had not been handed to the Government and that the \$100m capital payment by ACTEW did not have anything to do with the Fay Richwhite report¹⁶. Elsewhere, the committee was advised that the capital restructure was based upon the advice of the Fay Richwhite report.¹⁷

2.43. A further concern of the committee is the effect on future dividend payments to the Government by the special dividend payment. It was suggested that approximately \$7m would be required to service the debt and that this money would be taken out of future payments to the Government¹⁸

2.44. The view was put by some members of the committee that whichever way the ACTEW contribution to revenue was put, that contribution would be patching up the budget revenue shortfalls which could well be lower if the government had in fact kept revenues in line with NSW payroll and bed taxes.¹⁹ The Chief Minister responded that the revenue base had to be expanded and indicated that a higher payroll tax threshold would widen the revenue base by attracting more business in the future.²⁰

2.45. However, the Budget papers²¹ show that revenues from payroll tax are forecast to decline from \$105.5m in 1996-97 to \$97m in 2000-01. The committee notes that the

¹⁴ BP3, p 120

¹⁵ Transcript, p. 216

¹⁶ *ibid*, p 13

¹⁷ *ibid*, p194

¹⁸ *ibid*, p.210

¹⁹ trans, p16

²⁰ *ibid*, p17

²¹ BP3, p111

Chief Minister expects business growth to take time²² but it is concerned that there is an implicit drift towards unsustainability in the revenue base.

Competitive Electricity Market

2.46. There was discussion at the hearings about the Fay Richwhite review of the impact on ACTEW of the emerging competitive market in electricity. The committee was advised that with one of the ACT's major assets about to enter into a national market it was necessary to determine what that market is likely to do to the future position and profitability of ACTEW, as well as its customers.²³

2.47. The committee notes that an outcome of national competition may be a reduction in the price of electricity for very big consumers and businesses but a significant increase in the price of electricity for household consumers. The committee further noted that the ACT Pricing Commissioner had approved modest price increases with a view to smoothing the transitions to higher prices over a longer period.²⁴

2.48. The OFM challenged this position by advising that cross subsidy did not necessarily imply there had to be a long term price increase, and that a distinction had to be drawn between whether factors were pointing to a long term trend for a price increase or whether there were long term trends for something else.²⁵

2.49. The committee recognises that the ACT electricity market is now open to other suppliers, at least at this stage at the large user level, and that ACTEW will need to both preserve and expand its market.

2.50. The committee was assured there would be no job losses resulting from ACTEW's capital payment to the Government. However, there was a concern about reported comments by ACTEW that the price capping placed on ACTEW prices would cost up to fifty jobs²⁶.

²² trans, p18

²³ ibid, pp75,76

²⁴ ibid,p77

²⁵ ibid

²⁶The Canberra Times, p.1, 3 May 1997

Employment

2.51. A major concern within the Committee was the lack of reliable figures available to judge the real state of employment in the ACT, with the use of ABS figures and the unwillingness to use the CES figures being questioned.²⁷

2.52. The use of ABS figures was given as two fold, ABS figures being used by all governments, and CES figures being used to count registered users of its services.²⁸ The committee was advised that the Government had requested the ABS to change its methodology to take into account the small sample size used for the ACT.²⁹

2.53. There was concern within the committee that the figures may still be giving a false reading of the state of employment in the ACT. There was also concern about the total number of employees in the ACT Public Service, with figures in purchaser agreements showing that the total number of employees has reduced by 1000.³⁰ This indicated to the committee that work loads by the remaining employees could lead to both compensation for stress³¹ as well as a reduction in job opportunities for those seeking employment.

Redundancies

2.54. By the end of the current financial year the Government will have provided some \$25.59m for redundancies. Of this amount, \$12m will come from the central redundancy pool and \$13.59m will be agency funded. Approximately 730 voluntary redundancies will be involved³².

2.55. There was a concern within the committee at the way agencies were identifying the funding of redundancies, with separate output sections providing for their own funding³³ despite the fact that all redundancies are paid for by the relevant agency.

2.56. There was a concern within the committee that, in a recession, redundancies in the ACT Public Service only serve to heighten the ACT's unemployment problem, and a view within the committee is that, having regard to the Federal Government's obvious

²⁷ *ibid*, p59

²⁸ *ibid*, p. 67

²⁹ *ibid*, p. 67

³⁰ Purchase Agreements between the Chief Minister and the Chief Executive of the Chief Minister's Department, 1996-97 and 1997-98

³¹ *Trans*, p 146

³² *ibid*, p 98

³³ *ibid*, p.127

jobs reduction strategy in the Commonwealth Public Service, the ACT Government should ease up on redundancies at this time.

Superannuation Liability

2.57. The unfunded superannuation liability for the ACTPS in 1996-97 is some \$734.5m which is forecast to rise to \$881.8m in 1997-98.³⁴ Superannuation is, in fact, the Government's fastest growing liability. Actuarial studies indicate that if left to grow at its current rate the amount of super will be a major liability for the people of Canberra³⁵.

2.58. The Auditor-General identified this emerging cost as a major concern for the ACT's economic situation³⁶

2.59. The committee notes that a review of superannuation is currently underway with the purpose of developing recommendations for future superannuation coverage and financing, including the employer liabilities in relation to existing membership. The committee further noted that assuming no change to existing arrangements the unfunded liability would approach \$2 billion, in 1997 values, by the year 2013.³⁷

2.60. There was a view within the committee that considering the emphasis the Government has placed on this issue it is surprising that there has been no significant attempt to address the problem, rather the situation has been allowed to deteriorate further.

2.61. The committee notes that the amounts paid into the Superannuation Provision Account by the Government in its three budgets is \$40.159m whereas \$71.045m was contributed in 1991-92 and \$90.953m was paid in between 1992-93 and 1994-95.³⁸

2.62. Officers of OFM took the committee through a series of options for superannuation coverage and funding. Figures were provided to show the effects of funding the Public Sector Superannuation (PSS) scheme either at 100 per cent or 70 per cent level, with OFM arguing that 70 per cent funding would not be unreasonable for a government because it provides a level of funding and, unlike the private sector, there is not a need to provide for the closing down of the work force.³⁹

³⁴ BP4, p127

³⁵ Trans, p40

³⁶ Auditor General's Report, 1995-96 Territory Operating Loss, Report No. 3, 1997

³⁷ BP3, p143

³⁸ Answer to question on notice from Mr Berry MLA on 26 May 1997

³⁹ trans, p43

2.63. The committee has noted that if the PSS remains open with 70 per cent funding, the ACT would be left with an unfunded liability of around \$500m after 25 years. Should the PSS be closed to new staff and a new scheme opened with lower long term costs, accrued liability would start to reduce after the end of the first 10 years.⁴⁰

2.64. The committee notes that the excessive costs of the Commonwealth Superannuation Scheme (CSS) which includes more than half of the ACTPS are an inherited cost from the Federal Government⁴¹ While the committee acknowledges that the Commonwealth Grants Commission has given some consideration to this factor in the form of negative transitional allowances, those allowances do not cover the whole of the emerging cost⁴².

Recommendation 4

2.65. The committee recommends that the Government develop, and inform the Assembly on the outline of, an appropriate superannuation scheme for new entrants to the ACTPS which includes the estimated costs per year on the basis of a desirable funding option compared to a similar funding option for the PSS.

Environment Budget

2.66. The committee last year asked for a statement of the expenditures on environmental issues, and the general aspect of how environmental issues are treated in the budget. The issue was raised again within the committee as there is no grouping of relevant environment outputs in Budget Paper No4.

2.67. The committee was advised that spending on the environment was included in a number of agency outputs and was not a distinct program or unit of Government appropriation in the budget papers. The committee was advised that the budget this year contains some cross references to the environmental chapter in order to create linkages between the qualitative issues and the output classes. However, it was noted that output expenditures may not be totally attributable to an environmental outcome.⁴³

2.68. It was further noted that no budget figures were provided for the section on the environment in Budget Paper No2, *the 1997-98 Budget at a Glance*, despite the fact that every other government area highlighted in the document included budget figures.

⁴⁰ *ibid*, p51

⁴¹ *ibid*, p. 58

⁴² *ibid*, p.57

⁴³ *ibid*, pp61,62

2.69. There was a concern within the committee that the budget papers give no indication of the budget allocated to the environmental responsibilities under the direct control of the Environment Minister, and the committee considers this anomaly relative to the other Ministerial portfolios should be corrected.

2.70. The committee was advised that OFM is reviewing the options for environmental accounting. The committee welcomes the advice that a green paper is being developed with the objectives of a total management framework within which social, environmental and economic considerations are fully represented in the budget and decision making process.⁴⁴

Recommendation 5

2.71. The committee recommends that the Government;

(i) inform the Assembly on progress with the development of the green paper on environmental accounting and that it seek to present a draft of the green paper for preliminary consideration by the committee when it examines the annual and financial reports for the 1996-97 year; and

(ii) include in the "Budget at a Glance" paper in future budgets a separately identifiable provision for those elements of the budget that fall directly under the portfolio of the Minister responsible for environment protection.

Questions on Notice

2.72. The severely compressed time available for examination of the estimates made it necessary for a significant number of questions to be placed on notice to enable Members to access information necessary for a proper scrutiny of the budget. Agencies were asked to respond to such questions within four working days. Questions were also taken on notice by agencies during the hearings and agencies were asked to respond to these questions within three working days. In most cases agencies complied with the requested turnaround on questions although the committee noted that answers directed through at least one Minister were consistently delayed. In other cases there was concern within the committee about the quality of the answers provided and a reluctance to comply with committee requests for the provision of reports which have been made to the Government.

2.73. The committee observes that it has the power to send for persons, papers and records which are relevant to the estimates process. Any disobedience to an order of

⁴⁴ *ibid*, pp63,64

the committee made within its authority may be treated as a contempt by the Assembly. In the cases concerned the committee chose not to order the production of documents, but the committee takes the opportunity to remind agencies of the committee's powers in this area.

3. SPECIFIC ISSUES

ACT Legislative Assembly

3.1. The committee pursued with the Speaker of the Assembly the basis for the current security arrangements for the Assembly and the prospects for change. The committee was advised that the present security arrangements followed from representations, including from Ministers, but that the Assembly Standing Committee on Administration and Procedure was shortly to review experience with the security arrangements. The Speaker noted that the system had been through a shakedown period but that notwithstanding criticisms of its operation, he had an obligation to ensure the occupational health and safety of the persons who used the Assembly building.⁴⁵

3.2. The committee noted that the current security arrangements were necessary following a cut of some \$200,000 in the 1995-96 budget for general security in the building.⁴⁶

3.3. The committee was also assured by the Speaker that the Secretariat would look at any suggestions put by Members of the Assembly which are directed towards improving the facilities available to Members.

Attorney-General

A Future ACT Prison

3.4. The committee sought comment from the Attorney-General as to whether there is any merit in the proposal that a future ACT prison be operated in association with a Federal prison. The Attorney-General responded that it is worth putting the proposal to the Commonwealth as ideas developed but that the Commonwealth may take the view that it is better to place prisoners in the State in which they are sentenced and that there may be good social policy reasons for doing this.⁴⁷

⁴⁵ *ibid*, p910

⁴⁶ *ibid*, p911

⁴⁷ *ibis*, pp446,447

Legal Aid

3.5. The committee was advised that negotiations with the Commonwealth on legal aid are not fully complete as the Commonwealth seeks to have uniform agreement on certain changes it is proposing. With regard to funding, the committee was advised that it is agreed the ACT should receive for the current financial year, and the next two financial years, the same dollar amount in legal aid based on the ACT's expenditure on Commonwealth matters, and that this is an increase of about \$900,000 on the \$3.006m offered when the negotiations began.⁴⁸

Domestic Violence Co-ordinator (DVC)

3.6. The committee raised the matter of the Government's implementation plans for the Community Law Reform Committee's Report (No. 9) into domestic violence. In particular, the Committee was concerned about the Government's decision to not proceed with funding a domestic violence project coordinator position in this budget. The committee noted that legislation to establish the Domestic Violence Prevention Council is currently before the Assembly, but queried the role of the domestic violence co-ordinator.

3.7. The Attorney advised that the Victims of Crime Co-ordinator would chair the Domestic Violence Prevention Council, and that the Government would wait and see what emerges from the work of the Council before deciding on long term arrangements about co-ordinating domestic violence strategy.⁴⁹

3.8. The committee considers this approach is seriously flawed, noting that the DVC position was a pivotal feature of the Domestic Violence Intervention Project that was recommended by the Community Law Reform Committee.

3.9. The committee notes that the DVC would have a central role in implementation and co-ordination of domestic violence policy. The committee was advised that the DVC position would unnecessarily front load the process⁵⁰ but it considers this indicates a misunderstanding of the critical role of the DVC in promoting a bottom up approach to preventing domestic violence in the ACT. The Committee considers the Government should acknowledge the fact that the Council will not be in a position to implement policy and co-ordinate services provided by the various agencies working in this area.

⁴⁸ *ibid*, p449

⁴⁹ *ibid*, p453

⁵⁰ *ibid*, p455

Recommendation 6

3.10. The Committee recommends that the Government address the serious gap in the implementation plans of Community Law Reform Committee Report (No. 9) by ensuring that the Domestic Violence Project Co-ordinator position be established and adequately resourced as soon as possible.

ACT Commissioner of Police

3.11. The committee notes that Legal Policy Output Class 1.1 provides for the development of policy relative to the ACT Commissioner of Police and the budget paper makes a notation that negotiations with the Commonwealth broke down during the current year.⁵¹

3.12. The committee was advised that the Government is attempting to renegotiate some parts of the agreement with the Commonwealth for the provision of policing services to rectify some of the accountability deficits that currently exist in the policing arrangement with the ACT.⁵²

Privacy Legislation

3.13. Concern was expressed in the committee that the ACT is not, or will not be, adequately covered by privacy legislation if the Commonwealth does not proceed with legislation to extend coverage to the private sector.

3.14. The Attorney-General advised that although the matter has not been considered since the Commonwealth indicated it was taking a different approach, he was prepared to address the issue.⁵³

Recommendation 7

3.15. The committee recommends that the Government inform the Assembly on what action is proposed for the private sector in the ACT in the event that the Commonwealth Privacy laws are not extended to the private sector.

⁵¹ BP4, p477

⁵² trans, p458

⁵³ *ibid*, p485

Business, The Arts, Sport and Tourism

Canberra Business Development Fund

3.16. The committee was advised that the Canberra Business Development Fund had started with a \$2m injection of Government funds in 1996-97, that this has been a one-off injection and that the fund would be supplemented by the private sector. The Fund is to be self-perpetuating by receiving funds from the private sector in the form of \$2m units, and the committee was advised that the fund currently stands at \$4m with about 40 companies interested in accessing the Fund.⁵⁴

3.17. The committee was advised that companies will be able to access the Fund by a range of means including borrowing, equity and quasi equity. In the meantime, the Government injection has been allocated but not drawn down or invested. The committee was advised that the intention has been to set the Fund up in a way that will outlive the next year or two, that the Fund is looking to make a return and that it is that return which is to attract the private sector.⁵⁵

Revitalisation of Civic/Northbourne Corridor - Waiver of Duties and Charges

3.18. Concern was raised within the committee about the need for extra residential accommodation and the benefiting of building owners by waiving stamp duties and remitting development application charges for re-development in the Civic/Northbourne corridor.⁵⁶

3.19. The committee was advised that building owners were being offered incentives to change the purpose of buildings and refurbish them so as to encourage more people to live in the Civic area. The committee was further advised that savings being offered included the lease variation fee of \$1,150 and stamp duty which on a property valued at \$250,000 would be \$7,625.⁵⁷

3.20. Although the committee sought an indication of projected revenue forgone, it was advised that because nothing is happening at this stage there is no potential revenue or potential revenue forgone.

⁵⁴ *ibid*, p318

⁵⁵ *ibid*, p319

⁵⁶ *ibid*, p321

⁵⁷ *ibid*, pp322,323

Very High Speed Train (VHST) Project

3.21. The committee was advised that the Government is participating in a project control group which is currently running the registration of interest process for the VHST. Indicative benefits for the ACT from the project were given, although these would be shared with NSW. Greenhouse benefits were claimed on the basis that the service would be more energy efficient than either air or road services. Additionally, benefits from a reduction in road congestion and road trauma were mentioned.⁵⁸

3.22. The committee notes that no recent assessments have been made of the extent to which the project could be expected to develop the employment base which would reside in the ACT, but travel to Sydney.⁵⁹

3.23. The committee sought clarification of the role of the Victorian Government in the VHST project, noting that the Victorian Government had expressed reservations about the type of train to be considered if there was to be Victorian involvement. The committee was advised that at least two proposals have indicated the potential for a Melbourne link at some stage, and that the proposal should not be seen as a Canberra/Sydney link only.⁶⁰

Kingston Foreshore Development Authority

3.24. Concern was raised within the committee that the cost of the development strategy to this point and the projected additional costs, reaching more than \$2m, may be excessive having regard to what was expected to be achieved. It was questioned whether the injection of \$0.926m in borrowings in the budget was necessary given that Planning and Land Management should have done most of the work.⁶¹

3.25. The committee was advised there had been 10 major studies of the Kingston site, including a feasibility study, an environmental study, and a contamination assessment, which have provided a body of knowledge from which to now proceed.⁶²

3.26. In response to a question on notice about the unimproved capital value of the land which the ACT would acquire as a result of the Acton/Kingston land swap, the committee was advised any valuation of the Kingston site would need to be based on

⁵⁸ *ibid*, p328

⁵⁹ *ibid*, p329

⁶⁰ *ibid*, p330

⁶¹ *ibid*, pp339, 341

⁶² *ibid*, p340

the land's existing land use and it would be unwise to speculate on the future use of the land before an approved plan for the future development of the area is in place. The committee was further advised that given the Government's clear intention to change the land use for the site any such valuation at this stage would serve little purpose.⁶³

3.27. The committee considers this response inadequate. It would appear to the committee that the Commonwealth land made available to the ACT is low value industrial land and considerable costs are likely to be incurred in preparing the land for redevelopment, costs which will be borne by ACT taxpayers either as a direct cost or by a reduced premium for the site.

Occupational Health and Safety

3.28. There was concern within the committee that there is no specific program to promote best practice family friendly policies in the private sector, in particular on work sharing arrangements, and the question was raised whether sufficient resources are being directed to the promotion and implementation of these objectives.

3.29. The committee was advised that these concerns would be taken on board as a major piece of work for the next financial year and in the context of other policy relationships.⁶⁴

Canberra Tourism and Events Corporation

3.30. Concerns were raised about the environmental impact of certain events, with the view put that the assessment of certain events needs to be seen more clearly, for example by employing consultants.

3.31. The committee was advised that an events monitor process will look at the environment component of surveys of events. Assurances were given that there would be co-operation and co-ordination between the Corporation and other arms of Government on the monitoring of pollution, noise and other matters.⁶⁵

3.32. A view was also expressed within the committee that the performance measures should include the environmental impact of activities. The committee was advised that

⁶³ response to question on notice by Mr Berry MLA

⁶⁴ *ibid*, p426

⁶⁵ *ibid*, p433 et seq

this matter could be looked at, although it could be included in the environment accounting options being developed by government.⁶⁶

Recommendation 8

3.33. The committee recommends that appropriate performance measures be developed in relation to the environmental impact of tourism events.

Canberra Cultural Authority

3.34. There was concern in the committee of possible conflict between the Cultural Council and the Authority in terms of their respective roles. The committee was advised that the Authority would manage and develop interactions between the opportunities that each of the resources such as the Canberra Museum and Gallery, Canberra Cultural Centre, Nolan Gallery, Lanyon Homestead and so on represent to achieve better outcomes.⁶⁷

Bureau of Sport, Recreation and Racing

3.35. The committee noted that the Government has committed \$12.3m towards the development of the Bruce Outdoor Stadium in preparation for its use by the rugby and soccer football codes and in relation to the lead up to the year 2000 Olympics.⁶⁸

3.36. Having regard to the estimated final cost of \$27m for the Bruce Stadium development, the committee was advised that while the Government is committed to spend \$12.3m, the balance is to be expended by the primary hirers of the Stadium. The committee was advised that a position where a Heads of Agreement will be signed is very close and a positive outcome is expected shortly.⁶⁹

3.37. The committee sought information about the numbers of patrons attending events at the Bruce Stadium and was advised that, at the time of the hearings, there have been 185,000 patrons against a projected outcome for 1996-97 of 150,000 and that 200,000 will attend by the end of the current financial year.

3.38. The committee has some reservations as to the viability of the Bruce Stadium re-development in terms of what guarantees there are that the various football codes will

⁶⁶ *ibid*, p440

⁶⁷ *ibid*, p601

⁶⁸ *ibid*, p885

⁶⁹ *ibid*, pp888,889

bring in the patrons, what return they can expect and for how long the agreements will be in place.

Recommendation 9

3.39. The committee recommends that the Government advise the Assembly at the earliest opportunity of progress with agreements on the re-development of the Bruce Stadium and that the Assembly be informed, as appropriate, on the content of the agreements including all details of financial arrangements and commitments by the various parties to the agreements.

Trading Hours

3.40. In response to a question on notice about the restrictive trading hours legislation introduced last year, the committee was advised that a survey commissioned to determine the community's attitude towards trading hours cost \$14,400.⁷⁰

3.41. Some members of the committee questioned the need for the survey as community opposition to restricted trading hours was well known.

Chief Minister

Use of the Electronic Mail System (CC Mail)

3.42. The committee was advised that the Government does not and will not use CC mail for its media releases⁷¹ although there is a view that Ministerial releases have been issued to ACTPS staff in the past. The committee was also advised that "the union" uses CC mail to get information out to its members⁷² although the Government had previously notified a Member that it is not appropriate for non-Executive members to approach ACTPS staff directly via CC mail.⁷³

3.43. Against this background, the committee noted that that a media release from one Assembly Member about the actions of other Assembly Members in the Assembly had been circulated to ACTPS staff by CC mail⁷⁴. Concerns were expressed within the

⁷⁰ Response to question on notice by Mr Whitecross, MLA

⁷¹ trans, p110

⁷² ibid

⁷³ Chief Minister, letter dated 28 February 1996 to Mr Berry MLA, tabled in the committee 27 May 1997

⁷⁴ Mr G Cornwell MLA, Media Release, 13 May 1997, tabled in the committee 27 May 1997

committee about the process whereby an official authorised its entry on CC mail⁷⁵, and concerns were also expressed that access to CC mail may be limited to one political party.

Industrial Dispute at the Acton Peninsula Project Site

3.44. The committee noted that the Department, although briefed by Totalcare on the recent Acton Peninsula project site industrial dispute involving local truck operators and the demolition contractor, was not able to inform the committee of the outcome of the dispute.⁷⁶ This was a serious industrial dispute lasting many days and affecting a major construction site.

3.45. While the Chief Minister had claimed this was a demarcation dispute between two unions⁷⁷, it was confirmed to the committee that the dispute was about jobs in the ACT,⁷⁸ with evidence that the dispute was about the amount of work contracted out to a Newcastle contractor instead of to ACT haulage contractors. It was confirmed that local haulage contractors will now be employed on the site.⁷⁹

3.46. The committee was advised that the dispute may have led to additional costs for the project but these could not be quantified. The committee was advised that the additional costs would be handled within the overall budget for the project.⁸⁰

Education and Training

Annual System Quality Assurance Process

3.47. There was extensive discussion of the quality assurance process with particular reference to literacy assessment.⁸¹ The committee was advised that the all up cost for the consultancy, preparatory work, training and testing will be \$350,000. The

⁷⁵ trans, p109 et seq and p294 et seq

⁷⁶ *ibid*, pp158, 159

⁷⁷ Legislative Assembly Debates, 7 May 1997

⁷⁸ trans, pp401,402

⁷⁹ *ibid*, p400

⁸⁰ *ibid*, p173

⁸¹ *ibid*, see p720 et seq

committee was further advised that a great deal of this sum will go in the purchase of the test and the marking of the assessment, because most of it will be done externally.⁸²

Canberra Institute of Technology (CIT)

3.48. The committee was advised that the purchaser/provider model as it is applying to the CIT allows the purchaser (ie, the Government), to focus in more detail on the type of places which it wishes to purchase from the CIT. The committee was advised that arrangements often involve discussion with industry training boards to assess the training demand in a particular region. The Provider (CIT) looks to its capability in terms of real training requirements as well as vocational and community needs.⁸³

3.49. Noting that the Government as the purchaser may tender out to private sector trainers, the committee sought advice as to how students would be protected in the event that a private training institution failed.

3.50. The committee was advised that quality assurance arrangements principally through the accreditation and registration council provided for in the Vocational Education and Training Authority Act required all courses to be accredited and all providers to be registered. The committee was advised that the registration process requires that a training institution satisfy criteria of financial integrity and soundness.⁸⁴

Alternative Education Programs

3.51. The committee noted that an initial establishment grant of \$5,000 has been provided for the alternative education program at Dickson College and that resources which had been at the Reid site had been transferred to Dickson, including computers, library books and the balance of the SWOW management account of \$20,000.⁸⁵

3.52. There was a concern within the committee that two of the three off-line programs that existed in the ACT have folded due to teacher burn out and lack of resources, and there was concern that the need for extra resources within the education budget for the alternative education program has not been acknowledged.

3.53. The committee considers that resourcing of the new program at Dickson and the foreshadowed program on the Southside needs to be closely monitored.

⁸² *ibid*, p723

⁸³ *ibid*, p762

⁸⁴ *ibid*, p764,766

⁸⁵ *ibid*, p748

Health and Community Care

Health Budget

3.54. There was extended discussion in the hearing about the budget based on the claims made by the Minister when in Opposition that when in government the health budget would be reduced. The committee noted that the health budget has, in fact, increased and that it was augmented last year by \$14.6m.

3.55. The Minister addressed the committee on these matters at some length and was challenged at some length in response. In essence the discussion turned on a view expressed within the committee that the Government had not been able to reduce the health budget and claims by the Minister that reductions had been achieved by bringing down the costs of treating patients to national levels, and that waiting lists had also been reduced. The full discussion on these matters is contained in the estimates committee transcript from page 612 onwards.

3.56. Nevertheless, within the committee there was a view that bringing the ACT's health costs into line with national benchmarks is a continuing problem, and there is limited evidence that strategies to improve this situation are meeting with any particular success.

Cardio-Thoracic Surgery

3.57. The committee was advised that 300 cardio-thoracic operations a year were needed for the cardio-thoracic surgery unit at The Canberra Hospital to be viable, but that 270 patients would be treated in the first year. Discussion with the committee revealed that the Department would be aiming for 300 patients over time depending on how relations with NSW developed.⁸⁶ The committee was advised that there is no contract with the (new) private hospital in relation to the provision of cardiac services, noting the hospital will not be built until September 1998.⁸⁷

3.58. The committee was advised that the private hospital had indicated it would like to get into the business of cardio-thoracic surgery, and The Canberra Hospital has only just started serious conversations with the private hospital representatives with a view to considering the implications, given there is a limited client pool and very scarce professional resources to support a unit. The committee was further advised that over the next 12 months an arrangement will be negotiated with the private hospital, and that

⁸⁶ *ibid*, p616, 635

⁸⁷ *ibid*, p635

it may well be that patients can be admitted to the private hospital, have their surgery within the public hospital and their post-operative recovery in the private hospital.⁸⁸

3.59. The proposal that the new unit operate on two sites with shared resources raised questions within the committee about the operation and viability of the new cardio-thoracic unit. It was noted that the consolidation of the Canberra and Woden Valley Hospitals onto one site was to reduce duplication and the inefficiencies that arose from operating departments over two sites, and the proposal seems to be ad odds with this intention.

3.60. There was concern raised within the committee about The Canberra Hospital contracting to provide services at cost to the new private hospital. The impact on space, staffing and other costs was not addressed in evidence nor was there any evidence offered as to why the new private hospital would want to pay for these services at the ACT's high cost rate with no evidence that there is any likelihood that those costs will come down.

Intraocular Lens Implant Equipment

3.61. During the hearings it was conceded that there are problems with Intraocular Lens Implant Equipment at The Canberra Hospital.⁸⁹ It was noted that Calvary Hospital will eventually be supplied with newer more reliable equipment and that in the meantime eye surgeons are recommending that ACT patients travel to Sydney for basic procedures.

Hospital Waiting List Reporting

3.62. The committee sought from the Minister a copy of a report by Walter & Turnbull which reviewed Waiting List Reporting at The Canberra Hospital. This matter had been discussed in the Assembly on 14 May 1997.

3.63. The Minister advised that the view of the Department was that full release of the report could lead to the identification of individual officers within the Department and the Hospital and that, in any case, the report was prepared for internal management and not intended for public release. The Minister advised that the Government did not propose to release the report in full.⁹⁰

⁸⁸ *ibid*, p636

⁸⁹ *ibid*, p634,635

⁹⁰ Minister for Health and Community Care, letter dated 27 May 1997

3.64. Following due consideration by the committee, the Chair informed the Minister that the committee must have regard to its responsibility to the Assembly in examining the estimates and, in that regard, is entitled to call for relevant documents. Thus, the committee's position was that it should have access to the full Walter & Turnbull report. Accordingly, the Chair requested the Minister to provide one copy of the report, in confidence, for assessment by the committee as to what recommendation it might make to the Assembly about the report.

3.65. The matter was raised later in the hearings when the Minister advised that advice on the committee's request for release of the report was being sought.⁹¹

3.66. The Minister subsequently contacted the Chair and invited members of the committee to read the report in her office. The committee agreed that individual members may avail themselves of the offer as members, but not as representatives, of the committee, but that the committee may recommend appropriate action in relation to the report.

Disability Services

3.67. There was a concern within the committee that the restructuring of Disability Services with changes in classification of staff from Technical Officers to General Service Officers may lead to a loss of skilled staff in this area, and could lead to the disadvantage of both staff and clients of the service. The committee was advised that the restructuring was not designed for the purpose of paying officers at a lesser rate but to improve services to clients.⁹²

Housing and Family Services

ACT Housing

3.68. The committee sought information about maintenance of public housing and was advised that because of the condition of the housing stock inherited from the Commonwealth, the cost to bring the stock up to an acceptable condition may be as much as \$100m. The Department advised it was addressing the greatest needs and trying to develop a planned maintenance scheme which would replace ad hoc maintenance with a long-term strategy.⁹³

⁹¹ trans, p669

⁹² ibid, p693

⁹³ ibid, p786

3.69. The committee was advised that some \$20m would be spent on maintenance in the next financial year, representing 2 per cent of the value of the housing stock, a figure roughly comparable to the percentage spent by the private sector on maintenance.⁹⁴ As to how the Department prioritised maintenance, the committee was advised that prioritising had been based upon the results of a survey of clients on the condition of their housing.⁹⁵

3.70. The committee sought advice as to how the community housing initiative would be progressed and was advised that 200 properties would be transferred from the stock in a pilot program over two years with details to be developed in consultation with community housing providers in peak groups. The committee was advised that a number of key requirements needed to be met, including that transfers be cost neutral to the Government with the cost of subsidies and return on investment being transparent.⁹⁶

3.71. The committee was advised that community housing providers will be responsible for all aspects of tenant management and asset management with the Government retaining ownership of the properties. However, there was a concern within the committee that the pilot would involve two organisations without the program going to tender.⁹⁷

3.72. The committee noted that the KickStart program provided for a target of 500 grants in the 1996-97 year⁹⁸ but the Minister advised they were now looking at a revised target of around 200-220 with approvals currently running at around 9-10 a week.⁹⁹

3.73. The committee found little detail in the budget papers on the draft capital works program for ACT Housing. This item has an allocation of \$22.278m for 1997-98 and a Works in Progress allocation of \$11.884m.¹⁰⁰ The Acquisition and Improvements sub item has a total estimated cost of \$29.476m with estimated expenditure of \$21.621m in 1997-98 with no indication of when or where the difference of \$7.855m will be spent. The committee noted that in contrast there is considerable detail of the draft capital works program under the auspice of the Department of Urban Services.¹⁰¹

3.74. While the draft capital works program is examined separately by the Standing Committee on Planning and Environment, an examination of the transcript of that

⁹⁴ *ibid*, p787,790

⁹⁵ *ibid*, p789

⁹⁶ *ibid*, p802

⁹⁷ *ibid*, p802-804

⁹⁸ BP4, p437

⁹⁹ *trans*, p828

¹⁰⁰ BP4, p421

¹⁰¹ BP4, pp150-155

committee's proceedings and the committee's report has not provided any detail of what is planned for the expenditure of the capital works part of the ACT Housing Budget.

Recommendation 10

3.75. The committee recommends that the capital works budget for ACT Housing be presented to the Standing Committee on Planning and Environment in the same format as the capital works budgets for all other agencies, and that it be dealt with in the same way as the capital works budgets for other agencies.

3.76. The committee noted that the Operating Statement for ACT Housing in the budget papers shows Revenue User Charges - Non ACT Government of \$92 312m,¹⁰² double the estimate in the 1996-97 Budget. No explanation was given in the Notes to explain this adjustment which related to requirements for accrual accounting. The committee considers that a variation of this magnitude should be explained.

3.77. The committee also noted that some of the changes in the Output Classes between agencies received scant explanation particularly when the Targets were also varied. Lack of this sort of detail has added to the difficulties of comparative examination of the budget figures and outcomes.

Childrens, Youth and Family Services

3.78. The committee noted that an additional \$600,000 is to be provided for substitute care places for children at risk and to cater for a projected extra 100 placements in the 1997-98 year. The committee was advised that there had been an increased demand for substitute care placements during 1996-97 and the Department received additional funding. However, the committee was further advised that the cost per placement is about \$20,000¹⁰³ and, on that basis, the committee has reservations as to whether this program will be sufficiently resourced.

3.79. The committee also had concern about the adequacy of resources for the introduction of mandatory reporting of child abuse, particularly in relation to the community sector.¹⁰⁴

¹⁰² BP4, p422

¹⁰³ trans, p840 et seq

¹⁰⁴ *ibid*, p849

Urban Services

ACTION

3.80. The committee sought information on the impact of the new midi buses on the public transport system. There was a concern that the decision to allow only one wheelchair place on the new midi buses was based on a commitment to the minimum required by the Disability Discrimination Act and perceived needs overseas rather than any evaluation of ACT needs or examination of passenger profiles.¹⁰⁵

Milk Authority of the ACT

3.81. There was a view within the committee that Canberra Milk was unable to dispel the impression that the decision to remove glass bottles was taken long ago and was not based on any true evaluation of environmental considerations of all the alternative packagings.¹⁰⁶

Totalcare

3.82. The committee was advised that the Acton Peninsula project site industrial dispute was in relation to jobs in the ACT.¹⁰⁷ The committee was also advised that resolution of the dispute led to more work for local contractors. However, the committee was unable to ascertain from Totalcare how many jobs in the ACT would be affected by resolution of the dispute and the matter had to be taken on notice.¹⁰⁸

3.83. The committee notes that although the Government claimed the original cost estimate of \$8m for the Acton project had been reduced to \$6m, advice was tendered to the effect that the cost had fallen to \$5.4m.¹⁰⁹

InTact

3.84. With regard to the role of Telstra in relation to network maintenance within the ACT Government, the committee was advised that Telstra was regarded as a significant

¹⁰⁵ *ibid*, p381

¹⁰⁶ *ibid*, p394

¹⁰⁷ *ibid*, p401

¹⁰⁸ *ibid*, pp401,402

¹⁰⁹ *ibid*, p401

local ACT presence in terms of the weighting given to local ACT business. The committee was advised that Telstra would retain a number of jobs within the ACT as well as retaining a significant corporate presence, and in partnership with three local companies. It was put to the committee that, as a result of winning the ACT Government business, Telstra will grow its business in the ACT by adding 27 jobs to the 190 that are currently retained.¹¹⁰

Fairbairn Park

3.85. Concerns were expressed within the committee that noise mounds were being built at Fairbairn Park without the necessary development applications being lodged.. The committee understands that some 100 truckloads of fill have been dumped at Fairbairn Park next to the formula 400 track and that earthmoving machines are compacting and shaping the mounds.

3.86. The committee was advised that this matter is of concern to the Department and that the developer has been asked to explain why an application has not been lodged. The Department advised that in the absence of an appropriate explanation the developer will be asked to stop work and rectify it.¹¹¹

Recommendation 11

3.87. The committee recommends that the Government inform the Assembly on the outcome of its inquiries into the building of noise mounds at Fairbairn Park.

ACT Forests

3.88. In response to queries about weed control, the committee was advised that it would cost \$250,000 for chemicals and \$500,000 to apply them in order to rid the Cotter catchment area of blackberry weed. The committee was advised that ACT Forests is not putting the problem aside but at this stage of its business it had to put all its investment into getting the plantation growing stock back to a level where it can support a sustained program to deal with environmental weeds.¹¹²

3.89. With regard to pine firewood the committee was advised that ACT Forests is proactive in seeking markets for the product in a way which would replace hardwoods, although it is not a big money making exercise. The committee was advised that use of pine firewood is encouraged through the sale of firewood permits, that a firewood

¹¹⁰ *ibid*, p407 et seq

¹¹¹ *ibid*, p523

¹¹² *ibid*, p565

merchant was looking at arrangements to deliver pine firewood and that Corkhills has started to take pine off-cuts from the Koppers yard at Hume for seasoning prior to sale.¹¹³

Environment Protection Legislation

3.90. The budget papers indicate that environment protection legislation is to be developed and implemented in June 1997¹¹⁴, and the committee noted that the Environment Protection Bill has been introduced into the Assembly. The Minister advised that implementation of the legislation is meant to cover all elements required to make it operational, including regulations and subordinate legislation under the Noise Protection Bill.¹¹⁵

3.91. The committee refers to this matter here as an evidence that there is a danger of some drift in the Government's legislative program.

Landcare Groups

3.92. A concern was expressed within the committee that Landcare and Catchment groups are charged by Totalcare for the hire of equipment such as chippers. The view was put that this could be an area of community service obligation on the part of Totalcare.

3.93. The committee was advised that this could be so but that the need for equipment for these organisations could be included in their grants which, in this case, are made by the Federal Government.¹¹⁶

Green Power

3.94. There was discussion in the hearing about the Green Power scheme initiated in NSW by the Sustainable Energy Development Authority and whether ACT residents are being offered the opportunity of purchasing a percentage of green power (ie from renewable sources).¹¹⁷

¹¹³ *ibid*, pp566,567

¹¹⁴ BP4, p367

¹¹⁵ *trans*,p569

¹¹⁶ *ibid*,p597

¹¹⁷ *ibid*, p202 et seq

3.95. The committee was advised that the green power option in NSW doubles the price of electricity for consumers.¹¹⁸ However, the committee notes that the price of green power differs between electricity providers in NSW, and that a Queanbeyan household, for example, can select either 100 per cent or 50 per cent (green) electricity as part of the earthsaver program which costs about 25 per cent more than current charges for an average household.¹¹⁹

3.96. There is a view within the committee that ACTEW and the Government have not provided sufficient justification for ruling out offering a green power scheme in the ACT.

Recommendation 12

3.97. The Committee recommends that the Government and ACTEW develop options for a green power scheme in the ACT, in liaison with the NSW Sustainable Energy Development Authority.

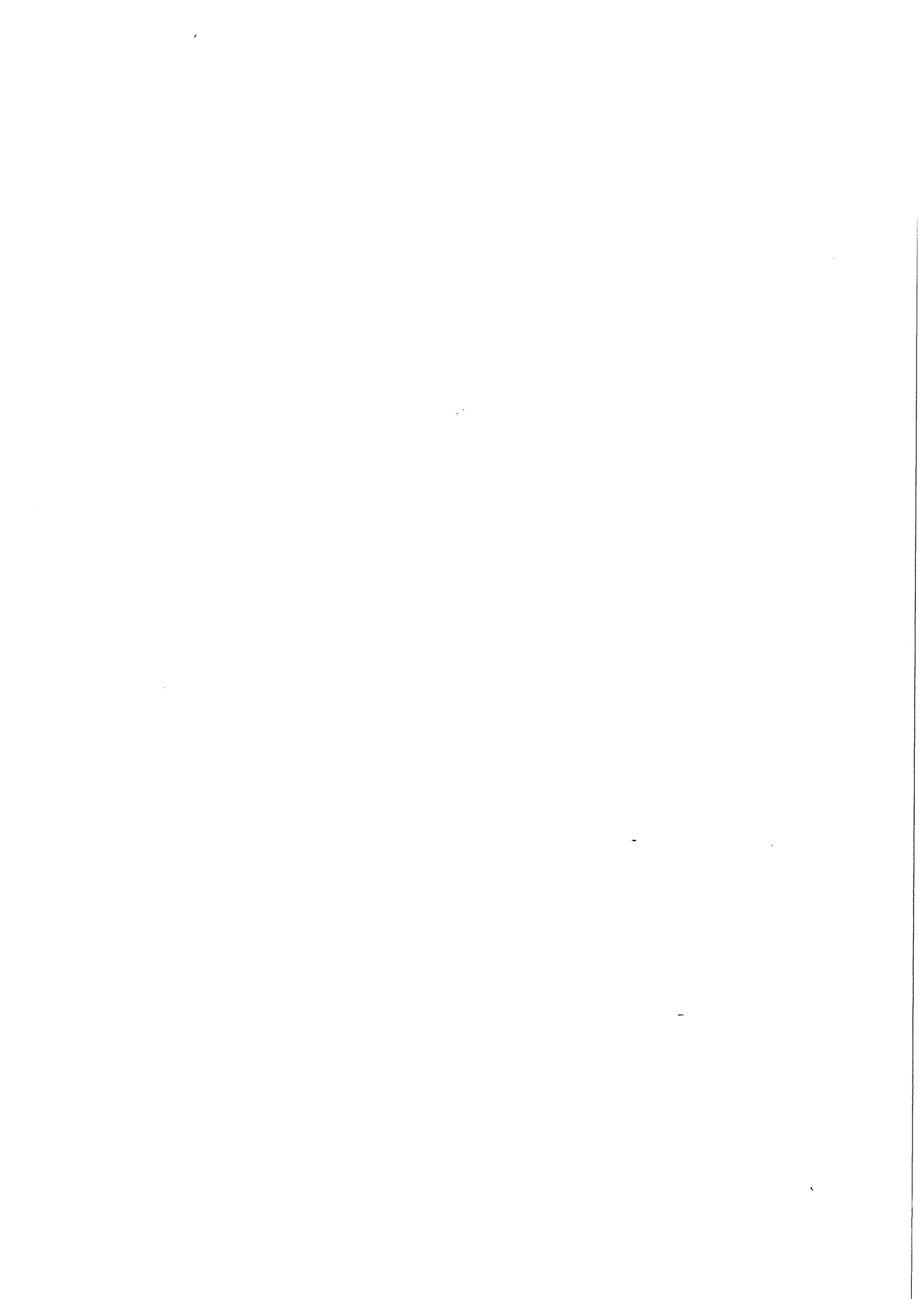


Roberta McRae MLA
Chair

16 / 6 / 97

¹¹⁸ *ibid*, pp202,203

¹¹⁹ Great Southern Energy, Earthsaver pamphlet



DISSENTING COMMENT

MR HAROLD HIRD MLA

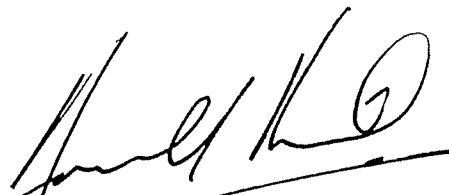
MRS LOUISE LITTLEWOOD MLA

Revenue Base and Borrowing - the Role of ACTEW

Issue is taken with the comment in paragraph 2.38 of the report to the effect that no effective efforts have been made to fix the ACT's overall financial position. The Government has, in fact, done a great deal to fix the ACT's financial position. The operating loss has reduced from \$349m to \$211m.

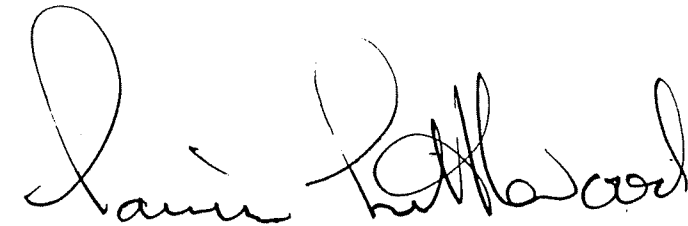
Superannuation Liability

The comment in paragraph 2.60 that no significant attempt has been made to address the problem of the increasing unfunded liability for ACTPS superannuation is unnecessarily gratuitous and is at odds with advice tendered the committee during the hearings.



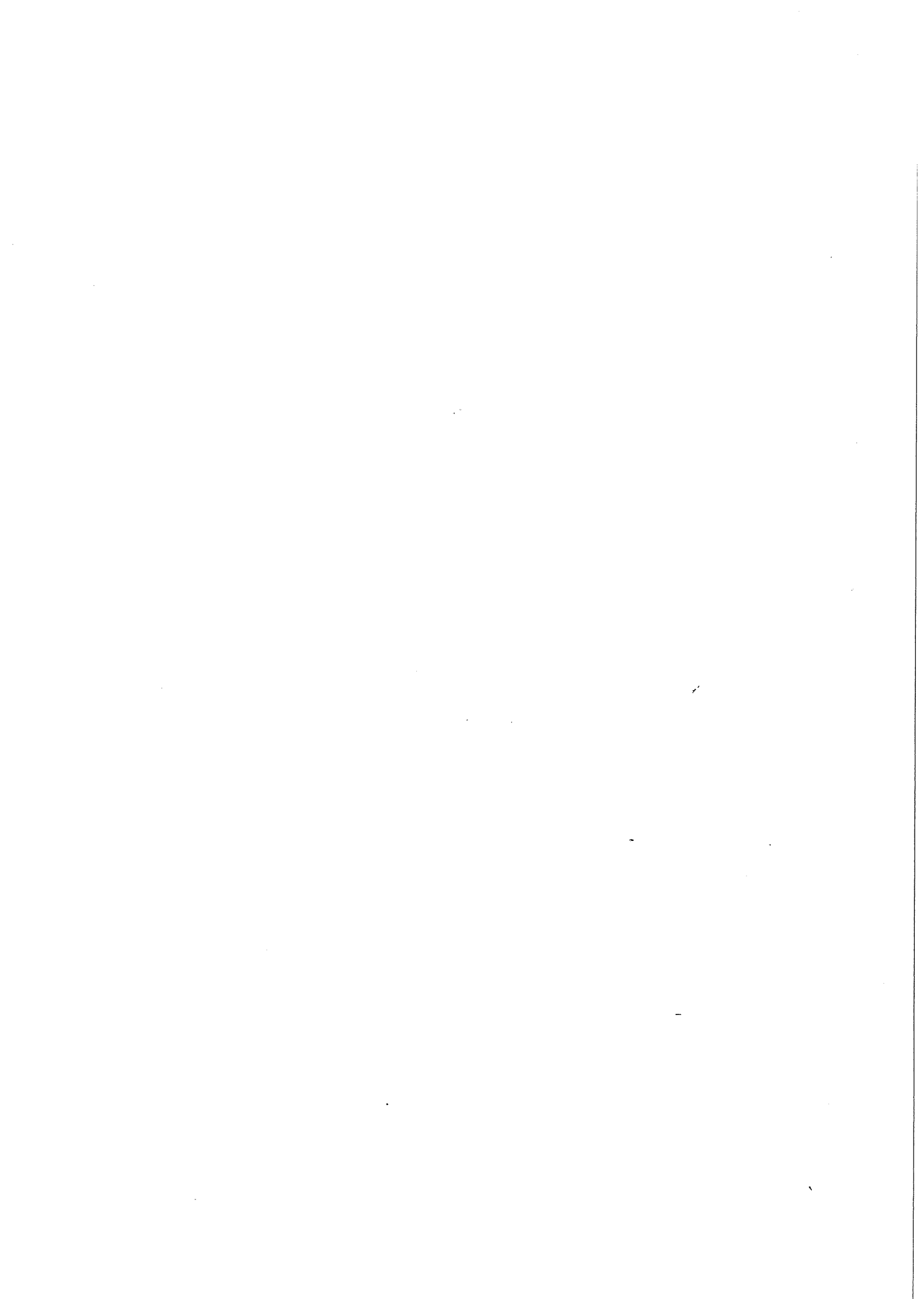
Harold Hird MLA

16/6/97



Louise Littlewood MLA

16/6/97



APPENDIX – PUBLIC HEARINGS

FRIDAY 23 MAY 1997

Chief Minister
Office of Financial Management

MONDAY 26 MAY 1997

Chief Minister
Office of Strategy and Government Business

TUESDAY 27 MAY 1997

Minister for Urban Services
ACT Electricity and Water Corp Ltd
Department of Urban Services, Output Classes 1-3
Chief Minister
Office of Strategy and Government Business
ACT Casino Authority
Minister for Business and Employment
Business and Employment
Land Development/Joint Ventures
Kingston Foreshores Authority
ACT Government Audit Office

WEDNESDAY 28 MAY 1997

Minister for Urban Services
ACTION
ACT Totalisator Agency Board
Exhibition Park
ACT Milk Authority
Totalcare Industries
InTACT
Canberra Cemeteries Trust
Minister for Regulatory Reform
Industrial Relations
Regulatory Reform
Minister for Tourism
Canberra Tourism and Events Corporation

THURSDAY 29 MAY 1997

Attorney-General and Minister for Fair Trading

Attorney-General's Department

ACT Human Rights Office

ACT Legal Aid Office

Community Advocate

Director of Public Prosecutions

Consumer Affairs Bureau

ACT Electoral Commission

Minister for Police and Emergency Services

Australian Federal Police (ACT Region)

Emergency Services Bureau

Minister for Environment Land and Planning

Office of Commissioner for Land and Planning

Planning and Land Management Group

Gungahlin Development Authority

ACT Forests

Department of Urban Services, Output Classes 4-6

Minister for Arts and Heritage

Bureau of Arts and Heritage

FRIDAY 30 MAY 1997

Minister for Health & Community Care

Department of Health

ACT Community Care

The Canberra Hospital

MONDAY 2 JUNE 1997

Minister for Education and Training

Department of Education and Training

Canberra Institute of Technology

Australian International Hotel School

TUESDAY 3 JUNE 1997

Minister for Housing and Family Services

Minister for Children's and Youth Services

ACT Housing

Family Services, Childrens and Youth Services

Minister for Sport and Recreation

Bureau of Sport, Recreation and Racing

Speaker, ACT Legislative Assembly

ACT Legislative Assembly

