

## **LEGISLATIVE ASSEMBLY**

Thursday, 31st October, 1991

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**Mr Speaker (The Hon. Kevin Richard Rozzoli)** took the chair at 9.30 a.m.

**Mr Speaker** offered the Prayer.

### **APPROPRIATION BILL**

#### **BUSINESS FRANCHISE LICENCES (PETROLEUM PRODUCTS) AMENDMENT BILL**

#### **MOTOR VEHICLES TAXATION (AMENDMENT) BILL**

#### **PUBLIC FINANCE AND AUDIT (NET APPROPRIATIONS) AMENDMENT BILL**

#### **ROAD IMPROVEMENT (SPECIAL FUNDING) AMENDMENT BILL**

##### **Second Reading**

Debate resumed from 30th October.

Motion agreed to.

Bills read a second time.

##### **Estimates Committees Reports**

**Mr Downy**, as Chairman, brought up the report from Estimates Committee No. 1.

**Mr Chappell**, as Chairman, brought up the report from Estimates Committee No. 2.

**Mr Turner**, as Chairman, brought up the report from Estimates Committee No. 3.

Page 3958

**Mr Graham**, on behalf of the Chairman, brought up the report from Estimates Committee No. 4.

**Mr Kerr**, as Chairman, brought up the report from Estimates Committee No. 5.

##### **In Committee**

##### **Estimates Committee No. 1 Report**

**Mr DOWNY** (Sutherland) [9.32]: Today there begins a new era in this Chamber. I should like to congratulate the Government and in particular of the Leader of the House on the initiative of introducing a system of estimates committees. Despite certain teething troubles, such as the Chairman of Estimates Committee No. 1 on the first night counting incorrectly and only allowing two questions to be asked by the Government side, the system has worked quite well. It is a system worth continuing. I take this opportunity to congratulate and thank all members of Estimates Committee No. 1 for their co-operation and the spirit in which they approached the work of the committee. I should like to suggest that, if there is to be a review of the the system, consideration be given to providing some recess between each area of estimates discussed. Because Ministers had to organise their staff to be present when specific matters were being discussed problems arose with the committee starting times. This should be addressed.

Items 59.1.1 and 59.2.1 relate to the salaries of teachers in government schools. It is gratifying that the salaries of teachers have increased. Secondary school principals can now earn salaries in excess of \$63,000 and classroom teachers more than \$40,000. These increases have been long overdue. Item 59.2.3 relates to direct State Government assistance to non-government secondary schools. The allocation this year is the final commitment of the Government to increase funding to non-government schools to 25 per cent of the equivalent cost of educating a student in a government school. That commitment was made by the coalition parties before the 1988 election. It has now been fulfilled. Non-government school funding will be increased by \$26 million. I realise that most of the funding for non-government schools is provided by the Commonwealth, but the New South Wales Government should be congratulated on this significant contribution.

**Mrs GRUSOVIN** (Heffron) [9.37]: At the outset I should like to comment on the chairmanship, by the honourable member for Sutherland, of this particular estimates committee. He provided a degree of fairness during difficult times. All members of the committee - Ministers, Government members, members of the Opposition and Independents - were feeling their way. There are some flaws in the new arrangement but I believe they can be overcome. It is in the interests of better government that estimates committees are made available to members. I express  
Page 3959

concern about the allocation of \$180 million in the housing budget to the rent-buy scheme. The scheme in its present form will not enable those to whom it is targeted to achieve their objectives. It has the potential to become an absolute nightmare. As I am sure other honourable members did, at my electorate office I received a document entitled "Why Wait and Rent? Rent-Buy Immediately". The information sheet that accompanied it was not readily available to potential clients of this scheme at co-operative society premises. When I sought to get further information from the department I was informed that, although the brochure was available, the additional information was not.

Though I support wholeheartedly the concept of the scheme, I am horrified, as a former Minister for Consumer Affairs, about the way in which the Minister and the Government are promoting the scheme. It is being promoted in a way that contravenes the truth in lending provisions of the Credit Act. Under the provisions of the Fair Trading Act that is false and misleading advertising. I trust that the Minister will take note of some of the flaws in the scheme. They include: non-participating housing properties being listed on the promotion brochure; the inability of co-operatives to provide inquirers with legal contracts of perusal with maximum property values of \$155,000 metropolitan and \$145,000 in the country; the misleading bait offer of \$1,250 deposits for equity where maximum borrowings amount to \$91,000; with misleading provisions for deferred stamp duty, borrowers could be faced with costs of thousands of dollars if they purchase full equity in a property within five years; and if the property is not fully purchased within 25 years, the property must be sold. I doubt that consumers are aware of that provision.

The brochure does not disclose that the property being purchased is not owned by the Department of Housing. In reality the remainder of the property is owned by a private investment company. Multiple payments of valuation fees are not disclosed in the brochure. The document also encourages public housing tenants to believe that they can purchase the home in which they presently reside, whereas in reality they must find a home on the private market. Unless the scheme is modified

hardship will be imposed on more than 100,000 Department of Housing tenants or persons who are on the public housing waiting list. The 20,000 applicants, or more, for HomeFund affordable loans as at 30th April are the only people eligible for the rent-buy scheme. It is interesting to note that this year's Budget provides assistance for about 3,000 households. Last year only 243 people took up the rent-buy scheme. I am concerned about the prospects of those 3,000 people who are being enticed by the Minister and his department into a scheme that will allow the Minister to tout that he has reduced the number of people on the public housing waiting list and that people are getting into their own homes.

Unfortunately those who are lured into the scheme may potentially become involved in a nightmare that ultimately will leave them without a roof over their heads and they will have to spend long periods on the waiting list. I ask the Minister how many co-operative societies or other financial institutions have refused to participate in the rent-buy scheme which was publicised by direct mail by his

Page 3960

department to all public housing tenants, people on the public housing waiting list and people on the affordable home loan waiting list? Is that because they have concerns about the way the product is being structured? Will the Minister give an assurance that he has full confidence in the rent-buy scheme? I pose further questions to the Minister for Consumer Affairs. Why is the department not being taken to task and prosecuted for false and misleading advertising to consumers and for failing to comply with the spirit of the Credit Act?

**The CHAIRMAN:** Order! The honourable member has exhausted her time for speaking.

**Mr RIXON** (Lismore) [9.42]: I would like to comment on the system of estimates committees. I note particularly the various motions that were passed on 18th and 26th September which helped to establish the system, a procedure that has initiated much interest and provided additional information to all honourable members. I was interested to receive a copy of the procedural guidelines that were handed out to all honourable members, seeking to clarify many matters that might arise. One of the difficulties that occurred and had to be dealt with by the various chairmen of the committees - and has been solved satisfactorily though it will probably happen again in future years, the precedent having been set - was the time limit of one minute for the asking of questions. It was suggested that one question should be asked and that it be of one-minute duration. In many instances that time limit proved to be too restrictive. Before a member could ask one question, he needed to frame that question in various parts for clarity. Some questions did not involve one specific item, but included a number of related parts. In most instances the relevant chairman was able to assist members to frame one question which was then passed to the Minister who was able to deal with the various parts satisfactorily. The five-minute time limit on answers to questions worked fairly well and allowed Ministers sufficient time to answer most questions. Overall the time schedule proved satisfactory.

I thank the staff of the Parliament who set up the committee rooms and provided material for members. The organisation worked extremely well. Microphones and other material were in place, even the provision of a glass of water for a member requiring it. I thank the staff for their efforts. I thank the Ministers and their departmental staff for the work they did to ensure that few questions would receive the answer, "No, I'm sorry, I do not have that information available but I will get back to you". That speaks highly of how the Ministers prepared for that exercise. We wanted to ask questions that were of great importance, and their answers interested every member of the committee. As the honourable member for Heffron suggested, housing is a topic of great interest to those living in fast-growing and developing areas. I express thanks to the Minister for the work he has been doing to ensure that more housing is made available in the Lismore electorate. Education, youth affairs, ethnic affairs and Aboriginal affairs were examined by the committee. We discovered in committee that funding for technical and further education having has been increased by \$26 million.

Page 3961

[Interruption]

**Mr RIXON:** People living on the North Coast, as I do, are much happier than they would be if they had to live in Sydney. A glance at the various Consolidated Fund payments in the front of Budget Paper No. 3 shows that statements by members opposite that payments in several departments have been reduced are once again figments of their imagination. Opposition members have vivid imaginations and tell stories about funds that are or are not available. If they read pages 18, 19 and thereabouts of Budget Paper No. 3 they will learn that almost every department has received massive increases in funding. In the estimate committee hearings we were able to question Ministers closely about these figures. Those Ministers who did not prepare themselves found some questions difficult to answer.

**The CHAIRMAN:** Order! The honourable member has exhausted his time for speaking.

**Mr BECKROGE** (Broken Hill) [9.47]: I wish to address the allocation, in clause 23 of the Appropriation Bill, to the department of the Minister for Sport, Recreation and Racing and Minister Assisting the Premier. Capital assistance grants are made each year on a dollar-for-dollar basis to organisations across New South Wales. I hope those grants will continue to be made. That scheme was initiated some years ago by the former Labor Government, using funds that came from soccer pools. In those days that money was, and still is, shared out to each electorate. In September I was advised by the regional director of the department in the Broken Hill electorate that only \$37,000 was available to be spent. I have an unenviable task. That amount of \$37,000 has to be distributed in an electorate that has 12 shire councils and covers a huge area of almost half New South Wales. Many small communities such as Warren are a long distance from facilities. In the cities, people may have to travel only through a couple of suburbs or electorates to reach a multipurpose sporting centre. People living in the Broken Hill electorate, however, have to travel hundreds of kilometres to go to such a facility.

Under sport and recreation capital assistance grants, some very good work has been done. We have just completed a project in Cobar, the Tom Knight memorial oval, through the Department of Sport and Recreation. Bourke, Broken Hill, Walgett and Brewarrina are centres quite isolated from the mainstream western New South Wales population. However, they have been assisted under this scheme. I find it impossible to understand how I, as the member of Parliament for the area, taking account of competing needs, can give priority to any one of these magnificent projects. On this occasion, there are 37 projects across my electorate, ranging among Broken Hill, Collarenebri, Walgett, Warren, Brewarrina, Tottenham and Marthaguy. It is very difficult to stretch \$37,000 across the electorate. That is why I am suggesting that the Government should be able to see that this very important area needs Government assistance and that \$37,000 these days does not go very far at all. I hope that in future the Government will weight my electorate to enable

Page 3962

people in the various villages and towns in my area to benefit from this assistance program. It is not as easy to raise funds in my area as there are not as many people to chip in for organisations' dollar funding to match Government funding. I urge the Government to weight my area on that basis and because long distances are involved. The gifted sportspersons award is an excellent program. It also needs a bit more money, although not that much more. It allows parents in rural areas to have their sons and daughters realise their sporting talents. I hope this program is continued for a long time.

**Mr SMITH** (Bega) [9.52]: The estimates committees has been an experiment that has worked very well. They aroused a lot of feeling at the outset because of difficulties in assessing areas of ministerial responsibility but that will be sorted out. More pressure will be put on Ministers. Generally, the committees were very successful. It was not easy for the chairman of the committee that I attended to run the committee, particularly when first trying to work out the best way of doing so. Guidelines were provided but we had to make decisions on multiple content questions. Where does one start and where does one stop? Should one question or multiple content questions be used to get the full message across and to get a full answer from the Minister before the committee?

Generally speaking, the chairman did a very good job. The committee was well controlled and members from both sides of the House and the Independents respected the guidelines and remembered that, to a degree, this was a learning process. Compliments must be given to the Ministers, particularly those first appearing. Neither the Ministers nor their advisers knew what they were getting into. They probably had a lot of heartache before attending the committee, but they went through the process very well. I thank the parliamentary staff who organised the committee rooms and made sure that everything ran smoothly. I make a couple of suggestions, one of which has been made earlier: in a 3-hour session an hourly break between different portfolios would be an advantage. To sit for three hours without a break is a little too long. During ministerial changeovers a break of only a couple of minutes would allow members to walk around before resuming with another Minister. That break would be beneficial.

I wish to concentrate on the health portfolio, which was discussed last night. There has been much toing and froing on the health issue. Last night the Minister and the department were able to get the facts out. During the past couple of weeks that has been extremely difficult. The public is not well aware that the health budget has increased substantially in real terms, as it has increased every year since 1988 when the coalition parties were first elected. This year's health budget, including capital works, is \$4.56 billion. Opposition members found that a look at the Estimates made them realise that the Minister had been telling the House the truth. Often honourable members find themselves debating the hospital budget, not the health budget. Honourable members know that productivity savings of roughly 1.5 per cent have been imposed on hospitals in most health areas. There is a great deal of confusion about the difference between the health budget and the hospital budget.

Page 3963

**The CHAIRMAN:** Order! The honourable member has exhausted his time for speaking.

**Mr J. J. AQUILINA** (Riverstone) [9.57]: At the risk of causing the honourable member some embarrassment, I should like to add my words of praise to those addressed by the chairman of Estimates Committee No. 1, who I thought, under difficult circumstances, did a very good job. He is a likable fellow, despite his politics. When it came to chairing a committee, he felt his way well. I should like also to record my thanks for the fair manner in which he chaired the committee.

**Mr Phillips:** He is more to the left than the honourable member.

**Mr J. J. AQUILINA:** As the Minister for Health Services Management said, he is probably more to the left than I. Some of my colleagues on the Opposition benches would humorously agree that that would not be hard to do. Nevertheless, I wish to put my thanks on record. Unlike some members of the Government, I have sincere reservations about the way in which the estimates committees are working. I admit it is the first time round, but instead of being an effective mechanism for probing precisely the Estimates and the Budget, the committees were a farce because of the structured way in which they operated. This is no reflection on the committee members or the chairmen. There was no opportunity to make an in-depth search into what the Government and the Estimates are all about. The practice of allowing three questions from the Government side, three questions from the Opposition side, one minute for questions and five minutes for reply effectually meant that Opposition and even Government members had no opportunity to get from the Ministers and their senior advisers details of particular. As a member of the Standing Orders and Procedure Committee of this Parliament, I suggest that the way in which the estimates committees work should be reformed and their tight structure loosened. Having said that, I turn to my particular area of concern, school education and technical and further education.

The structured manner of the committees made it difficult to ascertain precisely how the cut of \$16.2 million in capital expenditure for schools will come about - which schools will suffer; which

school construction programs will be slowed down; and which school projects will be canned as a result of the expenditure cutback. It was easy for a well-briefed Minister - in the five minutes allocated without the opportunity for members to ask supplementary questions to probe the issue further - to fob off any question from any member, whether a Government member or a member of the Opposition. I would like to comment on the inadequacy of the Budget Papers as such, particularly as they apply to school education, especially in view of the fact that the whole process of funding school education has changed dramatically over the past two years with the introduction of schools renewal and of devolution of expenditure and budgeting to local schools. There is no way in these budgets that anyone, no matter how much of a financial genius he or she may be, can adequately and appropriately ascertain precisely how much

Page 3964

money is being devolved to the schools, where the money is being spent and in what manner it is being spent.

In relation to that devolution there is no accountability. For example, there is no way that anyone can estimate what proportion of the money goes towards maintenance, towards the employment of casual staff, or what flexibility of resource management means to the schools concerned. There is no way of knowing precisely what is happening with the money. I perceive that the auditing role will be increased. The Auditor-General will have to increase staff because there will need to be precise auditing of what is happening in the schools, especially with maintenance. The cutback of TAFE capital expenditure is \$25.5 million. I say this about TAFE: do not believe anything in the Budget because the budget estimates relating to TAFE are a piece of total fiction. One has only to look at this morning's press to try to reconcile how the Government will achieve a cut of 300,000 teaching hours next year, turning back 90,000 students, with a so-called predicted increase of teachers. The TAFE budget is totally overrun. It is an absolute sham and all these estimates in relation to TAFE are a sham.

**The CHAIRMAN:** Order! The honourable member's time for speaking has expired.

**Mr MERTON** (Baulkham Hills) [10.2]: I am pleased to speak about this matter. First of all I congratulate the Ministers who appeared before Estimates Committee No. 1. I congratulate them on their performances. The knowledge of their ministries was evident during proceedings before the committee. I congratulate the Leader of the Government on the implementation of the estimates committees system. There may have been some problems relating to procedures but we must be realistic about this; this is a learning process for the Government and for the Opposition. Perhaps next year we can alter the procedures in some way to overcome some of the perceived inadequacies which have emerged during the past two or three weeks. The reality is that we have taken the step, we have made this procedure available and we have subjected the Ministers and the public servants to close scrutiny. Members of all political persuasion have had the opportunity to ask Ministers specific questions and find out what is happening, why expenditure has been incurred and what expenditure will be allocated for the forthcoming year. I support the principle relating to the establishment of these committees. It allows members to probe, to penetrate, to make inquiries as to items of expenditure. It was my privilege to be involved with the committee that dealt with the housing ministry. I was pleased with what was disclosed before that committee. That disclosure is an indication of the care, concern and compassion of the Minister for Housing in providing housing for the people of New South Wales in what is accepted generally as difficult circumstances. We are victims of a recession for which the Federal masters of our opponents are solely responsible.

The inquiry into housing by the estimates committee also disclosed that the Government had allocated approximately \$21 million for mortgage and rental

Page 3965

assistance for families in financial difficulties, an increase of 13 per cent on last year's allocation. The figure of 13 per cent is well in excess of any consumer price index factor and is symbolic of the present need in the community for mortgage and rental assistance brought about by the adverse financial conditions. The commitment of the Government to building accommodation for people who are unable to buy their own homes was also evident. So far as accommodation for the aged is concerned, 1,495

units will be built at a cost of about \$55 million. The contribution of the Department of Housing to the provision of welfare services for the people of New South Wales must also be recognised. In the past financial year rental rebates alone amounted to approximately \$507 million; in fact, 85 per cent of Department of Housing tenants received rental rebate assistance.

I turn now to the HomeFund program, to which \$1.5 billion has been allocated. I was concerned by the attack made on the HomeFund program by the honourable member for Heffron. Clearly what she said was incorrect. The brochures issued in relation to the rent-buy scheme adequately tell the story. If one investigates the matter thoroughly, one finds that involvement in the rent-buy scheme provides opportunities for home ownership to people who otherwise would not be able to purchase a home. The end result is that a person buying a home under this scheme could finish up with a substantial equity in the property after five years. Except for the rent-buy scheme that person would not be able to get a leg in the door and would not have an opportunity to purchase a home. I refute completely the claim that the brochures and guides are in any way misleading. The guide is a detailed document which spells out everything and the brochure merely gives the preliminary advice.

**The CHAIRMAN:** Order! The honourable member's time for speaking has expired.

**Mr FACE** (Charlestown) [10.7]: I support what has been said by members on both sides of the House. The estimates committees are going through a trial period. They are an innovation that will assist the good workings of the Parliament. However, an overview is needed to ascertain where the committees can be fine-tuned. We are in uncharted waters and all honourable members are learning from the procedure. The chairmen of the committees on which I sat were reasonably flexible in procedural matters. However, I believe the standing orders need to be amended to give them more flexibility, not so much in regard to supplementary questions as in regard to clarification. At times the Minister and the public servants in attendance floundered because the questions they were asked were not clear. If a question is asked but is not understood because of the way it is phrased, clarification is necessary. That clarification will go a long way towards providing the required information, which is what the estimates committees are all about. I make those observations as one who has been a member of the Parliament for a long time. I applaud the establishment of the estimates committees. Often in the Federal sphere they have been used for grandstanding. That is not and should not be the purpose of these committees. I attended one of the committees for three hours, a

Page 3966

period of time that is unfair to the Minister and those sitting on the committee. The time of the committees could be broken up into more manageable proportions.

The other night I attended the estimates committee hearing that examined the estimates of the Premier and Treasurer - a wide-ranging portfolio. The estimates for those portfolios really need to be broken up. We do not want to make the operations of the estimates committees too complicated, but they need to be improved. As shadow minister for sport one of the areas which is part of my responsibility is the Department of Sport, Recreation and Racing. I applaud the Minister for Sport, Recreation and Racing and Minister Assisting the Premier for the action he took earlier this year when bureaucrats, who obviously did not understand the workings of estimates committees, effectively took all the money from a department. It is easy for people such as those to say: "There is only \$10 million. As that is not much, we will take it". Those bureaucrats did not realise that that was all the funding the department had. Any member of Parliament worth his salt would realise that capital assistance grants have been of tremendous assistance to that department. The people who took this money did not even realise that those funds were matched on a dollar-for-dollar basis. Many projects in my electorate have received even more funding in the form of assistance from various sporting bodies.

As I have said, I applaud the Minister for the action he took in this regard. We were able to convince these bureaucrats, who stupidly took money allocated to a particular program, that those funds were subject to a 50 per cent subsidy. As a result of high unemployment people have a lot of time on their hands. We need to develop their interest in sport and we need also to increase working people's recreation and leisure time. The Government must review the level of grants provided to regional sport and recreation programs. For a long while assistance has been given to local groups but

regional sporting grants need to be provided at levels that allow regional facilities to be upgraded. In my own region people in the community need an athletics track and a swimming pool. If we do not address this question on a regional basis and we wait for an allocation of money from capital assistance grants, we will be waiting a long time. There is a never-ending list of people who are waiting for such assistance. Grants should be provided on a regional basis. This would be of benefit to areas which, under normal circumstances, would not be able to be provided with the facilities they require.

**The CHAIRMAN:** Order! The honourable member has exhausted his time for speaking.

**Mr PHILLIPS** (Miranda), Minister for Health Services Management [10.12]: I wish first to deal with the effectiveness of these newly established estimates committees and the groups involved with them. I have been a member of Parliament since 1984. For many years the estimates process has been abused. At that time honourable members were rarely given the opportunity to debate the estimates. Debate in this Parliament was gagged and the estimates were considered to be irrelevant and a waste of time. The last thing that the government of the day wanted

Page 3967

was to have parliamentarians investigating the detail of the estimates - which is probably the most important legislation this Parliament deals with every year. In 1988, when this Government came into office, I had the privilege of being appointed Government Whip and John Dowd was appointed as Leader of the House. With the good will of the ministry I tried to make the estimates process work.

Each year I struggled to find an effective way of handling the matter in the Parliament. Our only real achievement was at least to have the estimates debated. We allocated at least a week of the Chamber's time to debating the estimates after two weeks' debate of the Budget. On occasions estimates issues were debated for two weeks. But this really did not get to the crux of what consideration of the estimates should be about: intense inquiry into the direction of each of the budget estimate items. I am pleased that in our second term of government we, in conjunction with the Independents, have come up with a new way to make the Parliament's consideration of the estimates more effective by taking consideration of the estimates out of the theatre of the Parliament and putting it into the committee rooms with a structure that allows a much more inquisitorial investigation of the details. Departmental officers, because they are more specialised in the areas than Ministers and members of Parliament, can give backup information and support. On the whole, the step we have taken this year is a definite improvement, and I am sure that we can make improvements in future.

I should like to thank a few groups involved with the committees. The chairman of the committee I had to deal with, Mr Chris Downy, the honourable member for Sutherland, had a very difficult committee to handle. It covered a whole range of diverse areas - Aboriginal affairs, consumer affairs, arts, ethnic affairs, school education, housing, my areas of health and community services and hospital management, technical and further education, and sport, recreation and racing. It required many hours of work, especially at night. My experience of appearing before the committee was a rewarding one. The members of the committee were Mr Fraser, Mr Merton, Mr Rixon, Mr Smith, Mr J. J. Aquilina, Ms Grusovin, Dr Refshauge, Ms Moore, and from the upper House, the Hon. D. F. Moppett, the Hon. Dr B. P. V. Pezzutti, the Hon. Franca Arena, the Hon. R. D. Dyer and the Hon. Elaine Nile.

The honourable member for Riverstone and the honourable member for Charlestown asked how we could improve the committees. I think we should look at ways of improving the order and range of questioning to get to the heart of issues with a more inquisitorial approach. That would be of benefit to Government and Opposition members. The role of members from both sides of this Parliament is to look at what is being provided by government departments. Ministers and their staffs are not the centre of all knowledge on how budgets are brought forward. An open forum for the 99 members of this Parliament will make departments and Ministers more accountable in their budget estimates and will ensure that departments are working effectively in the way that Government members want. It will also enable Opposition members to understand the working of the budget process.

Another important matter that disturbed me about my appearance before the estimates committee was the quality of the questions asked by members of the Opposition. If the Opposition would address this matter the value of the committees would be enhanced. I was staggered by some of the minuscule, nonsense, detailed questions I was asked, bearing in my mind that as Minister for Health Services Management I control what is in effect the second largest business in Australia, with a budget of \$4.3 billion. I was asked why the budget for IPTAS - which is the health transport system - was cut. I can understand that type of question. We did not have the specific detail of that item, and we promised to provide that detail for the Deputy Leader of the Opposition, who asked the question. The structure of that item was unclear in the Budget. However, the question related to an item of only \$5 million in a Budget of \$4.3 billion. I could have accepted that question if I thought the Opposition would ask better questions about, say, what the Government is trying to achieve in health. The Opposition did not ask me questions about restructuring, about the resource allocation formula, or where the \$4.3 billion has been allocated. Rather, I was asked how much money had been spent on the new ministerial office. The answer was nothing, because with the combination of the two ministries the departmental head was relocated. That question shows the Opposition's small-mindedness. Another question related to two additional managers appointed two years ago in the Department of Health, and what they are doing now.

I just do not understand the mentality of the Opposition, with the opportunity to ask questions about an important area of the Estimates involving a budget of \$4.3 billion, pursuing minuscule, nonsense questions like those. It was an insult to the departmental officers present, who had devoted considerable time preparing to answer the many important questions that could have been asked. If the estimates committees are to be effective - and they do provide a real opportunity for the Opposition to get at the heart of the Budget - the Opposition must think on a higher intelligence plane and ask real questions about the estimates and whether various portfolio allocations are appropriate. By contrast, what questions did members of the Government ask? Their questions reflected a higher intelligence plane.

**Mr Harrison:** They were all dorothy dixers.

**Mr PHILLIPS:** At least they were intelligent questions, the likes of which members of the Opposition did not ask. The Opposition had every opportunity to ask sensible questions, but did not take that opportunity. Members of the Government asked questions about budget allocations and whether the Budget Papers could clarify the confusion as to whether the health budget had been cut, as rumoured, or increased. I was able to demonstrate clearly - and that is why the Opposition did not ask such questions - that under this Government the New South Wales health budget has been growing in real terms in successive years; that, in spite of the worst recession Australia has had for 60 years, the New South Wales Government has the priorities right; that there has been no cut in the total health budget but that in real terms it has been increased. They were important questions about the total health budget.

Another important question that a member of the Government asked related to how health funds would be spent. Accusations had been made that funds would not be allocated to growth areas. Once again I was able to demonstrate clearly before the estimates committee that this Government is providing funds for services and restructuring in areas where they are needed: in places such as western Sydney, southwestern Sydney, southern Sydney, the Central Coast and the North Coast. Labor had neglected those areas when it was in government for 12 years, and that had created enormous pressures. This Government had to catch up, and is doing so. The honourable member for Penrith continually has an each-way bet. On the one hand she opposes any restructuring in the city area; on the other hand on repeated occasions in this Parliament she demands additional resources for the west. She has to make up her mind. She cannot have an each-way bet.

Government members of the committee asked important questions about the changes to the senior executive service and whether such changes had been effective. The Department of Health has 121 senior executive service officers in a staff of more than 78,000. It is the second largest business in Australia. The introduction of the senior executive service has given the Government the flexibility to bring in new outside talent to the health system - one of the leading health systems in the world. The Government has the job during tough economic times of maintaining the health system as one of the prime health systems in the world. That quality management will ensure that we stay in front of the field. I am willing to debate at any time in this House the fact that the senior executive service of the Department of Health has been effective. Another question asked by Government members on that committee related to the Commonwealth-State cost shifting. That is not a question Opposition members would ask because the answer would be an embarrassment to them. I was able to demonstrate clearly that in the past few years Commonwealth funding for hospital and community health services for this State has fallen in real terms. However, the total health budget has grown because this Government understands that health services must be given high priority. The Government has dug deeper into State revenues to ensure that health expenditure has increased. The Opposition would not ask that question for obvious reasons.

I would be happy for the Opposition to challenge me in this Parliament about health funds provided by the Federal Government. Clearly if the Federal Government had maintained its health funding in real terms to this State, this year I would have an additional \$250 million to spend on health care. I do not have that amount because the Federal Labor Government is not fulfilling its responsibilities in terms of giving health care priority. Other questions asked related to capital works. This Government embarked on a major capital rebuilding program. When the Government came to office in 1988 it inherited a \$2 billion backlog in capital works projects. The Government is spending \$200 million at St George Hospital, \$200 million at Liverpool Hospital, \$100 million at Nepean Hospital, and \$300 million to move the Royal Alexandra Hospital for Children to the west, to a brand new facility. More than \$100 million will be spent in the Gosford-Wyong area and new hospitals

Page 3970

are being built up and down the coast. Clearly the Government is doing its job in the area of health; and I believe the estimates committees are effective.

### **Report adopted.**

**The CHAIRMAN:** Order! It being 10.28 a.m., pursuant to the resolution of the House debate is interrupted for the ringing of one long bell.

## **PETITIONS**

### **Aboriginal Land Rights Act**

Petitions praying that because of the many benefits brought by the Aboriginal Land Rights Act to the Koori people and to the wider community, the House will support the retention of the Act as amended and the three-tier land council structure, received from **Mr Markham and Mr Mills**.

### **St Joseph's Hospital**

Petitions praying that the Minister for Health Services Management intervene to save St Joseph's Hospital from closure and that the necessary funding and support staff be provided to allow it to continue to operate as a public hospital, received from **Mr Nagle, Mr Shedden, Mr Yeadon and Mr Ziolkowski**.

### **Lidcombe Hospital**

Petitions praying that the House reject any proposals to close down or cut back services or staffing at Lidcombe Hospital but instead support an increase in services and staffing at the hospital, received from **Mr Nagle, Mr Yeadon and Mr Ziolkowski**.

#### **Hunter Region Health Services**

Petition praying that the House take action to ensure that no cuts occur in the delivery of health care services in the Hunter region which would result in the closure of public hospitals and or health facilities, received from **Mr Mills**.

#### **Royal Agricultural Society Showground**

Petition praying that the House will prevent the sale by the Government of foreshore and public parklands, including the Royal Agricultural Society Showground, the E. S. Marks Athletic Field and part of Moore Park, and that residents be included on their administrative bodies, received from **Ms Moore**.

Page 3971

#### **Walker Estates**

Petition praying that the Government preserve the Walker estates, including Yaralla, for public use, received from **Ms Moore**.

#### **Woollahra Traffic**

Petition praying that the House take all necessary steps to reduce the traffic volume in Ocean Street, Woollahra, and that Ocean Street be returned to a safe and pleasant street consistent with residential neighbourhood values, received from **Ms Moore**.

#### **Paddington Traffic**

Petition praying that the House remove clearway conditions from Oxford Street, Paddington, received from **Ms Moore**.

#### **Chaelundi State Forest**

Petitions praying that the proposed logging of the Chaelundi State Forest not be proceeded with and that the area be declared an extension of the Guy Fawkes River National Park, received from **Dr Macdonald and Ms Moore**.

#### **Royal Hospital for Women**

Petition praying that the House provide funding to the Royal Hospital for Women to ensure that it maintains its leadership role in women's health care, received from **Ms Moore**.

#### **Woolloomooloo Finger Wharf**

Petition praying that public money not be wasted demolishing the structurally sound finger wharf and establishing a walkway on the western side of Woolloomooloo Bay but instead that basic renovations be carried out on the wharf and an integrated multimedia arts centre be established, received from **Ms Moore**.

#### **Cooks River Pollution**

Petition praying that the House take steps to restore the Cooks River to its original condition, received from **Ms Moore**.

### **Sydney Harbour Foreshores**

Petition praying that the House stop the sale of publicly owned land on the foreshores of Port Jackson and its waterways, including that currently leased from the Maritime Services Board, and retain such land in public ownership; acquire for

Page 3972

the public foreshore land whenever the opportunity arises; and optimise public access to the foreshore, received from **Ms Moore**.

### **Reef Beach**

Petition praying that the nudist classification for Reef Beach be revoked and that the beach be returned to general public usage, received from **Dr Macdonald**.

### **Unanderra Police Station**

Petition praying that the Government and Minister for Police and Emergency Services reappraise the staffing formula for Unanderra police station and upgrade the staffing-manning level to at least six officers, received from **Mr Rumble**.

### **Public Health Services**

Petition praying that the House urgently review the levels of benefit from all public health services and maintain them at least at a level commensurate with the needs of the public, received from **Mr Hunter**.

### **Offences Against Children**

Petition praying that the House reappraise the punishments that may be imposed under the law upon those found guilty of offences against children and ensure that such punishments are enforced by increasing or abolishing non-parole periods and closely supervising the discretionary action taken by bodies administering parole procedures, received from **Mr Martin**.

## **COMMITTEE ON THE INDEPENDENT COMMISSION AGAINST CORRUPTION**

### **Report**

**Mr KERR** (Cronulla) [10.32]: I desire to lay upon the table a collation of the evidence of the Independent Commissioner Against Corruption, Mr Ian Temby, Q.C. on general aspects of the commission's operations before the parliamentary joint committee on the Independent Commission Against Corruption on 14th October, 1991.

**Ordered to be printed.**

**Mr KERR**, by leave: As part of its role in monitoring and reviewing the exercise by the commission of its functions, the former committee on the ICAC established a regular pattern of public hearings with the commissioner, Mr Ian Temby, Q.C. The present committee has resolved to continue this practice. These hearings enable committee members to question the commissioner about

Page 3973

matters of concern, issues arising from commission reports and general aspects of the commission's operations. Issues dealt with at the hearing on 14th October include the carrying of firearms by ICAC staff, the effect of suppression orders on legal representations, and the commissioner's proposal that

transcripts of its hearings should be able to be used in prosecutions. By conducting these hearings in public and subsequently producing a collation of the questions and answers the committee hopes to assist in informing the public about ICAC. It should be noted that this collation represents an edited version of the minutes of the evidence of the hearing. In some cases the order in which questions were asked has been altered to enable questions and answers to be categorised for easier reference under the appropriate subject headings. Furthermore, there have been some deletions from the text and subsequent written advice from ICAC which has been incorporated where appropriate. However, a verbatim record of the hearing, the minutes of evidence taken by Hansard reporters, is publicly available.

## **RUGBY WORLD CUP**

### **Ministerial Statement**

**Mr SOURIS:** As this is the last sitting day before Australia takes on England in the Rugby World Cup final on Saturday, in a spirit of goodwill and bipartisanship following the remarks yesterday of the honourable member for Ashfield, it is my great pleasure to express what are clearly the feelings of everyone in the Chamber today.

*[Interruption]*

**Mr SPEAKER:** Order! I call the honourable member for Smithfield to order.

**Mr SOURIS:** I wish the Wallabies -

*[Interruption]*

**Mr SPEAKER:** Order! I call the honourable member for Londonderry to order.

**Mr SOURIS:** I cannot believe the interjections from members on the other side of the House. This is a genuine response to the remarks made by the honourable member for Ashfield yesterday. On behalf of the people of New South Wales I extend best wishes to the Wallabies for this coming Saturday. The Wallabies have given Australians something to be extremely proud of by the way they have undertaken their task and the sportsmanship they have displayed. They have brought great credit to Australia worldwide. I am proud to be able to wish

Page 3974

them the best of luck. I hope that on Saturday they will be crowned as the best rugby side Australia has had.

**Mr WHELAN,** by leave: I thank the Government for giving me leave to speak on this occasion. It is a shame that the motion I foreshadowed could not have been debated by the Parliament. Many honourable members are rugby union enthusiasts. I proposed to move the motion because of my love for the sport. Members of Parliament sometimes are reluctant to acknowledge achievement by anyone, whether it be in sport, piano playing or whatever it might be. The most important thing, as the Minister said, is not only that Australia might win under difficult circumstances in England against a formidable side, but that members of the Australian rugby union team will be seen as ambassadors for this country. Having in mind the television audience, at least one billion people will watch the World Cup final. I hope Australia wins and I wish them every success. I am concerned about the future of rugby union in this country. Hence the last part of my notice of motion referred to the sensational and exciting player David Campese. He is a relatively young player in rugby union terms. His retirement will be a loss to Australian and international rugby. His skill is purely Campese and Australian. I hope his legacy will be passed on.

**Mr E. T. Page:** Mr Speaker -

**Mr SPEAKER:** Order! For what purpose is the member for Coogee seeking the call?

**Mr E. T. Page:** I would like to make a contribution to the debate.

**Mr SPEAKER:** Order! There is no form of the House that would permit the member for Coogee to make a contribution.

## QUESTIONS WITHOUT NOTICE

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### STATE BANK LOANS

**Mr CARR:** My question without notice is addressed to the Premier, Treasurer and Minister for Ethnic Affairs. Does he monitor, with the Treasury, the performance of the State Bank of New South Wales? Does he recall his statements to Parliament on 21st March that the bank's non-performing loans were of the order of only \$800 million? Have they blown out another \$1 billion? What effect will this have on the State's or the bank's credit rating?

Page 3975

**Mr GREINER:** The answer to the question asked by the Leader of the Opposition is that the article in the *Australian Financial Review* is wrong. The editor of the *Australian Financial Review* was advised that it was wrong. I am pleased to set the record straight. I shall quote from a letter I received this morning from the managing director of the bank. I shall return to deal with the question of monitoring after I have quoted from that letter. The managing director wrote as follows:

Turning to some of the specific numbers quoted in the article I make the following comments. Firstly, that the figure quoted for the bank's net non-accrual loans of \$634 million as at the March half is correct. The comparable figure to 30th September is likely to be \$789 million. This is the more relevant and critical comparison. The net non-accrual figure is less, the specific provision likely to be \$426 million. The article quotes the bank's total assets declining in the past six months from \$18.6 billion to \$17.6 billion, which is approximately correct. But it is wrong in the extreme to describe it as a deterioration that would put the bank on a par with other State-owned banks. The decline in assets is attributable to the lowest ever credit growth figure over the last 12 months recorded in the banking industry, high levels of repayments as is the historical pattern in recessions, and a deliberate strategy by the bank of running down its offshore assets and large corporate loans, and replacing these with increased lending in housing, consumer and small to medium business markets. This can be evidenced by the bank's record lending for housing to 30th September of \$1.6 billion, almost double last year's figures.

As regards the bank's profit for the second half of the financial year, it is acknowledged as has also been advised to the Government earlier, that it will not be as reasonable as for the first half, which was \$18 million before tax. The exact figure will not be known for some weeks, but it will be impacted by the recession, the rural crisis, increased unemployment and the already stated lack of demand for funds.

The second part of the article, which was not mentioned in the question asked by the Leader of the Opposition, concerns redundancies. On that, the managing director says:

As with all financial institutions in similar markets, we have been undertaking a managed reduction in staff numbers over the last 12 months, as evidenced by staff numbers being reduced by 500 in this period. This is a sensible reaction to the business environment in which we operate. As regards potential branch closures, this is being analysed at the moment. No decision has been taken, but I should add that we have opened almost 300 agencies in the last 18 months, thus we need to look at the totality of our points of representation.

As I said to the Martin committee of inquiry on banking, which recognised that we had a very superior monitoring system, the Government does have a good system of monitoring. We have not yet received figures for the last quarter, to the end of September. The bank's results will be published on 21st November. The bank will be profitable for that period; clearly it will not be very profitable, for reasons that every honourable member understands.

### UNCLASSIFIED AND X-RATED MOVIES

**Mr MORRIS:** My question without notice is asked of the Attorney General, Minister for Consumer Affairs and Minister for Arts. Is the Attorney aware of  
Page 3976

widespread concerns about the distribution of unclassified and X-rated movies in New South Wales? Has he received complaints about the showing of movie and video trailers suitable for adults during films that are classified for young audiences? What action is the Government taking to counter these practices?

**Mr COLLINS:** It is correct that over the past few years there has been widespread community concern about the availability of restricted film and videotape material and the use of trailers of restricted movies prior to the screening of material that is of a lower classification. Late last year some people, including the honourable member for Port Jackson, expressed shock that in some cases programs classified for children or young teenagers were preceded by trailers for movies that had been approved for viewing by adults over the age of 18. I am aware that the honourable member for Port Jackson has given notice of a private member's bill to amend the Film and Video Classification Act to prevent the showing of a film trailer of a higher classification before an advertised movie of a lesser classification. Though her concerns are extremely commendable and have been noted - and I am sure they are shared by all honourable members, including the honourable member for Blue Mountains who asked the question and has many of his constituents in the public gallery today - the bill does not go far enough. It does not take into account the broad sweeping changes that need to be taken on board at this time.

The Government has had new legislation in preparation for several months - most of which is endorsed by the censorship Ministers, of whom I am one - which includes the matters raised by the honourable member for Port Jackson. The Government proposes to go much further. The Government believes that children have far greater access to videos than they do to cinemas. It is surely even more important that amendments be applied to videos which are for sale or for hire. I propose to give notice, when the House next sits, of new legislative proposals covering the film and videotape industry. I hope that the honourable member for Port Jackson, who has raised the matter in the House in recent days, and other Opposition members will support those proposals. The legislation will give effect to a number of decisions which have been taken at meetings of the Standing Committee of Censorship Ministers. It will limit the exhibition of film and video tapetrailers and introduce amendments designed to eliminate the current manufacture of X-rated or refused classification films in New South Wales. At the same time, measures will be introduced to provide more consumer advice about the classification of movies.

Under the proposed legislation, trailers for either first-release films or those released on videotape will have to be of the same classification or lower than that of the feature film. The chief

sensor's classifications will have to be clearly shown on the tape box and video cassette. Too often consumers are misled by material featured on the video display box. This can inadvertently lead to the purchase or rental of films which are unsuitable for young viewers. Under the Government's proposals, censorship markings will have to be prominently placed and easy to read. The proposed changes will remove the age limit of two years so that R-rated films,

Page 3977

unclassified films and films that have been refused classification cannot be exhibited where minors of any age are present. Children under two years can be highly susceptible to the atmosphere surrounding such films, particularly an atmosphere of violence as in some R-certificate films, possibly more so than children who are of an age at which they could articulate fears which may be generated by a restricted film. This will mean that under no circumstances will children of any age be permitted into cinemas where restricted films are being displayed in this State. The penalties for exhibiting an unclassified film are \$15,000 for a corporation and \$4,000 for an individual. It is proposed to increase those penalties to \$50,000 and \$10,000 respectively. We will also make it unlawful to possess 10 or more copies of an unclassified film or videotape. Exemptions will be made for domestic films or videos. If people want to record their wedding on video, there would plainly be an exemption.

**Mr Newman:** What about the wedding night?

**Mr COLLINS:** That may be a different matter. I imagine that it normally would be. The manufacture of X-rated or unclassified movies is difficult to control when mail order facilities, particularly those based in the Australian Capital Territory, are freely available. Movies can also be imported. They can be brought back to Australia by anyone who has gone overseas. They may be included in luggage. It is widely held that movies from the ACT are being manufactured on the New South Wales South Coast. It is extremely difficult to prevent individuals from coupling together two or more video machines to make copies of banned material. Our proposals - and I trust that we would have the support of the Opposition and the cross-benches - will make it illegal to possess 10 or more copies of X-rated movies and will make it harder for the manufacturers of illicit films to mass-produce copies of their merchandise.

At the same time, I propose to ask the Commonwealth, States and Territories to enact similar legislation. Under the Australian Constitution, New South Wales alone can do very little to prevent the supply of unclassified film or video material across State or Territory boundaries. Though we propose a range of measures aimed at assisting distribution of unclassified films and videos, the Commonwealth will be consulted as a matter of urgency regarding a consistent approach to the advertising of films, whether for cinema or video - controlled by the States - or television - controlled by the Commonwealth. It will be necessary for the Commonwealth to amend the Broadcasting Act to ensure that television is restricted to showing adult-only movie trailers after 8.30 p.m., which is the recognised starting time for adult-only viewing. I thank the honourable member for Blue Mountains for asking me the question, and I acknowledge the contribution made last week by the honourable member for Port Jackson in putting her motion on the notice paper. It does not go far enough, but it certainly will be incorporated in the sweep of amendments which the Government proposes.

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Page 3978

## **WATER BOARD CONSULTANTS**

### **Suspension of Standing Orders**

**Ms ALLAN** (Blacktown) [10.56]: I move:

That so much of the standing and sessional orders be suspended as would preclude consideration forthwith of the following motion:

That this House condemns the Minister for Housing:

1. for allowing the use of consultants by the Water Board to blow out to unacceptable levels; and
2. for allowing the Water Board to conceal the true level of expenditure on consultants in contravention of the Premier's guidelines.

Suspension of standing orders will reveal that the Water Board has secretly employed consultants on 750 current projects at a cost of \$100 million. This is while the latest available annual report lists only \$6 million in expenditure on consultants. Suspension would reveal that omissions from the annual report constitute a breach of the Premier's guidelines on consultants. Good on you, Joe! He is finding out what he is supposed to say from Mr Minus-Eighteen. The suspension will reveal that these consultants are listed in a confidential 50-page computer print out leaked with other board documents to the Opposition. The ratepayers shell out their environment levies into the willing hands of this Government's friends, the consultants. Water Board consultants could be costing taxpayers up to \$500 every minute of every working day, and the Government is lying about it. Suspension will reveal that on 22nd November the Premier misled this House by stating:

We now spell out those consultancies over \$30,000. We now have proper accountability.

That is the big lie technique in operation. The Premier boasted that the buck stopped with him. I will be proving that, item-by-item and line-by-line, to his detriment. Suspension will show that on a normal working day at the North Head treatment works there are now two to three consultants to every plant employee. They are consultants - not contractors. They are defined as consultants by the board. In a fortnight, after another round of staff cuts, that ratio will be five to one. The Premier assured the House that any consultant earning more than \$30,000 would be publicly listed in the annual report, but according to these documents many earning up to half a million dollars are not. This computer print out spans two years and reveals that the Managing Director of the Water Board, Bob Wilson, spent \$156,000 on advice - and he still gets it wrong.

**Mr Photios:** On a point of order. It is very apparent from the short address of the honourable member for Blacktown that she is canvassing the detail of her  
Page 3979

suspension and that she is not establishing urgency. It is abundantly clear that that is the case, as she is dealing with the issue item-by-item and line-by-line. I ask her to establish urgency as opposed to dealing with the substance of the motion.

**Mr SPEAKER:** Order! There is no requirement to establish urgency. The honourable member has to convince the House that standing orders should be suspended. I am sure that the honourable member for Blacktown is well aware of the rulings that I have given in regard to that matter. I will listen very carefully to what she is saying and I warn her that if she strays from the substantive material of the debate that may follow I may have to curtail what she is saying.

**Ms ALLAN:** Standing orders should be suspended to see the disparity between what is in the computer print out and what is being made available by the Minister through the annual reports that have been released. It seems that one consultant was paid \$20,000 for a market survey of senior executive salary packages. Suspension of standing orders would allow the House to examine the board's own organisation principles, which state that relatively low brain power tasks can be performed by private sector consultants. The Minister for Housing knows all about low brain power capacity.

[Interruption]

**Mr SPEAKER:** Order!

**Ms ALLAN:** Low brain power tasks are costing the taxpayers \$100 million. An amount of \$70,000 was spent to complete something known as Operation Sludge. That must have been the former Minister's press releases being waded through. A further \$20,000 is for sludge thickening. That must have been for the former Minister's speech writers. Suspension will allow us to examine expenditure such as \$17,000 on a problem solving workshop. You could have got the whole Cabinet there, or perhaps to the strategic horizons conference. Suspension will enable us to examine why \$30,000 was spent on advanced reading workshops. Good on you, Joe! Where is he? \$26,000 was spent for a "Scoping of Community Involvement Plan for Drinking Water Quality". Who would volunteer for that? This is a gross breach of government guidelines on consultants use.

Suspension will show that even the detailed computer register, which the Opposition has obtained, drastically undercuts the board's full quota of consultants use. An Opposition audit of other documents, including North Head plant reports, has revealed discrepancies in the board's own records. For example, 15 consultancies listed at the North Head plant, costing taxpayers more than \$1 million, do not even appear on the central register. Unlisted are a further 50 consultants at North Head - not contractors but, by the board's own definition, consultants. There are 60 consultants at the Malabar works. They do not appear on the list. There are 20 consultants at Bondi - not on any list. At North Head they have had to employ a consultant capital works manager to manage the consultants. He is not on the list

Page 3980

either. The Premier's guidelines on consultants are clear. One can hire consultants only where there is a lack of required skills and expertise within the department. Suspension of standing orders would reveal that the Water Board's organisation principles flout the Premier's directions. The board's organisational principles state, "No internal services should exist where there is a private sector alternative".

**Mr Merton:** On a point of order. I refer to the point of order taken by the honourable member for Ermington. Mr Speaker, you have clearly given certain advice to the honourable member. She is now flouting your ruling. I ask that you direct the honourable member for Blacktown not to deal with the matter of substance but to deal with the matter before the Chair, that is, to establish grounds for suspension.

**Mr SPEAKER:** Order! Although the honourable member for Blacktown has touched on a number of matters which may be regarded as specific, I believe she is mentioning them in considerable brevity and they go to matters relating to suspension. I rule that she is in order at the moment.

**Ms ALLAN:** Suspension of standing orders would reveal that the most recent annual reports of the Water Board list only 47 consultants as exceeding \$30,000 - that is the Premier's guideline - yet 10 consultants working at North Head earning more than half a million dollars should have been but were not listed in the 1989-90 annual report. So much for the Premier's assurances to this House last November. Suspension would highlight the discrepancies between the central register and the annual report. This also deliberately undermines the Premier's guidelines. Honourable members will recall that these guidelines were drafted when the Auditor-General criticised Mr Greiner after 40 departments spent \$100 million on consultancies in less than a year. The board's annual reporting on consultants is at best inadequate, at worst deceptive. We know that the Minister for Housing could not tell us 10 days ago how many consultants were employed up to June 1991 by the Water Board. Maybe he has had the information provided to him in the past five minutes. This action by the Water Board is a slap in the face to a Premier on his last legs. One has only to look at this morning's edition of the *Sydney Morning Herald* to see how far down in the polling the Premier is. Not even the bureaucrats take him seriously, let alone the people in the electorate. Of those polled, 46 per cent believe that the Leader of the Opposition would make a better Premier.

**Mr Merton:** On a point of order. The honourable member for Blacktown is debating matters which are not relevant to the question of suspension.

**Mr SPEAKER:** Order! No point of order is involved.

**Ms ALLAN:** Suspension of standing orders must be granted today so that we can look at these documents and compare the performance of the Water Board, and the misleading of the Parliament by the Premier and by the Minister for Housing. While the Premier is deluding himself with fantasies of better

Page 3981

management, it is business as usual for Water Board fat cats and their consultancy mates.

**Mr MOORE** (Gordon), Minister for the Environment [11.5]: The Opposition is attempting to fool the public. The honourable member for Blacktown -

*[Interruption]*

**Mr SPEAKER:** Order! I ask the House to give the Minister for the Environment fair opportunity to speak in this debate. Honourable members listened to the honourable member for Blacktown and I supported the honourable member in giving her maximum latitude in her address. I ask for the co-operation of honourable members in extending the same courtesy to the Minister.

**Mr MOORE:** I should indicate to the Opposition, as Opposition members are obviously incapable of understanding this, that I am responding on this matter not only because of the procedural issues involved but because the period about which these spurious allegations are being made fell largely within my administration. I am taking the opportunity to defend myself as well as to defend the Minister for Housing.

*[Interruption]*

**Mr SPEAKER:** Order! I call the honourable member for Ashfield to order. I call the Deputy Leader of the Opposition to order.

**Mr MOORE:** The question that clearly has to be dealt with is this: has the Opposition in any way demonstrated any truthful matters of concern that warrant the setting aside of all business of this House on a day when we are debating the Estimates and finalising the Budget of this State? Late last year, as I recollect - but certainly within the past 12 months - the Water Board placed advertisements quite prominently for a wide range of contract employee skills. Those skills were needed on comparatively short term basis and certainly not on a full-time and permanent, for ever, public service basis, to deal with the extensive, innovative and imaginative environmental proposals being initiated by this Government to clean up the waterways of the Blue Mountains, the coastal areas, and the beaches of Sydney and of the Illawarra. Until the middle of last year the Leader of the Opposition was still saying that the oceans of Sydney should be used as an extension of the toilet bowls of its citizens. The Leader of the Opposition was saying that upgraded treatment was not required. This Government has committed itself to a \$6,400 million program dealing with a wide range of issues which are dear to the heart of, for example, the honourable member for Manly and his constituents, and to a number of members on this side of the House and, to be fair to them, to a wide range of genuine and caring members on the other side of the House - unlike the honourable member for Blacktown - such as the honourable member for St Marys and the honourable member for Penrith, who have concerns they share with the honourable member for

Page 3982

Blue Mountains and the honourable member for Badgerys Creek on issues relating to pollution of the Nepean River.

*[Interruption]*

**Mr SPEAKER:** Order! I call the honourable member for Londonderry to order for the second time.

**Mr MOORE:** It is absurd to suggest that a very complex program, such as the enormously large capital works program - possibly the largest capital works program to which this State has ever been committed - should be carried out without needing specific additional skills not available within the permanent work force of the Sydney Water Board. The Sydney Water Board advertised through an independent board that includes on its membership the chairperson of the largest peak conservation organisation in this State. That is an environmental direction that Dr Messer is proud to be part of, along with this Government. It is absurd to suggest that there would be no need to have contract employees devoting themselves full time, in addition to the usual range of ordinary small consultancies which I am advised by the Minister for Housing have been reported on in the report of the Sydney Water Board, that there is a range of additional contract employees. This is not the same as getting a consultant from a company with a contract. A range of individuals have comparatively short-term - maybe up to several years - permanent contracts for the exclusive devotion of their services to the board over that time. As I recollect, they are personal services contracts to give themselves as if they were employees for a period of up to several years. Obviously, the reason that many of those are down as personal contracts is that those people are highly professional and mobile individuals within their occupations. They have their taxation and personal accounting matters arranged in a fashion which in some cases has them contracting their personal services through a company.

I have a recollection - obviously I do not have the details in front of me - that there were matters of up to \$55 million, or thereabouts, over a long period that were specifically reported not only to me but also to the board of the Water Board which includes an elected member who is an endorsed Australian Labor Party alderman on Sutherland Shire Council - hardly a guarantee for keeping something secret, if that is what the Minister for Housing wanted to do. We are completely open about these issues. I ask a rhetorical question. Who was it who opened an environmental library at the Sydney Water Board? The Greiner Government. Who was it who placed all State Pollution Control Commission licences on public display? The Greiner Government. Who was it who introduced freedom of information legislation after seven years of rejection of it by the rabble sitting opposite? The Greiner Government has nothing to be ashamed of in respect of the environmental direction that it has given to the Sydney Water Board and about the fact that we are hiring, and have publicly advertised for and have stated that we are hiring, individuals on contracts for periods to provide services to the Sydney Water Board to enable that environmental program to be continued, to deliver clean rivers and clean beaches and

Page 3983

to aim for pristine wilderness in the Blue Mountains so that we can get on with trying to assess the World Heritage nomination for the Greater Blue Mountains National Park. It is humbuggery of the worst order for the Opposition to serve up this drivel at this time to try to divert the Parliament from debating infinitely more important matters than those that are currently before us.

**Question - That standing orders be suspended - put.**

**The House divided.**

**Ayes, 48**

Ms Allan  
Mr Amery  
Mr Anderson  
Mr A. S. Aquilina  
Mr J. J. Aquilina  
Mr Bowman  
Mr Carr  
Mr Clough  
Mr Crittenden  
Mr Doyle  
Mr Face  
Mr Gibson

Mrs Grusovin  
Mr Harrison  
Mr Hatton  
Mr Hunter  
Mr Iemma

Mr Irwin  
Mr Knight  
Mr Knowles  
Mr Langton  
Mrs Lo Po'  
Dr Macdonald  
Mr McManus  
Mr Markham  
Mr Martin  
Dr Methereil  
Mr Mills  
Ms Moore  
Mr Moss  
Mr J. H. Murray  
Mr Nagle  
Mr Newman  
Ms Nori

Mr E. T. Page  
Mr Price  
Dr Refshauge  
Mr Rogan  
Mr Rumble  
Mr Scully  
Mr Shedden  
Mr Sullivan  
Mr Thompson  
Mr Whelan  
Mr Yeadon  
Mr Ziolkowski

*Tellers,*  
Mr Beckroge  
Mr Davoren

**Noes, 47**

Mr Armstrong  
Mr Baird  
Mr Blackmore  
Mr Causley  
Mr Chappell  
Mrs Chikarovski  
Mr Cochran  
Mrs Cohen  
Mr Collins  
Mr Cruickshank  
Mr Downy  
Mr Fahey  
Mr Fraser

Mr Glachan  
Mr Graham  
Mr Griffiths

Mr Hazzard  
Mr Jeffery  
Dr Kernohan  
Mr Kerr  
Mr Longley  
Ms Machin  
Mr Merton  
Mr Moore  
Mr Morris  
Mr W. T. J. Murray  
Mr Packard  
Mr D. L. Page  
Mr Peacocke  
Mr Petch  
Mr Phillips  
Mr Photios

Mr Rixon  
Mr Schipp  
Mr Schultz  
Mr Small  
Mr Smiles  
Mr Smith  
Mr Souris  
Mr Tink  
Mr Turner  
Mr West  
Mr Windsor  
Mr Yabsley  
Mr Zammit  
*Tellers,*  
Mr Beck  
Mr Hartcher

Page 3984

**Pair**

Mr Greiner

Mr Gaudry

**Question so resolved in the affirmative.**

**Motion for suspension of standing orders agreed to.**

**Motion**

**Ms ALLAN** (Blacktown) [11.20]: I move:

That this House condemns the Minister for Housing:

1. for allowing the use of consultants by the Water Board to blow out to unacceptable levels; and
2. for allowing the Water Board to conceal the true level of expenditure on consultants in contravention of the Premier's guidelines.

The Government is having difficulty deciding which Minister will sit at the table to answer the allegations. The Minister for Housing has been flushed out. He has presided over the secret employment by the Water Board of consultants on projects to a total cost of \$100 million. The Minister formerly responsible for the Water Board just informed the House that all those projects were good, environmentally sound projects that the Government had to fund to realise the strong expectation within the community that the environment would be protected. What a lot of garbage, and he knows it! He knows that since at least November last year the Water Board has been flouting the Premier's guidelines on the use of consultants, and has not told anyone about it. The Water Board has not even told the Minister about it. If it did, he would not understand anyway. For example, on 22nd October during question time I asked the Minister for Housing how many consultants had been engaged by his board during the financial year ending 30th June and how much were they paid. He looked shocked and stunned and he sat down immediately. He did not know. He said the question should be placed on the Questions and Answers paper. What a lame response to a question that has led to this debate, one of the most important debates in the Parliament in recent times.

We are talking about \$100 million, and that is just not chicken feed. That figure represents a major blow-out of the present State Government debt. This has all been done in secret. The latest available annual report of the Water Board shows only \$6 million spent on consultants. Omissions from that annual report constitute a breach of the Premier's guidelines. What has not been revealed publicly has been listed in a confidential 50-page computer printout, to which I referred earlier, which has been leaked with a number of other documents to the Opposition by concerned Water Board employees. There is in the community considerable dissatisfaction about the level of water charges paid by Water Board customers. Members on both

Page 3985

sides of the House have been inundated by protests about the level of water rates. Those people are not protesting only that they have to pay an environmental levy every year; they are concerned also about other Water Board policies which are causing both commercial and residential water rates to skyrocket. What is the Government doing about that? It is not spending the excess money in its coffers on valuable projects; it is spending it on consultants. Water Board consultants could cost taxpayers the incredible sum of \$500 every minute of every working day. It would be far too difficult for the Minister formerly responsible for the Water Board, the Hon. Tim Moore, and the present Minister to even imagine that level of cost.

In April this year the Premier released a press statement that said, "The public can see in the annual reports a list of consultants used and the money paid each year". He said that the Office of Public Management had said that the cost of consultants would drop from \$150 million a year to \$100 million last financial year. What he did not say was that the lists are deliberately fiddled to hide the extent of consultancy use. So much for the Premier's press statement; so much for his commitment to this House last November that consultancies would be pegged to \$30,000. The performances of the Water Board and the present Minister show that those commitments are out the window. The Premier made that commitment on 22nd November last year. The present Minister would not even know about that commitment. The Premier boasted that there will always be accountability for consultancy use.

Twelve months ago the Premier was very embarrassed when the Opposition exposed the extent of consultancy rorting in the New South Wales public service at that time. His response was to make grand commitments to this House. Today the Opposition will prove that the Premier's commitments just have not been kept. They have been absolutely flouted by the Water Board and as the months go by we will probably see that they have been flouted by other statutory authorities and government departments. I cannot think of one Minister on the Government's invisible front bench who would be capable of monitoring the performance of his or her department or authority, and whether the

bureaucrats are disguising the facts. The Minister for Housing is one lame-duck Minister, and I could name another six Ministers who would not know what is happening in their departments.

Last September the Premier gazetted guidelines on the use of consultants. The Opposition has demonstrated that departments and authorities are deliberately ignoring the guidelines and flouting the authority of this beleaguered Premier. I have established already that on a normal working day the North Head treatment works has two or three consultants for every plant employee. I emphasise that I am not talking about contractors. That is another furphy by the Minister formerly responsible for the Water Board. A short time ago he said that these people are not only consultants, that some of them are contractors. According to Water Board documentation that is not true. These Ministers should closely consider the language that their bureaucrats are using. If the Ministers have been led to believe that these people are anything other than consultants, their bureaucrats have been lying to

Page 3986

them. Honourable members are aware of another major round of cost-cutting in the Water Board at present, presided over by the Minister for Housing. That cost-cutting will affect the Water Board's work force; it will not affect the consultants. The use of consultants will continue to escalate despite the cutbacks. The plant employees will bear the brunt of the so-called cutbacks. After the latest round of cost-cutting there will be five contractors for every plant employee.

The former Minister did not admit to the Parliament that \$42 million has been allocated to consultants in the pollution abatement division alone. I ask what is being done in that division and how is the environment in New South Wales being significantly improved by that expenditure? Consultants are the only ones benefiting from the environmental levy and the pronouncements by this Government on the environment. They are collecting money for these reports, many of which are not worth reading, and presenting them to lame-duck illiterate Ministers such as the Minister for Housing. The Premier assured the House that any consultant earning more than \$30,000 would be publicly listed in an annual report. According to our documents that has not happened. It would not surprise me if the Minister for Housing had not made it his business to sight these documents. That he is a captive of the Water Board is demonstrated by his pronouncements on a whole range of issues. Generally the Minister is a man of many words. If it is a safe issue he will come forward at question time and pontificate on a certain issue. He usually has many words which are totally meaningless.

A colleague of the Opposition, Dr Terry Metherell, the honourable member for Davidson, recently said that under this Minister the Water Board is not going to achieve anything. That is not quite true because the Water Board is achieving this massive rot in its use of consultants. It is wasting \$100 million of taxpayers' and ratepayers' money. The computer printout is extensive, covering the last two years of consultant use by the Water Board. I have listed a number of the outrageous uses of consultancies for supposedly valuable exercises. Of course none has appeared in the annual report. I have mentioned already the \$20,000 for a market survey of senior executive service packages. This is more money for the Premier's public service elite - that little protected band of highly paid and largely inefficient operators within the public service. These are the people who are pulling the wool firmly over the eyes and ears of the Minister for Housing. The market survey was not a difficult job and was not worth \$20,000.

I have referred also to the board's own organisational principles - that wonderful phrase describing the appropriate use of consultants. The Water Board believes that consultant activities could be described as relatively low brainpower tasks. It is an extraordinary concept for that to be included in organisational principles. It is fanciful to assume that any low brainpower task could be done by a consultant. Those tasks are costing the ratepayers \$100 million. Given the Minister's capacity, one day a consultant with similar performance to that of the present Minister may be responsible for the Water Board. An amount of \$75,000, part of that \$100 million, has been allocated for consultants to recruit five middle

Page 3987

managers. It has cost almost \$100,000 to recruit consultants. Projects such as Operation Sludge involve an outrageous use of money. I was intrigued by the comments of the Minister for the

Environment when he tried to defend this indefensible practice of the Water Board. He claimed these projects are valuable in protecting the environment. Let us consider what is being done about sludge in New South Wales.

I have been looking forward to this debate because at long last the Minister for Housing has instructed these highly paid bureaucrats - in fact there will be probably consultants in the Chamber as well - to brief Opposition, Government and Independent members as to sludge management in New South Wales. It has taken 15 months to obtain this information. An embarrassing situation arose when tenders for sludge management were called. The sludge will no longer be dumped into the sea, courtesy of the former Minister's announcements. I am waiting to hear how the sludge will be disposed of - whether it will be burned, buried, turned into oil, turned into water or whether the Minister for Housing will be able to drink it. I wonder how much more money will be spent on consultants to find out about the mismanagement of sewage sludge in this State. As a result of this educational debate, honourable members now know that \$150,000 has been spent trying to resolve sewage sludge disposal problems. It is called Operation Sludge, a title which could well refer to the mental processes of honourable members opposite as they try to tackle this issue. As a result of the grand contribution by the Water Board money is not short for many spurious projects; conflict resolution workshops and public relations conferences. An amount of \$20,000 was spent on a public relations conference. That is cheap for the Water Board. It has one of the biggest public relations units in the New South Wales public sector. An examination of the performance of the Minister for Housing, the Minister responsible for the Water Board, shows that he is letting the side down. Go back to them, Joe, and demand your money back because they are not giving you -

**Mr SPEAKER:** Order! I remind the honourable member for Blacktown that members in the House should be referred to by their official title or electorate name. I ask her to refrain from using the expression she has just used.

**Ms ALLAN:** An amount of \$30,000 has been spent on advanced reading workshops; \$19,000 has been spent on an odour manual. That is an interesting document and should be compulsory reading for this Cabinet because it is so on the nose in the electorate at large that members could well benefit from reading it. It certainly should be compulsory reading for Water Board consultants and senior public servants in the Water Board, as well as the Minister and his colleagues. They should be looking at an article in today's *Sydney Morning Herald* written by the outgoing chief of staff of the Macquarie Street press gallery, Matthew Moore. Honourable members opposite should be reading about their poor current electoral performance because of these types of episodes. The Minister for Housing may not know about the rorts within the Water Board but many people within the community already suspect value is not being given for the dollar paid in water bills. These

Page 3988

people are not seeing much evidence of these grand environmental protection projects. It is not apparent that services have improved. Water flows are still being interrupted, especially in western and southwestern Sydney. Over the past 18 months on many occasions whole communities have been cut off from water supply because of the breakdown of infrastructure and the inefficiency of the Water Board. One needs only to turn on a tap in one's home to see the poor quality of the drinking water we must tolerate in the Sydney metropolitan area.

People know they are not receiving value for their money. An amount of \$26,000 has been spent for scoping a community involvement plan for drinking water quality. I hope the Minister for Housing attempts to address some of these objections and explains what that project means. Many people within the community have resorted to purified water dispensers because they do not trust the water available for drinking in Sydney. They ask whether they have received value for the \$26,000 spent on that particular study. Consultants are either being deceitfully hidden or lost in the system through gross mismanagement and blatant disregard for the public purse. This is a gross breach of the guidelines of the Government and the Premier on consultant use. The Minister for Housing and the Water Board have flouted the Premier's guidelines. A fortnight ago the Opposition revealed that this practice was being used by the Property Services Group. The Leader of the Opposition released leaked documents which showed that the Property Services Group management had intended to

publish in its annual report that it had spent \$4.2 million on consultancies, despite a total of \$11.4 million being spent on consultants for the year ended 30th June, 1991.

The Property Services Group intended to omit from its annual report \$678,000 paid to consultants handling the failed sale of the State Office Block; \$620,000 paid to consultants for the sale, marketing and refurbishment of the McKell Building; \$394,000 paid to consultants for the failed sale of the Education Department Bridge Street building; and \$909,000 for consultancy work on Glebe Island. There must be a great deal of camaraderie between senior officers of the Property Services Group and the Minister's senior officers in the Water Board, because there is so much overlapping of waste and mismanagement between that group and the Water Board. Obviously the training workshops that have been funded for the past 12 months from the environmental levy are ensuring the cross fertilisation of ideas between these highly paid and mostly inefficient bureaucrats for roting the public purse even more than has occurred already.

The Water Board's detailed central computer register, of which I can provide a copy to the Minister for Housing, if he wants it, in case somebody from the Water Board has not been able to find it and hand it to him, drastically underestimates the board's full quota of consultants. The Opposition has seen other documents. The staff of the Water Board are so concerned about the issue that they are willing to leak not only the central register but also overview reports from the North Head sewage treatment plant. They have been willing to release other documents, for example memoranda on the organisation principles and the obvious disparity between those

Page 3989

organisation principles and what is contained in the computer register of consultant use. The North Head plant alone is costing taxpayers more than \$1 million for 15 consultancies. They are not even included in the central computer register. A further 50 consultancies at North Head are not listed. When the Minister for Housing finally drags himself to his feet he will claim that all of these people are not consultants. He had better have a close look at the fine print, because they are consultants and not plan employees or contractors.

The Minister should make sure that he knows about the 60 consultants at Malabar, and the 20 at Bondi. I suggest that immediately after this debate he should ring North Head and have the consultant capital works manager come in to have a discussion about his statement of duties. He is the guy who ought to know, because he manages all the other consultants at North Head. In addition, 30 temporary staff are employed at North Head expressly to assist these consultants. So we have a consultant, a consultant manager and assistants to the consultants. The Premier's guidelines on consultants are clear. Consultants can be hired only when there is a lack of the required skills and expertise within the department. The Water Board's organisational principles contradict the Premier's direction. Remember, they state that no internal services should exist where there is a private sector alternative. No mention is made of the effectiveness of the tasks they perform or their performance of those tasks. There is this simple blind commitment to privatisation, even if it costs taxpayers \$100 million. Unfortunately, the Premier is not in the Chamber to listen to the debate, but he will not be able to wriggle or giggle his way out of this scandal by saying that these consultancies also include contractors. That is not on. The Opposition is presenting the board's own lists.

This debate and an examination of the documents will reveal that in the most recent Water Board annual report only 47 consultants are listed as exceeding \$30,000 cost. Yet 10 consultants alone working at North Head earn more than \$500,000 and are not listed. According to the North Head plant period report for 29th June, less than six months ago, at least a dozen specific consultancies are mentioned and itemised. For example they include Merz Australia \$190,780; T.A. Mellen \$250,981; CMPS \$655,883; Flowline \$129,000; Staff Aid \$71,000; Trasco \$123,780. It will be interesting to examine the composition of those consultancy firms and see how many former Water Board employees are on the other end of the gravy train, getting that money under these consultancies. That issue has been of concern to a number of members of Parliament, in particular the honourable member for South Coast, for many years: the obvious roting in the Water Board and the fact that Water Board employees have never been able to keep their fingers out of the honey jar. Now they have incompetent Ministers who have enabled them to flourish. The guidelines the Premier announced to

the House last November were drawn up at a crucial time for the Government, when it was under strong attack from the Opposition over its use of consultants. The Opposition believed at that time that the Premier was serious about trying to tackle some of the waste and mismanagement that was obvious in the use of consultants. Yet nearly 12 months later the same abuses are continuing.

Page 3990

I want to be specific. There have been breaches of the several guidelines. One guideline is that a full-time employee of the organisation should oversight each project. The Water Board uses consultants to supervise many of its major projects, so its existing employees, the plant employees, are not being used. Consultants oversight consultants. It is no wonder there has been massive roting. Another of the Premier's guidelines is that senior management receive progress reports on consultancies. Proposals for an open monitoring of consultancies have been rejected by the board's management. It simply does not occur. It is not known whether contracts carry penalty clauses for poor workmanship but no published board guidelines suggest that is so. The board's annual reporting on consultants is woeful. An argument could be mounted that there has been a deliberate attempt to mislead the Minister for Housing - I must say that he is easily misled - and the Premier on the use of Water Board consultants. The Premier has had a particularly bad morning so far. He opened the *Sydney Morning Herald* this morning and found that there has been massive voter rejection of him since he barely won victory on 25th May. Now it has been disclosed to him that even the highly paid bureaucrats, the people he has been bending over backwards to protect, are not taking him seriously; they are not adhering to the guidelines he laid down; they are leaving Ministers, such as the Minister for Housing, open to censure because they are not in control of their portfolios. The Premier will be embarrassed.

There is no confidence in the community that the Government is about better management. No evidence suggests that we are in a State of better management, that we have better management techniques. A lot of evidence suggests that people are paying much more for poorer management. There has been an embrace between the Water Board and the private sector on the assumption that the private sector can do it better. The private sector certainly costs more, but is not doing it better. Ministers such as the Minister for Housing have been greatly embarrassed because they were not told what was happening. It is important for the House to take on notice that the Minister for Housing has not done his job in managing the Water Board. The Water Board has flouted the Premier's guidelines. We must start now to build proper accountability into the Water Board system of management. There is no shortage of money for the Water Board to manage the State's water infrastructure. The board is not managing it properly and, even then, only at great expense to New South Wales ratepayers. As I said earlier, although it has become almost a slogan for the Opposition, never has a slogan become more credible: business as usual for the Government's fat cats. I make this promise to employees of the Water Board: when this side of the Chamber eventually comes to office we will not tolerate these practices. We will weed those fat cats out of the Water Board and, in my opinion, for the first time in the history of the Water Board we will ensure that it is accountable to its constituency, the people of New South Wales.

**Mr SCHIPP** (Wagga Wagga), Minister for Housing [11.50]: If any member in this Parliament had raised this matter other than the honourable member for Blacktown, we could take it seriously, but her credibility and performance in the community, in matters relating to the Water Board in particular, are something to

Page 3991

behold. It is quite a disgrace to the office of member of Parliament. The other day on radio she made five allegations about the Water Board. It was the same vitriolic performance that we have had here today. She attacked hard-working people, loyal employees of a statutory authority, and she attacked me. People listening in the gallery today would be ashamed of this person, who fills her speech with a vitriolic attack, an attack that has been occurring for the past five months since I have taken this position. She has failed to identify in any meaningful way the document from which she sources a figure that nobody can put their hand on.

We do not know what this all means. We can only assume that she has lumped together all the physical projects and contracted services within the Water Board and attacked the changes that are predicated, without doubt, because of the efficiency review that has been taking place within the Water Board. This review has been going on not only in this Water Board but in water boards throughout the world, which have been conducting efficiency reviews in order to get the right balance of core services and non-core services so that they can perform better. The figure of \$100 million is absolutely fictitious. It has no basis; like the member for Blacktown, it has no credibility. If one's arguments are weak, all one can do is make a vitriolic attack. We are used to her attacking the Minister for Housing, the Government, and the Water Board. She attacks the senior executive people and even the blue collar employees of the Water Board. She made the allegation that Water Board employees -

**Mr McManus:** No!

**Mr SCHIPP:** This can be picked up in *Hansard*. The honourable member for Blacktown made the comment that Water Board employees have never been able to get their fingers out of the honey jar. That is an exact quotation of what she said today, and underlines the spleen which this person has towards anyone in the public sector and anyone who holds another point of view. She attacks on a false premise over and over again. She brings forward spurious figures and reports, all designed to give some basis to what she is saying. The charge that is being laid today is trumped up and filled with vitriolic insults. It does not do her any credit, or the Opposition. Today the honourable member for Blacktown has shown this Parliament, and the public, how out of touch the Opposition is with what is happening in the real world. Authorities everywhere - whether under Labor, Liberal or whatever type of government; whether in Australia or overseas - lean very heavily on consultants to build the resources and skills necessary to carry out one-off terminal projects. Therefore, fully staffed, contractual services are not needed. That goes to the heart of this matter.

I draw on my experience with the Department of Housing. From memory, in 1987-88 the cost of consultancies was about \$24 million. We have reduced that figure by a considerable amount. The bulk of those consultancies by the Department of Housing are for contracted services that are recoverable at the end of a subdivision development. We draw on the skills of engineers, draftsmen and many

Page 3992

other people whom we do not want to employ on a permanent basis, which is where the public sector dollar has blown out and has been wasted. As I mentioned earlier, a lot of those people are employed on one-off projects. Consider the Government guidelines on consultants. Labor's bookkeeping on the use of consultants was in shambles. Neville Wran did not want information to be made public. This Government is making information public in annual reports. It puts a discipline upon authorities and departments to name consultancies in the annual report. The honourable member did not refer studiously to the annual report of 1991. If she had referred to it, if that report had been leaked to her, she would have known that the total amount spent on consultancies was \$18 million. The figure of \$100 million is nonsense; it is a grab-bag figure plucked from the air.

**Mr McManus:** They are Water Board documents.

**Mr SCHIPP:** The Opposition might have some papers, but it is misconstruing what a consultant is. The cost of the capital works consultants for the year that we are talking about, namely, 1990-91, for a total of 319 contracts is \$14.9 million. The cost of a set of management consultancies, 20 in total, is a total of \$3.1 million. That amounts to a grand total of \$18 million. That is the real figure and that is the figure that this debate should be focused on - not some figure that has been trumped up and put forward to develop a case that is not there. Despite the secrecy about facts during the time of former Premier Neville Wran, it has been estimated that the use of consultants is currently at its lowest level for at least a decade. This Government's spending on consultancies has dropped by 33 per cent in the year just gone. Since July 1990, the Government's new evaluation scheme means that it does not pay for consultants' reports which it does not regard to be of the standard required. I can vouch for that. I know of a consultant's report that was not regarded as sufficiently expert and therefore was not paid for. Reports are very closely monitored to make sure that we get what is required. The dark ages,

the secrecy of the Labor Party in reporting consultancies, are over. For the first time in New South Wales, the Greiner Government brought in guidelines requiring departments to justify the use of consultants, list the consultants used and record the money paid in annual reports.

**Mr McManus:** And they did not do it.

**Mr SCHIPP:** We have another cheap shot by the honourable member for Bulli. He is again making allegations. The papers that he is talking about have been trumped up by people who do not want to face the effects of the efficiency review. We will get to the detail of the consultancies in a moment. Under the guidelines of the Greiner Government, consultants must report and show what the money has paid for. For the first time, this features in the annual report. This was not done by Labor governments. If the Wran Government had required reporting, would it have shown that consultants were employed, using funds of the Department of Housing allocated by the Minister for Housing who was made campaign director for the former Labor member for Bass Hill? The Labor Party grossly rorted consultancies,

Page 3993

solely for political purposes. It employed consultants, paying them through housing funds, as scarce as they were, as campaign workers for Labor candidates. That is the type of performance we had when the Labor Party was in office. What is the alternative to consultants that is preferred by the hypocrites opposite? Is it a bloated inward-looking bureaucracy many times its present size? Is it a return to the dark ages of lack of accountability? This would be a disaster for taxpayers. The Opposition knows very well that even at Commonwealth level money is being provided for redundancy funds in all States - Labor-led, Liberal-led or whatever - to downsize the public service and buy services where they are needed for short-term consultancies. The Opposition is totally out of touch with the realities of life in Australia and internationally where attempts are being made to get efficiencies in government and public services.

The honourable member for Blacktown spoke about a protest over water rates. Recently I pointed out to the House that New South Wales has the second lowest water charges on the mainland. In weekly terms water and sewerage charges represent a very small proportion of a householder's outlay - of the order of \$8 a week for the average householder in Sydney. We must remember that that is for water and sewerage services. On several occasions the honourable member has put forward the furphy that the environmental levy of \$80 had built up to a fund of half a billion dollars that remains unspent. By saying that she has insulted the members of the independent committee established to ensure that the money was spent exactly and specifically for the purpose it was collected. The members of that committee offer their services voluntarily in a watchdog role to ensure that revenue from the levy is spent for environmental improvements to the coastal waterways and to waterways throughout the Sydney metropolitan area, the Blue Mountains and the Illawarra. When this Government came to office in 1988 very little was being done by way of improving the quality of our water. I give credit to the Water Board and the Minister for the Environment for the programs that they instituted to overcome the problems in this area.

The House will remember that these problems were allowed to build up during the 12 years of Labor government. One Minister in the Wran Government did not last long as a Minister when it was discovered that he took long lunches. The Water Board had problems with him because it could not get him to sign documents. The board had to appeal to the head of the Premier's Office to have projects approved through the Premier because the Minister was not performing his duties. The honourable member knows who he is; he is not in the Chamber at the moment. If he wants to come into the House, own up, and answer the allegations, I will provide more information to the House. There is no doubt that the Water Board is complying totally with the Premier's guidelines and is reporting faithfully in accordance with the reporting requirements relating to annual reports. The figure for consultancies is \$18 million. It would be a misuse of my time to go through the list I have relating to consultancies for the year 1990-91. It must be remembered that at present the Water Board is investigating the implementation of a lot of high-tech procedures. The expertise to make those decisions does not necessarily reside

Page 3994

within the Water Board and, if it does not, that expertise obviously has to be bought in.

The honourable member for Blacktown referred to the Bondi outfall. Obviously that project entails new technology that is being developed. That technology must be monitored and improved. The project is being watched worldwide and has set the lead in this type of work. I give credit to the Water Board and to the consultants who were employed on that project. Many of the consultancies are in areas of expertise that are not available within the resources of the Water Board. We must bring this debate back to taws and talk about consultants per se rather than the contractors and the consultants. For a long time the Opposition has talked about \$400 million being paid in consultancy fees. That is misinformation; it is employing the big lie technique that the Opposition has developed under the guidance of the Leader of the Opposition who is an expert in telling lies all over the State. We hear these lies being told but they are never repeated in this House because the Opposition knows that if they were, the truth of the matter would come out and it would be exposed. I am pleased to note that the media are commenting on the big lie technique employed by the Opposition. But very often lies told by the Opposition are refuted by the facts. However, it does not want facts to stand in its way in employing this technique. I have referred previously to the fact that Opposition members live in a coward's castle: they are not willing to repeat in this House the lies that are told around the State. If they did, the Government could counter them and prove them to be lies. In the past few weeks there have been examples of this technique being used.

**Mr McManus:** The honourable member for Davidson is right: you ran.

**Mr SCHIPP:** The honourable member for Bulli is not beyond telling a few porkies himself. I have noticed in the press clippings from his electorate mention of what he will do or not do in this Parliament, but rarely is there any action from him. Today we are talking about consultancies that are not related to a specific project. If we are talking about those, we are talking about expenditure of less than \$18 million. The figure would be of the order of \$3.1 million for what might be called pure consultancies. I shall give the House an example of how this issue got out of hand.

*[Interruption]*

**Mr SPEAKER:** Order! I call the honourable member for Bulli to order for the second time.

**Mr SCHIPP:** It got out of hand because everything under the sun was included in the broad term of consultancies. The part-time members of the Residential Tenancies Tribunal were classified as consultants. Everyone who was not a direct employee of the Department of Housing was included in the Opposition list as a consultant. I should like to point out to the House the advantages of using

Page 3995

consultants. The Water Board makes use of a variety of resources, including employees, suppliers, contractors and consultants. Resourcing in the Water Board is achieved broadly through the use of Water Board employees, the management of the business, strategic planning, business planning, policy making and marketing, as well as operations, maintenance and development in core business areas. I emphasise that this relates to core business areas. Since 6th June, when I assumed ministerial responsibility for the Water Board, I have met with representatives from a number of overseas water authorities. Those organisations also concentrate on core business as opposed to non-core business. I give the House one example of that as it relates to the Water Board. The board operates its own garages, workshops for vehicles and registration services. Though in the past those services have been provided within an organisation's own ranks, they can be provided more efficiently and effectively by the private sector. The representatives of overseas authorities all hold a similar view.

The Water Board is developing its core business by the use of board employees. Board employees have some involvement in non-core business where there is advantage to the core business. There must be a co-ordination of activities. Though the efficiency review process will reduce the total number of employees within the Water Board, that review is not being done in a rush. It is

being carried out carefully so that non-core businesses can be assessed as to whether they should remain within the activities of the board in order to complement core business or whether they can be developed as a business with goodwill that can be sold to the private sector. That is the direction in which many governments are heading. The Hawke Government has provided a huge amount of money to allow governments of all political persuasions to reduce the number of persons employed directly within the public sector.

That is an efficient use of taxpayers funds, but honourable members opposite do not care about such things. Only today I was looking at a report on the increase in the number of employees in the electricity system in Queensland since Goss became Premier. Queensland is going in a different direction from that followed by the rest of the world. The increase in the number of employees in Queensland will result in the system being bled of funds. The use of Water Board employees will ensure that the organisation is run as an effective, integrated business through the control of key management and strategic functions supported on the foundation of a strong nucleus of key core business skills. Utilising external resources through consultants and contractors to supplement direct employees in core and non-core businesses is another part of the strategy. One advantage of that process is that there will be flexibility in providing skills to meet changing business needs. People in the real world - not those in the dark ages like honourable members opposite - know that there have been rapid changes to the way in which businesses are run. New technologies are now available to businesses.

**Ms Allan:** You are not up on Memtec.

Page 3996

**Mr SCHIPP:** The honourable member for Blacktown knows nothing about Memtec. She was not prepared to ask questions about it in this Chamber because she just did not know anything about it. The honourable member is out of her depth. The use of consultants and contractors will result in economies by the board not having to obtain staff to cope with peak workloads. All honourable members know that any business activity has peaks and troughs. Some businesses in the private sector advertise regularly that they have available skilled employees who can be used to meet the needs of other employers in busy periods. When businesses are no longer busy they do not have those employees on their books. That strategy is being used more and more in the public sector and it has been used in the private sector for many years. The use of contractors and consultants provides increased access to specialist skills on a limited, as needed, basis. They provide increased opportunities for the introduction of new ideas and technology. Earlier the honourable member for Blacktown mentioned Memtec. When we finally complete this process of evaluating what is being offered, what guidelines can be developed and what standards will be produced, will Memtec be described as a consultancy? Will that consultancy be thrown into the Opposition's grab bag of consultancies? What will the figure for consultancies be then? We could pick any figure we liked - \$120 million or \$130 million - as that would suit the honourable member for Blacktown.

**Mr Merton:** Double the figure.

**Mr SCHIPP:** The honourable member for Blacktown would know how to double the figure. Another advantage of contracting services is that it creates competition in the market place. It was pointed out to me this morning that the yellow pages in the telephone book list page after page of entries for consultants who are operating in the real world. These people do not have a pox on them; they have developed skills. They might be former Water Board employees who decided to leave that employment and develop their expertise in the community. Plenty of people from both sides of the political spectrum have left this Parliament and have become consultants. Former members of the Federal Parliament have been appointed to the board of Qantas Airways Limited. No one takes umbrage at that, but in New South Wales, where the cheap shots are fired, former members of Parliament are blackballed and can never work for a government agency. This applies also to employees within the public service. The honourable member for Blacktown said today that former

employees of the Water Board, the State Rail Authority or any other government agency have no right to offer their skills or bid for contracts in the government system. If honourable members opposite support that view they are saying once a person works for a government agency that can be the only career path that that person can follow. Members of the Opposition are suggesting that former government employees or members of Parliament should never have anything more to do with government. Neither I nor this Government subscribes to that view. I give as an example former employees from the Department of Housing who are not doing too badly as consultants.

Page 3997

**Ms Allan:** In the northwest sector, Red Hill development?

**Mr SCHIPP:** I am talking of former senior Federal Government employees who are now working for the Goss Government. Those employees were employed in Canberra three days a week and were paid \$110,000. Ultimately they have been appointed to senior positions in the Goss Government. However, they are still living in Sydney and travel backwards and forwards. That is the sort of thing that worries honourable members opposite. They believe in rorts, scams and lurks and perks and they assume that everyone else has the same belief. Honourable members opposite cannot discipline themselves or those within their ranks. They are aware of the great rorts within the Labor Party and they are always embarrassed when they are exposed. I turn to the value for money aspects of using consultants, and specify the procedures followed in engaging them. I emphasise that the board's procedures are in line with government directions. The honourable member for Blacktown said that the Water Board has not complied with government guidelines. That is the most serious allegation that could be made against the Water Board.

**Ms Allan:** That is why we are making it.

**Mr SCHIPP:** I hope the honourable member is on firm ground in making that allegation. If the allegation is correct it means that there are elements of corruption in the board's operations. I do not accept for one moment that responsible, senior people are doing what has been suggested today. The procedures to which I have referred are designed to ensure probity and to secure market rates through a competitive procurement process on all but the smallest assignments. This system, with its competitive and management controlled elements, delivers value for money, particularly in high expenditure engineering projects. Honourable members opposite have used this as an example to promote their furphy about consultants. Features of the management control system are: managers should be accountable for the administration and management of consultancy agreements; each project is required to have a fully documented brief with clear deliverables; consultancy proposals above \$20,000 are subject to an approval system administered by the manager of corporate contracts and are also vetted in some areas by the audit and review unit; proposals over \$100,000 must go to open tender, while three competitive quotes must be obtained for proposals over \$20,000 but less than \$100,000; and financial delegations require engagements over \$30,000 to be approved by the managing director or the deputy managing director. Other delegations apply below \$30,000.

Earlier this year the audit and review unit undertook a study relating to the engagement of some consultancies in the management improvement category. The review identified a number of possible concerns in this category including: scope for improved co-ordination across the board to minimise overlaps; the need for an improved definition of the problem and the specification of deliverables; and the need for a means to ensure the appropriate implementation of recommendations on completion of the consultancy. As I stated earlier, the board's figure - this will

Page 3998

feature in this year's annual report - is approximately \$18 million for consultancies. The figures that have been mentioned by honourable members opposite have no basis or credibility. It is not to the credit of the honourable member for Blacktown and other Opposition members that they have raised these allegations. I am rather sorry now that I arranged for the sludge briefing. Today I received a complaint that that briefing has taken 15 months to arrange. As soon as I received the letter from the honourable member for Blacktown requesting a briefing I wrote back and said that I would arrange it as soon as possible. I refute the allegations that have been made.

**Mr SPEAKER:** Order! The Minister's time for speaking has expired.

**Mr McMANUS** (Bulli) [12.20]: Last week I saw the television program "Yes Minister" starring Paul Eddington. Today "Yes Minister" has been brought into the New South Wales Parliament. The Minister for Housing has absolutely no control over his department. I feel a little sorry for him. When he was responsible only for housing he had a difficult job. But it is obvious that lumping him with responsibility for the Water Board has created too much pressure for him - so much so that he is willing to help the Government to cover up the rot of using consultants in his portfolio. The Opposition will support this motion and many of our members, including the honourable member for Waratah and the honourable member for Drummoyne, will speak to it. We are aware of what the Minister is up to. We know that in the next few weeks he will introduce a bill that will provide for the use of consultants by the Hunter Water Board. We know also that he intends to privatise the Hunter Water Board. He should not think he is getting away with anything.

For 14 years I was proud to serve this State as an officer of the Water Board. However, in the past four years I have watched the Government turn this important government service - that looked after pensioners and charged low water rates wherever possible - into an advertising agency. In return for paying Water Board rates and levies the public receives only glossy pamphlets saying how we should turn off taps and have shorter showers. That is the ludicrous state of affairs the Government has imposed upon taxpayers. Apart from glossy pamphlets, what else do the ratepayers receive? They get consultants. The managing director of the Water Board is Bob Wilson, whom I know personally. He is a most efficient manager. Why is it that although Bob Wilson is paid a considerable salary a consultant has to be paid \$126,000 to tell him how to do his job? Why are heads of departments paid phenomenal salaries? I had assumed that was because they are capable of making decisions.

**Mr Photios:** Are you criticising Bob Wilson?

**Mr McMANUS:** I happen to like Bob Wilson. He is a very good manager. But why is the Government paying \$126,000 to a consultant to assist him to make decisions? The same thing happens throughout the senior executive service. The Government has introduced a system of paying senior staff hundreds of thousands of dollars in salary packages, but then using ratepayers' funds to employ consultants to

Page 3999

help them do their jobs. The managers should be able to manage. I have no doubt that if Bob Wilson were allowed to make decisions, he would run the Water Board properly. There is no need for this gross expenditure of taxpayers' money. Yet the Government does it time and again.

I turn to the secrecy aspect. I have a Water Board computer printout that details secret consultancies - matters that the Government has tried to cover up, matters that the Minister for Housing and previously the Minister for the Environment have covered up. The Government talks about open government. I shall cite an example of secrecy. My colleague the honourable member for Keira asked questions Nos 695 and 578 on the Questions and Answers paper about environmental levies in the Illawarra region. The answer provided is that the collection of material to provide an answer would require considerable dedication of staff time, which is not warranted within the priorities of the organisation. That is the sort of answer that the Opposition receives from this so-called open Government, this Government that is willing to give us the information we need, this Government that keeps secrets from the people who voted it into office. That is what the public has to put up with - and the public knows that it is happening. If the Government is to spend \$126,000, it should get fair dinkum. In the Engadine-Heathcote area a large water distribution main runs from Woronora dam to Sutherland. If the Minister wants to spend the ratepayers' money he should clean out the lime in that main.

**Mr Schipp:** It is being done.

**Mr McMANUS:** It is not being done. The board is scouring out small mains, but the problem lies with the large distributor main, which the board is not willing to turn off because of the considerable cost. The Minister should get out and look at the real problem and seek to relieve the problems facing some of my constituents. That is what I as the local member would like to be done. I am not interested in the Minister flogging off \$126,000 to a consultant to help Bob Wilson, or in Water Board staff being sent to script writing courses.

**Mr Hazzard:** Is the honourable member saying that the Water Board did not need a shake-up?

**Mr McMANUS:** I will tell the Government what it shook up in the Water Board. After I left the Water Board the Government started to cut the roots out of it and to offer redundancy packages. Consider what you are doing. Look at the advertisements at present for positions with the Water Board. They are all for high-level managerial positions. While the Government is cutting the roots out of the Water Board it is advertising positions with salaries of \$50,000 to \$60,000. The backbone of the Water Board is gone.

*[Interruption]*

Page 4000

**Madam DEPUTY-SPEAKER:** Order! The honourable member for Wakehurst will cease interjecting.

**Mr McMANUS:** Previously if a pensioner had a leaking tap in her front yard a board inspector would replace the washer at little cost. As a result of the Government's actions, she must now call a plumber, pay a call-out fee and a ridiculous labour charge. That is the position in which the Government has placed the people of this State. It is time that the Government woke up to the fact that it should be protecting the public, instead of looking after its cronies and paying them hundreds of thousands, and in some cases millions, of dollars for pork-barrelling to keep its cronies in jobs. If the Government wants to deliver jobs it should look to people who need jobs. Send the consultants somewhere else. Authorise the managers to manage. That was the Government's catchcry when it was elected: to let the managers manage. Do you recall that? The loudmouth opposite would not remember; he was not a member of this House at that time.

**Mr Hazzard:** On a point of order. Standing Order 151 provides that members should not use offensive language. I object to being called a loudmouth.

**Madam DEPUTY-SPEAKER:** Order! I ask the honourable member for Bulli and all other members to temper their language. Debate may be enthusiastic, but I and other occupants of the chair have been concerned at some of the phraseology used. All members should use the correct forms of address.

**Mr McMANUS:** I agree entirely. I have been called a dill, and I took offence at that. When the Government was elected, its catchcry was: let the managers manage. It said it did not want Ministers to be involved in pushing in particular directions and in decisions; the managers should manage. What has happened about that great catchcry? Why does not the Government let the managers manage? Why does it pay \$100 million for consultants for the Water Board and other departments. Does that mean that the Government does not trust its managers? Is that what the Government is saying to Bob Wilson?

**Mr Photios:** Bob Wilson wanted that assistance. The managers want special assistance.

**Mr McMANUS:** If Bob Wilson or any head of a department has to pay \$126,000 for a consultant to help him make a decision, when he should have that expertise within his department, perhaps I have misjudged him. There was \$26,000 spent on "scoping of community involvement plan for drinking water quality". What does that mean? The Minister rambled for half an hour but did not give an explanation. The honourable member for Kiama has been waiting since last July for a report on a study of odours from the Shellharbour treatment unit. This Government is spending money on consultants but still has not supplied the honourable member for Kiama with that report -

Page 4001

**Mr Harrison:** It cost \$100,000.

**Mr McMANUS:** The honourable member for Kiama says that cost \$100,000. He still has not received that report. The Government should realise that it is not providing the necessary service to the people of this State. Instead it is lining the pockets of its conservative mates involved in these consultancies.

**Mr Harrison:** Snouts in the trough.

**Mr McMANUS:** Snouts in the trough. I should like answers to some questions. The document lists \$20,000 for a market survey of senior executive salary packages; \$70,000 on a "sludge operation"; \$17,000 on a problems solving workshop. We should have a problems solving workshop in the House because Government members have problems. It states that \$20,000 was spent on a public relations conference. It is well known that the Water Board has a public relations unit which has been operating since the Wran days. That unit has the best of expertise yet \$20,000 is spent to hold a conference. Those people are journalists, many of whom have been supplied from the Parliament. They should know about public relations exercises. Why must conferences be held? An amount of \$30,000 is listed for an advanced reading workshop. That is about as good as the speed reading program mentioned last night. The Minister tried for half an hour to explain away this document. The Premier and Treasurer said in his Budget Speech, "We have excelled in our financial restraint". I hark back to the statement of the honourable member for North Shore that the word "not" should have appeared in the letter he wrote to a constituent. Perhaps the word "not" should be inserted in the Premier's statement to tell the truth about the program run by this Government. The Ministers are financial mismanagers. I speak from experience because I have been in the Water Board system. I have seen the run-down of that service provided to the people of this State; its services have been flushed down the toilet. The Water Board has become nothing more, nothing less, than an advertising agency. While the coalition is in power this mismanagement will continue.

[Interruption]

**Mr SPEAKER:** Order! I call the honourable member for Wakehurst to order.

**Mr McMANUS:** This Government has been in office for three and a half years. Since the revelation of financial turmoil commenced last year the Government's strategy has been simple. I am sure the Premier has told those in the Cabinet room: we are in strife, so when you get to your feet in the House I want you to do two things; I first want you to blame Wran for what happened 12 years ago and, second, I want you to blame the Federal Government for what is happening now; to get the pressure off ourselves, blame Wran and Hawke. That cannot be done. The Government is in trouble because it put all its eggs in one basket. It hoped to flog off the real estate of the people but it fell on its face because the

Page 4002

bottom fell out of real estate. Instead of using the meagre amounts of money left in this Budget properly, it is throwing money away on consultancies to help out people who should be responsible

enough to do the job themselves. This leaked document about consultancy expenditures is a prime example of Government mismanagement. The Minister has stated that this document is not factual. He might explain why this document from his own computers refers to consultancies payments that have not been mentioned in the Budget Papers.

**Mr Harrison:** I think we ought to send it to ICAC.

**Mr McMANUS:** It could end up there, if this misuse of funds goes much further and anything more turns on it. It is obvious that something is wrong with the Water Board administration. On two occasions in the past two years I have asked questions to which I cannot get an answer. One related to a tendering system and to a group called Suresearch. In two and a half years I still have not received an answer from the former Minister or the present Minister on how Suresearch obtained that tender. I ask that that be dredged out of the archives of the Minister's office. I ask for a relevant answer, not the wishy-washy answer given to me by the former Minister. I know there is a cover-up within the Minister's office on this issue and it should come to light.

**Mr Merton:** Has the question been put on notice?

**Mr McMANUS:** Yes it has. To take the heat off, the former Minister made sure that the honourable member for Miranda asked the same question so I could not raise it in the House. Opposition members know the tactics of the Government. The fact the Minister did that confirmed to me that the Government has a problem that it does not want us to know about. I will continue to badger the Minister until I find out who was responsible for the tendering system used for Suresearch and who was responsible for giving the tender to that group. A workshop on environment was held in Wollongong. The Minister for the Environment told the workshop that we had some problems. I ask the Minister to look seriously at what is happening at Bellambi. Having learned of the amount collected from the Water Board environmental levy in this State, in particular from the Wollongong region, I was astounded by returns to the ratepayers of the Illawarra while the people of the Blue Mountains received \$34 million. The Wollongong environmental seminar was told that the Wollongong region would have problems with the sewerage outfall because mistakes made at the outfall will result in scum on Wollongong's beaches.

**Mr Moore:** Then I hope you do not go swimming.

**Mr McMANUS:** That is what I would expect from this Minister, because he has the same filthy arrogance as his leader. The Minister should take his portfolio seriously. Instead of shooting his mouth off at Opposition members in the House, he should look at the problems of New South Wales. He should be resolving them instead of listening to the Minister for Housing, who has all the power. The

Page 4003

Minister for the Environment has absolutely no power in his own portfolio and is the laughing stock of the Government. Joe Schipp is "Yes Minister" and the joke behind him is the Minister for the Environment. The Premier overrules them all.

**Mr Photios:** On a point of order. The motion before the House deals with housing portfolio consultants. It has nothing to do with the calibre and capacity or otherwise of the Minister for the Environment. It would be appropriate for the Chair to give guidance and assistance to the honourable member in order to draw him back to the issue which is germane to the debate, that is, the Water Board, not the personality of other Ministers who may be in the Chamber.

**Madam DEPUTY-SPEAKER:** Order! The honourable member for Ermington has taken a valid point of order. Members are entitled to canvass administrative matters generally but should not delve too deeply into a ministerial portfolio. The member for Bulli should not pursue his line of argument further.

**Mr McManus:** To the point of order -

**Madam DEPUTY-SPEAKER:** Order! I have already ruled on the point of order.

**Mr McMANUS:** I was responding to an insult from the Minister by way of interjection. It is obvious that the Water Board has serious problems and that over the past three years -

**Madam DEPUTY-SPEAKER:** Order! The honourable member has exhausted his time for speaking.

**Debate adjourned on motion by Mr Hartcher.**

## **BUSINESS OF THE HOUSE**

### **Suspension of Standing Orders**

**Motion by Mr Moore agreed to:**

That, notwithstanding any earlier resolutions of the House, so much of standing and sessional orders be suspended as would preclude the following:

- (a) The making of a ministerial statement by the Premier with, in addition to any reply by the Leader of the Opposition, the Member for South Coast being permitted to speak after the Leader of the Opposition for a period equal to the period for which the Premier speaks or a maximum of fifteen minutes (whichever is the longer);
- (b) the giving of notice for, and introduction of, the Constitution (Fixed Term Parliaments) Special Provisions Bill and the Constitution (Fixed Term Parliaments) Amendment Bill up to and including the Minister's second reading speech;

Page 4004

- (c) the moving of, and debate (without amendments being permitted to be entertained by the House) on, a motion to appoint a Joint Select Committee upon Bills to provide for Fixed Term Parliaments with such debate to be limited to the mover speaking for up to five minutes, the Leader of the Opposition or a Member deputed by him speaking for up to five minutes; the honourable member for South Coast speaking for up to five minutes and the mover speaking in reply for three minutes with the question to be put at that time;

(d) the introduction of the Government Telecommunications Bill.  
With the resumption of the committee debate on Budget Estimates recommencing forthwith for one hour on the items dealt with by Estimates Committee No. 2 and with this being followed by debate on the items dealt with by Estimates Committees Nos 3, 4 and 5 being considered for one hour for each Committee.

## **MEMORANDUM OF UNDERSTANDING**

### **Ministerial Statement**

**Mr GREINER:** Today an agreement was signed which provides for stable government and fixed four-year terms of Parliament for the State of New South Wales. I table for incorporation in *Hansard* a copy of the Memorandum of Understanding signed by me on behalf of the Government and by the member for Bligh, the member for Manly and the member for South Coast.

[See *Addendum*.]

This agreement has been negotiated over some four months. It is an historic agreement which will provide stability of government and substantial parliamentary, constitutional and legal reform. It is fair to say that it is the most far-reaching change ever in the governance of New South Wales. The agreement provides that the three Independent members will support the Government in votes of no confidence and on supply, except in certain clearly specified circumstances. It also outlines a program of implementation for the reforms, which will be diligently pursued by myself and by the Government. All citizens of New South Wales will recognise the very difficult economic circumstances for both the State and the nation. More than ever the State needs strong, decisive leadership and the capacity to take and stick to difficult decisions. This has been recognised by the three non-aligned Independents whom I mentioned. The agreement will overcome the perception of political instability referred to by Moody's earlier this week. In practical terms it means that, save for truly exceptional circumstances, the next election will be held on 25th March, 1995, and that the Government's strong financial and budget strategy will be pursued and implemented fully and effectively. The Government also will continue to pursue its overall program of structural reform in areas such as local government, energy, transport and health. The substantial certainty of government will ensure that the momentum and the direction of change are maintained.

Page 4005

I turn now to the reforms. At the outset let me say quite clearly and loudly that the initiative for many of the reforms came from the three Independents. They are entitled to clear credit for and pride in that fact. The parliamentary reforms, some already implemented, will dramatically improve the functioning of the system. While this will cause some discomfiture to this and indeed future Executive Governments, there is no real doubt but that it will enhance accountability in general, increase the roles of private members and make the running of the Parliament more efficient. The fixed term reform, which was announced in principle some time ago and the legislation for which will be introduced into the Parliament today, is the most fundamental constitutional change in our history, already has received general public approval, and indeed is being looked at by a variety of governments overseas. Other major areas in the Memorandum of Understanding include amendments to freedom of information legislation, whistleblower legislation, defamation law reform and scrutiny of the legal profession. This is an important and very positive event not only for the Government and the Independents who are signatories, but I would hope for all the members of the Parliament and indeed to the State as a whole. It is a very important and positive event for the institution of Parliament itself.

I should like to thank the Leader of the House and the three Independents for the tremendous physical, emotional and intellectual effort that they have put into the negotiations over the past four months and some days. It is fair to say that without the efforts of those four people it would not have been possible to achieve the result. I should also like to thank the Deputy Premier, my other ministerial colleagues and most particularly all the personal and Cabinet office staff, both of the Independents and the Minister for the Environment and myself, who have put heart and soul into the process and are entitled to a significant share of pride and responsibility for its success. As I said, I believe that the agreement that I have tabled is of great, and indeed literally of historic importance to the State of New South Wales. I commend it to the House and to all the citizens of New South Wales.

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*Addendum*

MEMORANDUM OF UNDERSTANDING BETWEEN THE  
HONOURABLE NICHOLAS FRANK GREINER, MP, PREMIER  
FOR AND ON BEHALF OF THE  
LIBERAL/NATIONAL PARTY GOVERNMENT (THE GOVERNMENT)  
AND MR JOHN HATTON, MP, MS CLOVER MOORE, MP,  
AND DR PETER MACDONALD, MP (THE INDEPENDENT MEMBERS)

The aim of this Memorandum of Understanding is to provide stable Government for the people of New South Wales and to enhance Parliamentary democracy and open and accountable Government in New South Wales.

The Independent Members of the Legislative Assembly, concerned that the balance of power between the Parliament and the Executive Government has shifted too far in favour

Page 4006

of the Executive Government, have proposed to the Government a "Charter of Reform" containing a series of measures which the Independent Members believe would in large measure redress that imbalance.

The New South Wales Government, having considered the submission from the Independent Members, accepts that over the 135 years since the advent of responsible Government in New South Wales in 1856, the balance of power between the Parliament and the Executive Government has shifted unduly in favour of the Executive Government.

In particular, the parties agree as follows:-

Item A

1. The Independent Members agree to vote with the Government on the following matters:

(a) Motions regarding Bills for Appropriation and Supply.

(b) All Motions of No Confidence except where matters of corruption or gross maladministration are involved which reflect upon the conduct of the Government as a whole except as provided for in (3) below.

2. If the Premier or a Minister on behalf of the Premier moves a Motion of Confidence in the Government or declares a question or a Bill then before the House to be a matter of Confidence, the Independent Members are free to vote on such Motion or question or Bill as they think fit.

No such Motion of Confidence or declaration of a matter to be a matter of Confidence will be initiated without consultation between the signatories to this Agreement in an endeavour to resolve the issues which gave rise to such intention on the part of the Premier or the Minister.

3. Notwithstanding (1)(b) above, the Independent Members reserve the right to move a Motion of No Confidence in relation to matters of corruption or gross maladministration which reflect upon the conduct of the Government as a whole. No such Motion of No Confidence will be initiated by the Independent Members without consultation between the signatories to this Agreement in an endeavour to resolve the issues which gave rise to such intention on the part of the Independent Members.

In addition, the Independent Members also reserve the right to move a Motion of No Confidence in the Government if the Liberal/National Party Government is supported by fewer Members than the A.L.P. in the Legislative Assembly. No such Motion of No Confidence will be initiated by the Independent Members unless, after consultation with the Government, the Independent Members are of the view that satisfactory government is not being provided to the State of New South Wales.

4. The Government acknowledges that the Independent Members shall have the freedom to vote on any other matters before the Parliament as they think fit.

5. The Independent Members and the Government reserve the right to regard this Agreement as having been irretrievably breached if the other party does not honour

its obligations under this Agreement. No such withdrawal from this Agreement will be initiated without consultation between the signatories to this Agreement.

Item B

The Independent Members agree to attend all Parliamentary sittings and be present for all votes and divisions on matters listed in Item A and not to abstain from voting on such matters except where pairs have been granted.

Item C

The Government agrees that, where agreement has been reached on the general principle, the Government will implement the reforms in consultation with the Independent Members. The reforms are to be implemented in a manner and to a timetable agreeable to the Independent Members.

Item D

This Memorandum of Agreement is signed by the Hon Nick Greiner, MP, Premier, for and on behalf of the Liberal/National Party Government of New South Wales.

Item E

For the purposes of this Agreement, the Member for Tamworth is to be regarded as a Member supporting the Government.

1. CONSTITUTIONAL REFORM AND PROTECTION OF THE  
INDEPENDENCE OF THE PARLIAMENT

Statement of Principle

The Government acknowledges that changes to the framework of Government in New South Wales to reflect a strong Parliament and to ensure the accountability of Executive Government to the Parliament are necessary. These changes must be achieved in a fashion which is not subsequently able to be removed by a Government not committed to such changes.

Elements of Reforms

- i) Fixed four year terms for the Parliament as proposed in Annexure A. The Government agrees that, pending passage of the Fixed Four Year Term Legislation, the Government will act according to the spirit of a Fixed Four Year Term.
- ii) A Management Board for the Parliament as agreed by both parties. The Board shall determine all matters pertaining to the running and finances of the Parliament subject to the Budget.
- iii) Provision of Parliamentary Counsel services to Parliament for the use of non-Ministerial Members as decided by Parliament through the Parliamentary Appropriations Bill.

- iv) Constitutional recognition of the independence of the two presiding officers and their roles as the voice of the Parliament to Executive Government.
- v) Setting into the Constitution Act the method of election of the Speaker using the secret elimination ballot system with provision for resolution of deadlocks.

- vi) Making the annual appropriation for the Legislature a separate Bill.
- vii) Constitutional recognition of the independence of the Judiciary as set out in Annexure B.
- viii) Requiring all party Parliamentary Committee (with minority report) approval of Cabinet nominations for the Auditor-General, Commissioner of ICAC, Ombudsman and DPP.
- ix) Reference to the Parliamentary Committee on ICAC of reform of the pecuniary interests disclosures by Members and senior public sector executives and the establishment of a Parliamentary Code of Ethics (Annexure C).

#### Timetable for Implementation

- i) Legislation fixing the next election for March 1995 with provision for the orderly change of Government, or an early election, in the event of a successful no confidence motion, to be passed in the Budget Session 1991. Entrenchment of the fixed four year term to go to a referendum at the next general election.
- ii) The Government and the Independent Members agree that constitutional reform will be developed for presentation to the Parliament in the Autumn Session of 1992.

## 2. REFORM OF THE PROCEDURES OF THE PARLIAMENT

### Statement of Principle - Short Term

The Government agrees with the concerns expressed by the Independent Members that the role of the Legislature and the procedures of the Legislative Assembly provide too few opportunities for real participation by Members in the shaping and enactment of legislation. In addition, it is acknowledged that much more can and should be done to enhance the ability of Members to make the Executive Government of the day, within the doctrine of the separation of powers, more accountable to the Legislature.

#### Elements of Reform

- i) Estimates Committees for the Parliament in accordance with current Sessional Orders.
- ii) Legislation Committees for the Legislative Assembly on "landmark" Bills. Such Legislative Committees to have both the power and facility to draft amendments to legislation and to be serviced by the Parliament with an undertaking to second or make available departmental advisers if and when necessary in the opinion of the Committee.

Page 4009

- iii) Provision of broader opportunities for Private Members to raise issues or initiate legislation as set out in the three released Cabinet discussion papers on "Matters of Public Importance - Budget Session 1991", "Interim Arrangements for Private Members Bills and Rearranging Sitting Thursdays" and "Debate on Reports from Parliamentary Committees".
- iv) Reform of Question Time and the process for Questions on Notice as proposed in the released Cabinet discussion papers.
- v) Further refinement of a Performance Review Committee system for the Legislature to scrutinise Government departments including statutory bodies.

- vi) Alternatives to traditional use of the "gag" and "guillotine" will be introduced through the Standing Orders Committee. The Government acknowledges that use of these devices should be for the orderly management of the Parliamentary programme rather than to prevent adequate debate occurring. The parties note that reform in this area will also need to evolve through convention and practise as it is not easy to encompass all changes in a written formula.
- vii) Reform of the speaking times in the Legislative Assembly to increase participation by Members.
- viii) Publication of a weekly advance indicative agenda for the Legislative Assembly prior to each sitting week.
- ix) Introduction of supplementary questions at question time in the Legislative Assembly.
- x) The budget of the Parliament to make provision for:-
  - a) A more equitable distribution of resources among Members of Parliament.
  - b) Improved funding for information technology for Members of Parliament.
  - c) Adequate funding for all Parliamentary Committees including staff, resources and accommodation outside Parliament House.
  - d) Improved resources for the Parliamentary Library including the establishment of a Bills digest and research services which are to be available to all Members.

#### Timetable for Implementation

- i) Budget Session 1991.
- ii) Budget Session 1991.
- iii) Budget Session 1991.
- iv) Budget Session 1991.
- v) End of May 1992 (through process in Item F below); a paper to be drawn up in consultation with the Independents and issued by March 1992.

Page 4010

- vi) Being discussed by the Standing Orders Committee - Budget Session 1991. Much in this area, however, will need to be achieved by convention. "Long notice" of the guillotine to provide for "adequate debate" is to be trialled by the Government on appropriate Bills.
- vii) Budget Session 1991.
- viii) Budget Session 1991.
- ix) Budget Session 1991.

- x) The Government does not believe that the Executive Government should seek to set expenditure priorities for the Parliament and this view is shared by the Independent Members.

As a first step the Government agrees to hold separate the savings to the costs of the Parliament made available as a result of the reduction in the number of Members of the Legislative Assembly available to the Legislative Assembly until the Members of the Assembly itself have determined their priorities for expenditure of the money. The money would be made available for those purposes after the Assembly had adopted such priorities.

In addition, the Government agrees that proper support must be provided to legislation committees and that sufficient funds should be provided for these purposes.

Further, the Government agrees that it is desirable to expand the range of research services available to Members through the Parliamentary Library. The Government and the Independent Members agree that a formal proposal will be developed through the Parliamentary Library for operation through the Parliamentary Budget processes and implemented for the 1992/93 Budget year.

#### Statement of Principle - Longer Term

The Government and the Independent Members agree that the programme of reform which is to be trialled for the Legislative Assembly commencing in the 1991 Budget Session will start the process of changing the operations of and attitudes in the Assembly. The changes expected to accrue from this process will be written into the permanent procedures of the Parliament.

#### Elements of Reform

- i) A complete overhaul of the Standing Orders of the Legislative Assembly is appropriate. Such rewriting of the Standing Orders will provide the opportunity to enshrine the changes to procedure which will arise out of the experiments being undertaken in the 1991 Budget Session and any further proposals evolving from them.
- ii) A longer term method of providing access for debate on Private Members issues and legislation should be available for discussion with the Opposition and Independent Members and the community prior to implementation.
- iii) A review will be undertaken involving Members and staff of the Parliament of the days and weeks of sitting and the general Parliamentary sitting pattern.

Page 4011

- iv) Any proposed changes will be presented to the Parliament for debate and decision.

#### Timetable for Implementation

- i) Presentation of new Standing Orders for the Legislative Assembly to the Governor by the end of 1992 to take effect from the commencement of the 1993 Autumn Session.
- ii) Options paper to be released in early 1992 for operation in end of November 1992 and incorporation in new Standing Orders as proposed in (i) above; and
- iii) To be conducted by the end of June 1992 by the Leader of the House in the Legislative Assembly and the Leader of the Government in the Legislative Council.

### 3. REFORM OF THE LEGISLATIVE PROCESS

## Statement of Principle

The Independent Members have sought to provide wider opportunity for community scrutiny of legislation involving major issues of public interest. The Government believes that legislation should be thoroughly scrutinised by all interested parties and their views conveyed to the Parliament to ensure rational and informed debate. The Independents and the Government acknowledge that changes to Parliamentary procedure are necessary to achieve this. These changes will assist in evolving conventions which will ensure that consultation on major issues becomes the practise for future Governments.

## Elements of Reform

- i) Legislation Committees to be established for "landmark" Bills as discussed above.
- ii) Acceptance by the Government of the proposal that "landmark" legislation should be released in exposure draft for community consideration for a minimum of 28 days and, if significant changes are proposed to the initial draft, a further period of 28 days should be allowed for public comment.
- iii) Pre-circulation of non-controversial legislation to the Opposition and Independent Members to allow speedy passage, by leave of the House, so that this process becomes part of the conventions of the Parliament.
- iv) Establishment of procedures to report to the Parliament, and debate if necessary, legislation which has not been proclaimed within 90 days of assent by the Governor.
- v) Inclusion, where appropriate, of sunset clauses in legislation to expand on the process introduced by the Government of progressive review and elimination of redundant legislation and regulations.
- vi) Review of structures of departments, statutory authorities and similar bodies to be dealt with through the proposed Triennial Review structure; and
- vii) Establish a system of statements for legislation on its financial, social or environmental impact.

Page 4012

## Timetable for Implementation

- i) Budget Session 1991.
- ii) Immediate.
- iii) Ongoing.
- iv) Budget Session 1991.
- v) Ongoing and to be discussed, if necessary, on a case by case basis, as provided for in Item F below.
- vi) End of May 1992 (through process in Item F below); and
- vii) July 1992.

#### 4. SCRUTINY OF THE ELECTION PROCESS

##### Statement of Principle

The Government acknowledges that the current laws relating to electoral funding are in need of overhaul. In particular the artificial distinction between "maintenance" and "election" donations to political parties should be eliminated. The Government will clarify the terms of the Inquiry by the Joint Select Committee on Election Funding in accordance with Annexure D.

##### Elements of Reform

- i) Expanded terms of reference for Committee in terms of Annexure D.
- ii) Elimination of the distinction between "election" and "maintenance" donations to political parties.

##### Timetable for Implementation

- i) Budget Session 1991; and
- ii) To be incorporated in legislation following presentation of the report of the Select Committee which is expected prior to the end of May 1992.

#### 5. GUARANTEEING OPEN AND ACCOUNTABLE GOVERNMENT

##### A. FREEDOM OF INFORMATION

##### Statement of Principle

The Government and Independent Members agree that there is a need to strengthen the Government's Freedom of Information Act to allow the public access to all Government information unless a compelling case can be made for such information remaining confidential.

Page 4013

##### Elements of Reform

- i) Any claim for the exemption of a document from the provisions of the FOI Act must demonstrate that the release of that particular document would come within a category or would have particular effects such that release of the document would be contrary to the public interest. Public interest to be defined to exclude embarrassment or loss of confidence in the Government or an agency, that release would lead to confusion on the part of the applicant or that release of the document would lead to the applicant misinterpreting or misunderstanding the information contained in the document.
- ii) The following are to be the only exempt agencies: the ICAC, DPP, the Ombudsman and the Auditor-General in relation to their operational functions but not their general administration, and the functions of State agencies (such as the State Bank) that compete with the private sector.
- iii) The FOI Act is to apply to Local Government on the same broad basis as it does to State Government.
- iv) The present 45 day statutory time limit for responses should be shortened to 21 days.

- v) As the Opposition is able to access FOI through the Leader of the Opposition's administrative budget, provision should be made through the Parliament, for a budget allowance for minor parties and Independent Members.
- vi) Refusals to process on the grounds of "unreasonable demand" on an agency's resources should be made a reviewable determination under the FOI Act.
- vii) The Premier will advise agencies that, in preference to the refusing of an application pursuant to "unreasonable demands" provisions, the agency should negotiate a longer period to comply which could balance the rights of access for the applicant with the needs of the agency to discharge its functional obligations.
- viii) The District Court, in deciding any appeal under the FOI Act, will be required to consider any report or recommendation of the Ombudsman.
- ix) The Ombudsman will be enabled to recommend changes to agencies' FOI procedures so that they better conform with the requirements of the Act.
- x) The Ombudsman, should he consider it appropriate, will be able to include in his report on any agency determination, comment that, notwithstanding the exempt status of a document, it should, nonetheless, be released in the public interest.
- xi) Review of Ministerial Certificates will be undertaken by the Supreme Court rather than the District Court. Only in the case of Cabinet documents and Executive Council documents will the Minister's ability to confirm the certificate be retained. However, the requirements for the issue of such certificates will be strengthened by providing that the Minister must particularise in the certificate the basis upon which the document is claimed to be a Cabinet document, including reasons supporting such assertion and findings of fact (e.g. who prepared the document, when and in what context).

Page 4014

Law enforcement and public safety documents will only be exempt from the FOI Act if it can be shown that the release of the document would not be "in the public interest", public interest to be defined as above and subject to review by the Supreme Court.

In respect of law enforcement and public safety documents, the public interest qualification will remain and ministerial certificates will be retained but the decision of the Supreme Court will be binding. The Government and the Independent Members agree to discuss further how to protect extremely sensitive information in this area.

Ministerial Certificates will no longer be available for interstate FOI documents.

- xii) The five year time rule prior to the commencement of the FOI Act for existing documents is to be repealed; and
- xiii) The Premier has made an Order specifying the fees and charges to be imposed in respect of applications under the FOI Act. A reduction in charges by one half is provided for in special cases of financial hardship, applicants under the age of 18 years, applicants applying on behalf of non-profit organisations that can demonstrate financial hardship and which applicants whose applications relate to information it is in the public interest to make available. The Order also provides for 20 hours free processing time in respect of applicants who apply for documents relating to their personal affairs.

Charges made by an agency in respect of an FOI application are presently subject to internal review and external review by the Ombudsman and the District Court. While the Ombudsman has recommendation powers only, the District Court has the power to vary the charges imposed by the agency. The Government is prepared to build into the District Court's review of charges a requirement that the Court take into account matters set out in the Order and any recommendation made by the Ombudsman.

#### Timetable for Implementation

- i) Draft legislation by June 1992.
- ii) Draft legislation by June 1992.
- iii) Part of the Local Government Reform legislation to be enacted by the end of May 1992.
- \*iv) Statute Law Reform Bill, 1991.
- v) 1991 Budget.
- \*vi) Statute Law Reform Bill, 1991.
- vii) Premier's circular to be distributed in November 1991.
- viii) To be included in legislation pursuant to (i).
- ix) As for (viii).

Page 4015

- x) As for (viii).
- xi) As for (viii).
- xii) As for (viii).
- xiii) As for (vii). Subject to review by the Government and the Independent Members in June 1992.

(\*) If not technically appropriate for Statute Law Reform Bills, separate short Bill early in 1992 Autumn Session.

### B. SCRUTINY OF STATUTORY AUTHORITIES

#### Statement of Principle

The Government concurs with the view of the Independent Members that there should be a wider range of information provided by statutory authorities and by departments in their annual reports.

#### Elements of Reform

- i) Board minutes of statutory authorities shall be available for public inspection in accordance with the draft memo attached (Annexure E). If it becomes apparent that some Boards are not complying with the spirit of the Memorandum, then, through the ongoing consultation process, an appropriate review mechanism, such as the Ombudsman, could then be implemented.

- ii) An examination will be undertaken of matters currently omitted from annual reporting requirements which might be required.
- iii) An examination will be undertaken of any further measures which might be desirable to ensure greater standardisation of format of annual reports.
- iv) Ministers to report to Parliament any failure to meet report deadlines.
- v) Sessional Orders shall provide for brief debate on printing of reports.

#### Timetable for Implementation

- i) Circular November 1991.
- ii) Examination to be completed by the end of April 1992. Changes for reports for periods concluding on or after 30 June 1992 are to be implemented by Premier's circular pending amendment in the Budget Session of 1992 of relevant Annual Reports or other Acts.
- iii) See (ii).
- iv) Draft legislation by June 1992.
- v) Budget Session 1991.

Page 4016

## 6. RIGHTS OF CITIZENS

### A. WHISTLEBLOWER LEGISLATION

#### Statement of Principle

The Government recognises the fundamental right of freedom of speech for all public sector employees and will legislate to provide full protection of the rights and employment of any public sector employee who exposes corruption or matters constituting public maladministration or significant waste.

Such legislation while providing protection for genuine public interest exposures must not protect exposure of distorted, fabricated or incomplete material.

#### Elements of Reform

A Whistleblower Protection Bill will be prepared for public exposure, in draft form, in conjunction with the Independent Members. If the parties agree, the assistance of the Law Reform Commission may be sought.

#### Timetable for Implementation

Exposure Draft by April 1992; public comment and revision (if needed) by September 1992; and enactment in end of November 1992.

### B. DEFAMATION LAWS

#### Statement of Principle

The Government agrees that it will amend the Defamation Act to the extent necessary to remove restrictions on full and fair media reporting. Such reforms shall not be dependent upon conformity with similar legislation in other States.

- i) Draft new Defamation Act to be introduced to "lie on the Table of the House".
- ii) Draft Bill to be referred to a Legislation Committee to examine, amongst other issues, containment of costs, capping of damages, the range of pre-trial resolution options and provision for prompt redress; and
- iii) Further discussions by the Attorney General with his Queensland and Victorian counterparts on any recommendations arising out of (ii) above to see if uniformity can be obtained. If not, it is noted that New South Wales may make reforms in this State in addition to those proposed for Victoria and Queensland.

#### Timetable for Implementation

- i) November 1991.
- ii) November 1991.
- iii) December 1991 to March 1992 and enactment by end of end of May 1992.

Page 4017

### C. SCRUTINY OF THE LEGAL PROFESSION

#### Statement of Principle

The Government and the Independent Members agree that a system of external accountability of the legal profession is desirable.

#### Elements of Reform

- i) The methods of investigating and adjudicating complaints against Members of the legal profession will be referred to the NSW Law Reform Commission for prompt report.

The terms of reference will request the Law Reform Commission, in preparing its report, to consult fully with peak professional bodies of the legal profession in New South Wales together with other relevant community organisations and other interested individuals and take into account any proposals of those bodies to reform and strengthen their mechanisms for investigating and adjudicating complaints.

- ii) The necessity for the accountability and openness of Government Legal Services will be referred to the NSW Law Reform Commission for prompt report.

See Annexure F for draft terms of reference to the NSW Law Reform Commission.

#### Timetable for Implementation

- i) The Law Reform Commission is to be asked to report by February 1992. Any resultant legislation would be released in the first half of 1992 for enactment in the 1992 Budget Session.

### D. POWERS OF THE OMBUDSMAN AND AUDITOR-GENERAL

### Statement of Principle

As part of this general review process, the Independent Members have proposed a number of matters to which the Government has agreed which will strengthen the role of the Ombudsman and the Auditor-General.

#### Elements of Reform

- i) The Minister responsible for the department or agency in respect of which a report of non-compliance under s.27 of the Ombudsman Act has been made will respond to the Ombudsman's report by a public statement to the Parliament within twelve sitting days of the House of Parliament in which the Minister sits.
- ii) The Ombudsman will have free unfettered access to Government documents in carrying out his functions, notwithstanding obligations of secrecy, duties of confidence and the laws relating to public interest and legal professional privilege except in relation to Cabinet documents. A similar provision will be established for the Auditor-General. Cabinet documents are to be defined as per Schedule I of the FOI Act.

Page 4018

- iii) Statutory provision for the right of the Ombudsman to report directly to the Presiding Officers of the Parliament at any time. Similar provisions to apply to the Auditor-General; and
- iv) Any report presented to the Presiding Officers by the Ombudsman or Auditor-General to be tabled by each Presiding Officer in the relevant House on the first sitting day following the receipt of the report and be subject to debate or if Parliament is not sitting, released forthwith by each presiding officer and attract privilege.

#### Timetable for Implementation

- i) Statutory changes in respect to this point are to be introduced by the end of November 1992. In the interim the changes to be implemented by an instruction to Ministers.
- ii) See (i) above
- iii) End of November 1992.
- iv) The Premier will write to the Presiding Officers asking for implementation by convention.

### E. THIRD PARTY RIGHTS

#### Statement of Principle

The Government shares the Independents concerns over the broad issue of "third party" rights in the legal system. In particular the Government agrees with the proposed changes to the Environmental Offences and Penalties Act to give third parties standing in environmental cases. Other areas of concern to be looked at on a case by case basis.

The Government is not, however, prepared to support blanket legislation and considers that the rules of standing are important in creating legal certainty for third parties who are making decisions or arranging their affairs on the basis of official approvals or decisions.

## Elements of Reform

Changes to s.25 and s.13 of the Environmental Offences and Penalties Act as set out in Annexure G.

## Timetable for Implementation

Budget Session 1991.

## Item F

The Independent Members and the Government acknowledge the complexity of a number of issues raised by the Independent Members. The parties therefore agree to establish monthly consultations to ensure that the spirit and intent of the Independent Members' proposals are accommodated in the most practical and cost-

Page 4019

effective manner. In particular, it is acknowledged that a large legislative programme will be required to give effect to this agreement. The Government and the Independent Members agree to discuss any timing difficulties which might arise and to set mutually acceptable timetable should this be necessary.

## Item G

The Independent Members acknowledge that the Government has also indicated its intention to pursue other elements of Parliamentary reform including a statutory definition of the precincts of Parliament and a review of the Parliamentary Evidence Act. The Independent Members agree to discuss with the Leader of the Government of the Legislative Assembly proposals for further matters of reform of the Parliament pursuant to Item H below.

## Item H

The Independent Members and the Government agree that the Leader of the Government in the Legislative Assembly will meet with the Independent Members each and every month or otherwise by agreement to discuss progress on these issues.

## Item I

This document shall be interpreted according to the spirit of the agreement not the letter.

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Nick Greiner, MP  
Premier

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John Hatton, MP

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Clover Moore, MP

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Peter Macdonald, MP

## ANNEXURES

- A. Constitution (Fixed Term Parliaments) Special Provisions Bill and Constitution (Fixed Term Parliaments) Amendment Bill
- B. Independence of the Judiciary  
Draft Amendment
- C. Draft Notice of Motion  
Pecuniary Interests
- D. Draft Notice of Motion

Page 4020

- Election Funding
- E. Premier's Circular No 91-  
Board Minutes
- F. Terms of Reference NSWLRC  
Legal Profession
- G. Third Party Rights  
Draft Amendment to s.25 of Environmental Offences & Penalties Act

## ANNEXURE A

FIRST PRINT

### CONSTITUTION (FIXED TERM PARLIAMENTS) SPECIAL PROVISIONS BILL 1991

NEW SOUTH WALES

[STATE ARMS]

### EXPLANATORY NOTE

The objects of this Bill are:

- (a) to fix (except in certain circumstances) 25 March 1995 as the date of the next general election; and
- (b) to ensure that a referendum on the proposed Constitution (Fixed Term Parliaments) Amendment Act 1991 (which will apply after the next general election) is held on or before that date; and
- (c) to require a referendum for any future legislation that would repeal or amend the provisions of this Bill.

Presently, a Legislative Assembly continues for 4 years unless it is dissolved by the Governor before that time.

Under the Bill:

- (a) The next general election is to be held on 25 March 1995, unless the current Assembly is sooner dissolved in the special circumstances mentioned below.
- (b) If the current Assembly is so dissolved, the next general election is to be held (as at present) within 40 days after the issue of the writs for the election.
- (c) The existing discretion of the Governor to dissolve the current Assembly at any time and issue writs for an election is to be replaced by a power to dissolve only in the following special circumstances (those circumstances are similar to those proposed under the Constitution (Fixed Term Parliaments) Amendment Bill 1991):

Page 4021

- \* If a motion of no confidence in the Government is passed and no Government which has the confidence of the Assembly is formed within 8 clear days of the motion of no confidence. 3 clear days' notice is required to be given of the motion of no confidence.
  - \* If the Assembly has rejected or failed to pass a supply Bill.
  - \* If the scheduled election date of 25 March 1995 is an unsuitable date for the general election (e.g. it occurs in a period during which a Commonwealth election is being held). In that case, the duration of the Assembly may be reduced by no more than 2 months and an earlier election held.
- (d) Any existing power of the Governor to act otherwise than on the advice of the Government in connection with the dissolution of the Legislative Assembly is preserved.
  - (e) The Act under which referendums are required to be held is amended to ensure that the referendum on the Constitution (Fixed Term Parliaments) Amendment Bill 1991 (which will apply to future Parliaments if approved by the electors) is held at or before the date of the next general election.
  - (f) A referendum will be required for any future legislation that would repeal or amend the provisions of this Bill.

CONSTITUTION (FIXED TERM PARLIAMENTS) SPECIAL  
PROVISIONS BILL 1991

NEW SOUTH WALES

[STATE ARMS]

TABLE OF PROVISIONS

1. Short title
2. Commencement
3. Interpretation
4. Date of next general election
5. Dissolution of current Assembly before expiry in 1995

6. Preservation of certain conventions etc. relating to advice to Governor
7. This Act to prevail
8. Referendum required to alter this Act
9. Amendment of Constitution Further Amendment (Referendum) Act 1930 No. 2

Page 4022

CONSTITUTION (FIXED TERM PARLIAMENTS) SPECIAL  
PROVISIONS BILL 1991

NEW SOUTH WALES

[STATE ARMS]

No. , 1991

An Act to fix (except in certain circumstances) 25 March 1995 as the date of the next general election of Members of the Legislative Assembly; to require a referendum on any future legislation that would repeal or amend the provisions of this Act; and to make provision with respect to the date of the referendum on the Constitution (Fixed Term Parliaments) Amendment Bill 1991.

Constitution (Fixed Term Parliaments) Special Provisions Bill  
1991

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the Constitution (Fixed Term Parliaments) Special Provisions Act 1991.

Commencement

2. This Act commences on the date of assent.

Interpretation

3. (1) In this Act:

"current Assembly" means the Legislative Assembly existing on the commencement of this Act (being the Legislative Assembly which first met for the dispatch of business on 2 July 1991);

"next general election" means the next general election of Members of the Legislative Assembly held after the commencement of this Act.

(2) This Act is to be construed as if it formed part of the Constitution Act 1902.

Date of next general election

4. (1) The writs for the next general election must name 25 March 1995 as the day for the taking of the poll at that general election, unless the current Assembly is dissolved under section 5.

(2) If the current Assembly is dissolved under section 5, the writs for the next general election must name as the day for the taking of the poll at that general election a day that is not later than the fortieth day from the date of the issue of the writs.

(3) If the current Assembly is not dissolved under section 5, the current Assembly expires on 3 March 1995.

Page 4023

(4) In this section, a reference to a writ does not include a reference to a writ issued because of the failure of an election, including a failure of an election because of its being declared void in accordance with law.

Dissolution of current Assembly before expiry in 1995

5. (1) The current Assembly may be dissolved by the Governor by proclamation, but only in the circumstances authorised by this section.

(2) The current Assembly may be dissolved if:

- (a) a motion of no confidence in the Premier and other Ministers is passed by the current Assembly (being a motion of which not less than 3 clear days' notice has been given in the current Assembly); and
- (b) during the period commencing on the passage of the motion of no confidence and ending 8 clear days thereafter, the current Assembly has not passed a motion of confidence in the persons who are then the Premier and other Ministers.

After the motion of no confidence is passed, the current Assembly may not be prorogued before the end of that 8-day period, unless the motion of confidence has been passed.

(3) The current Assembly may be dissolved if it:

- (a) rejects a Bill which appropriates revenue or moneys for the ordinary annual services of the Government; or
- (b) fails to pass such a Bill before the time the appropriation is required.

(4) The current Assembly may be dissolved within 2 months before the current Assembly is due to expire on 3 March 1995 if the next general election would otherwise be required to be held during the same period as a Commonwealth election, during a holiday period or at any other inconvenient time.

Preservation of certain conventions etc. relating to advice to Governor

6. The enactment of this Act does not affect any law or established constitutional convention relating to the exercise or performance of the functions of the Governor otherwise than on the advice of the Premier or the Executive Council.

This Act to prevail

7. This Act has effect despite anything to the contrary in the Constitution Act 1902 or any other Act.

Referendum required to alter this Act

8. (1) A Bill that expressly or impliedly repeals or amends this Act shall not be presented to the Governor for Her Majesty's assent until the Bill has been approved by the electors in accordance with this section.

(2) On a day not sooner than 2 months after the passage of the Bill through both Houses of the Legislature the Bill shall be submitted to the electors entitled to vote at a general election of Members of the Legislative Assembly.

Page 4024

(3) The day referred to in subsection (2) shall be appointed by the Governor under and in accordance with the Constitution Further Amendment (Referendum) Act 1930 and any Act amending or replacing that Act.

(4) When the Bill is submitted to the electors the vote shall be taken under and in accordance with the Constitution Further Amendment (Referendum) Act 1930 and any Act amending or replacing that Act.

(5) If a majority of the electors voting approve the Bill, it shall be presented to the Governor for Her Majesty's assent.

(6) Nothing contained in this section affects the operation of section 5B of the Constitution Act 1902 and a Bill to which this section would otherwise apply which has been submitted to the electors under and in accordance with section 5B and has been approved by a majority of the electors voting may be presented to the Governor for Her Majesty's assent as if this section had not been enacted.

(7) The provisions of this section do not apply to a provision of a Bill, being a provision which would, upon its coming into operation, be a law referred to in section 29 (2) of the Constitution Act 1902.

Amendment of Constitution Further Amendment (Referendum) Act 1930 No. 2

9. The Constitution Further Amendment (Referendum) Act 1930 is amended by inserting after section 7 (2) the following subsection:

(3) The day appointed for the taking of the votes of the electors on the Constitution (Fixed Term Parliaments) Amendment Bill 1991 shall be no later than the day named for the taking of the poll in the next general election (within the meaning of the Constitution (Fixed Term Parliaments) Special Provisions Act 1991).

FIRST PRINT

CONSTITUTION (FIXED TERM PARLIAMENTS) AMENDMENT BILL 1991

NEW SOUTH WALES

[STATE ARMS]

EXPLANATORY NOTE

The object of this Bill is to amend the Constitution Act 1902:

- (a) to provide for fixed term Parliaments, with general elections held (except in special circumstances) on the fourth Saturday in March every 4 years; and
- (b) to require a referendum for any future legislation that would change the date for the holding of general elections as provided for under this Bill.

This Bill will not apply to the holding of the next general election. However, under the Constitution (Fixed Term Parliaments) Special Provisions Bill 1991, the next general election is to be held on 25 March 1995, unless the Assembly is sooner dissolved in similar special circumstances to those applying under this Bill.

Page 4025

Because of section 7B of the Constitution Act 1902, this Bill is required to be submitted to a referendum and will not become law unless it is approved by a majority of the electors. The proposed Constitution (Fixed Term Parliaments) Special Provisions Act 1991 ensures that the referendum is held at or before the next general election.

Under this Bill (if it is approved at a referendum):

- (a) General elections after the next general election will be held every 4 years on the fourth Saturday in March, unless the Assembly is sooner dissolved in the special circumstances mentioned below.
- (b) If the Assembly is so dissolved, the general election is to be held (as at present) within 40 days after the issue of the writs for the election. The following general election will revert to the fourth Saturday in March. Accordingly, the Assembly chosen after the dissolution will have a term generally between 3 years and 2 months and 4 years and 2 months depending on the date of the dissolution.
- (c) The existing discretion of the Governor to dissolve the Assembly at any time and issue writs for an election is to be replaced by a power to dissolve only in the following special circumstances:
  - \* If a motion of no confidence in the Government is passed and no Government which has the confidence of the Assembly is formed within 8 clear days of the motion of no confidence. 3 clear days' notice is required to be given of the motion of no confidence.
  - \* If the Assembly has rejected or failed to pass a supply Bill.
  - \* If the next scheduled election date of the fourth Saturday in March is an unsuitable date for the general election (e.g. it occurs during a holiday period or a period during which a Commonwealth election is being held). In that case, the duration of the Assembly may be reduced by no more than 2 months.
- (d) Any existing power of the Governor to act otherwise than on the advice of the existing Government in connection with the dissolution of the Legislative Assembly is preserved.

- (e) A referendum will be required for any future legislation that would authorise any reduction in the term of the Legislative Assembly or would alter the date on which a general election is required to be held.

FIRST PRINT

CONSTITUTION (FIXED TERM PARLIAMENTS) AMENDMENT BILL 1991

NEW SOUTH WALES

[STATE ARMS]

TABLE OF PROVISIONS

1. Short title
2. Commencement
3. Amendment of Constitution Act 1902 No. 32

Page 4026

4. Consequential amendment of Parliamentary Electorates and Elections Act 1912 No. 41, s. 73 (Polling day at Assembly general elections)

5. Amendments not to apply to current Assembly

SCHEDULE 1 - AMENDMENTS

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CONSTITUTION (FIXED TERM PARLIAMENTS) AMENDMENT BILL 1991

NEW SOUTH WALES

[STATE ARMS]

No. , 1991

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A BILL FOR

An Act to require the Parliament of New South Wales to serve full 4-year terms and to prevent politicians calling early general elections or changing these new constitutional rules without a further referendum.

Constitution (Fixed Term Parliaments) Amendment Bill 1991

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, with the approval of the electors as required by the Constitution Act 1902, and by the authority of the same, as follows:

Short title

1. This Act may be cited as the Constitution (Fixed Term Parliaments) Amendment Act 1991.

#### Commencement

2. This Act commences on the date of assent.

#### Amendment of Constitution Act 1902 No. 32

3. The Constitution Act 1902 is amended as set out in Schedule 1.

Consequential amendment of Parliamentary Electorates and Elections Act 1912 No. 41, s. 73  
(Polling day at Assembly general elections)

4. The Parliamentary Electorates and Elections Act 1912 is amended by omitting section 73.

Amendments not to apply to current Assembly

Page 4027

5. The amendments made by this Act do not apply to the current Assembly within the meaning of the Constitution (Fixed Term Parliaments) Special Provisions Act 1991, but apply to any Legislative Assembly thereafter.

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### SCHEDULE 1 - AMENDMENTS

(Sec. 3)

(1) Section 7B (Referendum for Bills with respect to Legislative Assembly and certain other matters):

Omit section 7B (1) (b), insert instead:

(b) contains any provision to reduce or extend, or to authorise the reduction or extension of, the duration of any Legislative Assembly or to alter the date required to be named for the taking of the poll in the writs for a general election,

(2) Section 10 (Time and place for holding sessions, and prorogation, of Parliament):

Omit the words ", and dissolve the said Assembly".

(3) Section 24:

Omit the section, insert instead:

#### Duration of Assembly

24. (1) A Legislative Assembly shall, unless sooner dissolved under section 24B, expire on the Friday before the first Saturday in March in the fourth calendar year after the calendar year in which the return of the writs for choosing that Assembly occurred.

(2) In this section, a reference to a writ does not include a reference to a writ issued because of the failure of an election, including a failure of an election because of its being declared void in accordance with law.

(4) Sections 24A, 24B:

After section 24, insert:

Date of general election for Legislative Assembly

24A. The writs for a general election of Members of the Legislative Assembly must name as the day for the taking of the poll at that general election:

- (a) if the previous Legislative Assembly expired - the fourth Saturday in March next following the expiry; or
- (b) if the previous Legislative Assembly was dissolved - a day that is not later than the fortieth day from the date of the issue of the writs.

Page 4028

Dissolution of Legislative Assembly during 4 year term 24B. (1) The Legislative Assembly may be dissolved by the Governor by proclamation, but only in the circumstances authorised by this section.

(2) The Legislative Assembly may be dissolved if:

(a) a motion of no confidence in the Premier and other Ministers is passed by the Legislative Assembly (being a motion of which not less than 3 clear days' notice has been given in the Legislative Assembly); and

(b) during the period commencing on the passage of the motion of no confidence and ending 8 clear days thereafter, the Legislative Assembly has not passed a motion of confidence in the persons who are then the Premier and other Ministers.

After the motion of no confidence is passed, the Legislative Assembly may not be prorogued before the end of that 8-day period, unless the motion of confidence has been passed.

(3) The Legislative Assembly may be dissolved if it:

(a) rejects a Bill which appropriates revenue or moneys for the ordinary annual services of the Government; or

(b) fails to pass such a Bill before the time the appropriation is required.

(4) The Legislative Assembly may be dissolved within 2 months before the Assembly is due to expire if the general election would otherwise be required to be held during the same period as a Commonwealth election, during a holiday period or at any other inconvenient time.

(5) The enactment of this section does not affect any law or established constitutional convention relating to the exercise or performance of the functions of the Governor otherwise than on the advice of the Premier or the Executive Council.

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#### POSSIBLE LONG TITLES

An Act to amend the Constitution Act 1902 to provide for fixed term Parliaments, with general elections held (except in special circumstances) on the fourth Saturday in March every 4 years.

OR

An Act to amend the Constitution Act 1902 to provide for fixed term Parliaments, with general elections held (except in special circumstances) on the fourth Saturday in March every 4 years, and to prevent the holding of general elections before that time without a further referendum.

OR

An Act to amend the Constitution Act 1902 to require Parliaments to serve their full 4-year term.

Page 4029

OR

An Act to amend the Constitution Act 1902 to require Parliaments to serve their full 4-year term and to prevent any reduction in that term without a further referendum.

OR

An Act to amend the Constitution Act 1902 to require Parliaments to serve their full 4-year term and to prevent politicians from calling early general elections [except in special circumstances?].

#### ANNEXURE B

##### DRAFT AMENDMENT TO CONSTITUTION ACT 1902

###### Section 5

Add after the words "*Commonwealth of Australia Constitution Act*", the words "*and this Constitution*".

Add the following section:-

###### Judicial Independence

- 8B (1) The Parliament may not by law remove or authorise the loss of or removal from office of a judge unless the two Houses of Parliament have by resolution, passed by absolute majority, determined that by reason of misbehaviour or incapacity the judge should lose or be removed from office.
- (2) The Parliament may establish procedures for determining whether misbehaviour or incapacity warranting loss of or removal from office of a judge have been proved.
- (3) This section does not prevent the appointment of a judge subject to retirement from office at an age specified by the Parliament as the retiring age for judges of the Court in question.
- (4) The Parliament may not amend or repeal this section other than by an Act passed on the third reading by a two thirds majority of both Houses of the Parliament.

#### ANNEXURE C

##### DRAFT NOTICE OF MOTION - PECUNIARY INTERESTS

Mr Speaker:-

I wish to give notice that tomorrow I shall move:-

That this House refers to the Committee on the Independent Commission Against Corruption the following matters for investigation and report:-

- (i) The adequacy of the existing pecuniary interest provisions applying to Members of Parliament;

Page 4030

- (ii) The adequacy of existing pecuniary interest provisions applying to senior executives in the public sector in New South Wales; and
- (iii) The need for and suggestions as to the content of a Code of Ethics for Members of Parliament taking into account the provisions already applying to Ministers and how these provisions might be streamlined and incorporated into a more general code which would apply to all Members of Parliament.

#### ANNEXURE D

##### DRAFT NOTICE OF MOTION - ELECTION FUNDING

Mr Speaker:-

I wish to give notice that tomorrow I shall move:-

That this House refers to the Joint Select Committee Upon the Process and Funding of the Electoral System the following specific matters for investigation and report:-

- (i) Mandatory disclosure of the original source of all contributions to political parties, groups or candidates, whether financial or in kind;
- (ii) Disclosure being made annually by a declaration of income and expenditure no later than 30 days after the end of each financial year;
- (iii) Disclosure by unsuccessful candidates and groups of any donation, whether financial or in kind, after any election in which they were candidates;
- (iv) Mandatory disclosure of all forms of income and expenditure by third parties which involve themselves in the election process;
- (v) Disclosure of all donations made between the previous election and the announcement of the current election no later than two days after the election announcement; and
- (vi) The desirability of provisions to ensure that where a candidate or party fails to disclose sources of funding, or makes a false or incomplete declaration of sources of funding, that candidate or party being ineligible to receive funding from the Election Funding Authority for five years following the date of the election for which there was failure to disclose, or a false or incomplete declaration was made.

#### ANNEXURE E

## MINUTES OF BOARD MEETINGS OF STATUTORY AUTHORITIES

(Memorandum to all Ministers)

You will be aware that the Government is reviewing legislative provisions and administrative procedures to enhance both Parliamentary democracy and open and accountable Government in New South Wales.

Page 4031

One of the matters raised for consideration in this review is the public availability of the minutes of board meetings and the annual reports of statutory authorities.

Under the provision of the Annual Reports (Statutory Bodies) Act 1984, annual reports of relevant statutory authorities are required to be prepared, submitted to the relevant Minister and then tabled in Parliament. Thereafter, such reports are to be made available for public sale and distribution.

However, no provisions exists which would specifically require the minutes of board meetings of such statutory authorities to be made publicly available. Public access to such minutes may of course be provided through the provisions of the FOI Act. Such access is, however, limited by the exemptions provided in Schedule 1 to the FOI Act. These exemptions can properly be invoked to prevent the disclosure of minutes dealing with, for example, commercially sensitive information, information provided in confidence or information the disclosure of which would adversely affect law enforcement operations.

Whilst this arrangement may be regarded as satisfying the principles of openness, I consider that it is desirable to implement improved arrangements to ensure that minutes of board meetings of statutory authorities are more readily accessible. Board minutes of statutory bodies should be made publicly accessible without requiring a formal application under the FOI Act, whether as part of a public register or otherwise, and whether or not subject to payment of a fee or charge.

Statutory authorities should provide maximum access to the minutes of board meetings notwithstanding that such documents may technically fall within one or more of the exemptions in Schedule 1 to the FOI Act. Naturally, where there are substantial and legitimate reasons for maintaining confidentiality such as commercial sensitivity, adverse affect on law enforcement, prejudice to current litigation or negotiations or interference with the right to privacy of third parties, then it would still be legitimate to excise the relevant information. However, the presumption should be in favour of disclosure, and statutory authorities are expected to exercise their discretion accordingly.

The establishment of this scheme should improve the flow of information from the Government sector and thereby achieve greater openness and accountability. Minutes ought to be freely available and accessible, and the means by which they may be inspected or obtained should be contained in the statement of affairs of the statutory body under the FOI Act.

I would be pleased if you would inform the boards of all statutory bodies within your administration of the terms of this memorandum and request them to implement these procedures as soon as possible.

Yours sincerely,

N F Greiner, MP

Issued: Legal Branch

Date:

## ANNEXURE F

### NEW SOUTH WALES LAW REFORM COMMISSION

#### Draft Terms of Reference

Page 4032

1. To inquire into and report on means of implementing alternative mechanisms to those presently existing to deal with complaints about the delivery of legal services to the public, such as a complaints unit, a Legal Services Ombudsman, or some other mechanism. In so inquiring the Commission will have regard to the need for accountability external to the legal profession in any such mechanism.
2. To inquire into and report on means of making the offices of the DPP, the Legal Aid Commission, the Crown Solicitor, and other Government Legal Services more open and accountable. In so inquiring the Commission will have regard for the need for the impartiality and independence of these offices.
3. In preparing its report, to consult fully with peak professional bodies of the legal profession in New South Wales together with other relevant community organisations and other interested individuals and to take into account any proposal of those bodies to reform and strengthen their mechanisms for investigating and adjudicating complaints.

## ANNEXURE G

### LEGISLATIVE ASSEMBLY

#### PROTECTION OF THE ENVIRONMENT ADMINISTRATION

#### BILL 1991 (NO 2)

##### Amendments in Committee

1. Page 25, Schedule 3. After item (4) (b) of the amendments to the Environmental Offences and Penalties Act 1989, insert:-

(c) After section 13 (2), insert:-

(2A) Subsection (1) does not apply to the institution of proceedings in the Land and Environment Court for an offence against this Act by a person if the Court grants the person leave to bring the proceedings. The Court is not to grant leave unless satisfied that:-

(a) The Environment Protection Authority has decided not to take any relevant action (as defined in subsection (2B)) in respect of the act or omission constituting the alleged offence against this Act or has not made a decision on whether to take such action within 90 days after the person applied to the Authority for consent to institute the proceedings; and

(b) The Environment Protection Authority has been notified of the proceedings; and

- (c) The proceedings are not an abuse of the process of the Court; and
- (d) The particulars of the offence disclose, without any hearing of the evidence, a prima facie case of the commission of the offence against this Act.

2(B) Relevant action for the purposes of subsection (2A) is not limited to the institution of criminal proceedings, but includes action under any Act to require

Page 4033

the defendant to prevent, control, abate or mitigate any harm to the environment caused by the alleged offence against this Act or to prevent the continuance or recurrence of that alleged offence.

- 2. Page 25, Schedule 3. Omit item (5) of the amendments to the Environmental Offences and Penalties Act 1989, insert instead:-

(5) Section 25 (Restraint of breaches of an Act or statutory rule which harm the environment). Omit section 25 (1), (2), (3) and (4), insert instead:-

- (1) Any person may bring proceedings in the Land and Environment Court for an order to restrain a breach (or a threatened or apprehended breach) of this or any other Act, or any statutory rule under an Act, if the breach (or the threatened or apprehended breach) is causing or is likely to cause harm to the environment.
- (2) Any such proceedings may be brought whether or not any right of that person has been or may be infringed by or as a consequence of the breach (or the threatened or apprehended breach).
- (3) Any such proceedings may only be brought with the leave of the Court. Before granting leave, the Court must be satisfied that:-
  - (a) The proceedings are not an abuse of the process of the Court; and
  - (b) There is a real or significant likelihood that the requirements for the making of an order under this section will be satisfied; and
  - (c) It is in the public interest that the proceedings should be brought.
- (4) A person (other than the Environment Protection Authority or a member of the staff of that Authority) who brings any such proceedings is required to serve a copy of the application on that Authority as soon as practicable after the application is made. The Environment Protection Authority is entitled to become a party to those proceedings.

**Mr CARR:** The agreement announced by the Premier in his statement is quite possibly the worst kept secret in the history of New South Wales politics. It contains no surprises. The essence of it is a commitment by non-aligned Independents not to support a no confidence motion in exchange for a commitment to parliamentary reforms. Essentially, the position was reached in a de facto sense after the State election on 25th May, which saw enormous gains for my party and saw the Premier reduced to heading a minority government, the minority status of which has been reinforced by events since that election. The agreement will need to provide, I imagine, a way out in the event of the Government losing its numbers in this Chamber. Indeed, there is no way it can avoid that. The chances are very strong indeed that the next election will be held well before 1995. The chances are even stronger that the leader of the conservative side of politics in that election will not be the present Premier. The staff of the Attorney General are undermining this Premier on a full-time basis - and the House knows that this is true. The Minister for Transport, for reasons unknown to anyone else in New South Wales politics, sees himself as a future Premier. The Minister for Industrial Relations and Minister for

Further Education, Training and Employment, for even more mysterious reasons and motivations, sees himself as a future Premier. The boofhead who leads the Government in the upper House preens himself on control of upper House numbers.

**Mr Hazzard:** On a point of order. Standing Order 151 seems to be something that honourable members on the other side have no knowledge of. There is no reasonable reason to be calling anyone a boofhead. I ask that the Leader of the Opposition be directed to withdraw that comment.

**Mr SPEAKER:** Order! I ask the Leader of the Opposition to note that although at times indecorous language is used in the House, it behoves leaders of parties to create an example to other members in the Chamber. In replying to a ministerial statement, the Leader of the Opposition must address himself to the matters mentioned by the Minister making the statement. I ask him not to stray too far into areas beyond the statement made by the Premier.

**Mr CARR:** On the one hand, clause 3 of the agreement talks about the position arising if this Government lost its majority in the House. I am entitled to refer to the present court case concerning two seats and to the delicacy of any government that depends for its position on the support, loyalty and consistency of judgment of the honourable member for North Shore. Any government that is hanging on by the support of the honourable member for North Shore is hanging by a thin thread indeed. In this agreement there is that way out. We are looking at a position that was signalled after the election of 25th May. At that time each of the Independents said, "We will not support a no confidence motion in a government that scraped in". On the other hand, clause 3 of the agreement legitimises the position that will arise when this Government loses its numbers in this House. Against this setting, as an essential backdrop, there is the perpetual turbulence of a government hanging by the support of the honourable member for North Shore. The honourable member for North Shore is drawn, as though by a secret magnetic force, to the crossbenches. Members on the crossbenches now all have enormous confidence in him.

**Mr SPEAKER:** Order! I draw the attention of the Leader of the Opposition to my general direction to him earlier to confine his remarks to those matters raised by the Premier. I have allowed him a certain amount of indulgence in going away from the content of the ministerial statement, but I ask him to draw himself back to that.

**Mr CARR:** Another essential feature of the agreement needs some elaboration. The Independents who support it will be locked into supporting bad decisions by this Government that cannot be reversed by a vote on the floor of the House. For example, the responsibility for the gutting of the Royal Hospital for Women will be sheeted home to Independents who support this Government. Land use decisions made by National Party Ministers that cannot be reversed by a decision on the floor of this House will have to be justified and defended by the Independents

to the environmental movement and citizens of this State who support the environmental movement - the Minister for Housing nods. The honourable member for South Coast, the honourable member for Bligh and the honourable member for Manly will have to defend to the people committed to public education the policies of this Government on education because, until there is a change in the numbers on the floor of the House, the Independents are propping the Government up. We will be telling those people concerned about public education, the environment and the continuation of a decent health system that they should take the matters they raise with us straight to the Independents who are propping up this last-legs Government. Only someone who believes in miracles will believe that this Government can last until 1995; and only someone who believes in miracles of the most vaulting variety will believe that when this Government faces the people it will be led by this last-legs Premier.

**Mr HATTON:** This agreement today is historic. It will substantially redress the imbalance between the Executive Government and the Parliament that has grown over the last 35 years. That parliaments make laws, monitor expenditure, plan investment, overview the work of the

public service, safeguard liberty, act as watchdogs on justice and rights, guarantee free speech and enable each member of Parliament to represent untied - individually or collectively - their electorates is what every school child in New South Wales is told. My 18 years in this Parliament have confirmed that if any of these things happen democratically it is largely by accident rather than by design. When either party had a majority in both Houses, the Executive Government, through the Leader of the House, prevented a private member's bill or a private member's motion from being introduced and terminated debate on any subject at any time, despite the fact that there may not have been debate.

Under all governments, legislation was gagged and guillotined through the House. No mechanism existed in the standing orders to ensure debates on royal commission or committee reports. The standing orders did not allow the tabling of documents without the approval of the Government or the Speaker. Neither the Parliament nor an individual member of Parliament had a role in the formulation of a budget. The Executive could withhold details of government contracts, procurements, public service salaries - especially those of senior executive service and ministerial staffers - and important financial documents. The most important financial document each year, the Budget, has been a fait accompli and has never been amended, except by Executive Government, in my 18 years in this place. Draft legislation was formulated by the public service and by the Cabinet. It may be determined by a party caucus, faction or special interest group, but the Parliament has been a rubber stamp. By and large, legislation was not rationally debated with in-depth knowledge, careful analysis and facilities for research being provided. This Government has a better record than previous governments in addressing many of these previous inadequacies. People in New South Wales are governed by regulations tabled in the first 10 minutes of the sittings of the day. Those regulations have been tabled in considerable numbers over the years. The practice is for the Parliament to

Page 4036

pass umbrella legislation, giving the Executive Government the power to make regulations. The regulation review committee has done, and is doing, an excellent job.

This agreement will redress many of these abuses and restore in large measure a healthy balance. It is historic and important. As Independents we have dealt publicly and evenly with both sides. It is a first for Australia that non-aligned Independents have looked at across-the-board reforms which are aimed at accountability, openness and good government. We have emphasised that bipartisanship is paramount. What happens in the Fiftieth Parliament for the good government of New South Wales must, in my view, be carried forward no matter which government takes over the reigns from the Fiftieth Parliament. Today we have signed an agreement with the Government. We have reached substantial agreement with the Opposition but as yet have not signed. I pay special tribute to the Leader of the House, the Minister for the Environment, who has been outstanding in his honesty, fairness, attention to detail and patience over many months. I pay a tribute to my two Independent colleagues. Anyone who has not been through this process could not understand the enormous number of hours involved, the responsibility, the checking and doublechecking and the seeking of advice. We have had the benefit of advice from two constitutional lawyers. We even had the benefit of advice by fax from New York from an Australian constitutional lawyer, Professor Jim Crawford.

I pay tribute to Mr Bruce Hawker of the Opposition staff and others who have also gone into this matter in depth. There have been times of doubt and times of mistrust, and those times have passed. This document is hinged not on ideological grounds but on principles of more democratic and open government, and on the principle under the Westminster system of government that the party which has control of more seats on the floor of the House than any other party is entitled to govern. We have been told; we have been implored; we have been cajoled and we have been threatened in a political sense that our heads would be kicked. The Leader of the Opposition sought to underline that today. I am no stranger to it. My colleagues are not strangers to it. We are not fazed by that. Some will envy our freedom. Some will envy or criticise the power. But I emphasise that we have no power without the support of fellows members of Parliament from one side or the other. Few would envy our responsibility. We saw that responsibility, first, as being for stability and reform.

If the Leader of the Opposition wants to challenge me on this, what is his formula? Is it to cast aside this Budget and say to the Independents: do not support this? Is it to create a climate

where from day to day we lurch from crisis to crisis? What does that do to this State's AAA rating? What does it do for unemployment in this State? What does it do for the good of the State? Of course, one has to trade things in order to get stability, but we have not traded anything for our own personal benefit. I am very proud of that and I am very proud of my two Independent colleagues. It is not common to find three people who will stand shoulder to shoulder, who are different in many ways - but fundamental differences are expressed

Page 4037

on the floor of this House in the way they vote on legislation - but who will stand solid on the principles I have outlined and will knowingly catch criticism from both sides. There will be plenty of that down the track.

The Liberal Party and the National Party have attacked me in my electorate. The Leader of the Opposition has served notice on the honourable member for Bligh and on the rest of us that our support for this Government will be used as a stick propping up this terrible Government. This is the Wran Government revisited. In 1976 when I supported Neville Wran because I thought he had a right to govern, I represented what had been a Liberal electorate. It was then much more Liberal than it is now. I can say to my colleagues, the honourable member for Bligh and the honourable member for Manly, that integrity and sincerity and sound principles will carry them through. It carried me through in 1976, despite the complexion of my electorate. It was clearly stated then that the Wran Government could not buy me and that a matter of principle was at stake. The easy way for us was to go in the cargo cult direction, to sell out. We could trade off the principles for gain in our electorate. How would history in New South Wales judge us? We have chosen not to do that for the reasons I have outlined. We have chosen to take a path that we believe is for the good of New South Wales. There will be fierce disagreement, obviously and quite rightly, about what is right for this State. We have had that argument already since May and we will have many more, for example, on the Industrial Relations Bill.

But few can argue about what is good for New South Wales in terms of a fixed four-year term of Parliament; expansion of freedom of information; mechanisms to improve the efficacy of the election process; whistleblower legislation which will enshrine the right of a public servant to speak out on matters of corruption and gross mismanagement; legislation and estimates committees, which are still in their infancy but will grow, and from which this Parliament will reap benefits; more research facilities for members; greater opportunity for the Opposition and others to move motions and present legislation to the House and to have decisions taken - and that has not happened in my 18 years in this Parliament - external scrutiny of the legal profession; defamation law reform; emphasising the power and independence of the Ombudsman and the Auditor-General; entrenching the independence of the judiciary in the Constitution. Would any of this have happened without the accident of numbers? I do not believe so. My experience tells me it would not have. This is not a blank cheque. There are guarantees on supply, on budget, on votes of no confidence which touch on gross mismanagement and corruption. We have stood together on these principles. Other triggers will be lack of implementation, and numbers on the floor of the House when the Government cannot deliver satisfactory government. But there will be no ambush. This is in the interests of stability. It will be done by discussion and by consultation with the Government. Independents can still vote as they see fit and as they have been doing on legislation and motions before the Parliament.

Page 4038

In 1976 I was one off holding the balance of power. Premier Wran offered me a car and driver, \$4,000 a year assistant ministership to the Minister for Agriculture and Decentralisation, and a world trip. I considered that seriously to assess what I could do for my electorate as an assistant Minister. I could not accept it. I could have accepted the Speakership in this Parliament and that would have been \$1,000 a week extra in salary and allowances. I believed in Neville Wran. We were later to become adversaries over the issue of corruption. Nevertheless, the Wran Government had a right to govern and I had a responsibility that I accepted. I accepted the flak that went with it. Likewise this Government must be given that chance. As Independents we know we will be criticised and vilified. I have lived through the Askin, Willis, Lewis, Wran, Unsworth and now Greiner governments. In the past I have seen - and I emphasise it is in the past - the lies, the cheating, the promises, the rhetoric, the

cover-up and on many occasions I have been sickened by it. I know the same applies for many of my fellow members. I do not put myself forward as being different from anyone else.

Each government has its faults and its strengths. The Independent Commission Against Corruption and the freedom of information legislation stand this Government in good stead. We have also improved procedures on the floor of the Parliament. The Wran Government was responsible for establishing the position of Ombudsman and the Lewis Government was responsible for coastal protection. This agreement takes from the Executive Government many of the powers that have allowed it to dictate to and subvert the Parliament. It is still possible for the Government to change. This is not a blank cheque for the Greiner Government to govern until 1995. However, it underpins stability. Whether this Government governs until 1995, I firmly believe that is in large measure, if not almost totally, in its own hands. This agreement gives the opportunity to put this Government and the Fiftieth Parliament in the history books. I am proud, on behalf of my fellow Independents, to be a party to this agreement and I thank the Government for the opportunity today to speak on this matter.

## **CONSTITUTION (FIXED TERM PARLIAMENTS) SPECIAL PROVISIONS BILL**

### **CONSTITUTION (FIXED TERM PARLIAMENTS) AMENDMENT BILL**

**Suspension of certain standing orders agreed to.**

**Bills introduced and read a first time.**

#### **Second Reading**

**Mr MOORE** (Gordon), Minister for the Environment, on behalf of the Premier [1.10]: I move:

That these bills be now read a second time.

Page 4039

The purpose of these bills is to provide for a fixed four-year term for the Parliament. The first bill, the short-term bill, provides that unless certain limited events occur, the next general election will be held on 25th March, 1995. The Governor will be able to dissolve the Parliament at an earlier time only if a motion of no confidence in the Government is passed, or the Legislative Assembly has rejected or failed to pass a supply bill or appropriation bill and no Government which has the confidence of the Legislative Assembly is formed within eight days. The only other circumstances that would permit an earlier dissolution would be if the date for the election clashed with a Commonwealth election or was inconvenient due to a clash with a holiday period, such as Easter, or for some other reason. In those limited circumstances the duration of the Legislative Assembly could be reduced by no more than two months. The second bill, the long-term bill, will entrench the principle of fixed four-year terms for the future. Because, under that bill, there is a possibility that in some circumstances the Legislative Assembly may endure for slightly longer than four years, section 7B of the Constitution Act requires that bill to be submitted to a referendum before it can become law. In any event, the Government believes that matters of this significance which will constrain future Parliaments should go to a referendum. In view of the constitutional significance of this package it is the Government's intention to refer the bills to a joint select committee today. This will ensure that the bills will be thoroughly examined. This is particularly important for the long-term measure which ought to be properly scrutinised prior to its submission to the electors at a referendum at the next general election.

It is important, however, that a bill dealing with this Parliament should be passed with minimum delay. I indicate that the agreement that has been tabled by the Premier for incorporation in *Hansard* today commits the Government to act as if the short-term bill had already been adopted by the Parliament and assented to by His Excellency. In view of this the Government proposes to ask the select committee to examine the short-term measure first within a time frame which will permit its

passage through all stages this session. It is the Government's view that ensuring a fixed term for each Parliament is a positive and historic step. The history of New South Wales parliaments reveals that it has been rare for them to endure for anything like four years. Since the second world war, parliaments on average have consistently served less than six months up to their term. Most parliaments, in a three-year period, averaged two years and four months. The bills before the House will ensure that in the future there will be no capacity for the Government of the day to manipulate the timing of an election to suit its own political purposes. A fixed four-year term will introduce greater certainty and stability. Governments will be able to plan and to make the difficult decisions that are often required of them in a climate of certainty and stability. Similar legislation exists both in South Australia and in Victoria. In both those States, however, rather than providing for a fixed day, the legislation merely limits the capacity of the Government to call an election within the first three years. Effectively, that legislation provides for minimum three-year terms, not fixed four-year terms.

The Victorian State Government recently entered the discretionary period which continues until the end of October 1992. It will be at the discretion of the  
Page 4040

Victorian Premier whether she can convince the Victorian Governor to grant an election. The bills introduced today go much further to overcome that uncertainty and the ability of a government to manipulate political terms. They provide that elections will be held on a fixed day every four years unless the circumstances referred to occur, that is, a motion of no confidence is passed, there is a failure of a budget or supply bill, or there is a clash with a Commonwealth election. I am able to indicate that, on a predictable cycle, as far as we can track Easter - this simply goes to the limit that those who sit eucharistic calendars have gone - there is no clash with this election cycle and Easter this side of the year 2023. I am fairly confident that that will see out all honourable members in this Parliament. If the Legislative Assembly is dissolved in these circumstances the next general election will be held within 40 days after the issue of the writs for that election. The bills before the House preserve the existing power of the Governor to act other than on the advice of the Government. Although the extent of this power is somewhat unclear, it is the Government's view that it is important to preserve some capacity for the Governor to act should some extreme and exceptional circumstance occur.

The provisions of the bills will also be entrenched, that is, they may only be altered by a bill which is approved by a majority of the electors at a referendum. This will ensure that, once passed, the fixed term will not be able to be interfered with except after a referendum. The short-term bill also amends the Constitution Further Amendment (Referendum) Act to ensure that the long-term bill will be submitted to the electors no later than at the date of the next general election. Under section 7B of the Constitution Act, the Governor fixes the day for holding referenda required by that section. The amendment to the Constitution Further Amendment (Referendum) Act will ensure that the Governor will be obliged to appoint a day that is no later than the date of the next general election. The long-term bill enables a Parliament to be dissolved early in the same circumstances as the bill for the present Legislative Assembly, that is, no confidence, a failure of supply or appropriation bills, or a clash with a Commonwealth election or other inconvenient time that would cause a possible maximum two-month truncation of the term. However, where a general election is held as a result of an early dissolution the next following general election will then be held on the fourth Saturday in March in the fourth calendar year thereafter. This will ensure that the fixed date is always returned to and that a cycle of elections at an inconvenient time will not arise after an early election.

The Government is confident that these bills and, in particular, the proposed long-term measure will lead to greater stability and certainty in government in New South Wales. As I have already foreshadowed, it is the Government's intention to submit the bills to a select committee. The motion for that will be dealt with by resolution of the House at the conclusion of my speech and at the adjournment of this debate. It is also the Government's intention to submit the long-term bill to the electors simultaneously with the next general election. As I have said to the Chamber on a number of occasions, the true beneficiaries not only of this legislation but of all constitutional issues - constitutional issues in the broad sense, not the strict statutory

constitutional issues - that are enshrined in the document that the Premier tabled in the House today will move the power fulcrum back along the spectrum away from the Executive Government and back into the hands of the members of this Chamber and the members in another place. I hope that many of the procedural changes which I have had great pleasure in drafting and supervising - although I am only part of a group that included members of the Opposition and Independents - may shift across the building so that we will end up, as we have with estimates committees, with further procedural reforms in another place as well, although they, to the credit of the Legislative Council, have had far more relaxed, civilised and participative standing orders and procedures for many years.

I am proud to be part of that process. My political philosophy goes back with that of the former Attorney General, John Dowd, with the Premier, with the Minister for Police and Emergency Services and others such as the current Attorney General to one of great philosophers on these sorts of issues in the Liberal Party, the late John Maddison. Whilst I know that in many respects his memory has been blurred or figuratively as well as psychologically burnt by the riots at Bathurst gaol, the late John Maddison was a true believer in the rights of the citizenry and the rights of individuals in the Parliament. It was John Maddison who was responsible within the Liberal Party for the introduction of privacy legislation, for the discussion and introduction of the provisions for the Ombudsman and things of that nature. It was John Maddison who introduced me into the philosophic debate on the concept of freedom of information in the early 1970s. It is truly in the spirit of the philosophy that guides members of the Liberal Party, who are the heirs of John Maddison's philosophy, and indeed of many of my National Party colleagues such as the honourable member for Orange, the Minister for Conservation and Land Management, who shared with me the pleasure of serving with John Maddison in this House. John Maddison loved this Chamber. The best thing we can do for ourselves as well as for others of all parties who have loved this Chamber in the past and who have enjoyed being parliamentarians, Mr Speaker, as you and I and others have shared over many hours of the night in the past, is to bring in these reforms. Most importantly, it is a commitment from me and my colleagues to institutionalise them so that no government dominant on the floor of the House can undo that which we are doing. I commend the bills to the House.

**Debate adjourned on motion by Mr Whelan.**

#### **JOINT SELECT COMMITTEE UPON THE CONSTITUTION (FIXED TERM PARLIAMENTS) BILLS**

**Mr MOORE** (Gordon), Minister for the Environment [1.22]: I move:

1. That a Joint Select Committee be appointed to consider and report upon the Constitution (Fixed Term Parliaments) Special Provisions Bill and the Constitution (Fixed Term Parliaments) Amendment Bill;

2. that the Committee shall consist of 14 members of whom nine will be members of the Legislative Assembly (of whom five shall be Government members, three shall be Opposition members and one shall be an Independent member, nominated by the Leader of the Government) and five members of the Legislative Council (of whom two shall be Government members, two shall be Opposition members and one shall be a non-Government member nominated by the Leader of the Government);
3. the Committee shall elect as Chairman a member of the Legislative Assembly appointed to the Committee as a supporter of the Government;
4. that at any meeting of the Committee any eight members shall constitute a quorum, provided that the Committee shall meet as a Joint Committee at all times;

5. that the Committee have leave to sit during the sittings or any adjournment of either or both Houses; to adjourn from place to place; to have power to take evidence and send for persons and papers; and to report from time to time;
6. that should either or both Houses stand adjourned and the Committee agree to any report before the Houses resume sitting:
  - (1) the Committee have leave to send any such report, minutes and evidence taken before it to the Clerk of the House;
  - (2) the documents shall be printed and published and the Clerk shall forthwith take such action as is necessary to give effect to the order of the House; and
  - (3) the documents shall be laid upon the Table of the House at its next sitting;
7. the Committee shall report to both Houses with respect to the Constitution (Fixed Term Parliaments) Special Provisions Bill by 3 December 1991 and with respect to the Constitution (Fixed Term Parliaments) Amendment Bill by 31 March 1992.

This motion adopts the general structure of balance of numbers as has operated with the estimates committees. I appreciate that some of my colleagues, and no doubt Opposition and particularly Independent members, may feel that in the flurry of activity which is currently occurring many committees are imposing a heavy work burden. Over time I hope that will average out but it will certainly not diminish to the levels of passivity that existed in previous parliaments. It is the view of the Government that the matter is of such importance that, in the spirit of the agreement tabled today, it constitutes landmark legislation that warrants being dealt with by a legislation committee. Equally, because it is so important for the Legislative Council as well as for members of this honourable Chamber, it is desirable, should members of the Legislative Council agree to it, as I expect they would, that they participate in the work of the committee. We have deliberately established a timetable for the bills which provides that the bill that deals with this Parliament must be dealt with by the time the Parliament rises for Christmas. As I said in my second reading speech on the bills, the Government has given a written commitment to the Independent members, which has been incorporated in *Hansard*, that the Government will act as if that bill had already been passed. But it is clearly desirable for the sake of

Page 4043

certainty and intellectual comfort for the Independent members as well as for the Government - but particularly for the Independent members, because the signing and tabling of the agreement already gives comfort to the Government - that the bills on the certainty of terms, the first major implementation measure of constitutional reform for the Independents, be passed, assented to and in law by the time the Parliament is prorogued for the official opening next year.

The bills that are to be referred to the select committee are historic. They are possibly the most significant pieces of constitutional reform we have seen in this State since the era when the former Labor Government reformed the Legislative Council, a progressive move at that time. There have been a series of watersheds in the actions and activities and structure of the Parliament over the period since we achieved responsible bicameral government, in 1856. This may turn out to be the single greatest set of changes in the global package that we are talking about that has happened in that 135 years. It has been my great pleasure to be a part of that process. Whilst I could well understand if the formal Opposition were disappointed or angered from its own political perspective at the execution of the agreement and the position of stability that is now achieved for the governance of the State of New South Wales, I would hope that, because of the matters that are being dealt with in the implementation of that agreement rather than its existence, the Opposition will continue with the co-operative and responsible approach that it has taken so far. I give credit to the honourable member for Ashfield and his colleagues in this regard that we continue on the path of reform in the virtually largely

unanimous position that we have followed so far. From time to time there will be matters of disagreement about which the Opposition feels a ritual need to take a position. There may be genuine matters of disagreement, but on the bulk of the package there has been agreement and I hope that will continue in the future. I commend the motion to the House.

**Mr WHELAN** (Ashfield) [1.30]: This select committee will serve an important function and I look forward to studying the bills in greater detail. The pro forma bills have been available for some considerable time. The Minister referred to the agreement, which is entitled a memorandum of understanding. Item E on page 3 of the memorandum provides that the honourable member for Tamworth is to be regarded as a member supporting the Government. So much for his independence, and so much for binding a person to an agreement to which he is not a signatory. We look forward to the proceedings of the select committee.

**Mr HATTON** (South Coast) [1.21]: I support the establishment of this joint select committee. It is in keeping with one of the tenets of the charter of reform that landmark legislation should be referred to an all-party committee for examination. I welcome the introduction of the four-year term legislation and the undertakings given in the Minister's second reading speech. The Government has made a statement of major commitment on this path of historic reform. One effect of the legislation, which the committee will examine, is that by its nature, as it has to deal

Page 4044

with situations that may cause a change of government without an election and with circumstances that may trigger an election prior to the completion of a four-year term, it must define and confine the powers of the Governor. New South Wales is governed largely by convention. For example, a Minister does not have to be a member of Parliament, the Premier does not have to be a member of the lower House, and the Governor may but is not required to consult with Parliament before granting a Premier an early election. Such matters are vital to the workings of democracy. These conventions have worked very well for more than 100 years, but what will happen if someone flouts them? A vital function of this legislation is to define at law many of the parliamentary practices that by convention we have come to accept. In large measure, the Australian Constitution more clearly defines the powers of the Governor-General. That aspect of the legislation is very important. In the past, many have espoused the importance of fixed terms of government, but until now no one has delivered. I welcome the legislation.

**Motion agreed to.**

### **Message**

Message sent to the Legislative Council advising it of the resolution and inviting it to agree to a similar resolution.

## **GOVERNMENT TELECOMMUNICATIONS BILL**

**Bill introduced and read a first time.**

### **Second Reading**

**Mrs COHEN** (Badgerys Creek), Chief Secretary and Minister for Administrative Services [1.35]: I move:

That this bill be now read a second time.

The Government in pursuing its management reform of the public sector has two principal telecommunications objectives. The first objective is to achieve major financial savings and improved service levels through the establishment of an integrated New South Wales Government private

telecommunications network to carry New South Wales public sector traffic. The second objective is to take advantage of the large investment by the Government in its telecommunications infrastructure and the new opportunities offered by the deregulation of the telecommunications market to achieve a financial return from the licensed telecommunication carriers, for use of government infrastructure and other telecommunications opportunities. Integration of the New South Wales Government private telecommunications network to carry public sector traffic has the potential to achieve major savings. By way of example, government agencies separately lease

Page 4045

from Telecom some 39 dedicated lines between Sydney and Wagga Wagga. An integrated network will allow the same telecommunications traffic to be carried on a small number of large capacity lines, with spare capacity to carry other services as well. On this case alone some \$120,000 per annum could be saved, and this would be repeated in varying degrees for every major country and regional centre in New South Wales. In relation to radio communications, there are more than 30 government radio networks. With integration, this could be reduced to four or five radio networks with major savings, including a substantial reduction in radio licence fees paid to the Commonwealth, which currently exceed \$3 million per annum. There would be substantial reductions also in the use of the radio spectrum, thereby yielding up this valuable community resource for commercial usage.

Economies of scale will be achieved also in the provision to the Government of a standardised range of receiver sets, thereby yielding further savings as old sets are progressively replaced. The new opportunities offered by the Commonwealth's deregulation policy are significant. In 1992 the Commonwealth Government will establish a licensed telecommunications duopoly with a merged Telecom and OTC, to be known as AOTC - Australian and Overseas Telecommunications Corporation - and a second carrier which will enter the market by acquiring Australia's satellite corporation, Aussat. These carriers, to operate effectively, could find it commercially attractive to gain access to Government assets, resources and facilities for such items as sites for radio aerials and payphones. In the new competitive carrier environment the Government has the opportunity, for the first time, of securing an adequate market base return from Telecom, or AOTC, and the second carrier for accessing the Government's resources. In the past, Telecom, as the monopoly, had no competition. Therefore, the Government received only minimal returns from Telecom for use of government resources.

Over many, many years - indeed, for more than two decades - the State Rail Authority, the Electricity Commission, Sydney Electricity and to a lesser extent other government agencies, have installed their own basic telecommunications infrastructure, such as optical fibre, coaxial cable, microwave and radio networks. These networks were required to operate, by telemetry telecommunications technologies, rail networks, and water and electricity reticulation systems in a way that could not be provided readily by what was then the Commonwealth Department of the Post-Master General or later by Telecom. Typically these telecommunications systems were also designed and installed to provide for internal traffic growth. Generally, agencies installed additional network capacity to meet their medium to long-term needs. This made good economic sense as most of the installation costs were in trenching and associated capital works rather than in the cost of the cable itself. Considerable excess capacity for future needs could thus be provided for an extremely low incremental marginal cost - usually of the order of 2 per cent to 5 per cent. By now using this available capacity and by integrating and upgrading these government networks to telecommunication carrier standards, it is possible to effect a quantum increase in available capacity which would support a large component of the Government's total telecommunications needs for the next 10 to 15 years.

Page 4046

In addition there is potential for the Government's telecommunications excess capacity to be used by the second carrier and for Telecom to carry its public telecommunications traffic. This opportunity could enable the Government to obtain a commercial return for use of its network resources. Thus, this has a twofold advantage. First, the New South Wales Government could receive a commercial return for asset utilisation and, second, the second carrier and Telecom could reduce their capital costs in providing network services in New South Wales. With respect to this point, the

commercialisation process will not generally involve the sale of any government resource. The Government's telecommunications infrastructure is a long-term and strategic resource which will be generally retained in government ownership. The commercial process will be by various charging mechanisms, including leasing and renting. As I have stated already, most of the opportunities for the public sector to achieve significant efficiencies through the better utilisation of telecommunications will, in part, be the result in 1992 of a new competitive environment which has come from the Commonwealth Government's decision to deregulate the telecommunications market and to introduce a competitor to a merged Telecom-Overseas Telecommunications Corporation. This Commonwealth process has recently resulted in a new Commonwealth Telecommunications Act being assented to in June this year.

The Commonwealth Telecommunications Act 1991 will facilitate a completely new telecommunications environment, which will allow the entry of a competitor to Telecom. Competition and a more vibrant, innovative market-place will present to the New South Wales Government new industry development and network management opportunities which were previously not available. Typical of these opportunities is the use of the Government's telecommunications networks by the new carrier or by Telecom as I have just described. To ensure the New South Wales Government maximises its commercialisation opportunities and to facilitate the use by the Government of its own telecommunications systems for the new government network, the Government is proposing this legislation. The Commonwealth Telecommunications Act prevents the States that had invested in telecommunications infrastructure from utilising that infrastructure for government purposes and permits only limited use by certain agencies. The effect of this will be that the States will be required to use the services of Telecom or the second carrier and pay commercial tariffs - even where the States had already invested in their own telecommunications infrastructure to serve their own particular needs and to avoid the high cost of commercial telecommunications services provided in a monopoly environment. In other words, if the Commonwealth legislation is not properly responded to it will severely limit the way in which the Government is able to use its own telecommunications systems in the future.

I would like to now address the next major objective of this bill, which is to enable the Government to integrate and use its various telecommunications networks infrastructure to carry government telecommunications traffic and thereby reduce existing costs. To facilitate this initiative, which from a technical and commercial viewpoint will not affect the public directly, apart from reducing costs, the legislation

Page 4047

I propose takes advantage of the provisions in the Commonwealth Telecommunications Act 1991. In essence, the Commonwealth legislation allows State government departments and authorities to use their own telecommunications facilities if they are on an area of land for which there is a single freehold or contiguous freehold title. It is important to note that interconnection between properties is reserved to the carriers. This means State government agencies would be able to use telecommunication facilities on their own land but any interconnection between properties of different agencies would be controlled by the carriers unless the State and Territory governments legislated otherwise.

This Government has obtained advice on legal, commercial and engineering strategies that could be employed to protect the interests of the Government and to enable it to operate its network within the legal intention of the new Commonwealth Telecommunications Act. The Government has adopted the recommendation of creating a statutory authority as agent for the State, the vesting of telecommunications infrastructure of specific New South Wales government agencies in the new authority and the creation of a land title which links and integrates the infrastructures of two or more agencies. The bill provides for the Minister, by written order, to vest in the new authority nominated telecommunications infrastructure of government agencies. The bill also provides for vesting in the authority an extremely narrow land corridor of 300 millimetres surrounding the optical fibre, coaxial cable and, as necessary, other network system equipment and facilities comprising the various government telecommunications infrastructures. In most cases this extremely narrow corridor will be on existing government land. In the event that private land is involved then appropriate

compensation will be arranged with that landowner in accordance with the provisions of existing legislation.

This means that the infrastructure of the government network will be contained within a single freehold title of land and will meet the requirements of the Commonwealth Telecommunications Act. The bill provides for the establishment of the New South Wales Telecommunications Authority as a statutory body representing the Crown. The bill will enable the cost-effective establishment of the Government's proposed integrated telephone, data and radio networks by the authority on behalf of the State. It gives the authority responsibility for the control, management and operation of the Government's basic telecommunications infrastructure. It also allows the authority to enter into contracts on behalf of the government sector with the licensed national carriers for the use of the Government's telecommunications assets, resources and facilities. It is important to note that the Commonwealth Telecommunications Act restricts to the two licensed carriers the ability to use basic telecommunications infrastructure. Therefore, the New South Wales Government can only allow the use of such infrastructure by the licensed carriers. There is provision for the authority to grant to those New South Wales government agencies, which now own land and infrastructure, responsibility and rights to operate and maintain their respective networks, as agents for the authority, under an agreed commercial contractual arrangement.

Page 4048

The bill confers on government agencies the right to receive an annual return from public sector traffic using their vested networks and also a financial return for any excess network capacity utilised by the licensed telecommunication carriers as part of a commercial contractual arrangement. The interests of infrastructure owner agencies will be protected by the establishment of a board of directors with directors being nominated by the Ministers who represent the major participating agencies. The authority, while having the responsibility for the control, management and operation of the Government's telecommunications network, will itself have minimal staffing. The facilities management of the operation of the Government's telecommunications network will be by the private sector consortium which wins the contract which is currently out to tender. As mentioned earlier, the authority will also contract with the infrastructure owner agencies for various tasks on its behalf.

In summary the objects of the bill are: to integrate the various telecommunications networks of government agencies and, for that purpose, to vest the telecommunications infrastructure and certain land occupied by the infrastructure of those networks in a statutory authority; to establish a New South Wales Government Telecommunications Authority to control and manage that integrated telecommunications network, as agent for the Government of the State; to enable the best commercial advantage to be obtained from any government telecommunications and associated asset, resource or facility which may be used by the licensed carriers. The enactment of this bill will enable the Government to operate its own telecommunications on its own network infrastructure. This will result in significant recurrent savings of up to \$20 million per annum. In addition, the bill will facilitate the carriers' use of other government assets, facilities and resources which could produce an additional commercial return to the Government of some \$20 million per annum. The proposed New South Wales government telecommunications network is another major new microeconomic reform initiative of the coalition Government. I commend the bill to the House.

**Debate adjourned on motion by Mr E. T. Page.**

## **POLICE SERVICE (INSPECTOR GENERAL) BILL**

**Bill received and read a first time.**

**SPECIAL ADJOURNMENT**

**Motion by Mr Moore agreed to:**

That this House at its rising this day do adjourn until Tuesday 12 November, 1991, at 2.15 p.m.

Page 4049

**BUSINESS OF THE HOUSE**

**Days and Hours of Sitting**

**Mr MOORE** (Gordon), Minister for the Environment [1.50]: I move:

That, unless otherwise ordered -

- (1) This House shall meet for the despatch of business as follows:

Tuesday, 12 November at 2.15 pm;

Wednesday, 13 November at 2.15 pm;

Thursday, 14 November at 9.30 am;

Friday, 15 November at 9.30 am;

Monday, 2 December at 2.15 pm;

Tuesday, 3 December at 2.15 pm;

Wednesday, 4 December at 9.30 am;

Thursday, 5 December at 9.30 am;

Monday, 9 December at 2.15 pm;

Tuesday, 10 December at 2.15 pm; and

Wednesday, 11 December at 9.30 am.

- (2) General business shall have precedence of Government Business on the last sitting day of each of the abovementioned sitting weeks.

I have received a letter from the honourable member for Ashfield agreeing to the terms of the motion. The timing for bringing it on has been discussed with the honourable member for Broken Hill. This motion simply sets the hours and the sitting patterns for the remainder of the session to enable members of organised political parties to have access to the normal times for their Cabinet, caucus, shadow cabinet, committee meetings and matters of that nature. The motion is routine in nature. I place on record that Friday, 15th November, Thursday, 5th December and Wednesday, 11th December will be private members' days. If the new sessional orders are adopted on Tuesday, 12th November or Wednesday, 13th November, subsequent to that we will need to move a further amendment in respect of the starting times on those days to have the House sit on those private members' days at 9.00 a.m. rather than the 9.30 a.m. provided for in this motion to conform with what I anticipate will be the new

sessional orders. I have not incorporated those times in this motion because I do not want to anticipate the will of the House.

**Motion agreed to.**

Page 4050

## **APPROPRIATION BILL**

### **BUSINESS FRANCHISE LICENCES (PETROLEUM PRODUCTS) AMENDMENT BILL**

### **MOTOR VEHICLES TAXATION (AMENDMENT) BILL**

### **PUBLIC FINANCE AND AUDIT (NET APPROPRIATIONS) AMENDMENT BILL**

### **ROAD IMPROVEMENT (SPECIAL FUNDING) AMENDMENT BILL**

**In Committee**

**Consideration resumed from an earlier hour.**

#### **Estimates Committee No. 2 Report**

**Mr CHAPPELL** (Northern Tablelands) [1.53]: I appreciated the opportunity of chairing the Estimates Committee No. 2. I compliment the four Ministers who came under review by this committee. They and their staff were well prepared and able to present well substantiated argument in support of and in defence of the estimates for which each of them was responsible. As a first time exercise in the review of the estimates, the committee system provided some interesting insights into the State Budget and the operations of this House. The questioning was more wide-ranging than occurred previously in the Committee of the Whole House. Each of the committees was attended by as many members as often were in attendance in this Chamber when the Estimates were being dealt with by the Committee of the Whole. I expected the questioning at the estimates committee hearings to be substantially more rigorous than occurred previously, given the attendance of so many senior staff upon each Minister. An expectation was held, in particular in the hearts of senior staff members, that the searching and rigorous questioning that takes place at the hearings of the estimates committees of the Australian Senate may have provided the benchmark for the standard of questioning in our estimates committee. That was not to be the case. Perhaps the less rigorous questioning before our committee arose because senior staff could not be directly questioned, whereas they can be in the Australian Senate estimates committees. They feel that they are under direct and rigorous scrutiny by the Federal Parliament, and to that extent they take the situation very seriously. Many have been known to suffer seriously from the extensive questioning.

In our committee system the Minister was directly questioned. In many instances the Minister was supported in his answers by his staff members but they

Page 4051

were not to be directly questioned, which is probably why the questioning was less rigorous than expected. I am sure Ministers and their staffs, appreciated the opportunity, in a different forum from previous years, to support and defend the individual items in their respective sections of this year's State Budget. I congratulate all honourable members who took the opportunity to fully participated in the estimates committee and did so in a genuine and constructive manner. On visiting several other estimates committees I was disappointed that some Independent members were not in attendance. I hope they all participate constructively in next year's estimates committees. I hasten to say that many

members were committed to other activities during those committee hearings, and that may explain some of the absences. I welcome the opportunity to participate in discussions with chairmen of other estimates committees on the process we have been through this year in an endeavour to improve the estimates committee process and thereby the work of the Parliament. In particular I wish to thank the Clerks who served the committee during what was an experimental session. As with members, they had to find their way, even up to this process today. I commend the State Budget and the estimates as debated by Estimates Committee No. 2.

**Mr ROGAN** (East Hills) [1.57]: Though I was not a member of the estimates committee on natural resources and environment, nevertheless I was in attendance when various questions were asked of the Minister. To the best of his ability, with the assistance of his staff, the Minister endeavoured to answer most of the questions, with one or two exceptions where an unsatisfactory reply was made. Further questions have now been put on notice. I take up a point referred to in the estimates committee but not satisfactorily answered. I refer to the proposal to regionalise the operations of the Department of Mineral Resources. As I said in the budget debate the Opposition and the department's staff are not opposed to regionalisation where it can be shown to be necessary and of benefit to those who use the services of that department. I refer to a report entitled the Sequeira report, upon which I understand this regionalisation proposal is based. This report surveyed only mineral industry clients and omitted many Sydney-based clients and stakeholders who collectively account for about 50 per cent of the business of the Department of Mineral Resources. For example, other government authorities, local government bodies, the extractive industry, consultants and planners involved in the mineral industry were not surveyed. Despite these omissions the Sequeira report showed that approximately 80 per cent of the clients surveyed favoured a Sydney location for the department. It is reasonable to assume, therefore, that if the omitted clients are included, the overwhelming majority of the department's clients would favour Sydney.

The figures suggest that the Minister should present to the Parliament reasons to substantiate his decision to regionalise the department. Clients of the department should be paramount in any consideration in that regard. I advise the House that 75 per cent of dealings with clients who seek land use advice from the department are conducted in the Sydney region. With regard to mining exploration and title applications for the 1990-91 year, 82.5 per cent of applications were lodged in the Sydney office. Of the companies holding exploration titles in New South Wales 79

Page 4052

per cent were located in Sydney; 21 per cent were located either interstate, in the Australian Capital Territory, or rural New South Wales. As I recall, the Minister said that of the order of 60 per cent of the department's staff will be relocated in country regions. Staff are fearful that this could be a repeat of the Department of Fisheries fiasco. They are concerned that the Government might change its mind and bring them back to Sydney after they have made the decision to sell their homes and take their wives and children away from schools and employment to live in the country. The Government must give an assurance that if regionalisation proceeds, the lives of staff will not be disrupted.

**The TEMPORARY CHAIRMAN (Mr Tink):** Order! The honourable member has exhausted his time for speaking.

**Mr MARTIN** (Port Stephens) [2.2]: The matters raised in the estimates committee hearings were extensive. Unfortunately, some Ministers took up the majority of the time reading their answers. Fortunately, however, the member asking questions of the Minister at the committee hearing did not read half the Minister's answer, as well as tell the Minister where to look in the Budget Papers, as happened at another committee hearing. I have placed a number of questions on notice with regard to natural resources and I hope they will be answered this session. I wish to refer first to the fiasco of the transfer of the officers of the Department of Agriculture from Sydney to Orange. I seek information about how much rent is being paid for the accommodation at Orange and how much was paid in fitting-out costs. Is the figure about \$275 a square metre? My sources have told me that that is the case. If that is so, the Minister has not been truthful. Only \$279 a square metre was paid for the accommodation at the McKell Building. Having regard to staff resignations the costs have been horrific. Some officers were not willing to move and, therefore, to break up their family life. The move has been

an economic disaster. The Government should be more open and honest about this matter. What was the total cost of transferring the fisheries organisation to and from Orange? I am told that the division has a new emblem - a football. No doubt that is how many of its officers feel. This Government has been responsible for significant waste. Funds should and could have been put to better use.

I shall now refer to conservation and land management. I draw the attention of honourable members to item 46.1.1 in the Budget Papers, which relates to minor capital works for the Forestry Commission amounting to \$47 million. I realise that many items are on-budget and some are off-budget, but the savings from the proposed redundancy packages and the abolition of 125 positions at forestry headquarters and a further 175 positions throughout the commission are not clearly defined. The Minister seems panic-stricken every time the matter of tick control is raised in this House. There is a significant anomaly in that regard. The Budget Papers reveal that 80 fewer employees will be involved in tick control. It is obvious that either someone has fudged the budget figures or the Minister has misled the Parliament and the electorate. I am going to give the Minister an opportunity to come clean. I believe the budget figures have been fudged, and that should be made clear to the

Page 4053

people of New South Wales. The Minister for Agriculture and Rural Affairs is only good for playing marbles. Other matters should be addressed also.

**The TEMPORARY CHAIRMAN (Mr Tink):** Order! The honourable member has exhausted his time for speaking.

**Mr BLACKMORE** (Maitland) [2.7]: I congratulate the members of the estimates committees and the relevant Ministers. As a new member of this House it has been enlightening to have the opportunity to sit with and ask questions of four Ministers. I did not believe, in the short time I have been a member of Parliament, that I would have the opportunity to get a Minister's ear for almost one and a half hours. With regard to the environment I am concerned particularly about Aboriginal employment and the protection of Aboriginal sites. Those matters are important to many people in the community. To me a most interesting topic is natural resources. Frequently, the electorate of Maitland experiences problems with flooding. The cost of maintaining inland levees is astronomical. The Budget will protect those who earn their livelihoods from that valuable resource, the land. Last night the shadow minister for agriculture asked what the Government has done for agriculture. I remind him of the drought assistance package. The poultry producers in my electorate raise more revenue for the Hunter Valley than do beef producers in the region. They are being threatened that the Federal Government may seek to import from Malaysia and Singapore chicken meat at a landed price of \$3 a kilo.

Honourable members will be aware that Maitland has a large rural population with many needs and the people must be protected. I found the proceedings of the estimates committee to be especially enlightening. Members were able to ask questions and be given honest answers. I congratulate the Ministers and their staffs for making themselves available to provide information in answer to questions. I believe some questions were deliberately intended to trip the Ministers and put them on notice. I congratulate the Government on introducing the committee system and look forward to its continuance in the life of this Parliament.

**Mr ZIOLKOWSKI** (Parramatta) [2.11]: I raise concerns about the inadequate funding for flood mitigation works, and more particularly the Government's failure to honour its commitment to match Federal funds provided for that work. Residents of Parramatta and the west for some time have had increasing suspicion that funds that should have been allocated to western Sydney have been hijacked by the coalition parties and used to pork-barrel the constituencies that support their reactionary programs. I have spoken already about hospital closures and reduced funding for local roads. I now draw attention to the appalling lack of funds allocated in the Budget to address the problems associated with the widespread flooding that occurs in western Sydney. This is a further example of the Liberal Party-National Party contempt for the people of western Sydney. The Budget Estimates provide for no significant increase in funding for flood mitigation works in the State despite the fact that because of

urban development and increased run-off the threat of flooding in much of western Sydney has increased significantly in recent

Page 4054

years. Something like 11 deaths have occurred in western Sydney since 1976; three major floods have happened since 1986; and 18.5 hectares of the Parramatta central business district are under threat. Despite all of those matters the Government has failed to provide significant funds for the long overdue flood mitigation program needed for the area.

The Budget Estimates reveal the Government's contempt for the residents of western Sydney and another broken promise to add to the shameful record of this deceitful coalition. Last year members of this Government went about the west, as they did prior to the recent elections, pledging a new commitment to address the flood problems of western Sydney. In what appears now, in the light of the Budget figures, to have been a baldfaced lie or a convenient election promise to be discarded at a later date, the Government pledged itself to match any additional Federal funding. I can inform honourable members that the Federal Government came good. It has offered in its recent budget \$1 million in addition to funds that it had committed already for flood works in the region. The Federal Government has demonstrated Labor's commitment to western Sydney, while the New South Wales Government, which has priorities elsewhere, has refused to attempt to match that commitment.

In another about-face the Government has refused to honour its commitment to the people of my electorate and the west. Recently with a delegation led by the Lord Mayor of Parramatta I met with the Minister. We attempted to bring the Government to honour its commitment or its word. Unfortunately the Minister, unmoved by the plight of the people of the Parramatta electorate and the Parramatta council area, indicated that the priority for additional funding in the Budget Estimates under his administration was towards solving the salination problems of southwestern New South Wales. The difficulties associated with flooding in western Sydney are probably at their worst in the Parramatta electorate. Major floods in August 1986, April 1988 and August 1990 caused significant disruption and heartache to the residents of Parramatta and Toongabbie. The economic and social costs of that dislocation, not to mention the loss of life, demand that the Budget Estimates be reviewed so that additional resources can be allocated to address this problem.

In the most recent floods a further threat was revealed - not just to residential property but to the growing central business district of Parramatta. It is estimated that in a one in 100 years flood at least 18.5 hectares of the Parramatta central business district would be inundated. It is interesting to note that under extreme pressure during the election campaign the Premier unexpectedly arrived to put a permanent preservation order on the historic and beautiful Lennox Bridge, which unfortunately contributes to the flood problem in the area. However, the Premier's interest in the problems of Parramatta seems to have ended on the evening of 25th May. In these estimates the Government has failed to provide the necessary funds to test models needed to identify workable solutions to the problems in the central business district, let alone to address the problem itself. The difficulties in Parramatta have a detrimental effect not only on the community but, because of the area's role in the State economy, on the whole State. If the central business district

Page 4055

of Sydney were under similar threat, immediate remedial action would be taken. It is time the Government -

**The TEMPORARY CHAIRMAN (Mr Tink):** Order! The honourable member has exhausted his time for speaking.

**Report adopted.**

**Estimates Committee No. 3 Report**

**Mr BECKROGE** (Broken Hill) [2.16]: I regret that during the weeks in which the estimates committees have met in the evenings I have been confined to the Chamber in the exercise of my duties as Opposition Whip. I have not had the opportunity to attend the hearings of the committees, though I understand they have drawn criticism from some areas. I am not able to speak about the process with firsthand knowledge. Nevertheless, I should address a few remarks to the Budget Estimates related to transport. In the electorate of Broken Hill transport is of great concern because of the lack of trains. Last Saturday an excellent seminar was held in Broken Hill. It was opened by the South Australian Premier, Mr John Bannon, who emphasised the need to have co-operation between New South Wales, South Australia and the Commonwealth on the provision of a train service for the western areas between Orange and Broken Hill and between Broken Hill and Adelaide. I hope that the Government will in the future find some way of providing funding for a train similar to the Explorer trains on the North Coast.

**Mr LANGTON** (Kogarah) [2.18]: The procedure of estimates committees has been worth while. Last night during the estimates committee hearings related to the Roads and Traffic Authority I mentioned to the Deputy Premier, Minister for Public Works and Minister for Roads that it seemed to me that the Estimates and Budget Papers had been designed to deliberately conceal what was really happening, to make sure that different figures appeared on various pages. Last night the Minister spoke about a \$1.69 billion road program but in answer to a question asked by a member of his own party he admitted that it was a \$1.3 billion road program. The process was able to show in some detail that the Government has no vision for improving public transport in this State. It has no program to improve public transport as a means of protecting the environment or to improve transport in the city - or anywhere in the State for that matter - so that it co-ordinates with a land use program. The hearings of the committee indicated that the Government had gone back on a commitment to upgrade double-deck rolling-stock for the suburban network, the funding for which has been reduced from \$103 million in 1990-91 to \$32 million in the current financial year. They showed that there had been gross mismanagement of the line managers system in CityRail. The figures went down from about \$1.7 billion to \$1.3 billion. We knew all along that seven was wrong. What a waste of taxpayers' money this has been.

Page 4056

There has been a huge rundown in the much vaunted resignalling project of CityRail. Though \$450 million was to be spent, in fact a total of \$16 million has been spent to date and the program has been put back from 1994 to 1997. Only \$1.6 million has been allocated for new double-deck inter-city stock. That simply is not good enough. We are talking about providing public transport as a means of co-ordinating land use and protecting and improving the environment, but basically providing for people to get to and from work, university, school or whatever it might be. At the same time, the Deputy Premier seems to have unlimited funds to allocate to construction of roads without any consideration of alternatives to building those roads. It seems to be the thinking of those on the Government side that as long as the road budget is huge it is automatically good. At the same time, we see important road works being put back. For example, in my electorate of Kogarah, the upgrading of King George's Road, a multimillion dollar project, has \$150,000 allocated to it. All we would get for \$150,000 would be two blokes with a pick and shovel. The money is going to projects out in the bush which suit the Premier, projects which quite clearly should not have anywhere near the high priority of some of the other projects. Broken Hill did very poorly.

Quite clearly, the Government has no vision for public transport; it has tunnel vision. As long as roads have a big dollar value, everything will be fine. The people in New South Wales will judge that vision. This Government is not worthy of representing the people it was elected to represent because it does not have a vision for a better Sydney and a better New South Wales. It does not provide the basic services that are required. It does not enable people to get to their places of employment and education, to get to the shops to do those basic things which people need to do: it does not provide the things that the people elected the Government to provide. These Budget Papers show quite clearly that the Government is lacking in its provision of services.

**Mr GLACHAN** (Albury) [2.23]: I make some comments on Estimates Committee No. 3, which dealt with transport and in which I was involved. I congratulate the chairman on the fine way in which he handled the committee, and all those who took part. It was a worthwhile exercise in many ways. The questions asked in the transport area were wide-ranging, dealing with the JetCat ferries, the employment of apprentices by State Rail and the replacement of locomotives by Freight Rail. Until recent times, most people in the State wrote transport off as a bad job. We had archaic equipment; work practices from the last century in some areas; huge losses being propped up by the taxpayer; and people were generally dissatisfied. All that has changed now. Some of the questions answered by the Minister for Transport demonstrated how dramatic those changes have been. In the last three years there has been a \$392 million saving by the State Transit Authority. That is a matter that we can be very pleased about. There have been remarkable changes in the way the State Rail Authority has been managed and run. Fifteen levels of management have been reduced to six and the activities of State Rail are now on a very business-like footing. Many traditional rail activities have been put out to competitive tender, for example, printing and legal services. Retailing at some

Page 4057

stations was carried out by State Rail. We must ask the question: why would State Rail want to run retail activities? The philosophy now is that rail should do what it does best. There is a \$2.6 billion program of infrastructure renewal. That includes the reorganisation of the Enfield yards, which will be of major benefit to this State. It will make Rail Freight one of the most modern organisations in the world.

Questioning revealed that Government contributions to the State Transit Authority have been reduced from \$204 million in 1987-88 to \$161 million in 1990-91. That simply means that taxpayers are now paying 33 per cent less to support State Transit than they were three years ago. Management has been overhauled. Unproductive workshops have been closed. A further \$52 million in savings has been targeted for the next five years. Capital works and debt redemption are now funded from internal sources. Since 1988 returns to State Transit from fares collected have increased by 40 per cent. Productivity is up in all areas, particularly in maintenance. In some sections it is up by 73 per cent. That is an excellent result. The operating loss of \$149 million in 1987-88 compares to a break-even situation now. Over three years the operating costs of the Maritime Services Board have come down by 25 per cent; debt by 45 per cent, or \$220 million; and overseas borrowings have gone from \$163 million to \$18 million. Time lost through industrial disputes is down and sales of excess property have realised an amount of \$108 million. There has been a 20 per cent increase in the dividend to the Government. For the Maritime Services Board, there is a new record of \$30 million. These remarkable changes have turned around transport in a quite outstanding way. I take this opportunity to congratulate all those executives in the transport area and the people who work in the transport system of New South Wales for the wonderful success that they have enjoyed. Particularly, I congratulate the Minister, who has shown what a great manager he is.

**Mr TURNER** (Myall Lakes) [2.28]: I had the privilege of chairing Estimates Committee No. 3, which was on economic planning, development and infrastructure. It crossed a broad range of portfolios and probably had one of the largest budgetary allocations, covering public works, roads, State development, tourism, planning and energy, transport, local government and co-operatives, industrial relations and employment. From the outset, I thank the clerks who assisted me in that task, the recorder and the committee, including the Ministers and their officers who appeared. I have some reservations about the committee system, which I believe needs some fine-tuning, but that should be debated at another time. Although all parties and all members of this Parliament were represented on the committee, in some instances there was little representation by some of the minor groups in the three hearings the committee held. I am concerned about costs involved in the preparation by Ministers and staff of matters considered by the estimates committee. That is an issue we must examine in an effort to reduce costs. I wish to highlight one other issue. Last night the Deputy Premier, in his answers to one of the estimates committee members, stated that all members should take lessons in reading the Budget Papers. As the Budget is important for the parliamentary process, all the members should be fully conversant with the Budget Papers. I pay tribute to the Ministers who appeared

Page 4058

before the committee. This Government is being well run for the people of New South Wales.

### **Report adopted.**

#### **Estimates Committee No. 4 Report**

**Mr BECKROGE** (Broken Hill) [2.32]: I wish to raise a matter of concern to my electorate relating to the provision of justice. I understand that the District Court in its civil jurisdiction no longer sits in Nyngan and that causes great concern to the people of Nyngan. I hope that future estimates committees will acknowledge the need for the provision of these services to my electorate.

**Mr TINK** (Eastwood) [2.33]: As Chairman of Estimates Committee No. 4, I thank the parliamentary staff who were involved in serving the committee. I thank the Ministers and staff who attended hearings on three occasions. In particular it is appropriate to mention that the Director-General of the Department of Corrective Services, Mr Graham, who was present at the first hearing, is celebrating 50 years in the public service of New South Wales. I gather that is something of a record. It is my observation that all three Ministers who appeared before the committee were well briefed. In most cases questions could be answered substantially and fully but in other cases matters were more appropriately taken on notice. A couple of procedural matters arose in the course of the hearings that I believe deserve brief mention. Perhaps the rules need to be clarified as different precedents were set by different committee chairmen. The first matter relates to the manner in which questions were asked. There appear to be two views on this, one being that one question only can be asked and the other that a question containing several parts may be asked. My view is that there is room for a question to be asked that contains several parts so that, technically speaking, there is more than one question within a question. The issue then is whether matters raised are subsidiary to the principal issue or whether it is a fishing expedition involving a number of matters within one question. It seems to me that the former type of question is one that, in the appropriate circumstances, is proper; the latter definitely is not.

I believe that the time limit on answers relates to what is or is not a proper question. The estimates committee process is based on an answer being provided orally. To my mind the question must be of such a nature that it is capable of being answered substantially within the five-minute period. If the question contains a string of requests for extremely detailed information that plainly cannot be provided within the five minute limit but more appropriately should be placed on notice, that is precisely what should happen with it. Notwithstanding that, there is room for asking questions in estimates committees just as there is room for asking questions without notice in the House. Though questions which are answered orally by the Minister or his staff are recorded, they are not transcribed and no formal record continues. The tapes are there for the purpose of checking. However, if a matter is taken on notice a formal record is made of it and it is duly printed. It seems to me anomalous

Page 4059

that matters taken on notice are recorded and matters not taken on notice are not recorded. It is my view that perhaps the size of the committees could be reduced slightly so that a couple of questioners have a better chance to develop issues. I ask that all those matters be taken into account.

**Mr ANDERSON** (Liverpool) [2.38]: I endorse most of what has been said by the honourable member for Eastwood. I believe there should be some changes to committee procedures. I compliment the honourable member on his endeavours to satisfy the needs and desires of all committee members. In particular I wish to thank the Minister for Justice, who is in the Chamber, and also the Attorney General, who is at the table, for the way in which they responded, following the rulings by the chairman on the first evening, that the question had to relate to one topic albeit it may contain a number of facets relevant to that topic. Everything went along swimmingly and a number of questions were answered. One had to accept that no Minister or no bureaucrat would be in a position to answer all the questions. Those questions that could not be answered were placed on notice to be answered in

due course. It was an entirely different situation on the second night when the Minister for Police and Emergency Services took a completely different attitude. That was the cause of some difficulty in the committee. I regret that took place because I did not believe that multiple faceted questions on one issue were unreasonable; nor do I think, bearing in mind the practices of estimates committees in the Commonwealth Parliament, that it is unreasonable to allow those questions. One must remember that under the new standing orders we are entitled to ask only four questions on notice as a member each week. Even if the new order is adopted there will be only five non-government questions without notice permitted each day under these procedures.

No opportunity was available to obtain the information that was wanted. I mentioned earlier that questions were on the notice paper for answer by two Ministers. The real problem was that the Minister for Police and Emergency Services said that he was not going to answer the questions. He was not prepared to answer them even when we were able to establish clearly from the Budget Papers that there was a significant difference between last year's figures and this year's figures for staffing at the Police Academy. The Minister could not and would provide all the details concerning the Government's statement about honouring its promise to provide 1,600 extra police. That claim was demonstrably untrue, but we could not put it to the test. All we received was five minutes of a rambling answer which was full of rhetoric but the Minister never addressed the specifics of the basic question put to him concerning the four categories. If estimates committees are to be meaningful we need to get meaningful answers from Ministers.

I believe that anyone who attended the estimates committee on the second night would have had a different view about the effectiveness of the estimates committee process. Questions put to the Minister for Justice and the Attorney General were complex and difficult. No one expected the Ministers or their officers to have answers at their fingertips. They answered what they could and undertook to provide answers to other questions. If Ministers with complex portfolios are able

Page 4060

to answer questions I believe we should receive also answers from the Minister for Police and Emergency Services. I am disappointed at his reaction. I am not being critical of what happened but I understand adverse comments were received from a number of officers who were present at the estimates committee hearings. Ministers had five minutes within which to answer questions. Members had one minute within which to ask questions. Unless questions were multifaceted it would have been strange for a member to have taken a minute to ask a question. The estimates committee hearing on the second night was somewhat different. Government members had prepared questions - a matter I do not argue with - but to take six minutes to ask those sorts of questions wastes the time of government members and non-government members.

Members need to be able to ask simple questions, and, depending on the answer, they should be able to ask additional questions - not different questions on a different issue. If that procedure were followed we would probably end up with a pretty interesting exercise. I notice that the honourable member for Monaro is in the Chamber. During estimate committee hearings I asked what I thought was a reasonable question of policy about the Budget. I asked why F150 police trucks were being replaced by other trucks and whether the Government proposed to change police cars from V6s to V4s. The Minister, in his response, referred to V8s. Later I was grateful for the assistance of the honourable member for Monaro. When I said that the Minister had referred to a V8 the honourable member for Monaro said that it was something smaller than an F111. I did not know that the New South Wales Police Service was getting fighter planes, but the airwing certainly needs upgrading.

Apart from that I thought the estimates committee process was a good initial exercise. I understand how politics operate, but I hope all the matters I have raised are addressed. In that way this will be a meaningful exercise for Government and non-government members. This is not an unnecessary or intolerable burden on Ministers and their departments. If we are to have estimates committees let us make them work. I am sure this can be done in an informal way by agreement between members on all sides of the House. I criticised the Minister for Police and Emergency Services because I believe that criticism was warranted under the circumstances. I compliment the

other two Ministers who appeared before the committee for trying to make the system work. It is a pity that I cannot compliment all three Ministers.

**Mr GRAHAM** (The Entrance) [2.43]: I agree wholeheartedly with the sentiments expressed by the honourable member for Liverpool about the Attorney General and the Minister for Justice.

**Mr Doyle:** What about Ted?

**Mr GRAHAM:** I am just getting to that. I attended the estimates committee hearing for the full three hours. The honourable member for Liverpool was not there

Page 4061

the whole time. I believe that the Minister for Police and Emergency Services took on notice the questions asked by the honourable member for Liverpool.

**Mr Anderson:** He refused to take some.

**Mr GRAHAM:** I know that at one stage the honourable member for Gosford took objection to one of the questions that was asked but the Minister still said that he would seek information and answer the question. Perhaps the honourable member for Liverpool attended a different estimates committee meeting. I thought the Minister dealt with the questions asked as well as he could. If there were some questions that he did not answer I am sure that was because of some anomaly that could be looked into. The Minister for Police and Emergency Services referred to the Ombudsman and the problems being experienced by police officers who are called before the Ombudsman. I wish to go on record as agreeing wholeheartedly with the Minister. It would be good for honourable members to take that on board. I have many friends in the police force who tell me of the problems and pressures being experienced by police officers when trivial matters are brought before the Ombudsman.

I am sure all honourable members have heard of stories where highway patrol officers pulled up motorists who later complained to the Ombudsman because the officer did not take off his sunglasses or did not address them correctly. Those complaints go before the Ombudsman. Trivial complaints are not only a waste of time for the Ombudsman but also stressful for police officers who have to wait many months, sometimes years, before those cases are concluded by the Ombudsman. I believe also that the internal affairs problem should be addressed in the future. I look forward, in the not too distant future, to the Minister for Police addressing these problems. I enjoyed attending the estimates committee hearings; I thought they were very fruitful. The honourable member for Liverpool suggested that Government members did not ask their own questions, but I assure him that we did. I am sure that the honourable member for Peats would agree that some questions were very parochial: he asked one. Estimates committees are a great innovation. I hope they continue for a long time. As we hone them down in future years I am sure they will be a great asset to this Government and this Parliament.

**Mr DOYLE** (Peats) [2.48]: I listened with interest to the comments made by the honourable member for Eastwood, the Chairman of Estimates Committee No. 4. He summed up the situation very well. Most of the points he made in relation to the conduct of that committee were valid. Some of his suggestions were constructive. I believe I can speak for Government and Opposition members and for Independent members alike when I say that we all entered into the debate in a spirit of co-operation, hoping that the Government was genuine in its stated intention that these committees were to be an effective means of examining and clarifying the Estimates. It is the Minister responding to inquiries who determines whether a committee will work. I am afraid that I cannot be quite as charitable as my colleague the honourable member for Liverpool. For hours we questioned the Minister for Justice and the

Page 4062

Attorney General. Just this week we questioned for three hours the Minister for Police and Emergency Services from the other place. The matter of Ministers choosing to answer questions is very different

from their ability to answer questions. I believe that the Attorney General and the Minister for Police and Emergency Services demonstrated a reluctance to answer some questions. However, at least they demonstrated that they had a broad knowledge of their portfolios.

A major problem with committee No. 4 was that the Minister for Justice could not answer one question off the cuff. Despite the fact that he had a cast of thousands - all his ministerial advisers - even after referring questions to the advisers concerned he could not give one answer. We heard the old catch cry, "Give us 48 hours and we will be able to cobble together a reasonable answer for you". I make the general observation - I do not refer specifically to anyone - that if a committee is stuck with a lame duck Minister it is extremely difficult for that committee to work. Under those circumstances its effectiveness is considerably limited. I observe also that, at these committees, the old Dorothy Dixier was raised to a new art form. Government members asked prepared questions and read those questions, although desperately pretending they were not. The Minister then took five minutes to read a prepared answer.

In the limited time available to me I should like to follow up a matter raised in the committee, and which has since been the cause of some discomfiture for the Minister. I refer to periodic detention centres, which are detailed at page 348 of Budget Paper No. 3. Despite this being one of the major shortcomings in the Corrective Services portfolio, and I am sure the Minister would concede it is one of the major problems in that portfolio, the Minister was unable to answer the basic question of how many periodic detainees fail to turn up on any given weekend. It has been established that that figure is about 40 per cent. However, the question was bowled off to the advisers and an answer was promised with 48 hours. Subsequently that poor attendance rate was confirmed. At 13th October the percentage that failed to attend for various reasons, absence without leave, section 25 pending, sick without medical certificate and so on, was 59.8 per cent - that is, more than 40 per cent.

It has been clearly shown that the periodic detention system is an absolute shambles. The Minister should know from a range of reports from periodic detention centres prepared last year that the problems include: no set procedure for the breach of inmates who fail to attend; a near total lack of administrative procedure for periodic detention centres; no set procedures for calculating prisoner release dates; equipment worth thousands of dollars is missing; the failure of centres to record non-attendance. I ask the Minister, under those circumstances, how he will fix the problems. We have been promised that for the first time periodic detention centres will be assessed for suitability for weekend detention. How will the Minister do that when in real terms there has been a budget cut for periodic detention centres staff? It simply cannot be done. The Minister goes into the bunker and does not even talk to the media. If he is at all capable, we should very much like to be enlightened by him as to what he intends to do.

Page 4063

**Mr SCHULTZ** (Burrinjuck) [2.53]: The apparent general consensus of members who have spoken today is that the establishment of the estimates committees was basically a positive exercise. I take exception to, but can understand why, members of the Opposition wanting to once again politicise what was an exercise in good faith. To be quite frank, what I have heard from two members of the Opposition today was nothing short of scandalous. They put forward half truths about the performance of a number of members and particularly of Ministers on the committees. The Minister for Justice and the Minister for Police and Emergency Services answered the questions they were asked. The Attorney General was put into the category, in the first committee meeting I attended, as one of two Ministers who provided answers and input to the committee in a professional manner. I noted the point made with regard to the second night when the Minister for Police and Emergency Services was accused of not answering questions. I refute that totally. It is scurrilous of members to make that statement, for whatever reason. The Ministers, particularly the Minister for Justice, answered many questions and I appreciated the frank way in which they were answered in depth.

Many of my parliamentary colleagues on both sides of the House would agree that it was disappointing that the Independents did not participate more in the estimates committees. On the

first night I attended, an Independent was not present. One must remember that the estimates committees were the so-called brain child of the Independents. One wonders at their priorities. They requested the Government to establish the committees, but then did not fully participate. That is just not good enough. In any event, I question whether the level of debate would have been better if they had participated. Some of the questions asked by members of the Opposition involved an additional series of questions. I can understand the need to obtain an in-depth reply, and I give the Minister for Justice and the Attorney General credit for supplying detailed answers within 48 hours, thereby fulfilling their obligation to the committees. That is an indication of the spirit in which the estimates committees operated.

Understandably the estimates committees had a few bugs that need to be ironed out. As a member of the Government I am disappointed with the way in which some members of the House have for political gain sought to criticise the committees. I deplore that. The committees were established in an atmosphere of providing an opportunity for members to ask the types of in-depth questions that they do not have the opportunity to ask in other debate. Again I compliment the Ministers for the professional way in which they answered questions. I asked a question about the increase in the prison population and the additional cost to the Government as a result of the introduction of its truth in sentencing policy. I received a detailed response that included figures that quite obviously had been validated and are correct. I thank the Minister for Justice for providing me with those answers. I have no doubt that the estimates committees will continue and that they will be conducted more professionally as some of the minor bugs are ironed out. I hope that when they next sit, the Independents, who did not have the decency to attend all committees, will participate in matters they say they are interested in.

Page 4064

**Mr WHELAN** (Ashfield) [2.58]: I listened with great interest to various speakers state their point of view of how and in what respect the estimates committees were successful or otherwise. The House must realise that the committees are on trial. From my point of view they were somewhat boring, particularly when public servants read dorothy dix answers. If written submissions were tabled and incorporated, the committees' time would not be wasted. Another matter that should be considered is the order and timing of questions. Members of the Government are entitled to ask the first questions, but it would be better if the Government were to ask two questions and then the Opposition were to ask two questions, and so on. At the first committee, which the Minister for Justice attended, the Opposition was not afforded the opportunity to ask a question until 40 minutes of the allotted 60 minutes had elapsed. The system will break down if there is not an equal opportunity for both sides to ask questions.

The purpose of the estimates committees was to provide an opportunity for critical analysis of ministerial portfolios. I asked a series of questions relating to the Victims Compensation Tribunal. I was promised an answer and subsequently I received a waffling answer about how well the tribunal is performing. No one really believes that the Victims Compensation Tribunal is well organised. It has been an administrative nightmare under successive governments. My answer stated that there had been a substantial improvement in the time that the tribunal took to deal with matters. That is just arrant nonsense. Last week I received a copy of a recent memorandum from the registrar of the tribunal. It stated that the tribunal regretted the delay in processing applications, which was due to staff shortage and illness. It said also that staff have had to work on weekends to process applications. Why have funds not been made available to enable these applications to be processed? The tribunal deals with victims of crime, the majority of whom are members of the weaker sex. In many instances they have been waiting up to two years to obtain justifiable compensation. The answer I received was not appropriate, which is one matter that we should analyse critically - and if we want to make politics of it, we will.

I wish to ask the Minister for Justice about the closure of courts at Campsie, Burwood, Lidcombe, and Minda. The Minister says the court is re-opening at Burwood, but I wish to know the budgetary allocation relating to the protection of children. Perhaps no one has told the Minister that Campsie court deals with 150 offences per annum committed by prostitutes who work along Canterbury

Road. I do not believe that the new courts at Burwood should be utilised for prosecuting prostitutes - the same courts in which young offenders, many appearing for the first time, will appear. The Minister was informed of that situation and expressed his disgust at the prospect of that occurring. He has ordered that the building and amenities be altered. I should like to know how much this will cost and why the architects who drew up the plans in the first place did not cater for that situation.

**Mr Griffiths:** Does the honourable member want it fixed?

Page 4065

**Mr WHELAN:** Of course I want it fixed, but I want to know who is responsible for drawing up the plans without making that provision. That would have been simple because no philosophical difference exists between the parties. For the third time I raise the matter of funding for the Judicial Commission. When in government we had references to the Judicial Commission concerning every magistrate under the sun and how they were abusing their privileged position. Today I received a letter following a complaint to the Attorney General about the treatment afforded to a Mr Joe Morris. The Attorney says in his letter that Mr Morris was found not guilty so no sub judge is involved. This matter involves a magistrate who rang up a police sergeant and asked him about the conduct of the matter. Today the Attorney General wrote to me stating that if Mr Morris wishes to lodge a complaint it is open to him to approach the Judicial Commission. Who is the first law officer of the State of New South Wales? Who is the person who determines the probity or otherwise of a magistrate? Imagine a magistrate ringing up a police prosecutor and asking about the carriage of a matter.

**The CHAIRMAN:** Order! I do not need to remind the member for Ashfield that we are discussing estimates.

**Mr WHELAN:** I am also discussing funding going to the Judicial Commission.

**The CHAIRMAN:** Order! I ask the member for Ashfield to return to the point. He cannot expand that into a second reading debate. The honourable member has exhausted his time for speaking.

**Mr GRIFFITHS** (Georges River), Minister for Justice [3.3]: I thank all honourable members for their contributions today and in the budget estimates committee. It was a trial phase. Next year it will be much more effective, and will continue to be more effective in successive years because this Government intends for it to continue. A large number of staff was required in these initial stages. As each year progresses that number will be reduced. Debate will become more lively, which will please the honourable member for Ashfield. I was disappointed in the honourable member for Peats who once again showed his incompetence. Yesterday he showed his incompetence in asking his first question in five months and again during the budget hearings. Today he demonstrated his incompetence and nastiness in his manner of speaking. I leave the honourable member for Peats with a saying: it is sometimes far better to keep your mouth closed and let people think you are a fool than open it and convince them. Clearly the honourable member for Peats was not at the same meeting as the honourable member for Liverpool. I thank the honourable member for Liverpool for the way in which he congratulated the Ministers and, more particularly, the staff who put a lot of time and effort into a professional production. It is sad that the honourable member for Peats obviously slept through most of the estimates committee hearings because he said he did not hear my answers to questions.

Page 4066

Every question that was asked I answered for one minute. Then I asked each of my three department heads to give more detail. The honourable member for Ashfield asked why we did not give answers in writing. If questions were provided in writing, answers could be given in writing. However, when questions such as, "How many SES people do you have? What make of car do they

drive and who has a telephone?", are asked, it is impossible to give that information verbally, particularly when one has a staff of 9,000, as I do. We said we would provide in writing any detail or answer that was not given at the time. In fact, all this information was provided within 48 hours. I thank the honourable member for Liverpool for acknowledging that. I also thank my three department heads and their staff for their hard work and commitment to the Parliament, not to the Government, in making sure that all members from all sides received the information sought. I commend the report to the Committee.

### **Report adopted.**

### **Estimates Committee No. 5 Report**

**Mr KERR** (Cronulla) [3.5]: As has been said a number of times we are in a new era of accountability. The Premier made himself available for three hours to talk on matters involving the Treasury and the Premier's Department. What other Premier in Australia or former Premier in New South Wales would have the confidence to do that?

*[Interruption]*

**Mr KERR:** We would like to have the honourable member for Bulli interrogated for three hours. He would not last five minutes. The only thing he learned from the Water Board was to pick up a few leaks at that time. With the benefit of hindsight a couple of matters need to be emphasised. The first is that a number of senior officers were available at the time the Premier gave his evidence before the committee. I put it to the Committee that the Premier's Department and Cabinet officers could have appeared for one and a half hours and then Treasury for one and a half hours. The Opposition objected to the procedure followed, as was its entitlement. No provision is made under the standing orders to cover this situation. Had the Opposition shown some compassion and discretion some of the senior officers could have gone home to their families. In future that matter should be investigated. The Premier and Ministers must be present the whole time. It is about time we took into consideration the situation of public servants who make themselves available. A lot of public service bashing has been going on, and a lot has taken place this morning. Consideration should be given to those people who have made their career one of service to the State. Continued bashing of the public service will affect their morale and the level of service given to this State. The public service has a high level of competence.

Page 4067

I congratulate the Premier on the material he made available relating to the State's financial position and the way it is being administered. It is a great pity we did not have a public gallery filled with the people of New South Wales. This Government would receive a triple-A rating on the basis of confidence. This State was in bankruptcy, but we have taken a hard line. I shall talk about what Barrie Unsworth did with WorkCover and workers' compensation. There were not too many surplus funds available under the system brought in by the Labor Party. I am pleased the Chief Secretary and Minister for Administrative Services is at the table. She presides over a department which can be proud of its achievements. The committee was advised of a new contract which commenced on 1st October, 1991 for the supply of motor spirit and petroleum products. This will lead to an estimated saving of \$5 million per annum. Such savings are important in terms of hospitals and schools in this State. The establishment of a government-owned private telecommunications network will result in telecommunications savings estimated at \$15 million per annum and greater service to the people of this State and members of Parliament. Under the stewardship of the Minister the department has been what could be described as a model of public service; it is first class. It is great to see the people of the western suburbs represented by a person of the quality of the Minister at the table.

**Mr BECKROGE** (Broken Hill) [3.10]: I wish to speaking to the report of the estimates committee that refers to the Legislature and the Parliament. A quantum leap is necessary to supply funding to take care of security in the Parliament. Members need to be protected from someone who might come out of the blue and cause harm to them. At any airport passengers have to pass through a doorway that is protected by a device which emits a signal if a passenger is carrying any piece of metal. Once the signal is activated, one of the airport staff does a further search of the individual with another device. Nothing of that nature is provided to screen members of the public who come into the Parliament. Those members of the Government and the Independents who usually sit in the back row of the Chamber are especially at risk. Someone could lean over from the public gallery and slit their throats. That might sound dramatic but I am glad I do not sit in the back of the Chamber. However, the members who sit in the back row would not be at so great a risk from a mad gunman who might whip out a gun and use it.

The point I seek to make is that the security emplacements in this Parliament are far less than those in any other parliament. I have visited a number of parliaments around the world. All of them have much better security than is provided in this establishment. I cannot understand why members of the New South Wales Parliament do not have the protection of at least minimum security. I hope that the estimates in the next Budget will include funds for an improvement of security. It should not be left that long. Someone may one day work out that it is possible to come into the Chamber with a device and cause great harm. A few years ago when members were sitting in the House a whole lot of ping pong balls were thrown from the top level of the public gallery. That could have been dangerous. Obviously it was a statement being made by someone. I urge honourable members

Page 4068

to keep in mind the need for a greater security presence in the Parliament. I do not intend to denigrate the work done by the green coats, the red coats, Parliament House security officers or the police. I simply make the point that a proper system is not in place to enable members to feel confident about their security.

**Mr MOORE** (Gordon), Minister for the Environment [3.12]: In concluding the debate on this estimates committee and the Estimates generally I thank all honourable members who have contributed to the debates. I commend the conduct generally of the estimates committees. I note that the honourable member for Bulli has entered the Chamber. Earlier today he and I had a joust. If he took offence, I express to him my apologies for the remark I made at the time. There must be a bit of give and take among members across the Parliament and in the estimates committees. Those committees have worked successfully. I know that my ministerial colleagues had looked forward to the committee hearings with some trepidation. All of them feel that the Opposition did not lay a glove on them. No doubt some Opposition members would dispute that judgment. I have told my colleagues that I do not expect that life will be quite that easy next year. The system will evolve and members will become more and more comfortable with the process. That will be part of the maturation of the Parliament. The honourable member for Hurstville believes, at least in his mind, that he will be here in the parliaments of 2007, 2011 and thereafter, in spite of the endeavours my colleagues and I might make to remove him. It will be the honourable member for Hurstville and his generation of the Parliament who will benefit from the changes that have arisen from this and the other processes dealt with by the Parliament. I commend these Estimates and the process to the Committee.

### **Report adopted.**

**The CHAIRMAN:** Order! The Committee will deal now with the Business Franchise Licences (Petroleum Products) Amendment Bill.

### **Clause 3**

**Mr LANGTON** (Kogarah) [3.15]: I move:

Page 2, clause 3. Omit "8.81", insert instead "8.64".

Page 2, clause 3. Omit "14.67", insert instead "14.39".

The purpose of the amendments is to reduce the indexation of the 3 x 3 petrol tax, or whatever it might be, from the 4.9 per cent mentioned in the bill to the actual consumer price index. In the present year the most recent figures available for the consumer price index are 2.8 per cent. The Opposition does not oppose the principle of indexation of the 3c a litre petrol tax. However, if it is to be indexed in line with the consumer price index, the Opposition believes the figure to be used is the New South Wales consumer price index. The up-to-date figure was for the year from

Page 4069

September to September and was 2.8, not 4.9. The amendments will have the effect of reducing indexation from 4.9 per cent to 2.8 per cent.

**Amendments negatived.**

**Clause agreed to.**

**The CHAIRMAN:** Order! The Committee will deal now with the Motor Vehicles Taxation (Amendment) Bill.

### **Clause 3**

**Mr LANGTON** (Kogarah) [3.16]: I move:

Page 2, clause 3. From Column 2 of the Table to clause 2 of proposed Schedule 1, omit the matter appearing under the heading "\$", insert instead:

108  
121  
141  
214

Page 2, clause 3. From Column 3 of the Table to clause 2 of proposed Schedule 1, omit the matter appearing under the heading "\$", insert instead:

174  
194  
226  
339

Page 3, clause 3. From Column 2 of the Table to clause 3 of proposed Schedule 1, omit the matter appearing under the heading "\$", insert instead:

583  
662  
726  
788  
848  
912  
971  
1,034  
1,094  
1,157  
1,221  
1,280  
1,344  
1,403

1,466

Page 4070

1,526

1,589

1,649

1,649 plus \$60 for each 254 kg or part thereof by which the weight exceeds 7 110 kg

Page 4, clause 3. From clause 6(a) of proposed Schedule 1, omit "\$595", insert instead "\$583".

Page 4, clause 3. From clause 6(b) of proposed Schedule 1, omit "\$327", insert instead "\$321".

Page 4, clause 3. From clause 7(2)(a) of proposed Schedule 1, omit "\$137", insert instead "\$135".

Page 4, clause 3. From clause 7(2)(b) of proposed Schedule 1, omit "\$83", insert instead "\$81".

The amendments would have exactly the same effect as those I moved to clause 3 of the previous bill, that is, reduce the increase in the cost of registering a motor vehicle from 4.9 per cent as provided for in the bill to 2.8 per cent, which is the effective rate of inflation in New South Wales. If there is to be genuine indexation in accordance with the consumer price index increases for any matter - petrol tax, car registration or anything else - it should be in line with the general New South Wales consumer price index.

**Amendments negatived.**

**Clause agreed to.**

**The CHAIRMAN:** Order! The Committee will deal now with the Road Improvement (Special Funding) Amendment Bill.

**Mr LANGTON** (Kogarah) [3.17]: I move:

Page 2, clause 3. From proposed subsection (2)(a), omit "8.81", insert instead "8.64".

Page 2, clause 3. From proposed subsection (2)(a), omit "15.96", insert instead "15.79".

Page 2, clause 3. From proposed subsection (2)(b), omit "14.67", insert instead "14.39".

Page 2, clause 3. From proposed subsection (2)(b), omit "26.44", insert instead "26.16".

Page 2, clause 3. From proposed subsection (2A)(a), omit "8.81", insert instead "8.64".

Page 4071

Page 2, clause 3. From proposed subsection (2A)(b), omit "14.67", insert instead "14.39".

Page 3, clause 3. From proposed subsection (2B), omit "8.81", insert instead "8.64".

Page 3, clause 3. From proposed subsection (2B), omit "15.96", insert instead "15.79".

Page 3, clause 3. From proposed subsection (2C), omit "14.67", insert instead "14.39".

Page 3, clause 3. From proposed subsection (2C), omit "26.44", insert instead "26.16".

If there is to be indexation for petrol tax, car registration or other matters, it should be at the general rate of inflation, the consumer price index that applies to New South Wales, which is 2.8 per cent and not 4.9 per cent on current figures.

**Amendments negatived.**

**Clause agreed to.**

**Estimates Committees reports agreed to.**

**Bills reported from Committee without amendment and passed through remaining stages.**

**House adjourned at 3.21 p.m.**