

MINORITY REPORT

2009-10 Budget Estimates Part Two

Minority Report by Coalition Members

**Kim Wells MP
Gordon Rich-Phillips MLC
Richard Dalla-Riva MLC
Bill Sykes MP**

Pursuant to section 34 (2) of the Parliamentary Committees Act 2003

We:

Kim Wells MP
Gordon Rich-Phillips MLC
Richard Dalla-Riva MLC
Bill Sykes MP

Submit this minority report:

Minority Report of Certain Members of the Public Accounts & Estimates Committee

We, the undersigned members of the Public Accounts and Estimates Committee (the Committee) have decided to submit a Minority Report and thereby formally oppose the adoption of the *2009-10 Budget Estimates Part Two Report*, as currently drafted.

It is our collective conclusion that Government Ministers, year after year, clearly continue to show contempt for the Committee by failing to comply with the 30 day time requirement for replies to questions taken on notice during Committee Hearings.

We also express concern that this lack of accountability from Government Ministers was buried in Appendix Five, rather than be part of the actual Report.

Further, it is our collective conclusion that Government Departments and/or Ministers, have again year to year, failed to meet timely submission of replies to Committee Budget Estimates Questionnaires prior to the annual Budget Hearings thereby denying Committee Members proper analytical and consideration time.

As a result, the undersigned Coalition Members have been forced into submitting this minority report.

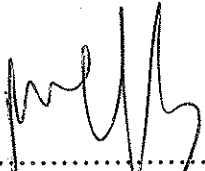
Stated below, is a summary of all Ministers and the dates on which they submitted replies in response to Questions on Notice taken during the 2009-10 Budget Estimates Hearings.

Minister	Portfolio	Date of hearing - 2009	Questions on notice deadline	Questions on notice response received	Number of business days late
Hon. Robert Smith MLC Hon. Jenny Lindell MP	Parliamentary Departments	8 May	15 June	12 June	0
Mr Gavin Jennings MLC	Environment and Climate Change	8 May	15 June	15 June	0
	Innovation	8 May	15 June	19 June	4
Hon. John Brumby MP	Premier	11 May	15 June	1 July	12
	Multicultural Affairs	11 May	15 June	1 July	12
	Veterans Affairs	11 May	15 June	26 June	9
Mr John Lenders MLC	Treasury	12 May	15 June	15 June	0
	Financial Services	12 May	15 June	22 June	5
	Information and Communication Technology	12 May	15 June	22 June	5
Mr Daniel Andrews MP	Health	12 May	22 June	30 June	6
Hon. Bronwyn Pike MP	Education	13 May	22 June	7 July	10
Hon. Lynne Kosky MP	Public Transport	13 May	22 June	30 June	6
	Arts	13 May	22 June	30 June	6
Hon. Bob Cameron MP	Police and Emergency Services	14 May	22 June	24 June	2
	Corrections	14 May	22 June	24 June	2
Mr Joe Helper MP	Agriculture	14 May	22 June	1 July	7
	Small Business	14 May	22 June	22 June	0
Hon. Rob Hulls MP	Attorney-General	14 May	22 June	26 June	4
	Racing	14 May	22 June	26 June	4
Hon. Tim Holding MP	Finance, Workcover, TAC	15 May	22 June	24 August	45
	Water	15 May	22 June	24 August	45
	Tourism and Major Events	15 May	22 June	1 July	7
Mr Tim Pallas MP	Major Projects	15 May	22 June	22 June	0
	Roads and Ports	15 May	22 June	22 June	0
Mr Richard Wynne MP	Aboriginal Affairs	18 May	22 June	18 July	19
	Local Government	18 May	22 June	6 July	10
Ms Lisa Neville MP	Community Services	19 May	22 June	28 July	26
	Mental Health	19 May	22 June	28 July	26
	Senior Victorians	19 May	22 June	28 July	26
Hon. Peter Batchelor MP	Community Development	19 May	22 June	25 June	3
	Energy and Resources	19 May	22 June	26 June	4
Hon. Justin Madden MLC	Planning	20 May	22 June	31 July	29
Mr James Merlino MP	Sport, Recreation and Youth Affairs	20 May	22 June	16 July	18
Ms Jacinta Allan MP	Regional and Rural Development	20 May	22 June	26 June	4
	Skills and Workforce Participation	20 May	22 June	26 June	4
Ms Maxine Morand MP	Children and Early Childhood Development	21 May	22 June	2 July	8
	Women's Affairs	21 May	22 June	2 July	8
Mr Martin Pakula MLC	Industry and Trade	21 May	22 June	24 June	2
	Industrial Relations	21 May	22 June	24 June	2
Mr Tony Robinson MP	Gaming	21 May	22 June	23 June	1
	Consumer Affairs	21 May	22 June	23 June	1

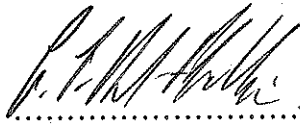
In addition, stated below, is a summary table of all Government Departments and the dates on which they submitted replies to Committee Budget Estimates Questionnaires, given that these were expected prior to their respective 2009-10 Budget Estimates Hearings.

Department	Questionnaire received - 2009	First hearing	Time for Committee consideration (business days)
Education and Early Childhood Development	7 May	13 May	4
Justice	8 May	14 May	4
Transport	7 May	13 May	4
Human Services	8 May	12 May	2
Innovation, Industry and Regional Development	8 May	12 May	2
Parliamentary Departments	6 May	8 May	2
Primary Industries	12 May	14 May	2
Treasury and Finance	11 May	12 May	1
Planning and Community Development	11 May	11 May	0
Premier and Cabinet	11 May	11 May	0
Sustainability and Environment	8 May	8 May	0

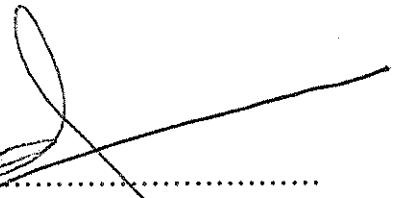
We hereby resolve that the above two summary tables be incorporated into the 2009-10 Budget Estimates Part Two Report to express our disillusionment with a clear contempt for the Committee by Ministers and Departments, the snubbing of long standing Parliamentary Committee procedures and their appalling lack of accountability.




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Kim Wells MP
 Shadow Treasurer



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Gordon Rich-Phillips MLC
 Shadow Minister for Finance,
 Community Development
 & Information Technology



.....
Richard Dalla-Riva MLC
 Shadow Minister for
 Industry & State Development
 Major Projects &
 Freedom of Information



.....
Bill Sykes MP
 Shadow Parliamentary Secretary
 Agriculture & Water

Date: 13th Oct 2009

MINORITY REPORT

REPORT ON THE BUDGET ESTIMATES 2009-10 (PART TWO)

Minority Report by Opposition Members

Kim Wells MP
Gordon Rich-Phillips MLC
Richard Dalla-Riva MLC
Bill Sykes MP

Pursuant to section 34 (2) of the Parliamentary Committees Act 2003

We:

Kim Wells MP
Gordon Rich-Phillips MLC
Richard Dalla-Riva MLC
Bill Sykes MP

Submit this minority report:

Minority Report of Certain Members of the Public Accounts & Estimates Committee

We, the undersigned members of the Public Accounts and Estimates Committee (the Committee) have decided to submit a Minority Report and thereby formally oppose the adoption of the *Report on the Budget Estimates 2009-10 (Part Two)*.

It is our view that the report lacks adequate independent analysis of government and departmental claims, particularly in relation to water savings projects.

This concern was raised with the Committee during the preparation of the report and substantial information was provided to the Committee to highlight the significant public doubts regarding many of the government's claims.

In spite of this, Government Committee members refused to support a number of suggested changes to the draft text which would have, in our opinion, resulted in a more balanced outcome.

As a result, the final report fails to highlight:-

- the significant body of opinion which questions the Government's claimed water savings from Stage I of the Food Bowl Modernisation Project
- the failure of the Government to implement the recommendation of the Auditor General in April 2008 to¹
"publish the detailed analysis underpinning the estimates of water savings and costs for the Food Bowl Modernisation Project";

¹ Planning for Water Infrastructure in Victoria. Victorian Auditor-General's report, April 2008

- the failure of the Premier, Minister for Water and DSE to provide to PAEC basic cost benefit information on the \$1 billion Food Bowl Modernisation Project.

Further, the final report fails to acknowledge the Government's inconsistency in relation to potential water savings from the Food Bowl Modernisation Project to meet Melbourne's future water needs in that:-

The Government has used:-

- long term historic average inflows to show availability of water savings to pipe to Melbourne from the Goulburn River;
- recent short term (2004-2006) below average inflows in Melbourne catchments to highlight Melbourne's need for water.

Climate change predictions indicate that the Murray-Darling Basin will be particularly hard hit ie reduced rain and reduced inflows into storages – strongly suggesting that use of historical inflows is inappropriate.

The key changes which the Government Committee members refuse to support were to include additional key findings:-

14.3a

The Committee notes the substantial public concern regarding the basis for claimed savings for the Food Bowl Modernisation Project and that as at the time of printing of this report, the Government has not made public the business case for the project in spite of a recommendation by the Auditor-General (in April 2008) to "publish the detailed analysis underpinning the estimates of water savings and costs for the Food Bowl Modernisation Project."

The Committee recommends that the Auditor General's recommendations be actioned immediately.

14.3b

The Committee is concerned about the inconsistency being applied by the Government which uses historical long term water inflows in the Murray Darling Basin to demonstrate availability of savings and uses short term, below average inflows in Melbourne's catchments to demonstrate Melbourne's need for water.

Government Committee members also refused to include in Section 14.2.5 Irrigation:-

"However, in 2010/11 Melbourne will receive 75,000 megalitres of water regardless of the level of savings from the Food Bowl Modernisation Project."

Much of these 75,000 megalitres will come from savings from other projects committed for the environment and environmental reserves held in Lake Eildon.

Therefore, failure to include this balancing statement could leave the reader with a wrong impression regarding the benefits of the projects.

Finally, the Government Committee members voted against a change to the second last paragraph of Section 14.2.5 from:-

"Several members of the Committee believed that the Government should provide further details of estimates for water savings (including assumptions used, volumetric targets, construction and operating costs) for significant projects including the NVIRP."

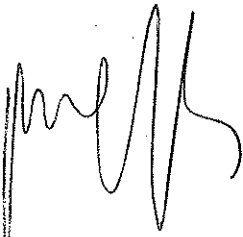
to

“The Committee believed that”

By taking this action the Government Committee members refused to endorse the recommendation of the Auditor General.²

In conclusion, we reiterate our concern about the lack of independent critical analysis of Government and departmental claims, particularly in relation to water savings projects and we therefore oppose the adoption of the *Report on the Budget Estimates 2009-10 (Part Two)*.

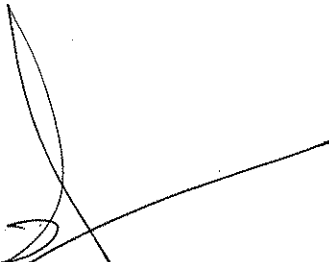
Future Estimates Reports must adopt the traditional analytical approach to restore proper scrutiny of the State Government.



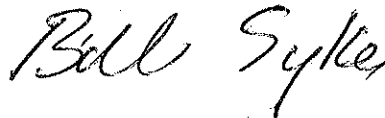
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13/10/09

² Planning for Water Infrastructure in Victoria. Victorian Auditor-General's report, April 2008.