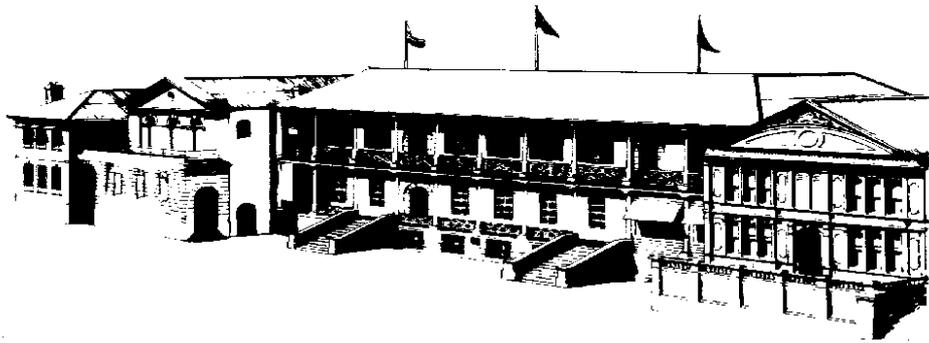




NEW SOUTH WALES



Legislative Assembly

**PARLIAMENTARY
DEBATES**

(HANSARD)

**FIFTY-FIRST PARLIAMENT
THIRD SESSION**

OFFICIAL HANSARD

Friday, 19 June 1998

LEGISLATIVE ASSEMBLY

Friday, 19 June 1998

Mr Speaker (The Hon. John Henry Murray) took the chair at 10.00 a.m.

Mr Speaker offered the Prayer.

ASSENT TO BILL

Assent to the following bill reported:

Crime Legislation Amendment (Police and Public Safety) Bill

APPROPRIATION BILL

APPROPRIATION (PARLIAMENT) BILL

APPROPRIATION (SPECIAL OFFICES) BILL

APPROPRIATION (1997-98 BUDGET VARIATIONS) BILL

ELECTRICITY SUPPLY AMENDMENT (TRANSMISSION OPERATOR'S LEVY) BILL

PREMIUM PROPERTY TAX BILL

PUBLIC FINANCE AND AUDIT AMENDMENT BILL

STATE REVENUE LEGISLATION FURTHER AMENDMENT BILL

Second Reading

Debate resumed from 18 June.

Ms NORI (Port Jackson) [10.00 a.m.]: I am pleased to speak in this budget debate in support of the Treasurer, Michael Egan. It is my pleasure to be Parliamentary Secretary for his portfolio responsibilities. The Treasurer quite rightly characterised this budget as a family budget. He is proud of the fact—we should all be proud of the fact—that this State continues to maintain its AAA credit rating. I will take the House through a number of the features of the budget that I think are of interest, in particular to families. I congratulate the Treasurer on the announcement that the \$43 levy on motor vehicle registration will be abolished. This will be done in a staged process from 1 July this year. About 600,000 families—those who receive family allowance payments, holders of seniors cards,

farmers and primary producers—will save \$43 on their motor vehicle registration each year. From 1 July 1999 all private individuals will save \$43 a year. By 1 July 2000 that exemption will be extended to business vehicles.

Another important concession that was announced in the budget was the 50 per cent discount on stamp duty on a first home purchase. It is estimated that about 100,000 families will benefit from this announcement. It will be designed so that individuals earning up to \$39,000 dollars, or families earning up to \$57,000, will receive this stamp duty concession when they buy a home in Sydney worth around \$170,000, or a property in regional New South Wales worth \$150,000 or less. This Government has an outstanding commitment to improving health and hospitals. In the next financial year alone it will spend another \$426 million on health and hospitals. The New South Wales Government will spend \$6,633 million on health and hospitals in the 1998-99 financial year. The Labor Government will spend \$1,342 million more than the Fahey Government did in its last budget. In addition, this Government has spent \$1.8 billion on new hospitals and health facilities across the State.

This Government has also demonstrated a strong commitment to education. In the next financial year the Government will spend an extra \$318 million on schools, education and training. Overall, the Government will spend \$6,551 million on education in the 1998-99 financial year—a significant increase of \$1.2 billion on the previous coalition Government's last budget. Rural education programs will receive a \$75 million increase in the 1998-99 financial year. The Government will spend an extra \$330 million in 1998-99 on capital works in rural and regional New South Wales. This means new schools, hospitals, roads and rail infrastructure. That is good news for the bush. I will have more to say about those programs later. This year's budget will also increase the strength of the New South Wales Police Service by an extra 100 officers and this will fulfil the Government's promise to provide an extra 500 police in its first term of government.

By 1999 the State will have a record number of 13,407 police officers. More than \$1.3 billion will be allocated to the police budget in 1998-99—a

record high. More money will be spent on police equipment—things like armour and gloves, the new guns. We are commencing a \$33 million program to upgrade the statewide 000 service. The Government will also spend almost \$1.9 billion on better roads and transport in regional New South Wales in 1998-99. More than half of the total roads budget of just over \$2 billion has been allocated to country and regional roads. The Government will also spend an extra \$143 million on community, aged and disability services. We have increased the budget in this area by 37 per cent since the Fahey Government's last budget. It is now \$1.35 billion. This budget also allocates \$1.2 billion to agriculture, forestry and land and water conservation. We are charting a course to save our rivers, our forests and our land. Regional development will receive an \$18 million boost to rebuild country New South Wales.

The Government will be implementing a number of enhancement programs, to which I will now refer. The first of those enhancement programs is the Australian technology showcase program. Over the next three years \$2 million will be spent on the development of an Australian technology showcase export support program and the development of an ATS publication. Funds will be used to provide tailored market and export promotional activities to showcase participants, utilised on a dollar-for-dollar basis. The program will be based around selected trade missions, participation in domestic and international technology-related events, and development of promotional material such as in-flight and hotel videos for distribution through the electronic media, New South Wales overseas offices, Austrade and private sector network.

A promotional brochure outlining each of the technologies and background information on ATS will be produced for distribution both within Australia and overseas to enhance awareness of Australian innovation and to generate commercial opportunities for the selected technologies. This is an Olympic business-related program. A number of the companies involved in the showcase, if selected—and I believe about 36 have passed the selection process and have now been accredited—will be able to display a particular Olympic logo and use the lead-up to the Olympics to enhance their business prospects. Part of the aim of the project is to help those companies that have wonderful innovative products, but not the venture capital, to take them to commercialisation. By advertising their products overseas through this ATS program they will be in touch with venture

capitalists who will be able to provide sufficient funds for them to take their products to innovation, which seems to be a problem for a lot of companies in Australia. We have the innovation and the ability to do the research and development, but we do not always have the capital to exploit the value of that research and development. I am looking forward to seeing the outcome of the Australian technology showcase. I know it has generated a lot of interest in small to medium enterprises, in particular those enterprises involved in innovation and technology.

One thing I am pleased to see in the budget is the high growth business program—a program for small and medium enterprises. This is of obvious interest to me as Parliamentary Secretary for small business. Last week I spent a couple of days visiting various centres in regional New South Wales to explain the way in which this new program will work. It is unfortunate in a sense that we have had to introduce this high growth business program, because, in effect, the program was being delivered jointly by the Federal Government and the New South Wales Government. Unfortunately, the Federal Government saw fit to withdraw its funding and it left the State Government to pick up the tab. Despite our anger and concern about the Federal Government's lack of commitment to small and medium enterprises, we will maintain our share of the funding. We have had to restructure the program in order to make it appropriate to New South Wales now that it is no longer a national program. What we are going to do is pretty exciting. Judging from the reception I received in various towns in the bush last week I think we will have strong support and participation from small to medium enterprises in the region.

The budget has allocated \$4.3 million per year as base funding for the Department of State and Regional Development to continue the skilled client management service developed under previous AusIndustry programs. The New South Wales program for high potential small and medium enterprises—SMEs—demonstrating growth potential and commitment to internationalisation will have a strong regional focus. The high growth business program will extend the following services to around 500 firms each year: client manager services to assist with strategies to increase exports and other business outcomes; group activities for companies presenting innovative management and production practices; limited financial assistance to selected businesses to engage expert assistance on a project basis; forums and networking activities to build skills and share information; and joint activities with

government and non-government agencies to extend the reach of the program.

The Government's commitment to small and medium enterprises, particularly in the regions, is based on sound economic principle. Quite clearly, if companies are going to grow and create more employment they will have to be able to reach beyond the domestic Australian market; they have to be able to export. It is through an increase in exports that these companies will grow and in turn provide more employment for Australian workers. As I have said many times, I am astounded at the level of industry capability and productivity of regional firms, and the support given by local communities to businesses in the bush, including local councils, various development corporations and organisations. I am sure that the Government will receive strong support for those programs.

Another initiative as part of the budget enhancement is the regional economic transition scheme—RETS. In each of the next three years \$5 million will be provided for government assistance to regional centres experiencing sharp economic shocks as a result of structural changes in industries that are important to those centres. This scheme is in response to calls for assistance by regional centres other than Newcastle and Lithgow, which are presently receiving government assistance, while facing similar economic problems. A number of communities have already stated a case for special economic adjustment assistance and this scheme will provide a mechanism for advancing those claims.

The scheme will allow the Government to provide flexible assistance to long-term viable proposals tailored to the special needs of each location, to respond quickly and positively in a focused way to problems of impending and demonstrated regional economic hardship, and to provide a finite amount of assistance which will match regional expectations. The lifestyle program will provide \$1 million in each of the next three years for the marketing of regional New South Wales as a business and investment location. This initiative is targeted at promotion to draw both businesses and skills to areas where specialised labour and support industries are in short supply and to draw new businesses into areas where unacceptably high levels of unemployment exist.

Examples of the types of initiatives are: guided tours of regional New South Wales for representatives of prospective investors, financial institutions, merchant banks and trading houses, et cetera; relocation prospects seminars to be held in the Country Embassy, targeting Sydney firms with

prospects of establishing or relocating in regional New South Wales; the paddock-to-plate showcase of premium rural products in each year leading up to and including the Olympics; and an open-for-inspection program in which selected country towns highlight the availability of jobs in their locations and run a weekend promotion where prospective employees are invited to the town with their families.

The initiatives enunciated in the budget co-ordinate with the initiatives of last year's budget regarding regional development and support for exports. Examples of those initiatives are the Government's appointment of 12 agribusiness advisers scattered throughout regional New South Wales; the appointment of five export advisers dotted throughout regional New South Wales; and the creation of a focus in which all the policies will come together to promote regional and rural New South Wales. This is all about helping agribusiness to diversify and expand, to promote exports. Through that we know that jobs will flow. I congratulate the Treasurer on the effort he has made in this budget to assist regional and rural New South Wales.

It is important to understand that this budget was brought down in a very difficult climate which clearly was created by the Federal Government. Since it came to office a couple of years ago the Federal coalition Government has done nothing but slug the eastern industrialised States—New South Wales and, to some extent, Victoria—much more than it has slugged Queensland. Frankly, I look forward to seeing what the Federal agenda on taxation reform means for greater equity to New South Wales and Victoria. Queensland has, and has had for many years, a genuine budget surplus. It does not have the level of unfunded liabilities that New South Wales and Victoria have. It is time to look closely at the way this State cross-subsidises the Maroons.

I have no personal objection to supporting States like Tasmania and South Australia, and possibly the Northern Territory, which have genuine infrastructure and other problems. But as far as I am concerned Western Australia and Queensland should support themselves and not be supported at the expense of New South Wales. I hope that there will be bipartisan support for that approach—no Federal Government of any persuasion has ever bitten the bullet and considered allocating an equitable taxation share to this State.

Nevertheless, that does not excuse the Federal Government for its budgets over the past couple of

years. For example, more than \$740 million has been taken from the New South Wales budget over the past two years. There has been an ongoing \$1 billion shortfall on State-run hospitals. The High Court case in which we lost our right to levy franchise fees cost New South Wales about \$400 million this year. We have to ask ourselves why the Federal Government is hitting New South Wales so hard! Despite that backdrop, since Labor came to power in 1995 the New South Wales debt and unfunded liabilities have been reduced by almost \$3 billion. The proceeds of the TAB sale will be used to pay off another \$1 billion.

The Treasurer is managing the State's finances responsibly but at the same time not forgetting people's needs. The Government has maintained the State's AAA rating; that is no mean feat and it should be congratulated on that. We have managed to do it by responsible management while not forgetting our target population—families. Unlike Victoria, this State has been able to maintain its AAA rating by still spending on the needs of people and the community, whereas Victoria had to close 350 schools and 17 hospitals. I thank the Minister for Roads and the Minister for Housing for their continued support of infrastructure requirements in my electorate. The constituents of Port Jackson have done very well out of the roads budget. I congratulate the Minister for Housing on continuing to show a commitment to the need for affordable and public housing in the inner city, under great pressure from the Federal Government, which wants to abandon both.

Mr HAZZARD (Wakehurst) [10.20 a.m.]: The budget about which the honourable member for Port Jackson was speaking must be different to the one handed down by the temporary Treasurer of New South Wales—yet another sleight-of-hand budget. Regrettably, the Carr Government has become known as a government that cannot be trusted. In each of his budgets the Treasurer has launched into all sorts of promises about a surplus, yet when the bottom line is reached there is a budget deficit. Last year's budget is a good example.

The Treasurer promised a surplus of about \$400 million, but on his figures—only because he was forced to admit it—the State ended up with a deficit of approximately \$27 million. In fact, the real deficit was far greater, which is now evidenced by the many pressures being experienced in New South Wales. The difficulty is that the State has a Government and, in particular, a Treasurer that do not know how to govern. When the Treasurer first came to office in 1995 he was perhaps in a more truthful mode. In what I think was his first public

speech as Treasurer he told a group of micro-economists that he knew nothing about micro-economics or about being a Treasurer. Indeed, everything the Treasurer has done since has confirmed that statement.

Unfortunately, the people of New South Wales have had to live with his guesswork each year. Honourable members will remember the debacle in the western suburbs when the Government promised to remove the motorway toll. Under huge pressure from the community the Treasurer finally came up with a bandaid measure. That was another broken promise, another backflip. On the northern beaches the Premier used to be known as "backflip Bob". These days he is not even referred to by that name because he is considered irrelevant as a Premier, and the same applies to the Treasurer. The Government is thought of in this way because of what it has done to New South Wales and its failure to equitably distribute the budget pie.

The people of the electorate of Wakehurst have come to understand that a Labor Government means nothing more than opportunistic budget responses, with next to no money being allocated to the northern beaches region. The Leader of the National Party and many country Liberals, including the honourable member for Burrinjuck, the honourable member for Bega and the honourable member for Southern Highlands, clearly said that very little money has gone to country regions. It appears that this current budget is simply about buying votes.

The Government has forgotten that the people of western Sydney received a great deal of money under the previous Government. I well recollect when I first became a member of Parliament in 1991 the commitment of all coalition backbenchers to improved hospital and medical services in the western suburbs of Sydney. As a backbench member of the health committee I travelled to many hospitals in the western suburbs on a number of occasions. The coalition Government made sure of an equitable distribution of funds to hospitals such as Westmead and Liverpool.

I also recollect attending Liverpool Hospital when work commenced on the outpatients and casualty section. Therefore, over the past few years I have been surprised to hear this Government announce all the wonderful things it has done for western Sydney, when most of those major initiatives were commenced under the coalition Government. What has the electorate of Wakehurst received from the budget? Absolutely nothing, except for a bunch of trouble from this Government.

A number of issues are of major concern to my constituents. Schools in the State used to undergo cyclic maintenance, a fair program in which maintenance of schools was regularly undertaken. If a school started to get tatty, the local community knew that a reasonable distribution of funds would be forthcoming in the next few years for maintenance works. Now schools in my electorate—and I will not name them for fear that the Minister for Education and Training will target them and make life even more difficult—have guttering hanging off the roof, paint peeling from the ceilings and playgrounds needing major work.

In my view, a number of the problems that require work are dangerous to students. But this Government has provided no money at all for repair work in any schools in my electorate. That is an extremely disappointing reaction from the Minister for Education and Training and the Treasurer, bearing in mind the Government's statements that all people in this State are treated fairly and equitably. It seems that equity and fairness do not apply to people on the northern beaches. If the Minister for Education and Training is listening or reads my contribution in *Hansard*, I ask him to change his program to make things fairer for schools in the northern beaches area.

Only two weeks ago I visited a local school and stood in a classroom with water dripping through the roof. That school missed out in the first roll-out of computers because of this Government's inequitable policies. The classroom I was in had some computers that were bought from funds raised by parents and also some antiquated 286 and 386 computers. If the Government was serious about technology in education, those antiquated computers would not be in that classroom; they would have been long gone. There is a huge gap between what the Minister tells us about schools and the reality.

I ask the Minister to be fairer in the allocation of funding to northern beaches schools, particularly in the electorate of Wakehurst, and to treat all schools fairly and equitably. One matter that is of great environmental significance to the whole Sydney area is Curl Curl Lagoon. After becoming the member for Wakehurst in 1991 I approached the then coalition Government to undertake work on cleaning up the lagoon in conjunction with Ku-ring-gai Municipal Council, which has been steadfast in trying to clean up the lagoon system. Some very good and constructive partnerships were established. Funding for the project was promoted by the Department of Public Works and Services as being available and the Minister was ready to sign off on it. Then there was a change of government.

We then had the spectre in 1991 of a staff member of the Minister for the Environment's office,

who obviously knew nothing about the environmental significance of Curl Curl Lagoon, arriving wide-eyed and bushy-tailed at the Curl Curl Lagoon committee annual general meeting, which is generally attended by 50 to 100 people. Although he spoke platitudes, it was clear that no money would be forthcoming. That lack of funding energised the Curl Curl Lagoon committee, which consists of hardworking, decent local residents who put in a lot of their own time, to put various submissions to the Government.

I remember going to the then Minister for Land and Water Conservation, who at that stage was still learning the ropes. One might say he is still learning the ropes four years down the track. The Minister said that he would have a look at the matter, but it took nearly two years for the money to come through. Last year the Minister came to my electorate, stood in front of the cameras and muttered that he thought it was a great project—and he was right to the extent that it is a great project—and would consider the next stage of funding. There was much discussion behind the scenes when it became apparent through the various government departments that money for this project was unlikely to be made available by this Government.

Just a few weeks ago, in the company of Reg Paling from the Curl Curl Lagoon committee, Warringah Council Mayor, Sam Danieli, and other representatives, I attended the office of the Minister for Agriculture, and Minister for Land and Water Conservation. The Minister seemed sympathetic to the need for funding and indicated that he would well consider such an application. He seemed to understand the environmental needs of the local area. In a letter dated 9 June 1998 the Minister for Land and Water Conservation said:

Dear Brad

Thank you for your letter expressing support for continued funding for Curl Curl Lagoon Rehabilitation Project. I appreciated the opportunity of discussing this issue with you first hand on 30 April.

As you are aware I have received many letters about this project, as well as the petition that was tabled on 30 April. I recognise the strong community support for the project, especially the implementation of Stage 2 works.

To date the State Government has provided Council with \$350,000 from the Estuary Management Program towards the project. Due to the effectiveness of the Estuary Management Program along the entire coast of NSW there has been a heavy demand on available funds—

I now reach the sting in the tail—

Though I am presently unable to give any assurances regarding funding for Stage 2 of the project, changes to Treasury requirements now permit it to be funded as a stand

alone project. I have added Stage 2 of the project to the forward program and will consider it for funding in 1998/99 along with projects submitted by other Councils. Please be assured it will receive a higher priority when compared to projects which do not involve environmental restoration.

Regrettably, the Minister has done very little in relation to this matter. The Minister, either of his own volition or because of the Government's total disregard for the northern beaches, has failed to secure the necessary funding. The Government is sending the message to communities throughout the State that they will be ignored unless the Premier is desperate for their votes. That is a poor message for a government to send to the community. However, we have come to accept such messages as a badge of this Government. There are many other issues in my electorate. As time is short I shall refer briefly to two matters relating to the sport and recreation and the Aboriginal affairs portfolios.

The Government has shown a distinct desire to manipulate the capital works and development funding in the sport and recreation budget. The sporting community is highly disappointed that the Government has failed to use all the sport and recreation funding allocation. For example, the Government has been selective in terms of regional development grants; it has allocated funding only to some projects. However, the budget papers show that it has spent only half of the funding allocated to the regional sports facilities program. In an article in the *Sydney Morning Herald* of 3 June 1998 David Humphries pondered what the Government had done. He said:

How much has the Government kept up its sleeve for nearer to election day, given that it's still nine months away?

The Government has probably kept quite a bit up its sleeve. It has compromised what is needed in New South Wales with its urgent need to buy votes because it has not managed to win the hearts and minds of the people of New South Wales. It will now try to drop a dollar in people's pockets at just the right time to win their votes. In fact, almost half the funding allocation has not been spent. The Minister for Sport and Recreation knows that the funding has not been spent. She has allowed the Government to manipulate what goes on in her department and portfolio.

The electorate of Clarence is represented by a Labor member who was elected because he said that he did not like the Premier; he said that it would be great to have someone in Parliament on the Labor benches who did not like the Premier but who would fight for the people of Clarence. However, he has not fought for the people of Clarence. He simply

waited for a ministry, and finally got his white car some two years after it was promised. In the meantime he failed to look after the people of Grafton. I was in Grafton a couple of months ago. A great project is under way for an indoor sports centre in Grafton, which is a major regional centre. The local community has asked the Government to provide funding to support the moneys raised by the council but no allocation has been made in the budget.

Allegedly, the Government intended to announce a regional sports facility program. However, it was discovered that some seven or eight weeks before the budget the Minister for Regional Development, and Minister for Rural Affairs had announced that the Government had allocated funding of \$150,000 for the building of a clubhouse in lower Clarence. The Opposition does not begrudge Clarence that funding; indeed, it supports the allocation. The Minister for Regional Development, and Minister for Rural Affairs and the Minister for Sport and Recreation used that announcement for purely political opportunistic reasons. The announcement was made at an appropriate time for the Minister for Regional Development, and Minister for Rural Affairs but not at an appropriate time for the people of New South Wales and not at a fair time in terms of the budget. The Opposition is disappointed that the Government is playing quite a few games with the sport and recreation budget.

Another issue relates to the central coast. Recently North Sydney Bears received funding of \$12 million to build a stadium. If that produces outcomes for the Bears and gives the central coast a boost, it will be a wonderful contribution. However, others on the central coast have been treated with disdain. On 3 March the New South Wales Country Cricket Association advised the Central Coast Cricket Association that no more representative cricket matches would be played on the central coast because Grahame Park was no longer suitable. The Country Cricket Association has been waiting for some time for an answer from the Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Women to a request to use the facilities at Mount Penang Juvenile Justice Centre.

It may be simply an oversight on the part of the Minister, but I hope that she will turn her mind to the urgent needs of Australian Rules clubs, cricket clubs and other sporting clubs on the central coast, which would benefit from a favourable decision. I have a copy of the Minister's letter to the general manager of Gosford City Council dated 21 January

1998 about that matter. I ask the Minister to make a decision urgently. If she does not do so, the coalition will certainly make a decision soon after 28 March next year. The Minister for Aboriginal Affairs and I share a great deal of bipartisanship on a number of Aboriginal issues. However, the coalition is concerned that the Government has not increased expenditure for a range of services for Aboriginal people in New South Wales. The capital expenditure allocation has been cut. When the Government makes a commitment to Aboriginal people it must look seriously at allocating more funding for Aboriginal facilities. Last week I attended the opening of the Wunanbiri Aboriginal preschool at Alexandria. As shadow minister for Aboriginal affairs I see the concept of Aboriginal preschools as the way for the future.

A few years ago I spoke to an Aboriginal inmate in Broken Hill prison. The man was about 45 and was serving a life sentence in that prison. When I asked him what I should do to address the needs of Aboriginal people he said that I should forget about his generation and look after the younger generation, young kids who sniff petrol because they do not have any hope or self-esteem, and the four and five-year-olds in Aboriginal communities across the State. I took that on board. Together with many other committed people on both sides of politics, I would like to see more money allocated for the establishment of Aboriginal preschools not only for Aboriginal children but also for non-indigenous communities with an Aboriginal flavour and an understanding of Aboriginal culture, and with Aboriginal teachers or teachers assistants in the schools. That would enable both indigenous and non-indigenous communities to gain a full understanding of where they fit into the scheme of things.

Contrary to what is being said in some quarters at present, understanding our place in 60,000 years of history will give all non-indigenous Australians a greater sense of their unique identity as Australians. I ask the Government seriously to attack the issue of land tax. One 88-year-old lady in my electorate of Wakehurst has lived in her house since 1937. She has been asked to pay \$17,500 in land tax but she has only about \$7,000 in the bank. She has been told that she must pay interest of 16.8 per cent on that \$17,500. Effectively, that is a death tax. The woman looks after her 48-year-old son who has Down's syndrome. She has no-one to support her except family members who live in other States. The Government has ignored people in such circumstances. The Premier should wake up. Land tax on family homes should never have been

considered, and it will be tossed out on 28 March next year.

Mr STEWART (Lakemba) [10.40 a.m.]: I strongly support the Appropriation Bill, which as New South Wales Treasurer Michael Egan has previously stated, is a budget "which is the best of the lot, and if New South Wales could be traded on the stock market it would be the hottest stock in town".

Mr Hazzard: It would sink like a rock.

Mr STEWART: You would be buying the stock. I am proud to say that this is a true and unashamed Labor budget which equitably delivers for the substantial core of the New South Wales community. The budget delivers a \$45 million surplus, the first surplus in New South Wales in postwar years. The surplus is proudly delivered by the Carr Labor Government. No new or hidden tax increases are in the budget. This is a major feat of the Carr Government in view of the tremendous cost of staging the Olympic Games—around \$2.4 billion, a tremendous cost burden.

In terms of delivering for core community needs, the budget importantly provides substantial opportunity for first home buyers on low to medium incomes, who will now receive a whopping 50 per cent discount on stamp duty on houses valued at up to \$170,000. This will mean that first home buyers in this category will have their stamp duty cut by up to \$2,200 owing to the previous discount of 30 per cent now being moved up to 40 per cent of the stamp duty bill. The criteria for receiving the stamp duty discount will be adjusted from \$48,000 to \$57,000 for family earnings and from \$33,000 to \$39,000 for singles. The value of homes which can be purchased under the stamp duty discount scheme will increase from \$155,000 to \$170,000 in Sydney and from \$145,000 to \$150,000 in other areas of New South Wales. In round figures, this means that approximately 14,000 people will become eligible for a first home buyers stamp duty discount in the next year. That is a tremendous incentive for people to buy first homes.

It is pleasing to note that the budget move is effective immediately, and I have no doubt that it will provide many thousands of prospective first home buyers with the incentive to get out of the vicious rent cycle and pursue the great Australian dream—a tangible dream under this scheme—of owning their first house. Already my electorate office at Lakemba has received numerous phone calls and letters from Aussie battlers, who have been

victims of recent Federal Howard Government cutbacks, congratulating and thanking the Carr Labor Government for its decision to substantially increase the first home buyers discount. These people, amongst many others, recognise that the Carr Labor Government is delivering on the needs of its heartland.

Another important initiative of the budget is the removal of the \$43 levy on green slips. From 1 July next year this exemption will be extended to all car owners. Once again, this is an equitable budget move that will be effective in reducing costs which directly affect hundreds of families along with seniors, farmers, and eventually all car owners. The budget increases education funding by \$338 million to an amazing \$6.5 billion. The Government will spend approximately \$130 million building six new schools and upgrading 13 others. Importantly, the Government will also continue its very successful computers in schools program by providing an additional 22,000 computers for public school classrooms. An additional 3,800 teachers will be trained in this state-of-the-art technology, and \$68 million has been allocated for the additional computers. The total number of computers provided by the Carr Government since 1995 will be an incredible 90,000. Our children are benefiting greatly from this initiative.

The Carr Government's budget strives to make sure that all students have proper opportunity to learn and acquire literacy skills that properly secure their future education and life opportunities, and more than \$65 million has been allocated in this budget for literacy strategies, bringing to more than \$200 million the amount the Carr Government has provided since 1995 to improve student literacy skills. The additional \$65 million funding will provide an extra 100 reading recovery teaching positions, bringing the total to 400.

The budget also provides for the implementation of year 3 and year 5 basic skills tests, along with the year 7 language and literacy assessment test. Importantly, there will be more training and support for teachers and help for parents to understand and support their children's developing literacy needs. The Carr Government is addressing this great area of need. Overall, the Carr Government is also delivering on its commitment to increase teacher numbers. In the four budgets since 1994-95 the Government has provided an additional 2,205 teaching positions, bringing the State's teaching work force to a total of 54,777 in 1998-99.

As an important backdrop to this focus on education the Carr Government has not ignored the

needs of public school teachers, who have gained not only additional numbers, teaching resources and support but also significant salary increases, bringing teachers into line with people in many other professions, treating the teaching profession with the dignity and respect it deserves. As a result of this commitment, the average classroom teacher's salary will have increased from \$39,771 in July 1996 to \$46,514 in January 1999. This tremendous increase will attract many more recruits to the teaching profession.

In summary, the New South Wales education budget provides a record \$6.8 billion for education and training purposes, representing an increase of \$338 million or 5.2 per cent on last year. This means that since 1995 recurrent funding for education and training has increased by more than \$1,103 million, and more is now being spent in real terms than ever before in the 150-year history of public education and training in New South Wales. This is a proud investment by the Carr Government in education and training, an investment in the future of this great State. This investment is already delivering tangible results in New South Wales. Literacy and numeracy standards are rising. More teachers and their students are using computers in their classroom and, more importantly, greater numbers of young people are gaining skills for employment. Increased skills are needed to gain jobs these days.

Turning to another agenda, I am proud to point out that the budget also provides record spending on New South Wales public hospitals: an increase of 4.8 per cent or \$303 million announced in the budget is the fourth consecutive budget rise in health, taking total health spending in New South Wales to \$6.6 billion a year. As the New South Wales Minister for Health has previously stated, this extra overall spending in health is needed to counter the huge cuts in Federal funding and the continued exodus of patients from private health insurance, caused by the lack of initiative, policy and funding of the Howard-Costello coalition Government. The Federal Government has unashamedly made a sustained attack on Federal health funding, which has had a dramatic and detrimental impact on the States. New South Wales has clearly borne the brunt of this attack by the Howard Government on health funding. The Carr Government has increased health funding by \$1 billion in its first three years and the continued attack on public health funding by the Howard Federal Government has forced the New South Wales Government to add another \$303 million in an effort to reduce the impact and protect patients from the effects of John Howard's massive and ruthless cutbacks to the New South Wales public health system.

Through this budget the Government has also continued its commitment to police improvements. It has delivered on its promise to put more police back on the streets, with a total of 2,000 officers being moved from desk jobs to front-line policing. There will be a massive \$80 million injection to the Police Service's budget, making a total of \$1.307 billion for the year. An extra 100 police will be recruited to meet the Government's commitment to employ 500 extra officers—another tick to the Carr Government. There will also be a \$33 million upgrade of the State's 000 emergency service and \$8 million will be spent on improvements to the police radio system—finetuning State police resources for community police needs.

Turning to my local scene, the New South Wales budget has been a big win for the people of the Lakemba electorate and surrounding areas. Expenditure on capital works projects within the Lakemba electorate during the 1998-99 period is expected to total around \$16,334,000. Some of the important capital works include: major road works, \$2.4 million; road maintenance, \$1.7 million; road safety, \$522,000; and minor road works, \$51,000. That funding will enable completion of the upgrading of one of Sydney's most significant bottlenecks—the junction of Roberts Road and Centenary Drive, Chullora, which intersects my electorate.

The previous coalition Government targeted the project for the year 2000, but in all likelihood the work would have been undertaken 20 years from now! The completion of that upgrade will cost more than \$50 million, but will alleviate the lengthy traffic delays suffered by the people of western Sydney. Traffic flow will improve significantly for the 65,000 vehicles that use the intersection daily. The upgrade will help to prevent accidents and reduce the number of vehicles that use adjacent local streets. This improved junction will move people from western and south-western suburbs to and from major events at Homebush Bay. We would not want delays at the intersection during the Olympic Games.

The major feature of the upgrade is a flyover linking Centenary Drive and Roberts Road, with two lanes in each direction and on and off ramps connecting it to the Hume Highway. Other features of the upgrade include the widening of the Hume Highway to six lanes through that intersection, with additional left- and right-turn lanes, a pedestrian overbridge across the Hume Highway—especially to help the children who attend Strathfield South High School—and noise barriers along Centenary Drive

adjacent to the school. It took a Carr Labor Government to take the initiative to improve this intersection.

Education facilities in my electorate have gained significantly from this budget. An amount of \$2.745 has been allocated for public school refurbishment for Lakemba. That will enable major work to be carried out at McCallums Hill Public School, which is 70 years old. Coalition members have complained that Sydney schools have not been provided for in the budget. The previous coalition Government allocated no funds for refurbishment of McCallums Hill Public School even though the school community cried out bitterly. The previous Minister visited the school and made promises, which, of course, were not kept. The coalition Government left the community, the school and the children in the lurch.

It is pleasing that the Carr Government has addressed the school's concerns by allocating funds for major upgrade work to be carried out to this 70-year-old school. The work will include the renovation or replacement of most of the existing buildings. Given the age of the school, dramatic renovation will be necessary. Staff and students will have the use of a range of facilities including eight additional classrooms and a new hall, toilets, canteen, games court, car park for the staff and paved areas. The local community appreciates the support of the Government. The provision of additional classrooms will enable the school for the first time to offer classes in English as a second language and programs for children with disabilities.

The school administration building will be renovated and extended, new storage areas will be created and vehicle access within the school will be improved. The school will receive a thorough facelift and undergo repairs to some of its existing timber structures. I pay tribute to the principal of McCallums Hill Public School, Carol Baiton, who has lobbied hard throughout the community, and she has also lobbied me about the school's concerns. The school council also has been active in trying to get help. The Government responded promptly to those calls for help and the budget allocation will result in state-of-the-art accommodation for the school. Seventy per cent of the school's population comes from non-English speaking backgrounds, and 40 ethnic groups are represented. I am very proud of this microcosm which is part of my electorate.

I refer now to the completion of the new Canterbury Hospital. History shows that the coalition

Government attempted to close down the hospital and build the western Sydney hospital at Concord. That disastrous proposal would have left the local community without an adequate public health service. I can proudly say that the new Canterbury Hospital is almost complete and will open towards the end of the year. It is timely that the previous health Minister has just walked into the House. He said the new Canterbury Hospital would never be built on its present site. I have news for him: it has happened, it is almost complete, and I will be only too pleased to see him attend the opening! I will join him in a cup of coffee on the site to impress upon him what this new hospital means to my local community, which won the long and hard fight against the previous coalition Government to retain it.

The Carr Labor Government produced the rescue package to ensure that the hospital remained in a place where public health infrastructure was needed: an area where more than 90 per cent of its residents do not have private health insurance and the socioeconomic background of the people demand the services. The new hospital will have more than 200 beds, a 24-hour emergency unit, general medicine and surgery unit, intensive care unit, paediatric inpatient facilities, and neo-natal and obstetrics units. The new hospital will have more operating theatres than the old hospital, it will have coronary care units, and it will provide day surgery and diagnostic services, including a CT scanner which has just been delivered, worth some millions of dollars.

The new hospital will provide ambulatory patient care and a new hydrotherapy pool will be available particularly for the elderly community, which has been in need of this facility for a long time. The previous coalition Government did not deliver that service but the Carr Government has delivered, and the pool will be a proud part of the new hospital. Community health services will be attached to the hospital as well as a Tresillian family care centre. This is a proud moment for my local community. The completion of the new Canterbury Hospital will again prove that the Carr Labor budget delivers for the heartland of the Labor community in my area. This Government has kept another promise. The community will not only have a local district hospital, but it will have a better service than the previous Government would ever have provided.

I am pleased with the budget initiatives that will be delivered to the Lakemba electorate. Without doubt this budget has successfully provided important infrastructure and services for the Lakemba electorate and surrounding areas. This

budget provides also for the special needs of people from non-English speaking backgrounds, socioeconomic needs and health and policing needs. The budget provides for additional police; roads infrastructure will be improved through the Roberts Road and Stacey Street upgrades; and additional lights and roundabouts will be installed on Canterbury Road.

This is a happy time for the Lakemba electorate and its surrounding areas because once again the Carr Labor Government has delivered substantial improvements by fixing the evils after seven years of coalition misery. I am proud to commend the Appropriation Bill. I look forward to seeing the previous health Minister, Ron Phillips, at the new Canterbury Hospital, and to being able to put to rest his statement that the hospital would never happen. I am proud of the achievements of the Carr Government.

Mr PHILLIPS (Miranda—Deputy Leader of the Opposition) [11.00 a.m.]: For some time there has been growing disquiet and uncertainty in the community. People have been and are feeling less secure in almost all facets of their life. The role of governments and political parties is to provide the leadership, the stable economic climate, the safety and the services that maximise the wellbeing for all Australians. The 1998-99 State budget—the fourth and final budget of the Carr Government—does nothing to address the growing anxiety, concern and lack of confidence that people are experiencing in our society. The source of this feeling of insecurity is complex but it can be identified.

Anywhere one looks in the State—be it in the city, regional or country New South Wales—there is evidence of fundamental change in the way people are conducting their lives. People are working longer hours and their role at work is constantly changing. The push for outcomes, efficiency and productivity improvements are constantly adding pressures to their day-to-day work lives. There is no longer lifetime employment. Job security has very much been eroded. People are being forced to become more flexible in their career paths and proficient in a broader range of employment skills. It is no longer good enough to be just a tradesman such as a plumber. Today one also needs to be computer literate and to have a degree in business acumen.

These skills are no guarantee of business success; they have become bare essentials. As well as these workplace changes, there have also been changes in the family structure—greater divorce rates, more single-parent families and, unfortunately, increased youth suicides. The power of mass media

is bringing every violent event and crisis into our lounge rooms in vivid colour, with replays, analysis and constant commentary and opinion making. All these add to the feelings of insecurity and powerlessness. This rapid change is being driven by a number of factors: globalisation of economies, competition, the development of a truly international financial market and the boom in information technology. It is change that cannot be reversed.

This change is driving the need for businesses and governments to become more internationally competitive, to become leaner and more efficient. It is driving governments to be more responsive to the needs of a modern society and to the needs of a community faced with change. However, change is crucial. Without it our industries wither in the face of international competition. Australia risks being shut out of the international markets upon which our export industries are so dependent. However, with this change comes greater insecurity and less certainty. Many people in our community are yearning for lifestyles of years gone by or, in many instances, the allusion of romance of past lifestyles. These yearnings are quite valid.

However, while many of the changes are unpleasant and result in social upheaval, the consequences of not changing will be many times worse, not just for our children but for us. A great portion of the community is feeling disenfranchised—outcasts in their own society. Addressing this problem is a challenge and a great responsibility for all governments of any political persuasion. Governments should not and must not shy away from necessary change as some would have us do. However, governments have a responsibility to assist people to cope with change and to explain that change represents new opportunities and new beginnings. In New South Wales we must ask: what has the Carr Labor Government done to fulfil its responsibility of leadership in providing economic and social clarity for the community? The short answer is that it has failed abysmally. It has failed to recognise the impact of ongoing change and failed to assist people to cope with it. Rather, it has provided the community with cause to be less trusting of government, sceptical and insecure.

Governments have an overriding responsibility to do what they believe to be in the best interests of people. That requires true leadership, strong leadership, not one characterised by popularism and preference for the soft option. The 1998-99 budget represents the Carr Government's fourth and final budget. Sadly, it continues the erosion of New South Wales' financial security which has marked this

Government's term. This was the Carr Government's last opportunity to restore some credibility with the community. Rather, this budget has enshrined the deceit and lies that have characterised this Government from the very start. It has destroyed the trust which people place in governments of all persuasions. It has sown the seeds whereby the simplistic and false solutions to complex problems can give credence to a community that is scared, insecure and angry. Its failure will further fuel the flames of rebellion as people grasp for some solution to their economic and social problems.

The people peddling these ideas want economic isolationism, restrictions on foreign investment, immigration controls, imposition of tariffs, no privatisation and direct subsidies. In short, they want to stop the world and they want Australia to get off. Pauline Hanson and her One Nation Party are advocating ignorant, simplistic and unrealistic solutions to complex problems. She offers a range of policies and one-liners that play on people's fears and prejudices. In broad policy terms One Nation advocates a mix of economic isolationism and nationalism, division, protectionism and an inequitable trade-off of domestic industries. Specifically, Pauline Hanson advocates restoration of tariffs and quotas, direct subsidies to small business and a new people's bank which offers government guaranteed interest rates of not more than 2 per cent to farmers and new manufacturing industries.

Pauline Hanson's policies would send State economies in Australia into a financial nosedive. She claims her focus is on jobs, with an industry and trade policy based on bilateral trade retaliation and direct subsidies to selected industry groups at the expense of other less important industries. Her trade policy is something that "Black Jack" McEwen would have been proud of. Her policy is highly protectionist. She fails to realise that Australia is a relatively small trading nation in international terms. It does not have the economic resources to start a trade war against the United States of America, Europe or Japan. Australia's standard of living is sustained by being an international trading nation. An isolationist approach is economic suicide.

Australia has always been a major international trader and its standard of living has always been dependent on our international trade. Under Pauline Hanson exports would be lost as other nations take retaliatory action against other Australian exporting industries. For example, prohibiting pork imports from Canada will result in Canada refusing Australian beef, the consequence being that jobs will be lost from the more efficient Australian beef industry. She wants to sacrifice efficient,

internationally competitive industries for those industries that are inefficient and uncompetitive. She is about the soft option, the populist, short-term option.

Bob Carr and his Government have heightened the feeling of insecurity and have allowed the crazy policies of Pauline Hanson's One Nation Party to appear to be a realistic option. In opposition Bob Carr promised the New South Wales public the world, when he always knew he could not deliver on his promises. That is inexcusable. They are not merely broken promises, they go deeper. They were promises made by a person who knew he could never fulfil them. He deliberately cheated and betrayed the people of New South Wales. Every member of this Parliament has been diminished by his blatant deceit. Government members know the price they paid to be in Government was to knowingly and willingly deceive their constituents, their neighbours and the people of New South Wales.

On 27 March 1999—the Government's judgment day—the people of New South Wales will punish the Premier for his betrayal. The Premier has not only destroyed the trust placed in him, he has also fuelled a climate of scepticism and mistrust, such that the community finds it difficult to place confidence in any level of government regardless of political colour. Honourable members should cast their minds back to March 1995 and recall what the Premier promised the people of New South Wales. He promised to abolish tolls, cut hospital waiting lists in half, reduce taxes—especially payroll tax—and not introduce any new taxes. He promised spending cuts, to balance the budget and to eliminate State debt. The Premier has broken every one of those promises equivocally. It is little wonder that the people of New South Wales are angry.

It is little wonder that people are finding solace in simplistic and unrealistic policy alternatives. The Premier's final budget has heightened any feelings of insecurity the people of New South Wales may have been experiencing. Those people have every right to no longer trust Bob Carr or his Government. The performance of this budget over the coming 12 months will be testimony to his continuing deceit. The 1998-99 budget erodes the financial security of New South Wales. Those people who have to deal with change in every facet of life are now faced with the additional burden of having to worry about their financial security. This budget is a wishful election budget, held together by tenuous assumptions.

This budget was dead on arrival, due to its implicit assumptions about growth and the strength and resilience of the New South Wales economy in

the Asian crisis. If there has been any doubt in the past six months about the impact of the Asian crisis, the past month, and even the past couple of days, have dispelled that doubt. The spending party in New South Wales is coming to an end. We are very much in the dying days of the strong economic growth we have witnessed during the past seven years. Only yesterday the World Bank warned that Asia and the region were entering what could be a "very long-lasting" depression, dealing a crushing blow to Australia's exports. Asia is looking at a second wave of economic meltdown, with many of the north Asian economies now entering into serious recession.

The once roaring Asian tiger economies are now nothing more than a miaow. The 1998 gross domestic product growth forecasts for the region are ominous signs for Australia and New South Wales—Japan, minus 0.5 per cent; South Korea, minus 3.8 per cent; Indonesia, minus 13.4 per cent; Hong Kong, minus 1.3 per cent; Malaysia, minus 1.7 per cent. Japan and Korea are Australia's top export destinations. With those economies going into recession and depression, it is impossible for it not to have a substantial impact on Australia and New South Wales. For example, coal exports to Japan and Korea are likely to be substantially reduced for some time as a result of slowing in those two major economies. Business confidence in Australia has collapsed to its lowest level since 1991.

Westpac Banking Corporation has lowered its economic growth forecast for 1998-99 to 2.25 per cent. The Australian stock market has also been savagely hit, with a conservative 9 per cent reduction in the all ordinaries in the last month. The Australian dollar is at a 12-year low, recently as low as 55¢ to the \$US1. Only a \$2 billion intervention by the United States of America Federal Reserve and the Bank of Japan has managed to restore some confidence, with the Australian dollar bouncing back to around 62¢ to the \$US1. A more realistic growth estimate for Australia and New South Wales is somewhere in the region of 2 per cent to 2.5 per cent, as opposed to the overly optimistic 3 per cent which the Treasurer and the Premier are wishing on.

On the domestic front we have definitely seen the end of the boom in the Sydney property market. Even Treasury admits that it peaked in December last year. We are now witnessing significant reductions in the number of auctions, and a general slowing in the market. All of these changes will affect revenues for the New South Wales economy, from land tax receipts to contract and conveyancing fees. What does this mean for the New South Wales budget? Two weeks ago the Leader of the Opposition delivered his reply to the New South Wales budget. The coalition estimates that, far from

having a \$45 million surplus, the underlying result for 1998-99 is more likely to be more than \$862 million. Today, just two weeks later, this figure should again be revised following recent events in the major north Asian economies.

The 1998-99 budget papers contain an alternative budget scenario which provides an analysis of the impact of a reduction in growth arising from the currency crises as seen in Asia. Under this scenario, which sees a reduction in gross State product of minus 0.5 per cent under the forecast, the Government's \$45 million surplus disintegrates into a deficit of \$315 million. They are the Government's own figures in the Government's own budget papers. This means that the true underlying deficit for New South Wales next financial year—just a matter of weeks after the budget was brought down in this House—will exceed \$1 billion. The poor old New South Wales taxpayers, who have been hard hit over the last three years under the Carr Labor Government, are once again in danger of being slugged with further tax increases under a future Labor government.

One could draw an analogy with the Federal Labor Government prior to the last Federal election, when Paul Keating and Kim Beazley were claiming that the budget was balanced in the final year leading up to that election. On their own admission there was in fact a \$10 million deficit. This is exactly the same strategy that the New South Wales Premier and his Treasurer are playing on the people of New South Wales. They have falsified a budget showing a balanced position, leaving New South Wales exposed to a significant deficit by the end of this financial year. In the budget lock-up the Treasurer acknowledged that the Asian crisis will have an impact on the New South Wales economy. However, the budget papers do not reflect that. They contain optimistic growth forecasts and inflated tax receipts. Objective scrutiny reveals that the meaningless budget result of a \$45 million budget surplus is based on a number of wishful assumptions. It will fall apart in the ensuing months.

Bob Carr and Mike Egan are like the old cartoon characters Rocky and Bullwinkle—two of my old favourites. Honourable members may recall the beginning of that show: "Hey, Rocky, watch me pull a rabbit out of my hat! Nothing up my sleeve! Hey presto!" And did Rocky ever pull out a rabbit? No, Rocky pulled out a roaring lion or a rhinoceros about to charge. The Government is playing that trick on New South Wales taxpayers. This budget is nothing more than a cheap trick—playing on people's trust and playing on the desperation of people longing for something meaningful from government.

How did Mike Egan achieve a notional \$45 million surplus, when it is actually exceeding a \$1 billion deficit? Well, it is quite simple. The first rabbit that he pulled out of his hat was \$745 million of asset sales—a 102 per cent increase on last year. The problem is that no-one knows what the asset sales actually comprise. We know that the Government has used one-off proceeds from the 2,300 additional poker machines that will be thrust into the State's hotels. One-off proceeds, such as these, should not be included in the underlying result. Realistically, the Government will be lucky to realise half of what it is proposing to sell—that is, \$372 million—which is comparable to last year's asset sales.

The second rabbit that Mike Egan attempted to pull out of the hat was a substantial reduction in capital expenditure. It is interesting to note that the fanciful budget surplus of \$952 million in the forward estimates for 2001-02 directly corresponds with the reduction in capital outlays as a percentage of gross State product in that year. This is a frightening trend. Capital outlays as a percentage of gross State product will decline from 1.84 per cent to 1.4 per cent in 2001. This reduction is completely unsustainable. At 1.4 per cent of gross State product—a record low level—new infrastructure will not be able to keep pace with economic and population growth. Hospitals and schools will be neglected.

I wish to emphasise that point. The Government is saying to the people of New South Wales that in this financial year, 1998-99, including capital expenditure on the Olympics we will be spending less of our worth—that is, less of our gross State product—than we have spent in previous years. The normal level is at 1.8 per cent of gross State product. This year it falls to 1.6 per cent. As we go into the next century, the Government's forward estimates say that we will spend as little as 1.4 per cent on infrastructure development. That is unrealistic and unsustainable, and it rots away the infrastructure of this State. It means fewer hospitals and rotting hospitals, fewer schools and rotting schools, and fewer roads and worse roads. That is the type of economic policy that this Government has in its budget and its forward estimates. When commenting on the capital expenditure of this Government the respected economic commentator Max Walsh noted:

... capital spending looks suspiciously as though it was derived as the balancing item after setting the target surplus.

If the reduction in capital payments was kept to the levels of previous years, rather than being cut, this would equate to an additional \$178 million in this

financial year. The third and final bunny is a wishful outlook for tax receipts and growth. Consistent with the Carr Government's financial management, the 1998-99 budget continues the trend of slugging New South Wales taxpayers harder than any other State in Australia. This year Bob Carr is expecting that tax revenue will increase by 5.7 per cent, or \$754 million. For the first time in the history of any Australian State, taxes, fees and fines in New South Wales will exceed 7 per cent of gross State product. I want to emphasise that. For the first time in our history, the level of taxes, fees and fines in New South Wales will exceed 7 per cent of the wealth that we produce—that is, our gross State product. Under the Carr Government taxes have increased by 33 per cent since March 1995—without any new taxes this year, and with the national economy slowing and the full impact of the Asian crisis still to be felt.

Bob Carr is expecting that record tax receipts will bail him out of financial trouble yet again. We have some bad news for him. While Bob Carr anticipates growth in tax revenue to be close to 6 per cent, no other State in Australia is expecting an increase of the same magnitude. Queensland, with an economy growing faster than New South Wales, at 3.75 per cent of gross State product, is only expecting tax revenue to increase by 1.3 per cent. Victoria is also only expecting tax growth to increase by 3.75 per cent, compared with New South Wales' unrealistic 5.7 per cent.

Yet, Bob Carr, facing an election next March and desperate to hold his collapsing economy together, is wishing for miracles and that record tax revenue will once again save his bacon. It simply will not happen, and his Treasurer has told him so. In a submission to the land tax inquiry in another place, New South Wales Treasury claimed that the property boom had already concluded last December and that the economy was already slowing. Tax growth cannot continue at the current pace. This wishful assumption has also been noted by Ross Gittins in the *Sydney Morning Herald*. He said:

His problem is tax collections simply can't keep growing at that rate—the property boom has passed its peak and the share market boom can't last.

Max Walsh saw through Rocky and Bullwinkle's budget tricks. He said:

Assumptions of tax growth look on the high side, asset sales are included but not specified, and the figure for capital spending looks suspiciously as though it was derived as the balancing item after setting the target surplus.

Take away the assumptions of a booming economy and all their other tricks, and our poor old friends Rocky and Bullwinkle are in serious financial trouble. Rather than a \$45 million surplus, they are staring down the barrel of a deficit exceeding \$1 billion. Ross Gittins noted:

His planned Budget surplus of \$45 million is the rabbit. In other words, it's not just unsustainable, it's unrepeatable.

Another quote reads:

Take a good look at it because today may be the last day you see it.

Another quote from Gittins:

Does it sound a bit too good to be true? It is.

In relation to the surplus, Max Walsh saw the rabbit a mile off and, with it in his sights, he stated:

Although Mr Egan has produced a set of figures which promise a surplus for the financial year, the components that deliver this are rubbery.

Mike Egan and Bob Carr have left the New South Wales economy more exposed than a creditor of Christopher Skase. The New South Wales budget is highly vulnerable to an economic downturn. After seven consecutive years of economic growth New South Wales should be recording substantial budget surpluses and preparing for the inevitable economic downturn. Currently there is no flexibility in the State's finances, as exemplified by the High Court decision last year which sent the \$23 billion State budget into a tail spin. The main reason for this inflexibility arises from the out-of-control expenditure of the Carr Government. Rather than cutting expenditure following enormous increases in previous years, the Carr Government has yet again increased expenditure by 2.8 per cent or 1.3 per cent in real terms. As mentioned, this follows on from increases of 20.4 per cent in the three preceding budgets.

Despite Michael Egan's promise to the community that there would be "no growth in expenditure beyond an adjustment for inflation," each year's expenditure has blown out. Expenditure in 1997-98 blew out by \$393 million on the budget estimate, or 1.9 per cent. In 1996-97 the blowout was \$444 million or an increase of 2.3 per cent on the budget estimate. There is little doubt that in the lead-up to the March elections spending restraint will be thrown out the window in a frenzied attempt to win the election. Analysis of the preceding budget results shows once again how Bob Carr has betrayed the faith of the community and extenuated the

community's feelings of insecurity. The lack of spending restraint has not gone unnoticed by prominent economic commentators. Again, I quote Ross Gittens:

The ever-growing Budget surplus he projects rests heavily on the heroic assumption that from next year departmental spending will suddenly start growing by less than inflation. Fat chance.

Max Walsh noted:

By the measure of current outlays the Egan years show that the Carr Government has been more reluctant to cut costs . . . the hard yards on this front were done by the Fahey Government.

People can rightly ask what benefits have we received from this massive increase in expenditure? There is no greater example of how the New South Wales taxpayer has been duped than in the case of health services. Despite the Government having increased health funding by more than 20 per cent or \$1.1 billion since coming to office, health services have deteriorated substantially. Waiting lists are up by 14 per cent since March 1995, rising from 44,707 to 51,052 in April this year. Waiting times, the Minister's newly preferred measure, are also a disaster. The number of people waiting more than 12 months for surgery has blown out by more than 88 per cent since the coalition was in Government, from 2,264 in March 1995 to 4,251 in April 1998.

The Minister proudly boasts of having increased the health budget by more than a billion dollars, but there has been no improvement in the quality of health services. All the Minister now does is cry poor and run to Canberra for more funding. The Minister should be ashamed for having spent an additional billion dollars, for he is now delivering poorer services than the coalition did with less money. It is the greatest example of waste and poor management. When the coalition was in government New South Wales was proud to lead Australia in the efficiency of its health system. It rated amongst the top two States in every indicator of efficient health care. Today New South Wales is rated among the last two States in Australia for efficiency in health care delivery. New South Wales is now one of the most expensive States for delivering health outcomes and our outcomes are deteriorating compared to those in other States. That is an indictment on the mismanagement of the New South Wales health system.

The Carr Government has made New South Wales the highest-taxed State in Australia, and it has nothing to show for it. As mentioned previously, it has increased taxes by more than 33 per cent since

coming to office, after having promised "No new taxes, no tax increase." However, the Premier has made a token gesture in this budget. For the first time in his premiership he has reduced a couple of taxes, but in true Carr Government fashion they are not what they appear to be. A closer inspection reveals that the \$43 reduction in the cost of car registration is actually funded by the increased registration charges announced in 1996—registration charges that were supposed to be temporary. The \$43 reduction does not go to all motorists. In fact, the average family will not see a cent of it. Max Walsh describes this as:

It is basically an exercise of Michael Egan filching money out of your left pocket and returning it to your right pocket as a supposed act of generosity.

A further quote from Max Walsh is:

To call this a family concession is an insult to the intelligence of the electorate . . . It is, however, reflective of the Budget in total.

These tax cuts need to be put in the correct perspective. The tax cuts announced in the budget amount to a minuscule 0.6 per cent reduction in the overall tax increases announced by this Government in the previous two budgets. Each person in New South Wales today is paying \$1,063 more tax than Queenslanders, and \$417 more tax than Victorians. People in New South Wales pay more land tax per capita than is payable in any other State in Australia. In Victoria residents pay \$57.75 per person less than is levied in New South Wales. In Queensland they pay \$89 less tax per person than that paid in New South Wales, and in Western Australia they pay \$57.27 less tax than the average citizen pays in this State.

In the past two years Queensland has announced a \$59 million reduction in land tax, while Western Australia reduced land tax by \$21 million. Last year Victoria reduced the land tax burden on families by \$33 million. Bob Carr announced measures which reduced land tax by only \$16 million, having increased the burden of land tax by well over \$400 million since March 1995. Despite both the Premier and the Treasurer promising to cut payroll tax by a billion dollars, this Government has increased the burden of payroll tax by more than \$100 million in its term. The Premier quoted selectively from the *Daily Telegraph* of 3 June, but failed to read the editorial. The *Daily Telegraph* editorial stated:

Mike Egan's Budget yesterday shows NSW pays scant attention to the philosophy that smaller governments lead to smaller taxes.

The editorial continued:

The Budget shows insufficient attention is given to making existing funds work better.

The same editorial further stated:

The Government would rather depend on increased takings through an absurd payroll tax, that penalises employment, than to get tough on outlays.

They have chosen to drain a bit more from wage and salary earners, employers, builders, and entrepreneurs.

What the Carr Government fails to realise is that New South Wales has missed an enormous opportunity in the past three years. It has failed to capitalise on the benefits of inheriting the best-performing economy in Australia. It has failed to build on this during a period of record receipts and relatively good economic times. Furthermore, New South Wales has failed to capitalise on the window of opportunity that has arisen due to the Asian crisis. The New South Wales Government should have been reducing taxes and business regulation during the relatively good economic times and thus making this State more attractive to business—business friendly.

When the Asian economies recover from their serious economic downturn they will bounce back with enormous force and fervour and they will be economically stronger than ever they were before. New South Wales should have been positioning itself as the regional financial and business capital principally by being business friendly and by being very competitive on taxes, whereas it has done the opposite. New South Wales is now by far the highest-taxed State in Australia and the most expensive State with which to do business.

If there were ever an example of the way in which the Carr Government has contributed to the insecurity of our community, it is in the reforms undertaken in the electricity industry. That stands as probably the greatest broken promise, and the most damaging, to people and the communities of this State. In 1994 and 1995 both Michael Egan and Bob Carr made a number of unequivocal statements to New South Wales electricity workers about privatisation and competition. "I will be a bulwark against privatisation" now rings in the ears of this State's 14,000 electricity workers. The Premier and the Treasurer assured the State's workers that they would protect the workers against national competition and that a corporatised government-owned industry would be able to compete and win in the national market against privately owned companies. It is hard to believe that they did not know that this was not true.

All advice clearly demonstrates that governments cannot effectively compete in a national competitive electricity market, yet the New South Wales Premier and Treasurer, for political expediency, knowingly lied to the workers they were supposed to represent and led them down the path of government corporatisation, promising them that their industry would never be privatised. Only 18 months to two years later they marched out, betrayed their workers and said, "We must privatise, we will privatise." The error of the early decision to corporatise and not privatise is wreaking ruin on the electricity market of this State, and recent reports suggest that New South Wales is being slaughtered in the national electricity market. People were promised that the Carr Government would never privatise, but it is known that the Premier and Treasurer are working behind closed doors to partially sell the industry.

It is known that after the Federal election the Premier and the Treasurer will move to sell the generators. That will cost New South Wales taxpayers more than \$6 billion in lost revenue—the same cost as hosting the 2000 Olympics. The impact of the competitive market upon the finances of the New South Wales Government is already starkly evident. The 1998-99 New South Wales budget papers reveal that dividends and tax equivalents from generators will decline over the next year by 83 per cent and 71 per cent respectively. Total financial contributions by generators have declined by 92 per cent since 1996-97, or the commencement of competition. Similarly, the New South Wales Auditor-General has noted that the profitability of New South Wales generators has declined by 76 per cent since June 1997. It was noted that the profitability of the six government-owned electricity distributors has declined by 30 per cent in the same period.

Return on equity for both generators and distributors has also significantly declined since competition commenced. The Auditor-General noted that since the commencement of competition New South Wales has become a net importer of electricity from Victoria. On all available indicators, the government-owned New South Wales electricity industry is failing to compete in what is a fiercely and increasingly competitive market. This is the Carr Government's fourth and final budget. Like all three previous budgets, it is typified by the deceit and duplicity that the Carr Government has shown the people of New South Wales from the start of its governorship. History will not be kind to the Carr Government. This Government will be remembered, along with Jack Lang, for serving one term. This Government won by deceiving the people of New South Wales by way of unreal and false promises that have now become infamous.

All Carr Government budgets have been littered with false promises aimed at cruelly raising people's expectations. The budgets have all trumpeted greater services yet this State is left with its health system in crisis, crime spiralling out of control, unsafe public transport and no guarantees for its children's safety. For this we have all paid exorbitant tax increases and have won the dubious honour of becoming the highest-taxed State in Australia. The most disturbing legacy of the Carr-Egan experiment is that this Government has sown the seeds of despair, anger and insecurity amongst a significant proportion of the community. The Carr Government has prepared the way for those people who want to peddle simplistic, quick-fix solutions to the complex problems that society faces.

The Carr Government has failed to show leadership and provide assistance to the people and communities that are struggling to deal with the pace of change. People are looking for more than sophistry and tricks, they want vision and leadership. Like Rocky and Bullwinkle, the Premier and the Treasurer will get axed for trying to pull too many tricks on the people of New South Wales. In March 1999 the coalition will offer the people of this State the opportunity to elect a government that will restore economic and social security to New South Wales. The coalition in government will be dedicated to lowering debt, cutting taxes, re-investing in the next generation and focusing on growth, employment and business. The coalition will be a government focused on not just Sydney but all of New South Wales.

Mr LYNCH (Liverpool) [11.50 a.m.]: I support the legislation before the House. The budget continues significant and substantial capital expenditure in the electorate of Liverpool. That expenditure is made particularly in the context of the two supporting documents issued with the budget papers, the social justice budget statement and the western Sydney budget statement. The policies and policy approaches in those documents are crucial for the economic and general wellbeing of my electorate.

A capital allocation in excess of \$35 million has been made in the budget for the State electorate of Liverpool. That is consistent with the previous budgets of this Government, which have attempted to make up for the seven previous years of neglect. The allocation is about Sydney's west and south-west getting their fair share. Previously that has not happened as frequently as it should. The budget attempts to redress that inequity. The fact that our region is undergoing massive growth is another reason for the provision of capital expenditure for

infrastructure. The Carnes Hill Public School will receive \$3.69 million, the Preston Fire Station will receive \$1.85 million, and in excess of \$5 million will be spent on Cow Pasture Road. That capital expenditure is within new release areas, and is critical for the ongoing development of new release areas.

Calls for the cessation of urban development around the Hoxton Park Aerodrome have been quite disturbing. A number of people within the aviation industry have argued that residential development in those areas should cease. If those arguments were correct, significant alterations would have to be made to the legislation and the announcements in the budget would have to be changed. Those calls arose following an incident on 6 June when a single-engine Piper Tomahawk crashed into a house at 16 Arnold Avenue, Green Valley. That tragic crash caused the death of the two occupants of the plane, and has led to a cacophony of calls for the closure of the airport from residents in the area.

It would certainly be going too far to say that residents of the neighbouring areas are unanimous in their cause, but it is certainly a widespread and strongly held feeling. The case for the closure of the airport is simple and powerful. The airport is used largely to train pilots. Approximately 90 per cent of the air traffic is training aircraft. By definition, the pilots who most frequently utilise the airport are inexperienced. Lack of facilities at the airport is also a concern. There is no control tower and no radar. Inexperienced pilots, without the assistance of a control tower or radar, undergo training over densely populated residential areas—a practice that is highly likely to lead to a tragedy. The traditional response from the aviation industry is that the fear of a tragedy is overblown paranoia, that planes simply do not fall out of the sky.

The obvious difficulty with that argument is that that is precisely what happened: quite tragically, a plane fell out of the sky and crashed into a residential area. It is understandable that residents are now concerned as to when another L-plate pilot will crash. The airport ought to be closed and not re-opened. The Federal Government has the constitutional power in this matter and it ought to conduct a full and independent inquiry into the future of the site. Until that inquiry is complete, aircraft should not use the aerodrome. I should make it clear that the inquiry I seek is not simply a bureaucratic whitewash review conducted by government departments.

Mr Kerr: On a point of order. I have listened to the member's speech for some time, but I have

yet to hear him establish a nexus between the speech and the budget.

Mr LYNCH: On the point of order. If the member opposite had bothered to open his ears and listen to what I said, he would have heard my introductory comments that something like half of the capital expenditure in this budget is directed to a new residential area. People supporting the airport are now saying that the residential area must not proceed and, therefore, the expenditure should not be made.

Mr ACTING-SPEAKER (Mr Mills): Order! I will hear no more on what I regard as a remarkable point of order. The honourable member for Liverpool has been dealing with the budget throughout his contribution. No point of order is involved.

Mr LYNCH: As I was saying before I was interrupted, such an inquiry should not be a bureaucratic whitewash conducted by a government department. Such an inquiry would be the captive of the aviation industry, and that is not an appropriate way to deal with the matter. The call I make for an independent inquiry would not be satisfied by a coronial inquest. The inquest, quite properly, would deal with the precise mechanisms that caused the mid-air collision of two aircraft and the subsequent crash of one. That is not of primary interest to residents in my electorate. Their concern is that, for whatever reason, an aircraft crashed into a residential area. The way to prohibit that occurring again is to close the airport. As a corollary, it would be appropriate to note that the future of the airport will not be the primary focus of the coroner. I and my constituents want an inquiry that has the future of the airport as its primary focus, which would allow residential growth and capital expenditure to continue.

There is considerable community disquiet at the events to date. A petition to have the aerodrome closed is currently circulating within the local community. On 9 June Liverpool Council considered this matter and reaffirmed its previous position, which was to oppose the development of the airport. A predecessor of mine in this place, the Hon. George Paciullo, now the Mayor of Liverpool, in September 1995 led a delegation to the then Federal Minister calling for the closure of the airport. Local opposition to the airport was emphasised to me on the day of the tragedy when I attended the scene of the crash and spoke with Mr Robert Burns, the Chairman of the Hinchinbrook and district residents group. Mr Burns emphasised the opposition to the continued existence of the airport, which had been

historically opposed by the residents group. Mr Burns subsequently expanded publicly on his view that it is only a matter of time before another tragedy occurs. He said:

It was only by the grace of God that there was no-one in the house or we would have more dead . . . It is simply unacceptable that we have the volume of traffic over our homes flown by pilots who often do not obey height restrictions.

Some will argue, for self-interest and/or financial benefit, that the aerodrome should remain. One of the first things these groups will argue is that Hoxton Park is too important an airport to close. A good example of that argument comes from the Federal Airports Corporation, which has frequently said:

The corporation has no plans to close down Hoxton Park Airport as it is an essential airport in the Sydney basin aviation needs.

The phraseology is misleading. Prior to this tragedy there were many suggestions that the airport would close. As long ago as 22 May 1980, the then Federal Minister for Transport, the Hon. Ralph Hunt, wrote to the then local member for Werriwa, the Hon. John Kerin, as follows:

Some years ago the State Government advised my department that its planning for the future outline of the Sydney metropolitan area extended beyond Hoxton Park Aerodrome, which would be completely surrounded by residential areas by the early eighties. Because the aerodrome was considered to be incompatible with this plan, my department accepted at that time it would be necessary for the aerodrome to be closed in the foreseeable future . . .

As Hoxton Park Aerodrome will probably be closed in the next few years, no expenditure is planned on the upgrading of runway pavements or other facilities.

After that letter, one would have thought that Hoxton Park Aerodrome was living on borrowed time. Unfortunately, an attempt has been made by a number of those interested in the airport to rewrite history and to develop a different history for the airport and its future. Certainly, residential development did not proceed quite as quickly as Ralph Hunt's letter suggested. But, nevertheless, it did proceed. Those attempting to rewrite history included Mr Keith Robey, who, in the *Liverpool City Champion* of 5 August 1992, incorrectly and dishonestly argued that the existence of the airport had never been threatened. In light of the letter I read from Ralph Hunt, that comment is clearly unsustainable. It is interesting that at all stages the FAC consented to the release of residential development outside the 20 ANEF—Australian Noise Exposure Forecast—zone, which means that

the suburbs of Cecil Hills, Hoxton Park, Hinchinbrook and Green Valley were all approved by the FAC.

In the article to which I referred, Mr Robey also suggested that the FAC objected to the residential development, which is incorrect. Some aviation advocates have also argued that Hoxton Park is critical to allow Sydney west airport—that is the Badgerys Creek site—to develop. This is regarded as an indication of the importance of maintaining the aerodrome in the long run. That is arrant nonsense. Volume 1 of the draft environmental impact statement into the second Sydney airport proposal prepared by PPK notes at page 22-22 that for each of options A, B and C—that is all three options—Hoxton Park Aerodrome will close. Hoxton Park cannot be as important to Sydney's aviation needs as its defenders claim if it is going to close if Badgerys Creek Airport goes ahead. Another issue that the defenders of Hoxton Park Aerodrome ignore is the proposed construction of the Western Sydney Orbital Roadway, a project that was proceeding under the last Federal Government.

Although the present Federal Government has not funded the road, and it should be condemned for its failure to do so, it is still a firm proposal. One very real option is for the Western Sydney Orbital Roadway to go directly through the airport site. Once again, this sits ill with claims that Hoxton Park Aerodrome will continue indefinitely, and that it was always going to continue because it is so important. Media reports in 1992 stated that the local Federal Member of Parliament had been advised by the FAC that the airport would close. That advice had been consistently given to him over 18 months. One point made by defenders of the airport in this part of the debate, with which I would agree, relates to the volume of air traffic. Defenders would say the fact that the airport is busy justifies its retention. My view is very different. The busier it is, the more potentially dangerous it is. If it has become busier recently that means it has also become less safe.

Recently I have received clear anecdotal evidence, as well as observations by residents and conversations with at least one pilot, that air traffic has increased. Even firmer evidence was provided by a letter dated 12 January 1993 from the Federal Airports Corporation to Liverpool council indicating that Hoxton Park airport was at about 85 per cent capacity. The letter indicated further that if Schofields aerodrome were not available, Hoxton Park would reach its capacity in about 1997. That certainly would be consistent with an increase in air traffic during recent years. Of course, the increase

may well have been far more than the FAC is prepared to admit.

For some time in the early 1990s the FAC asserted to Liverpool council and to residents of Hinchinbrook that Hoxton Park was already at 85 per cent capacity. However, in September 1992 Mr Thompson from the FAC gave evidence to the Federal Parliamentary Public Works Committee. He said to that committee, according to the transcript of his evidence and to observers at the hearing, that Hoxton Park was only at 60 per cent capacity—which means that instead of a modest increase from 85 per cent to full capacity, traffic would have to almost double for the airport to reach capacity. Frankly, I had difficulty believing anything that FAC said about Hoxton Park after that.

To make matters worse, when confronted with that glaring inconsistency and dishonesty, the FAC said it was all a mistake by a shorthand reporter at the committee hearing. When in doubt, blame the shorthand reporters! That was pretty unimpressive, especially when residents recall the reference to "60 per cent" at the hearing, and especially when it was pointed out that the proceedings were sound-recorded and not taken by shorthand reporters. Another response from defenders of Hoxton Park airport is that it does not need to close, that all that is required is for aircraft to fly over the western side of it, away from the densely populated resident areas.

That would be better than nothing and good as far as it goes, but ultimately it would be no solution because there is no likelihood at all of pilots abiding by that requirement. In the past 10 years there has been a litany of aircraft breaching rules, and of residents complaining with no satisfactory resolution. There is of course no way of policing height regulations. With no control tower it is not surprising that regulations cannot be policed.

When residents make complaints to the FAC, they are told that they need to provide the aircraft identification numbers. One can imagine how frustrating that is for residents. Chris Dunn of Hinchinbrook told me as recently as last Saturday that an aircraft had flown very low over his property—about 500 feet instead of the allowable height of 1000 feet. Some other arguments against the airport's closure can be dealt with summarily. One immediate response was from Mr Keith Robey, to whom I have referred previously. He is a flying instructor with the Phoenix Aero Club. He has argued that Hoxton Park airport is as safe as it can be, and that somehow it does not matter that there is no control tower.

Mr Robey says Bankstown airport has a control tower, and has had four accidents in 40 years compared with one at Hoxton Park. Presumably, the conclusion is that it is safer not to have a control tower, which is monumentally ludicrous. Mr Robey has also spent time trying to blame the council for the problem. I must say that I find that to be quite pathetic. Residents are legitimately concerned about real safety issues, and some aviation industry spokesmen are interested only in directing blame! As I say, that is pathetic. Moreover, as I said earlier, the FAC has never objected to these residential developments. The rather sickening response from the aviation industry has continued as recently as last Wednesday in the local paper. Residents are worried about their lives and Mr Robey wants to get into a catfight with council about who is to blame. In his words, it is madness to have the current situation.

I have received comments from people on the north shore. Mr Robert Cranna of Epping was rationally measured in his opinions, but he did not dissuade me from my belief in my arguments. I am always happy to receive rational and constructive comments in opposition to my views. That cannot be really said of Mr Fitzgerald, whose argument I can also dismiss summarily and with some contempt. Mr Fitzgerald described pilots and flying companies at Hoxton Park as traditional land-holders and, by implication, compared them with Aboriginal land-holders with Mabo-style rights. It is not necessary to dwell on how stupid, offensive and probably racist that statement is. The aviation industry is not well served by people such as Mr Fitzgerald.

I might turn directly to some specific allocations in the budget. Education has received a significant capital allocation. An amount of \$3.69 million has been allocated to complete the construction of Carnes Hill Public School, a new school in the Hoxton Park area. Its total cost is \$4.6 million, and it is scheduled for completion in 1999. It follows the opening of another new school in Hinchinbrook and the allocation of substantial moneys for new buildings at Green Valley Public School. Funding for one area can sometimes highlight inadequacies or lack of desirable facilities in existing schools. In that regard I note that I have previously spoken in this place about Hoxton Park Public School and made various representations about it. The Minister for Education and Training, the Hon. John Aquilina, has recognised these difficulties, most notably at the formal opening of Hinchinbrook Public School.

I take this opportunity to remind the Minister of these problems and to urge him to pursue their

resolution with some haste. I urge the Minister also to look favourably upon the installation of COLAs—covered outdoor learning areas—for Ashcroft Public School and Marsden Road Public School. I note the allocation of \$1.70 million to commence work on the new south-west Sydney education and training centre. This is a joint initiative of the south-western institute of TAFE and the University of Western Sydney at Macarthur for an innovative best practice centre to provide education, training and consultancy services to the industries in the region. The total cost of the project is \$5.3 million, and it is due for completion in June 2000.

Substantial expenditure has been allocated for roads in my electorate. One of the smaller amounts is \$200,000 for Cowpasture Road. This relates to a matter I raised in a private member's statement in April this year. I discussed with residents of Hinchinbrook their concern about noise emanating from Cowpasture Road. Their properties back onto Cowpasture Road near the intersection of Hoxton Park Road. Considerable noise is generated by trucks slowing down at that intersection and leaving it. Mr and Mrs Bencio of Hinchinbrook have expressed their concern to me. Following my private member's statement \$200,000 was allocated to investigate and design the work necessary to mitigate the noise. Noise monitoring has been programmed for July 1998 to precisely determine the extent and location of the problem. Concept design could then commence in October 1998, with community consultation in January 1999. I am delighted that the Minister has taken action so speedily in this case.

The sum of \$280,000 has been allocated for noise mitigation work in Hinkler Avenue, Warwick Farm, which is adjacent to and parallel with the Hume Highway. Noise level testing has been conducted and the levels have been found to be well above the level at which mitigation work is justified. A major allocation in this budget for my electorate is \$6 million for the development of the Liverpool railway interchange. Construction of this project has already commenced, and major work is to be performed next year. There was a very lengthy consultation period before construction commenced. The project is well and truly overdue, and is the last of the major regional-urban transport interchanges. It is being built later than it should have been, but it is better late than never. It is critical for the development of Liverpool. Public transport patronage has increased during the last three years but it must be increased further if environmental conditions, especially air pollution, are to be improved. Fundamentally that must mean encouraging commuters onto public transport.

The construction of the interchange has a very real role to play in that. If a safe waiting area designed for safety is provided, commuters will be drawn to public transport. Hopefully, the same result will flow from the speedy and efficient transfer from buses to trains at the interchange. In conjunction with this, transit lanes are being developed to allow buses speedier access both to and from Liverpool railway station. That has included the installation of special bus-only traffic lights at Copeland Street, otherwise known as the Hume Highway, at its intersection with Moore Street.

Patronage of Liverpool railway station is also likely to increase because of the repositioning of the entrance to the railway station away from Scott Street. Another significant expenditure on public transport in my electorate is the commencement of the Parramatta to Liverpool transit way. An amount of \$615,000 has been allocated within the budget for that project. The proposed route is from Liverpool railway station, past Miller TAFE, up Banks and Rundle roads to North Liverpool Road. The first stage will connect North Liverpool Road to Edensor Road.

Mrs SKINNER (North Shore) [12.10 p.m.]: The Treasurer admitted in Parliament that under the 1998-99 budget not one extra in-patient would be treated, that there was no additional funding to treat any more emergency patients, and that no extra outpatients would receive treatment. He told Parliament that 26,000 fewer people would receive non-in-patient treatment, such as dental and community services. He said there was no specific funding to reduce the waiting list, which is at a record 51,000 people. There is no specific funding to address the problem of people waiting longer than is clinically appropriate for operations. There was no specific budget allocation to address the serious problem of the number of people waiting more than 12 months for elective surgery. There was no specific funding to end the winter chaos in our emergency departments.

The \$303 million increase to the recurrent health budget is not enough to cover unfunded pay rises, inflation and debts accrued by hospitals under Labor. For the third year in a row Labor has shown that it cannot manage the health system. Despite increases to the health budget, health services in New South Wales are going backwards. We are no better off. The question to be asked is: Where has the money gone? Why are more people waiting longer for surgery? Why are more people waiting longer in emergency departments? These serious problems will continue under the 1998-99 budget. Labor has no strategy to clear up the crisis. My

words are repeated in newspaper commentaries around New South Wales following the introduction of the State budget. An article headed "Budget blow, it's a con job. Hospital funding gets the go slow" in the *Illawarra Mercury* of June this year states:

The \$62.5 million upgrade of Wollongong Hospital looked like great news—until the fine print was revealed in yesterday's NSW budget.

Close scrutiny of the Budget papers revealed that the bulk of that money will not be spent for years.

Patients and staff will still have to make do with a hospital that is, in places, falling apart at the seams.

I spoke to a local television station in the Illawarra this week after doctors had taken video footage of the recently upgraded hospital redevelopment, which showed that sewage was leaking through the ceiling into administration offices, hospital gurneys were knocking holes in walls and doors that were of substandard construction, and equipment attached to the walls above patients' beds was located so high that patients could not reach it. The Minister's response to that report was to laugh and say that the video deserved a place on *Australia's Funniest Home Videos*. It is extraordinary that the Minister for Health should treat allegations of sewage leaking in through a new building with such contempt. I find it extraordinary that he is prepared to laugh off the health needs of the people of the Illawarra—needs demonstrated by the article in the *Illawarra Mercury*. The editorial in that paper of the same date states:

The people of the Illawarra could be forgiven for thinking that the State Government has performed something of a con job on us over funding for rebuilding Wollongong Hospital.

Last Friday the Government gave the impression that it was going to the top of the list.

Yesterday we had an unpleasant reality check.

It was not very clever politicking and will leave a lot of people with a bitter taste in their mouths.

The budget overall was not very inspiring.

It is this kind of con job on the people of rural and regional New South Wales that has so disenchanted people. For the Minister to pretend that they were getting a good deal and then to scoff and laugh off criticisms concerning the quality of the building leads to disenchantment. It is no wonder those people are saying: "Enough of the Carr Government. Enough of being fooled and not being taken seriously." In the *Daily News* of 3 June 1998 an article headed "Carr's body-blow for Tweed budget bypass" states:

The long awaited Chinderah to Yelgun Motorway and stage three of the Tweed Heads District Hospital redevelopment suffered major body blows in yesterday's NSW State Budget.

Both projects were given minimal funding and both were pushed back to 2002—plus completion dates.

The editorial in the same paper states:

Also on the miss list was the Tweed Health Service which received little more than a tear-drop of its funding needs.

I will refer to that article later. On 5 June 1998 the *Deniliquin Pastoral Times* commented on the Carr Government's fourth budget. Entitled "Deni misses out again. No budget funds for hospital", the article states:

No funding was announced for the building of Deniliquin's new hospital.

In February the Greater Murray Health Service voted to build a new hospital in Deniliquin.

The proposal was sent to the New South Wales Minister for Health Dr Andrew Refshauge for consideration.

But no budget funding was announced this week.

On 8 June an article in *Business Sydney* headed "Patient demands overwhelm NSW health budget increase" states in part:

... a notable lack of measures to reduce the 51,000 patients on public hospital waiting lists in NSW ...

Professor Peter Thursby, NSW president of the AMA ... said growth in real terms for health expenditure would be modest at just more than 1%.

Just over 1% isn't keeping up with increased health needs of the community.

Anybody who has taken any interest in health and the provision of health services in this State will know that this is so. The Minister trots out figures of \$1 billion extra funding to New South Wales Health since he has been Minister. I ask again: Where has the money gone? If we have put that much extra money into the health system we would expect to see improvements. We would not expect to see record waiting lists, with 51,000 people now waiting for elective surgery in our hospitals. We would not expect to see doubled the average length of waiting time to have an operation. That is what has happened under the Carr Government. We would not expect to have double the number of people waiting more than 12 months for surgery, but that is what has happened under the Carr Government.

There have been increases in health funding, as there have been since 1988. It is not unusual for

a government to increase health spending; it happened every year under the coalition Government. But every year under the coalition Government we achieved improved health outcomes. That has not been the case while the Carr Government has been in office. I mentioned earlier some of the factors that have chewed up extra health funding. Let us go back to the Government's infamous waiting list reduction program, which sent hospitals into spiralling debt. Funding was provided on an incentive basis, and hospitals were foolish enough to believe the Carr Government's promises that waiting list reduction program funding would not just be for nine months but would be carried forward for every year of the Carr Government's term. Because they were foolish enough to believe that, they borrowed against next year's budget. They then started to get behind the eight ball, to the tune of \$200 million on service delivery alone. That has been carried forward in every budget.

In this year's budget what is the cost of the pay rises for Health Department bureaucrats alone? I refer to bureaucrats alone, not to people attending the sick, assisting them in hospitals, mental health teams working in the community, or ambulance staff and so on. The pay rises for bureaucrats in the next financial year, 1998-99, will be \$47.7 million. That would pay for around 19,000 operations.

The pay increase for Health Department bureaucrats is the largest of any government department. On top of that, pay increases for nurses, ambulance drivers and other allied health workers, as well as members of the Public Service Association, total \$181.5 million this year. Pay rises to visiting medical officers total \$7.7 million for this year. Working on a very modest inflation rate for the non-wage section of the health budget, an extra \$10 million is needed. Debts from unfunded 1997-98 health programs—documented from publications such as the Auditor-General's Report and the Treasury half-yearly statement—totalled \$56 million. Treasury loans to pay overdue creditors amount to nearly \$30 million. That accounts for the additional recurrent funding provided by the Government for the Health Department this year.

Any member of the community who thinks that there will be one extra service provided or one extra patient treated following the additional funding provided to the health system from the Carr Government is mistaken. Every cent has been allocated to pay for non-funded pay increases, to retire debts from last year, and for inflation, which is calculated at an extremely modest rate. As mentioned earlier the AMA has indicated that—and I am sure the honourable member for Newcastle

knows this—the cost of providing health services is way above the inflation rate. The cost of medicine, new technology and equipment is increasing much faster than inflation. The Government is totally dishonest with the community in expecting it to believe that any increase in recurrent funding will produce an increase in services.

On behalf of the coalition, and as shadow minister for youth affairs, I welcome to the Parliament of New South Wales the school captains who are in the gallery. I hope that at some time in the future a number of you will take part in the political life of New South Wales. I welcome you and hope you enjoy your visit. I turn now to the capital works budget for health. Labor has delivered its third consecutive cut to the capital works budget. The 1998-99 capital works budget has been cut by \$13 million, or 2.7 per cent. Work has been stalled on 46 capital works projects. In 1997-98, 50 capital works projects were underspent. I will mention some of those projects that are of particular interest.

The upgrade of the Blue Mountains hospital was underspent by more than \$0.5 million over two years. In the Murray-Darling area the redevelopment of the Broken Hill hospital was underspent by \$2.5 million. In the southern Sydney area, the Sutherland hospital upgrade has been delayed two years and underspent by more than \$4.5 million; the Calvary Hospital redevelopment has been delayed two years and underspent by \$890,000; the St George Hospital psychiatric unit has been delayed two years and underspent by almost \$3 million; and the St George Hospital education centre has been delayed one year and underspent by almost \$8 million.

The Minister for Sport and Recreation may be interested to know that in the Parramatta area the Cumberland drug and alcohol unit has been delayed a year and underspent by \$3 million; the Westmead institutes of health have been delayed by two years and underspent by \$5 million; the Westmead secure unit has been underspent \$1.6 million. The redevelopment of the Grafton hospital has been delayed by two years and underspent by \$230,000. In the Bathurst area the Lithgow hospital redevelopment has been delayed two years and underspent by \$8.6 million. The redevelopment of the Maitland Hospital has been delayed a year and underspent by \$1.7 million.

The co-location of the Murwillumbah hospital has been delayed a year and underspent by \$1.275 million. The Tweed Heads stage three development has been delayed two years and underspent by \$440,000. The Nepean Hospital development at Penrith has been delayed three years and underspent

by \$5.2 million. Recently I visited the Nepean Hospital and saw the state of the neo-natal intensive care unit. The equipment used there for babies who are severely at risk makes one's heart bleed. The Government is remiss and negligent in not providing services for that unit and for the maternity unit upgrade. There has been much talk about that but nothing has happened, despite the fact that this capital project was promised by the coalition in 1994 and was included in the forward planning. No mention has been made of the Nepean maternity unit in the 1998-99 budget. The Government is not serious about that kind of work.

I find it extraordinary that the Prince Henry Hospital refurbishment has been delayed. This hospital, which is in the Premier's electorate, has a number of people on its waiting list but none were included in the final count. The Premier is embarrassed that his Government intends to do nothing at that hospital. Its refurbishment has been delayed for four years and the money allocated last year was underspent by \$1.9 million. I turn now to rural health, which has been sadly neglected. The Minister has declared war on rural health. The construction of 10 multi-purpose services has been delayed and their budgets underspent. Another 12 rural capital works projects were also underspent and nine projects have had their final construction delayed by up to two years. Labor has failed to introduce any new strategies to shorten the hospital waiting lists. Currently 14,000 people are waiting for surgery in country hospitals, and 729 people have been waiting for more than a year for a bed. The budget has ignored the debt crisis crippling rural hospitals.

I turn now to youth affairs. The Government cannot take pride in its efforts with youth affairs—it has not produced a youth budget, it has done nothing! One program which is dear to my heart was designed by me and a team from the former Office of Youth Affairs in the years 1989 to 1994. We also designed the helping early leavers program, the Koori youth program for Aboriginal people, the circuit breaker program for young people of non-English speaking background and the time out program for young people who are having difficulty at school—programs that are still in existence.

I give the Carr Government credit for acknowledging the worth of those programs. However, the Government has cut their budget when there is a crying need for such programs to support disadvantaged young people. There is only one thing for the people of New South Wales to do. They should elect a Collins government. They will then have a real health Minister, not an acting one, and

the Office of Youth Affairs will be re-established. The Labor Government has ignored the pressing traffic problems on the north shore. It has not done anything to relieve traffic congestion on Military Road, Spit Road and on the Warringah Expressway entry-exit ramps. Its hollow promise to install a lift at North Sydney railway station has gone by the board. The hollow promise to upgrade health services at Royal North Shore Hospital will now not be completed until 2003. What a farce!

Mr WATKINS (Gladesville) [12.30 p.m.]: Debate on the budget bills gives members an opportunity to reflect on the programs and successes of the State Government and should cause us to consider those areas where further Government action is needed. New South Wales is unique in that the budget is accompanied by a social justice statement, which outlines the principles that guide and colour the budgetary process. It is appropriate that a Labor government has developed such a guiding statement. The social justice statement correctly highlights the right of all New South Wales citizens to equity of access to and participation in government facilities and services. It is against the background of those principles that the success of this and all State budgets must be judged.

Measured against these principles the current State budget can be judged a success. Substantial gains have been achieved in health, education, housing, community services, indigenous policy, policing and justice. When compared with the budgetary position prior to the Carr Government coming to power in 1995, the Government's achievements have been remarkable. The expanded government services provided for in this budget will result in a real benefit to many constituents in my electorate. This budget, with its emphasis on increased Government spending and an expanded government sector, stands in contrast to the Federal budget, the budgets of other State governments and the advice of financial and media commentators. It seems that we are still operating in a climate where smaller government, a reduced public sector, is a sign of a responsible, reasonable governance. That is despite the fact that the result of a smaller public sector is a reduction in services.

The recent Victorian experience of school and hospital closures, and the resulting social dislocation, was simply a forerunner to the massive Federal cuts to child care, health and aged care and education. Across the scope of government services conservative parties have been slashing and cutting away. News commentators have cheered, overseas rating agencies have nodded with approval and boardrooms have called for more. But the men,

women and children whose local school has disappeared, whose waiting time for dental treatment has blown out to 18 months and whose families are under major pressure because of the loss of child-care opportunities do not cheer for smaller government. They sit back, reorganise their lives around the loss of equity and diminution in opportunities, dig deeper into their reserves, and wonder why. They question what has happened to them and to their governments. They cannot rationalise their need for services and expectation of government support with the hard-nosed and shrinking economic rationalist approach to government that simply tells them to expect less and less from government. Many feel that they are out of kilter with the accepted orthodoxies of the media and political leadership, and do not know why.

In public debate in Australia a core of issues has developed that constantly exercises the minds of our parliaments, media outlets, think-tanks, foundations and boardrooms. Those issues drive debate, result in political action, sell papers and create ratings. They seem to have been granted a status of special significance. They are a strange amalgam of issues that are often entertaining and usually the source of conflict and political debate. A list of A-grade topics acceptable for public debate is not hard to compile. The selection criteria may have changed in recent years but the list of acceptable issues remains largely unchanged. It includes the environment in all its forms, the republic, immigration and multiculturalism, sexual politics, Aboriginal issues, crime and violence, the arts and sport. And of course Economics, interest rates, job vacancies, inflation, goods and services tax, foreign debt and the value of the Australian dollar. The order may change, and the emphasis may be reviewed, but the story always remains the same.

Those issues dominate, feed off themselves, and are remade, repackaged and resold to the public as the stuff of intelligent social debate. Perhaps the time has come to question why they have been so accepted, whether they are the most important matters concerning the Australian people, and what other issues have been frozen out of public debate. An illustrative example is the publishing and resulting media coverage of Paul Sheehan's book *Among the Barbarians: Australia on the brink of greatness or decline*, which examines the broad issue of race politics and multiculturalism in Australia. Perhaps, contrary to the view presented by some commentators, the issues of multiculturalism, Australian racism and the future of our ethnic mix have never been a hidden issue in Australia. We have almost talked ourselves sick over these matters during the past 25 years. Matters such as the influx of Vietnamese boat people in the 1970s, the Aboriginal response to the 1988 Bicentennial,

Chinese immigration after the Tiananmen Square massacre, Geoffrey Blainey, and Howard and the Asian factor in 1987 have always been cause for debate, discussion and disagreement.

Paul Sheehan, another commentator, is now taking aim and saying some vaguely controversial things. His work and the debate it has generated is held up as breaking new ground and ventilating discussion about issues seemingly held in aspic. That results in another round of intelligent and thoughtful pieces in newspapers, less thoughtful and often abhorrent ravings on radio, and largely irrelevant speeches in Parliament. So we have the creation of what passes as thoughtful, cultural debate. There is no denying that the matters are interesting, but we should not too readily accept that we are witnessing a new event or that a bright light has been bravely shone into dark corners. The reality is we are getting more of the same: differently packaged and provocatively described messages and issues that have been with us for more than 30 years.

The real sadness and great weakness about our cultural-social-political debate is not, as Sheehan, Blainey and others would have us think, that issues such as multiculturalism and Aboriginal participation have not been honestly and openly debated, free from a politically correct stance. The real problem is that those who write, print, publish and talk about these matters have ignored a wide number of issues that are of great significance to millions of Australians. These issues are not the grab bag of uncertainties that hold Pauline Hanson's One Nation together—guns, Asians, Aboriginals and resentment. They have an altogether greater impact on Australian men, women and children in their everyday lives. With some exceptions, they are largely ignored by the media, most commentators and the bulk of political debate. But they are more real than Wik, more important than biased reporting on the ABC, and of more lasting impact than the east Circular Quay development or the republic.

I am not sure whether it is a conspiracy of silence or a muddled inevitability that effectively censors a range of issues from open exploration, debate and public attention. In no particular order, those issues include: the abject failure of our prison system; the pandemic of mental illness in our community; the shameful and seemingly inevitable rise of poverty in Australia, and its impact on women and children; the rate and result of homelessness, especially in our cities; the status of our aged and the rate of dementia and suicide which they suffer; the health of our indigenous people; and the real extent and incapacity of our economic system to deal with unemployment. These issues

impact on millions of Australians. They are not merely the matter of intellectual debate; they change and destroy lives and human opportunity every day. If they impact on a member of one's own family it is not simply a matter of interest, it is a matter of importance that cannot be escaped or ignored.

In many cases the impact of these problems overwhelms individuals and families and results in breakdown, violence and despair. Yet those issues generally do not rate proper exploration, debate or address by governments or the media in Australia. The situation facing our penal system is an example. While many commentators call out for the establishment of more prisons and the imposition of longer sentences and more severe punishments, we continue with a system that degrades and humiliates prisoners, allowing them to be subject to violence, victimisation, fear and oppression. Under the closest scrutiny possible in our society we tolerate a system in which 50 per cent of prisoners suffer assault and more than 25 per cent are subject to the humiliation of sexual assault. In addition, in prison drug use continues and addictions are uninterrupted. We know that this system brutalises and alienates, that it creates resentment and deep-seated anguish.

We also know that the vast bulk of prisoners will be released back into our community with few, if any, skills to be properly rehabilitated. All will carry with them the lessons learnt in prison. Many who have experienced the humiliation of rape and assault will inflict further damage on the community that they have been alienated from and resent. We know that recidivism rates are overwhelmingly high and that if someone, usually a young man, enters prison once his destiny is to return, perhaps several times. Yet we still hear that our prisons are almost holiday camps where prisoners are pampered, where life should be made tougher. We live in an increasingly hardened community in which the desire to punish outruns the need to rehabilitate and reintroduce former prisoners into their social environment. The end result and impact on our society, especially the families, the partners and children, haunted by the bitterness of emotionally twisted former prisoners, is impossible to measure, let alone imagine. However, the issue remains largely unreported and undiscussed. In short, it is ignored.

I am pleased that this budget provides \$18.8 million for indigenous health services and \$1.2 million to address family violence and sexual assault issues. However, I am devastated by the reality of indigenous ill-health and I am totally confused by the media's avoidance of that reality. In a society in which cosmetic surgery and the development of

Viagra overwhelm public debate and media presentation, I wonder why almost no space or attention is given to the fact that the health of indigenous Australians is worse than that of the indigenous people of the United States of America, Canada and New Zealand, that the life expectancy of indigenous people is 15 to 20 years below the level of non-Aboriginal Australians or that indigenous babies are two to four times more likely to die at birth than non-indigenous babies.

Those facts should shame all Australians and lead to a widespread demand for action. They are human rights abuses on a massive scale. However, the face of Aboriginal affairs that we observe is entirely different. We are given images of the grasping and the irresponsible. Almost without exception, what we hear and see from many non-Labor governments in Australia, new parties and the media is a tainted, inaccurate and racist picture of Aboriginal people as a criminal class that is ripping off Australian taxpayers—code in Hansonspeak for you and me, the white, European middle class of Australia. The plight of older Australians in particular must cause us to stop and consider. We are not talking about a minority that can be dismissed as irrelevant; we are talking about a huge sector of Australians whose needs are growing at a dramatic rate whilst the delivery of service lags woefully behind.

The provision in the State budget for aged services is admirable, but the challenge is for all State and Federal governments to do more. In 1996 about 12 per cent of the population was over 65 years of age, and that percentage is accelerating at a dramatic rate. By 2011 it will be 15 per cent and by 2021 more than 18 per cent of the population will be over 65. By 2031 it will be 22 per cent and still rising, and it will also include me. That shift is accompanied by an ageing of the aged population, that is, the number of people over 80 years of age will continue to grow. By 2001, 40 per cent of the population aged over 70 years will in fact be over 80 years of age. No government department, State or Federal, has adequately prepared for the problems that this shift in the age of the population will cause. The recent clumsy, short-sighted attempts by the Federal Government to reform aged-care policy failed, and it seems that federally the whole issue of aged-care policy has now been shelved. That position is almost as flawed and as foolish as the Federal Government's attempts at reform.

Two aspects of aged care demand action that seems to be beyond the Federal Government and seemingly unimportant to the commentators, other

than the fine work done by advocates and some health-care policy staff. The first aspect is the urgency of the problem of dementia and Alzheimer's disease. The National Ageing Research Institute estimates that the number of dementia sufferers over the age of 60 years doubles every five years. The rate skyrockets for the over-80 years group. It is estimated that currently 55,000 people in New South Wales suffer moderate to severe levels of dementia. Add the number of families impacted on and the number of Australians trying to cope with dementia and the figure explodes into the millions. It is estimated that close to 200,000 people across Australia will suffer from dementia by 2006.

A properly funded national dementia policy with research as a central factor is necessary to address this massive social and medical challenge. Safe and secure high-quality housing and nursing home accommodation is essential for all older people. That need is critical for those suffering from Alzheimer's disease and dementia. So, too, is the provision of adequate nursing and medical care, especially respite care. Caring for an older relative or, perhaps even more difficult, caring for a working aged person with Alzheimer's disease—an increasing reality—is disruptive to the whole family. And the burden almost always falls on the family. All spouses, children and grandchildren carry part of that burden. It is essential that the dignity of individuals suffering from Alzheimer's disease and dementia is assured and that their plight and the need for the community to face the challenge of this epidemic are recognised.

The special tragedy of youth suicide gains justly regular and detailed attention by governments, academia and the media. However, it is not often revealed that the highest rate of suicide in Australia occurs in men over the age of 75. It is also drastically high among women. Depression is the main cause of aged suicide, not, as many people believe, fear of terminal illness. An estimated 90 per cent of victims of suicide in this age group suffer from an undiagnosed mental disorder—most commonly, depression. Perhaps more disturbing is the fact that once diagnosed treatment for depression in this group is generally positive. Treatment, whether in the form of anti-depressant medication, counselling or social activities, can prevent suicide and extend life.

It is impossible to gauge the level of personal anguish and despair that leads to such a high rate of suicide. In a compassionate society in which equity and justice are guiding principles, a planned financially adequate response is essential. However, it must first be accepted as a problem. It deserves

analysis and exploration by the media and a commitment from government. The impact on families of aged suicide victims cannot be underestimated. If I had more time I would speak further about the impact of mental illness, and the result of long-term unemployment. The issues and problems I have referred to in my speech are not minor matters; they are widespread, deep-seated and intensely personal in their impact. They often overlap and result in a multiplicity of social and health problems that for ever change and distort the lives of needy individuals who are victims, and their relatives and loved ones.

Literally millions of Australians are affected but, except for a small number of cases in which sensational events come to the attention of the media, they suffer away from public attention or examination. They must be mystified and angry at the way society, the media and governments effectively ignore their concerns and experiences. If our approach to them does not change there will be no dramatic or threatening break-out that causes a reordering of our social agenda. Former prisoners, the long-term unemployed, the mentally ill and the aged will never be so empowered. These people, their problems and their lives simply do not rate when put against issues such as the falling dollar, sporting contests or the censorship of sex programs on television. In fact, there is a huge and growing underclass or non-class of people whose concerns and suffering simply do not matter in society.

It is the job of government, especially a Labor government, to address these inequities and to raise the opportunities possible in the lives of all members of the community. If we fail to do that the loss to the Australian community will be extreme. The injustices and personal pain being inflicted on the sufferers in our community will be immeasurable. Without effective action to address the social, political and health problems being experienced in our State and nation, we will for ever remain a fractured country suffering an overwhelming loss of human potential and an unremitting human tragedy will continue. Often speeches on a budget are limited to local electorates. I have taken this opportunity to look further afield than my electorate of Gladesville to consider areas of remaining need in our society. I hope that a growing concern for the most needy in Australia will lead to reforms that will bring relief.

The problems are complex and the answers are difficult to find. The answer lies partly in effective funding, which largely depends on the national government. It is surely time for a redirection in emphasis to address these problems. The answer lies

partly in having skilled and committed people to work in these areas. I am constantly overwhelmed by the vocation of community workers, health workers and those involved in a range of social and welfare services. The answer lies partly in the development of communities and in support for families. The provision of employment and the acceptance of prevention and education as being essential for the health of communities and families are required.

Comprehensive intergovernmental recognition and commitment is necessary to address most of these problems. We need action across government and the private sector. Society needs to give attention to, and accept, its responsibility. But I suppose what is required first is acceptance of these issues and of the people involved as significant and worthy of our attention. That should be part of our task as legislators. I live in hope that we will begin to have an impact and that the principles of equity, access, participation and compassion begin to be real for all members of the Australian community.

Mr DEBNAM (Vaucluse) [12.50 p.m.]: Another year, another Labor budget. Another year, another Labor failure. I concede that at least the Government is consistent. This is its fourth budget and undoubtedly as we move into the final nine months of the Carr Government, a government dying on its feet, it will be the fourth budget blowout. The Premier is looking forward to his end-of-year overseas holiday, and then a major holiday after March 1999. Over three and a quarter years the Labor Government has demonstrated that it is simply unable to manage the finances of New South Wales. It is unable to prioritise projects and the delivery of services. The person in the street sees that the Carr Government is spending like mad. When the first round of bids from departments are brought to the Cabinet table by Treasury there is a big squabble and an inability to negotiate on the prioritisation of spending on services and projects.

There is still a high level of waste and extravagance in State spending. In this year's budget the Premier and the Treasurer have tried to get across a message concerning families. As the Leader of the Opposition has pointed out a number of times in recent weeks, the budget is all about taxing families first. I will come back to that in a few minutes. In relation to waste and extravagance I turn to the ministry of urban infrastructure and management. The budget papers show that it will cost New South Wales taxpayers \$2,239,000 this year, a 60 per cent increase over the budgeted expenditure last year, which was \$1.4 million—and an enormous increase over the half million dollars in

the financial year in which it was established. That was in December 1996.

The output of the ministry shows that the money was wasted. I have two glossy brochures with me. One is the annual report and one is the urban infrastructure management plan. They show that for a little over a year the ministry has not been living up to its objectives. The urban infrastructure management plan, which was released in March this year, attempts to establish a framework for management of infrastructure in New South Wales and to prioritise various infrastructure projects. It highlights those most important to the State. The aims of the plan are stated on page 1 as to "improve State Government infrastructure management in the greater metropolitan region of Sydney, the central coast, Wollongong and Newcastle".

It has clearly failed. Within a few days of the issuing of this glossy document, which I estimate has cost the taxpayers of New South Wales about \$2 million, the M5 East was deferred. The Carr Government has had tremendous difficulty in getting the M5 East project under way. However, it is included in the document on pages 47, 48 and 54 as a current major infrastructure project. The Government's handling of the M5 East project shows that it has no hope of achieving consistency in its strategies. Page 1 of the plan also states that infrastructure decisions need to better reflect the Government's commitments and strategies for social justice, economic development, sustainable employment, environmental protection and financial responsibility. On all those counts the Carr Government has failed. It has done absolutely nothing for the people of New South Wales. It has been the biggest wasted opportunity this century.

The Government has no hope of fulfilling those objectives; it is totally inconsistent. It is plainly inadequate to set up a ministry of 15 people to overhaul the ad hoc approach of the Carr Government, and it will fail. This multimillion dollar manual, this \$2 million urban infrastructure management plan, would have to be one of the worst excesses of the Carr Government in wasting taxpayers' funds. If the average person does not get the chance to see the plan I will not be surprised, but in Sydney and regional centres, especially Sydney, there is traffic and construction chaos. It will continue for at least a couple of years in Sydney, and it will lie at the feet of the Carr Government until 27 March 1999, demonstrating its failure to correctly plan, schedule and implement infrastructure projects. The Government has totally failed to manage urban infrastructure in its three and a quarter years in government and it will

undoubtedly continue in this way in the remaining nine months until the people of New South Wales decide the Government's fate on 27 March 1999.

I turn now to housing. Aboriginal housing was debated in the House this week. The honourable member for Gladesville referred in his speech on the budget to a number of issues of concern in relation to Aboriginal people. All members are concerned about the conditions under which Aboriginal people suffer around New South Wales. The budget papers show that, under community housing, the \$30.9 million budgeted for Aboriginal housing was revised downwards to \$25.5 million—an absolute disgrace, another indictment of the management of the Carr Government. Housing is in a sorry state of affairs. On a number of occasions in this House and outside the House I have stated that the Department of Housing is simply not doing a good job. It has laudable objectives covering many programs, including Aboriginal housing, but the Department of Housing needs to do a far better job in delivering viable outcomes for public housing tenants and the wider community.

The department's good neighbour policy to restore order in many neighbourhoods was launched by the Minister for Housing in December 1996. The policy is not working at the moment: worse, it is not being implemented in many parts of Sydney and regional centres. The Government cannot even correctly implement its housing policy launched in December 1996. A further indictment of the Carr Government's housing policy which is hidden in this year's budget papers is public housing tenant rent increases. It is disgraceful that the Carr Government yesterday launched its affordable housing strategy, which I had been calling on the Minister to launch for six months. The document has been sitting on his desk since December last year. Finally, he launched it yesterday, but in the same fortnight as he dramatically increased public housing rents, in some areas by up to 23 per cent.

I understand that the director-general sympathetically imposed a \$30 per week cap on those increases. I acknowledge that the Minister has been in the public arena explaining that the increase will not affect the entire 134,000 properties under taxpayer control, but it affects a significant number of low-income people accommodated in public housing. It is an outrage and another indictment of the Carr Government that it launched an affordable housing policy at the same time as public housing rents were dramatically raised. It is yet another example of the Carr Government taxing families first. Clearly, in Cabinet the Treasurer is winning the argument to tax families first. Regardless of whether

those families are in public housing, private housing or use public transport, the Carr Government has done its utmost in 3¼ years to increase taxes and charges, many of which are hidden.

No doubt families counting their dollars at the end of each week know precisely where that money is going: into the Carr Government coffers. They know their dollars are going towards waste and extravagance under the ministry of urban infrastructure management. Some public housing tenants rang the Minister's hotline for details about rent increases. At least one person was told, "You're in inner-western Sydney. That rent increase is standard for that area because the Olympics are pushing the costs up." The Olympic Games and their impact on housing rents were debated throughout the State, but especially in Sydney. The issue has been debated certainly for the last 3¼ years, but the concerns originated before the election.

Before and during the 1995 election campaign several Labor Party members were scaremongering about the housing rent issue. After neglecting affordable housing for 3¼ years the Carr Government now justifies its revenue raising by relating the increase in rents to the Olympics. That is a disgrace! Recently I attended a function with the Minister for Housing for the presentation of Royal Australian Institute of Architects awards. On the topic of affordable housing the president of the institute said it was a community and industry problem and not just a problem of the Government. The president made many good points on the issue, gave a wonderful introduction to the Minister, and gave the Minister the opportunity to present something sensible on affordable housing.

The Minister simply gave that opportunity the flick by saying it was a national issue. His response was an absolute disgrace, which was apparent to the 600 people who attended the function. I am sure they were embarrassed by the actions of the Minister and certainly felt embarrassment for the Carr Government. The Minister simply squibbed such an important issue. Articles began appearing in newspapers the next day, so he decided to release his affordable housing study. I mentioned earlier that this study had been sitting on his desk since December. The Minister issued a press release and a glossy pamphlet that talked about a number of other objectives. Those documents are freely available to the public, but for 3¼ years this Government has done nothing to improve affordable housing.

The Minister now has released some strategies that he will try to implement in the remaining nine

months of a dying Carr Government. The reality is that the Government will go to the voters on 27 March 1999 after having done absolutely nothing to improve housing for low-income earners in New South Wales. It is a disgraceful record! The Carr Government should be ashamed of itself. For the next nine months I shall be telling voters that this Minister and the Carr Government must go. However, the Government and the Minister have had an impact on low income housing by making the housing crisis worse. The Carr Government has systematically increased the cost of housing through public housing rents and land tax on rental properties.

In some cases public housing rents increased by up to 23 per cent. It is interesting that the Government increased land tax rates by 23 per cent over the last two years. This means that land tax on individual properties may have trebled or quadrupled. Many people are trying to cope with dramatic land tax bill increases of up to five times the previous amount. That land tax increase can go nowhere ultimately other than being passed on to tenants. Every financial commentator acknowledges that land tax is a tax on tenants and small business. The Carr Government is taxing families first and has sent this dramatic tax increase straight through to low-income earners in rental properties.

The community is outraged also that the Government introduced a tax on family homes after denying it would impose such a tax. I received a letter from the Treasurer's office, interestingly signed by the parliamentary secretary, in February 1997 denying the introduction of a homes tax. Subsequent to that denial the Government introduced a homes tax. It is determined to hang on to this tax because presently it receives only approximately \$25 million per annum from it, but it will lead to a general property tax after the next State election.

The Carr Government went to great lengths to explain that it wanted New South Wales to be consistent with Victoria. Treasury officials have given that same explanation. A \$200,000 home tax threshold will be converted to a general property tax, the threshold for investment properties will be raised from \$160,000 to \$200,000, and the threshold for homes will be dropped to \$200,000. Just about every property within 20 kilometres of the Sydney GPO will be affected by that \$200,000 threshold. The Carr Government knows the home tax is unpopular, but it is prepared to take the pain on that issue because on Monday, 29 March 1999, if it is re-elected, it will convert that tax to a general property tax.

The anticipated revenue from a general tax is huge: hundreds of millions of dollars from taxing every property valued over \$200,000. New South Wales voters know that that is the end result. Last month the *Bulletin* Morgan Gallup Poll demonstrated that 61 per cent of voters oppose such a tax. The Premier can convince only one in four Labor voters that it is a good idea. More than half of Labor's constituency oppose the tax. Many of them will oppose the Carr Government next year and give the Premier the long European holiday he is so much looking forward to.

I should mention briefly that the Minister for Police has finally allocated some funds for the proposed Bondi Beach police station. I hope this is not another pre-election gimmick. Before the last election, promises were made about approving the new police station. Funds are desperately needed to commence that project. The land has been vacant for 15 years, and that is an indictment of all previous governments. The Bondi Beach police station is needed urgently. I have pointed out to the Government that since it is determined to fast-track the train to Bondi Beach, the law and order issue will remain a problem for everyone. The police station must be built as soon as possible in the centre of the shopping precinct to create a better police presence.

[*Mr Acting-Speaker (Mr Gaudry) left the chair at 1.10 p.m. The House resumed at 2.10 p.m.*]

Mr GIBSON (Londonderry) [2.10 p.m.]: The State budget, delivered in this Chamber by the Treasurer, Michael Egan, on Tuesday, 2 June, is a budget that puts the family first. It tells the true picture of how the State Labor Government has paid its way during its term in government. The budget provides for a surplus of \$45 million. If the expenditure for the Olympic Games were removed from this year's figures, the surplus would be almost \$500 million. This is an outstanding performance and any fair-minded person would have to agree that the Government has managed the State responsibly and has provided the necessary services for the people of New South Wales and, in particular, the people of western Sydney.

On many occasions I have spoken in this Chamber about the need for a new police station at Richmond and, unfortunately, the budget has one glaring omission—and it is the only black spot in the budget—in that it does not include an allocation for that police station. However, I have spoken to the Minister for Police and it is hoped that, following a meeting to take place in the next week or two, an announcement will be made about that

police station. The Olympic Games are on everyone's minds and the budget, with its \$45 million surplus even after paying all the Olympics bills, has put New South Wales in a tremendous position. We can all look forward to the Olympic Games in the year 2000 because they will be the best Olympics ever staged and the whole nation will be proud of them.

Some people might knock the amount of money spent on the Olympic Games—and the Opposition made a comment earlier about this—but I am sure that in the end the Opposition will join the Government in its praise of the Olympics. Also, the whole community will benefit from what flows from the Olympic Games in the year 2000. The Government has broken the back of the Olympic construction expenditure. In other words, it has paid for the Olympics and reduced anticipated expenditure, and that is no mean feat. Good news for all is the \$43 cut in car registration fees and the saving of up to \$2,200 in stamp duty for first home buyers. This should be a necessary trigger to maintain the building industry boom experienced over the past four or five years in this State and will provide more jobs in the future for people in the industry.

There is an old saying that if the building industry is going well, the whole of the economy is going well. The budget singled out young, medium-income families and self-funded retirees for car and home tax breaks. The \$43 saving will be offered from 1 July to the 600,000 families who benefit from the Commonwealth family allowance and the 380,000 self-funded retirees who hold a New South Wales Seniors Card. The fact that New South Wales has been given another AAA credit rating in itself is a vote of confidence in the way the Government has looked after the finances of the State. Following the budget the editorial in the *Sydney Morning Herald* on Wednesday, 3 June was complimentary of the budget, though it made a comparison we thought would be made anyway. The editorial stated:

This Budget is unlikely to win the Government any new votes. But it probably won't lose it any more either—

in fact the *Sydney Morning Herald* was really having two bob each way—

whether from direct measures taken or the impact these will have on the State's economy between now and next March. To that extent, Mr Egan and Mr Carr can be satisfied with the result. But it is a long way short of what could have been if their privatisation plans had been allowed to proceed.

The *Sydney Morning Herald* accepted that this is a sound budget but that if the Government had

privatised electricity an even better budget would have been brought down. It has been well documented that members on this side of the House oppose the privatisation of electricity because they believe that the people already own it. I wish to turn now to my electorate of Londonderry. The budget includes an allocation of \$4 million for public housing in the Bidwill estate, which has many problems with roads, laneways and living conditions. The Government has turned this part of Bidwill into virtually a new suburb which must be seen to be believed. Also, \$1 million has been made available to begin improvements on the Mount Pleasant estate. I am pleased that the Government is continuing improvement programs for public housing, particularly in western Sydney.

The Department of Housing has received increased funding for new works, especially in the Richmond area, including \$1.25 million that has been earmarked for new public housing projects in 1998-99, which overall is an increase of \$93 million on last year's budget. Asset acquisitions will cost \$188 million and \$32.6 million will be spent on new Aboriginal housing, with \$10.5 million allocated to upgrade existing works. Over the next 12 months \$1.2 million will be invested in the Londonderry area for work on nine new housing units, with another nine to be completed in the Richmond area.

The Federal Government has slashed \$200 million from public housing, \$50 million of which has been worn by the New South Wales Government. As a consequence the State's capital works program has remained static. One should remember the savage cuts that have been imposed by the Federal Government in many areas. In western Sydney this year a total of \$21.25 million will be spent on maintenance of and repairs to properties, while \$13.25 million will be spent on upgrading existing housing in the region.

The following amounts have been allocated to rental assistance schemes in the region: \$2,644 million by way of bond money, rent and relocation expenses to assist people with private rental; special rental subsidies of \$151,454; and disability rental subsidies of \$110,782 for people with a disability who wish to remain in their homes rather than be relocated in modified public housing. It is pleasing to see the Labor Party supporting those programs once again, as it normally does. Funds allocated in the budget for key housing initiatives are: \$184.8 million to build 1,341 new general and pensioner public housing units; \$123.3 million to build and lease 668 new community housing units; \$119 million for maintenance; \$35 million for the neighbourhood improvement program; \$90 million

for upgrading; and \$44 million for 153 new units of Aboriginal housing.

So far as expenditure on public housing is concerned, western Sydney has done very well in this year's budget, as has most of New South Wales. More than \$16.36 million will be spent on roads in the electorate of Londonderry in this financial year. Major developments connected with this expenditure will amount to \$12.97 million. For the first time, \$1 million has been allocated to enable work to commence on improvements to Windsor Road—work that has been necessary for many years. Although \$1 million might not seem a great deal of money, this is the first time that any government has ever allocated funds for these essential improvements to Windsor Road, which needs upgrading badly.

Throughout western Sydney more than \$600 million will be spent on delivering improved transport and better roads for the people of the area. The Government is determined to deliver better road services and infrastructure to families in this expanding region. One need look only at the electorate of Londonderry and make a comparison between the 1992 allocation and this year's allocation to see that the Government is honouring its commitment to the people of western Sydney. The allocation for this type of work in the 1992-93 budget was a paltry \$2.5 million. That was increased to just under \$7 million in the 1995-96 financial year. This year, as I have already mentioned, the allocation is \$16.5 million. That amount is made up of: major developments, \$13 million; minor works, \$94,000; maintenance, \$2,130,000; and road safety and traffic management, \$1,174,000.

The Northern Road will be widened to four lanes from Coreen Avenue to Andrews Avenue at an estimated total expenditure of \$5 million. The allocation for this financial year is \$775,000. Castlereagh Road will be widened from Jane Street, Penrith, to Penrith Lakes—a massive \$14 million project, with \$7.5 million allocated for expenditure this year. The Hawkesbury-Nepean floodplain management strategy for roads—something they have never had before in the Hawkesbury—is a \$38 million project, and \$4,635,000 will be expended this year. Funds have also been allocated for the following projects: pavement rehabilitation on the Rooty Hill Road North, \$200,000; pavement rehabilitation on the Northern Road, \$228,000; pavement rehabilitation on Kurrajong Road, Richmond, \$92,000; and pavement rehabilitation on Woodstock Avenue at Rooty Hill, \$241,250. Total expenditure in that area will amount to just over \$2 million.

The reason I mention these apparently small amounts is that for years efforts have been made to get funds of this type to spend in these areas; and the Government has delivered those funds in this budget. I know the people of western Sydney where I live will be very pleased. A roundabout will be built at Windsor Street and Bosworth Street at Richmond, at a cost of \$50,000—something else for which we have been waiting for a long, long time. At last it is going to be delivered. Other allocations include a traffic route lighting subsidy to Blacktown City Council, \$75,840. A local bike plan for the Hawkesbury City Council will be implemented at a cost of \$25,000, together with a local bike plan for Penrith City Council, to be implemented at a cost of \$10,500. That will encourage young people to keep fit and they will be able to ride their bicycles in a secure area.

A pedestrian refuge will be built at Rooty Hill Road North and Bottles Road, Plumpton at a cost of \$36,000. There will also be improvements to the Richmond Road, Mt Pleasant to Cranebrook intersection, at a cost of \$30,000; safety remedial work to be carried out at Mulgoa Park, Mulgoa and Castlereagh Road, the Northern Road to Kurrajong Road, Luddenham to Richmond Road will cost \$75,000; and a school crossing supervisors scheme in the Londonderry electorate has been allocated \$25,000. Rail travel is very important to the people of my electorate. In respect of rail track and station upgrades \$100 million will be spent in 1998-99 on the first stage of the Liverpool to Parramatta bus transitway which is one of the key initiatives of the Government's \$450 million transport program. For the first time there will be a bus route in that area from Parramatta to Richmond. It will bring people back to public transport.

I am pleased to announce the completion of the amplification of the Blacktown to Richmond railway line, at a total cost of \$21.3 million, with \$13.1 million allocated in the 1998-99 budget. That is something the people of the Hawkesbury region have been waiting a lifetime for. It was not until the Unsworth Government came to office that the first rail electrification occurred in that area. A sum of \$10.8 million has been allocated for the further widening of Castlereagh Road at Penrith and Cranebrook, to improve access to the Sydney International Regatta Centre at Penrith Lakes.

An amount of \$53 million will be expended through the school student transport scheme as part of an overall \$22.6 million increase in funding for that scheme throughout the State. That is also good news. In addition, \$27 million will be provided for pensioner half-fare concessions by private bus

operators throughout the western region. Honourable members should look at what is happening in regard to public transport and compare that with what the shadow Minister for roads announced a few weeks ago. The Opposition pledged to privatise rail maintenance in New South Wales if elected to office. That would result in the loss of 4,000 jobs. Those workers would finish up on the scrap heap.

A massive \$55 million will be spent on the biggest and most comprehensive upgrade of station security in the history of CityRail. The public of New South Wales has demanded more security on trains and railway stations, and that is exactly what the Government is going to give them. In the limited time remaining I shall turn to something very important to the people of western Sydney, that is, education. The Treasurer announced in his Budget Speech that two special behaviour schools would be built in New South Wales in the current financial year. One of those schools will be built at Plumpton. At the moment a tutorial centre provides special education for children who have behavioural problems. That school has proved to be very successful over the years and the principal of Plumpton High School, Glen Seargent, has done a wonderful job looking after and supporting that tutorial centre, which has been tremendously successful. The staff who work there should be highly commended for the wonderful job they have done.

This year \$372,000 will be set aside for the first stage of the new school at Plumpton. The school is certainly necessary in that area and it will be welcomed by the local community. Needy children from all over that part of western Sydney will be looked after and educated at the school. Some will be returned to mainstream education and others will enter the work force after the program has been completed. The biggest majority of the children who attend that school will finish up doing something useful and getting jobs, which is the aim of the course. Another \$7 million-plus commitment in this year's budget will ensure that our children have the best possible start in life, so far as education is concerned. Since coming to office the Government has created an additional 2,250 teaching positions. Victoria, by comparison, has slashed the number of teachers in that State by approximately 9,000. That stands in stark contrast to what has occurred in this State. I believe that Labor values and priorities are totally different from those of the Opposition parties.

I am particularly proud of the initiatives to improve the reading skills of primary school students. This year \$65 million has been allocated to

literacy initiatives and \$407 million has been allocated to non-Government schools, an increase of \$25 million in the current financial year.

The amount allocated for education is the largest amount ever to be spent on education in this State. People in working-class areas of the State regard education as their main life rope. We should encourage and support them by providing as much money as possible for these education programs. An amount of \$55 million will be allocated for back-to-school allowances to help parents meet the cost of uniforms, shoes, and other school basics. The amount of \$462,000 has been allocated to commence works at Mount Druitt TAFE. The works will include information technology facilities, a 90-seat lecture theatre, and associated educational support areas. Those badly needed facilities will be welcomed by the people of western Sydney.

In the next 12 months there will be a massive increase in funding for works and maintenance in the electorate of Londonderry. An amount of \$20.401 million has been set aside for a multitude of services. The Hawkesbury electorate, my neighbouring electorate, has been allocated \$490,000 for a special support unit for Windsor High School. The people of the Hawkesbury electorate have been asking for that facility for many years, and this is the first Government to promise it will go ahead.

The Hawkesbury-Nepean flood management strategy was also at the forefront in the budget figures. An amount of \$1 million has been allocated for partial completion of the regional flood plain management study, and \$3.5 million has been allocated for evacuation route upgrades. The sum of \$850,000 has been allocated for flood emergency planning and \$500,000 has been put aside for public awareness programs, which are badly needed in the electorate of Londonderry. The Government will address flooding in the Hawkesbury, and will assist in getting people out of the area in the event of future floods.

I could refer to many other aspects of the budget, but time does not allow me to do so. The budget is good for western Sydney and for New South Wales generally, and it is particularly good in our current economic climate. The Government has paid for the Olympics as we have gone along, whereas most other governments would have left a legacy of debt for generations to come. The Government has paid its way, it has not increased personal taxes, and it has ended up with a surplus. This is a magnificent budget for the State

Government, and it should ensure that the Labor Party is returned to office at the next State election in March 1999. [*Time expired.*]

Mr SLACK-SMITH (Barwon) [2.30 p.m.]: On behalf of the electorate of Barwon I wish to speak to the latest Carr Labor Government budget. In its first budget the Carr Government announced a budget surplus, when in fact the budget was \$300 million in the red. In its second budget it also announced a budget surplus, but that budget was also in the red. This time the Government is talking about a surplus of \$45 million. I bet London to a brick that it will blow out to well over \$400 million. I find it difficult to say anything good about this budget.

The electorate of Barwon has received no new funding for public works. I listened with interest to the announcement of the honourable member for Londonderry that the Government has allocated \$16 million for roadworks in his electorate. I have pleaded with the Minister for Transport, and Minister for Roads to supply \$1.6 million to complete the Mungindi road, which is a real death trap, but my plea was ignored. The budget provides not one cent for that road, and it provides nothing for the bush. It proves the old adage that "NSW" stands for Newcastle, Sydney and Wollongong. There is no mention in the budget of any allocation for the soon-to-be-announced Kamillaro Highway from Willowtree to Bourke, between Wee Waa and Narrabri. Currently the road is falling to pieces because of the amount of traffic it carries.

The New England Health Service has been a disaster; it has been operating with unpaid bills for around seven months. Staff morale is very low, and it is tough on those who are battling with unpaid bills, in particular service industries which provide food, dentistry and other services. On one recent occasion officers of the health service were driving unregistered cars because the service did not have the money to pay for registration and insurance. That is a crime.

In rural New South Wales there are more than 67 vacancies for general practitioners in small country towns. In my electorate of Barwon there are immediate vacancies for at least six general practitioners. This budget contains nothing to encourage medical practitioners to come to the bush. The \$100,000 that the Minister announced is just a spit in the ocean; it will do nothing at all to alleviate the problems and the hurts in regard to medical services.

Education is no better off. Curlewis school, in my electorate, has paint peeling off the walls and its roof leaks, but not a cent has been provided for repairs to the school. The Burren Junction primary school has requested one demountable classroom; that would not cost a lot of money. The school was told that no demountables were available as they were all to be used for accommodation for the Olympics. That excuse is totally unacceptable. Bullarah primary school, which has one classroom for 29 students, needs another classroom. It has been projected that in three years the school will have 54 students. But not one cent has been provided; and no acknowledgment that it will be provided.

Mr Amery: Have you told them that you are going to take the back-to-school allowance away from them?

Mr SLACK-SMITH: The back-to-school allowance is a joke. The Minister knows that schools would be far better off getting a lump sum to help all the children, instead of a paltry \$50 being sent to parents. The Government boasts that police numbers will be increased by 100. That is a joke! Those extra 100 police will bring the police numbers back to what they were in 1997. There is no guarantee that any additional police will be sent to rural areas. In the last two years police numbers in Moree, for example—a problem town in regard to law and order—have fallen from 55 to 34. In Boggabri, which has a two-man police station, one police officer is on compassionate leave for an indefinite period and the other officer has been posted to Gilgandra virtually on a permanent basis because Gilgandra does not have any police at all. That leaves Boggabri without any police whatsoever.

The Carr Labor budget represents pork-barrelling of the worst possible kind. It has been announced that \$600 million will be provided for new development in western Sydney and that this is the budget for western Sydney. That is obvious. The Minister did not have to issue a press release to make that announcement. There is absolutely no support in the budget for rural New South Wales. It is a great insult that two days before the Premier announced that \$18 million will be provided over five years to promote regional business and development, the Minister for Urban Affairs and Planning announced that \$22 million will be spent on inner-harbour parklands. This budget has no vision; it does not support business. It is a bandaid budget; the Treasurer knows this will be his last. This Government is on the road to self-destruction.

Mr IEMMA (Hurstville) [2.40 p.m.]: This budget shows the contrast between the Labor way,

which protects the integrity of government services and the provision of government services, and the conservative way, which is evident in the budgets of the Federal Government and other conservative governments such as the Victorian Government. Those governments have reduced debt and brought down budgets that are in surplus by closing hundreds of schools and hospitals, and slashing other services. This Government has brought down a budget that is in surplus and has maintained the basic health, education, policing and housing services. It has produced that surplus by cutting down on waste.

The Government has cut the total State debt, not by the Federal Government's slash-and-burn process; not by taking hundreds of millions of dollars out of the health, education, community service and public housing systems; but by providing those services where they are needed, in spite of the Federal Government's massive funding cuts. Those cuts amount to almost \$100 million in health funding; almost \$200 million in funding for housing; and almost \$500 million in education funding. This budget makes up for those drastic cuts and provides the basic and essential services that people expect from State governments. That contrasts with the approach of the Federal Government and its allies—such as the Victorian Government, which has repaired that State's financial position only by destroying its social services and by massive cuts to community services, health, education, housing and public transport. That is not the Labor way and it is not the way of this Government, and it will not be the way of this Government when it is re-elected in March next year.

I refer now to some particular aspects of the budget that impact on the electorate of Hurstville. The first is housing. The electorate of Hurstville contains some significant public housing estates in Riverwood, Peakhurst and Punchbowl. There are almost 3,000 public housing tenants in Hurstville, where the department owns about 2,700 properties. In the face of the massive withdrawal of Federal funding to the tune of almost \$200 million, it is pleasing that the Minister for Housing and this Government continue with their social responsibility to provide housing. In the coming year the Government will fund an additional 42 aged housing units in Peakhurst, Narwee, Riverwood, Kingsgrove and Beverly Hills and will continue to fund work that has already commenced on another 52 units. That will make a total of almost 100 units in 12 months and will involve an expenditure of almost \$10.5 million.

In its full four-year cycle this Government will have established more than 200 new public housing units. That is an outstanding achievement when one takes into account the constraints under which the Minister for Housing has had to operate, with the removal of the Commonwealth-State Housing Agreement. That agreement survived non-Labor Prime Ministers Menzies, Holt, Gorton, McMahon and Fraser, but it did not survive John Howard. That demonstrates the Prime Minister's commitment to the disadvantaged. The budget gives the long-awaited go ahead to the M5 east, and backs it up with money. The M5 east will affect people in the outer south-west—in the electorates of the Minister for Housing and the Minister for the Olympics—but people in the inner south-west have been waiting, first for the decision that the road would go ahead, and second for the budgetary allocation so work can commence. For those people this is the best news of all.

The amount of \$131.5 million has been allocated in this budget to fund the commencement of the M5 east, a project which is estimated to cost \$700 million. The present situation is unsatisfactory, with the road terminating at Beverly Hills. Residents of Beverly Hills, Narwee, Riverwood and other parts of the electorate have been subjected to an excessive volume of traffic and that has affected their quality of life. At last a budgetary allocation has been made, and from that allocation \$52.5 million will be spent in and around the Beverly Hills area. The amount of \$200,000 has been allocated to continue the Beverly Hills main street program. This brings the Government's contribution to that important program to \$350,000. King Georges Road goes through the middle of the Beverly Hills shopping centre, and traffic noise and volume have been exacerbated by the M5 terminating at Beverly Hills.

To alleviate the problem the main street committee was formed. That committee comprised representatives of the local community, the chamber of commerce, Hurstville Council and me as local member, to try to do something about the Beverly Hills shopping centre. I hope the additional allocation will enable work to commence on what has been described locally as the Beverly Hills plaza project. Hurstville council has had discussions with architects and consultants in regard to an area between the Pizza Hut and the Beverly Hills Hotel on King Georges Road, where a small but significant piece of open space has become run down. Council wants to turn that area into a public open space recreation area. It has been estimated that the plaza project will cost upwards of \$75,000. With what is left from this allocation and with the Hurstville council kicking in a similar amount of

money, a lot more work can be done on the main street of Beverly Hills.

The main street in Riverwood has assumed significant importance in the past 12 months. I am pleased that the Minister for Roads has set aside \$150,000 to start the Riverwood main street program. This is a timely allocation, given that Hurstville City Council recently released the Riverwood town centre study and last week held an initial public meeting. The offer of \$150,000, together with contributions from council and from any development in the main street, will pay for a substantial upgrading of the appearance of the main street. The local community welcomes this initiative. In the time remaining to me I intend to speak about policing issues. Last week a local newspaper, the *Bankstown-Canterbury Torch*, carried a front-page article outlining a number of concerns about crime and policing in Riverwood and the Hurstville local area of command. The article included statements by a former representative of the Riverwood Chamber of Commerce, Mr Johnson.

Today I wish to correct some of the gross inaccuracies made in that article as regards the State Government budget and the allocation of funds for police. The first misstatement is a quotation from Mr Johnson that this budget cuts police funding by \$50 million. In truth, the budget allocates an extra \$93 million to the police budget, bringing to a total of almost \$500 million the extra amount spent on police since the Liberal and National parties were last in government in 1995. This Government's significant increase in police funding can in no way be described as a cut. The February 1998 industry assistance report stated that New South Wales has the highest expenditure on law enforcement of any State in Australia. This State spends 25 per cent more than any other on law enforcement, and that figure does not include the substantial amounts for the Independent Commission Against Corruption and the Police Integrity Commission.

The *Bankstown-Canterbury Torch* article may refer to a \$50 million cut, but the police budget this year enjoys a \$93 million increase, making a total increase of \$500 million since this Government took office. This budget provides funding for an additional 100 police officers, in keeping with the Government's promise to provide 13,407 police officers by 1999. That is very different from the assertion in the newspaper article that the Government is breaking its promise. Reforms initiated by the Minister for Police in a restructure of the service have meant that an additional 2,000 police officers have been redeployed to front-line duties. Contrary to what has been stated in the local

press, the following is true in relation to local police numbers. In November 1994 the Hurstville local area command, which includes the Hurstville, Riverwood and Kingsgrove police patrols and police stations, had an authorised police strength of 134. Today the police strength is 209—an increase of 75.

The *Bankstown-Canterbury Torch* article to which I have referred includes negative references to the Premier, so it is important to emphasise that since the Carr Government took office police strength of the Hurstville local area command has been increased by 75. Riverwood itself is mentioned extensively in the article. The article states that the police have disappeared from Riverwood, but Riverwood has 49 sworn officers, including the highway patrol and the anti-theft squad. Previously the highway patrol was not in the local area. In November 1994, the most recent figure for the coalition's term in office, there were only 37 sworn officers at the Riverwood police station.

Riverwood comes under both the Campsie and Hurstville local areas of command. The Campsie local area command covers the Canterbury local government area of Riverwood. In November 1994 police numbers at the Campsie local area command totalled 124. As at June this year that number has increased to 145. The Hurstville local area command and the Campsie local area command and patrols within those commands—Riverwood, Kingsgrove, Hurstville, Lakemba and Campsie—now have 96 more police officers than in November 1994. The Government has given a substantial boost to policing in the area. I am amazed that the *Bankstown-Canterbury Torch* could assert that local police numbers have been denuded.

The article also claimed that community policing has not remained a priority for this Government. In fact, the new and improved management of the local area command structure has meant closer links between the local community and police. This budget allocates \$4.5 million to the safer communities action plan. Each local area command will have a community safety officer to address specific crime problems and develop local plans for crime prevention. The officer at Hurstville, Mr Simpson, has done an outstanding job in liaising with the local community and providing very good advice on local crime prevention and strategies that can be taken by our community to reduce the level of crime. In addition, the budget provides a figure of almost \$5 million to be spent on training and allocation of youth liaison officers for all local areas of command.

The Hurstville local area command will have a youth liaison officer and a community safety officer, two positions that make an enormous difference. I have had dealings with those officers and I am aware that they are both doing an outstanding job. The allocation of \$4.5 million for the safer communities action plan and \$5 million for youth liaison officer training and deployment—making a total of almost \$10 million—demonstrates the Government's substantial continuing commitment to community policing and community safety. The police budget contains allocations for other community policing initiatives that I would like to speak about, but time does not permit me to go through them all. Overall, it is a budget I am proud of. It is a budget that maintains Labor priorities. It is a budget that patently paints the contrast with the approach taken by the Commonwealth and other States, such as Victoria. It is a budget that maintains services and its obligations to the community.

Mr O'FARRELL (Northcott) [3.00 p.m.]: The Treasurer concluded his 1998 budget speech by stating:

As we promised:

It's a Budget that puts families first.

It's Budget that bolsters our hospitals, our schools, our police.

It's a Budget that provides strong support for our great regions and country towns.

It's a Budget that positions New South Wales for more investment and more jobs.

It's a secure Budget, a family Budget, a fair Budget, and, I believe, a far-sighted Budget.

And, like the three Budgets before it, it's every inch a Labor Budget.

I want to use the opportunity that this debate affords me today to demonstrate that each and every one of those statements is a lie, false and untrue. I want to do so in the context of the area of the north shore that I represent, the electorate of Northcott, to prove once again that the only statement in that quote that is true is "it's every inch a Labor Budget". People have to live in Labor electorates to benefit from this budget or any of its predecessors. The 1998-99 New South Wales budget is reflective of a government that has failed to address the fundamental structural problems confronting the New South Wales public sector. It prescribes an economic outcome for New South Wales that is grossly deceptive, and based upon a number of tenuous and unrealistic assumptions. It simply cannot be believed. The 1998-99 budget destroys any remaining financial credibility of Bob Carr and Michael Egan.

The 1998-99 budget characterises a government with very few remaining financial options due to its lack of fiscal discipline in the past few years. Unfortunately for New South Wales, Bob Carr and Michael Egan have failed to follow the fiscal principles they espoused while in Opposition. Consequently, New South Wales now languishes in relation to the majority of other States, especially Victoria and Queensland. An analysis of the New South Wales budget reveals few options for Mr Egan. New South Wales is the highest taxed State in Australia. Although almost all other States in Australia are recording substantial surpluses, New South Wales is still recording a growing deficit. Expenditure under the Carr Government is out of control, having been increased by more than 20.4 per cent since March 1995. While in Opposition Bob Carr claimed he would restrain government spending, cut taxes—in particular, business taxes—reduce budget debt and balance the budget.

Any independent analysis reveals that the Carr Government has failed to deliver on all these commitments. The Carr Government has squandered the benefits of inheriting the best-performing economy in Australia and failed to capitalise on record receipts as a result of a buoyant New South Wales economy. New South Wales, under the Carr Government, displays the out-of-control spending, big-taxing characteristics of previous State and Federal Labor governments. During the past three to four years my favourite part of the New South Wales budget papers has been Budget Paper No. 2, table 3.1, which indicates budget receipts for past and current years.

I have spoken in these debates on each of the three successive occasions a Labor budget has been delivered, so I am able to report that fees and fines collected under this Government have increased by \$1 billion a year. Up until last year's budget, over three years taxes, fees and fines had increased by over \$3 billion. I am disappointed that this year I cannot repeat the record, but I can indicate that instead of increasing by another \$1 billion this year, taxes, fees and fines in New South Wales are estimated to increase by \$800 million. Since the election of the Carr Labor Government on a platform of "no new taxes and no tax increases", \$3.8 billion of increased revenue from taxation has flowed into the New South Wales Treasury. As the Leader of the Opposition pointed out in his budget reply, the Treasurer has made history with this budget. He made history with his record-breaking tax grab.

This budget confirmed once and for all that New South Wales is the highest taxed State in Australia. This budget gives the Carr Government

the dubious honour of making New South Wales the first State in Australian political history to break the 7 per cent barrier for taxes as a proportion of what we produce each year. Each New South Wales taxpayer now pays \$2,224 a year in taxes, fees and fines. That is \$1,063 more than Queenslanders and \$417 more than Victorians. That is \$2,224 each year from people's take-home pay. In New South Wales we pay 11 per cent more tax per person than Victorians. That equation will get worse, because while the Carr Government goes on a tax binge other States are driving their taxes down. Victoria has cut taxes by \$343 million in the past two years and Queensland by \$153 million. By contrast, the Carr Labor Government has increased taxes by a massive \$2.5 billion a year.

This budget increases tax revenue by a further \$800 million or almost 6 per cent. That is \$363 in extra tax for every New South Wales family. When the Treasurer says he will put families first, he means he will tax families first. Before this budget New South Wales families were already more than \$1,100 a year worse off under the Carr Government tax increases. When the budget was delivered the Treasurer added \$363 to the family bill, so that families are now more than \$1,400 a year worse off under Labor. Under the Carr Government taxes have increased by 33 per cent. This budget will take an extra \$103 million in gambling tax this year, an extra \$106 million in land tax and an extra \$24 million in driver licence fees. All this from a party that made a solemn promise during the 1995 election campaign of "no new taxes and no tax increases". It is heartening that independent commentators were able to see through the budget. But criticism of this budget is not confined to the Opposition. Ross Gittins, in the *Sydney Morning Herald* of 3 June 1998, stated

His [the Treasurer's] planned tax budget surplus of \$45 million is the rabbit. In other words, its not just unsustainable, its unrepeatable.

Take a good look at it because today may be the last day you see it.

Max Walsh writing in the *Sydney Morning Herald* on the same day stated:

It is basically an exercise of Michael Egan filching money out of your left pocket and returning it to your right pocket as a supposed act of generosity.

To call this a family concession is an insult to the intelligence of the electorate . . . It is, however, reflective of the Budget in total.

Alan Wood of the *Australian* of the same day stated:

Bob Carr and his Treasurer Michael Egan have turned NSW into the highest taxed State in Australia.

The editorial of the people's paper, the *Daily Telegraph*, of 3 June is worth repeating:

Michael Egan's Budget yesterday shows NSW pays scant attention to the philosophy that smaller government lead to smaller taxes.

The Budget shows insufficient attention is given to making existing funds work better.

The Government would rather depend on increased takings through an absurd payroll tax, that penalises employment, than to get tough on outlays.

They have chosen to drain a bit more from wage and salary earners, employers, builders and entrepreneurs

I now turn to that area of the north shore that I represent, the electorate of Northcott, to demonstrate that there is nothing in this budget for the people of that area. The budget again confirms, so far as the Carr Government is concerned, Sydney's north is just a relative—it does not make it to the family table. There is little in the budget for north shore residents, despite the Treasurer's claim that it puts families first. That is only true if the family lives in Labor's heartland or marginal electorates. I take up one of the comments made by the honourable member for Hurstville who, in seeking to deflect some criticism relating to police locally, repeated a major lie used by the Carr Government.

We know that across the Ku-ring-gai municipality and the Hornsby shire—areas represented by my electorate of Northcott—crime is up. Break and enters of homes have increased by 22 per cent. Break and enters of other properties have increased by 24 per cent. Car theft has increased by 29 per cent. Stealing from shops is up 12 per cent. Assaults are up 14 per cent and sexual assaults are up by more than 80 per cent. We know that there is a direct correlation between the number of police available for what the Government calls front-line policing and an ability to send these trends in the opposite direction. In other words, increased police numbers can reduce the increased rate of crime in areas such as Ku-ring-gai.

Clearly the Ku-ring-gai local area command centred at Hornsby is in need of additional police as it is not coping, despite its best efforts, with the increasing incidence of crime across the Ku-ring-gai municipality and the Hornsby shire. However, when I have called upon the Government to provide extra police the Minister for Police has said that there are 1,900 additional front-line police across the State. As I proved through a freedom of information

request, that is not true in Ku-ring-gai, where front-line police and general duties police have decreased during the past 12 months, from 106 in March last year to 98 in March this year. And we wonder why the crime rate is increasing in Ku-ring-gai.

I have brought this matter to the attention of the Minister for Police. He said it is untrue and that police rates overall in Ku-ring-gai are up. Of course, the number of police stationed at the Hornsby police headquarters and administration staff have increased, and transit and highway police have been based there. As I said in the House yesterday, administration staff, transit police and highway police do not help with break and enters, car theft, shop robberies, burglaries and street assaults. They have specific duties that principally relate to the F3 freeway and to activities along the Pacific Highway. The Minister for Police and the honourable member for Hurstville trot out nonsense—they say that the numbers have increased. Police are not being increased where they are necessary: on the streets in the suburbs.

I welcome the Government's changes to land tax in the budget. However, I am concerned that the Government continues to protect the principle of taxing the family home. Labor's luxury land tax affects 550 homes on Sydney's north shore. Many thousands of north shore residents are affected by land tax on investment properties. However, the reduction in the general rate of land tax from 1.85 per cent to 1.7 per cent will not kick in until 2000. Therefore, a supposed Government concession will not come into effect this year or next year, but the year after. Similarly, the expected increased tax threshold for investors from \$160,000 to \$170,000 does not come into effect this year but next year. As commentators have indicated, that is budgeting on the never-never. The Government will lose office in March next year. It knows it will never have to honour its promises. The Government is simply seeking to reduce the clamour and concern being expressed in the community about high taxation by offering some panaceas. But like most panaceas, it has no substance.

School maintenance is in desperate need in my electorate. The Government abolished the regular school maintenance program conducted by previous governments. As a result, schools and school communities struggle to find funds to repair many necessary parts of their schools. Last week I met the new principal of Warrawee Public School, Mrs Jean Hartshorne. She took over from Jill Harris, who retired after many years at the school. Mrs Hartshorne pointed out that the school oval is now off-limits to students because it is in urgent need of

embankment work. The department cannot tell her when funds will come forward for that work. Warrawee Public School is a major school which services a great area of Sydney. However, its oval cannot be used because of cuts to school maintenance funds. The honourable member for Ku-ring-gai and I recognise that it is terrific that Wahroonga Public School has finally made it onto the Government's list, but as the honourable member for Ku-ring-gai knows, it is three years overdue.

People who live on Sydney's north shore should not expect to receive money for education, because very little money comes through under this Government. The Government has endeavoured to concentrate on computers. It has attempted to get computer education right, but it has done two things wrong. First, it has penalised schools whose communities and parents have purchased computers, as against schools with communities and parents that have not been so co-operative with the school's curricula. Second, the Government has failed to provide adequate computer backup in schools. In my electorate teachers from primary and high schools complain about a lack of time to support the computers to ensure that students get the most out of computer education, and do not complain about the gift of computers to schools or the provision of extra computers to schools.

The Northcott electorate has more railway stations than any other metropolitan Sydney electorate. The biggest rail issue in my electorate relates to security on stations. On the north shore line only three stations are to be included in the safe rail program by the end of 1999—North Shore, Chatswood and Hornsby. Therefore, 14 stations from North Sydney to Hornsby will not be included in the safe stations program until after 1999. This situation is simply unacceptable for communities on the north shore, as the honourable member for Ermington demonstrated yesterday in relation to an incident on Killara station. We are concerned about proposals to remove staff from smaller stations such as Warrawee and Waitara.

At Warrawee railway station 8,608 tickets are sold daily, and that number excludes school students who use the station to attend local schools. The commuters deserve better staffing than is being proposed by this Government. Despite a desire by everyone to get more people onto public transport, not a single dollar in the budget will go towards providing an additional car space at any railway station on either the north shore line or the main north line. Additional commuters will not be encouraged onto rail until money is put into

additional commuter parking and improved feeder bus services.

The failure of the Carr Government to include any significant north shore projects in its new urban infrastructure management plan is further evidence of its determination to isolate Liberal voting electorates. It is unbelievable that the problems of increasing traffic volumes on the Pacific Highway have been ignored by the Labor Government. Sydney's north is being starved of funding for necessary road and public transport projects. Despite the lifting of the B2-B3 road reservation, not a single transport initiative has been put in place by the Government to study how that area will cope with future growth on the central coast, from the north-west and from the local area to get people through that area into the city. No study that includes rail, road or other options is available. As a result of the Government's failure in this regard problems such as the Eastern Arterial and the Comenarra Parkway will continue. Therefore, those roads will continue to clog up with traffic that is trying to avoid the Pacific Highway, causing problems for local residents.

The number of people waiting for surgery at Hornsby Ku-ring-gai hospital has increased by 63 per cent since the election of this Government. Despite the Government's solemn pledge to cut waiting lists, waiting list figures at Hornsby hospital have increased by 63 per cent. The waiting list figures at the Royal North Shore Hospital have also increased. I give the Government a pat on the back for one small issue: it has finally recognised the need to establish a joint investigation team on child abuse through the Department of Community Services on the north shore. It is of regret that when positions were established across Sydney last year one was not established on the north shore. Regrettably, child abuse does not recognise socioeconomic criteria—it occurs across the entire community.

This morning I joined Dr Brendan Nelson, the Federal member for Bradfield, at an Easy Care garden demonstration in Edward Street, Wahroonga. We saw how we can help aged and disabled people live in their homes longer by assisting them in turning their gardens into low-maintenance gardens. The desirable social impact is that people can stay in their homes longer. As Dr Nelson said this morning, it is a pity that the continuation of such a vital activity relies on cake stalls and donations.

It is a pity that some of the \$3.8 billion additional revenue that this Government raised over four years is not being directed to those vital tasks.

Apparently it has been frittered away on others. I could not point to a single project on Sydney's north, with the exception of the Department of Community Services joint investigative team, that meets the community's expectations. We know that taxes are up across the north shore and New South Wales, but what people in Sydney's north do not know is where that money is going. Very few of the benefits that have been seen in Labor electorates, in particular, marginal electorates, are in evidence across Sydney's north shore.

Mr MOSS (Canterbury) [3.20 p.m.]: One major theme of this budget—which is a hallmark of Labor governments—is its caring nature. This year there has been a massive increase of 11 per cent in recurrent expenditure for social and community services. I could spend all the time that has been allocated to me today detailing how the community services allocation will greatly improve services for families in crisis, preschool care, homeless youth and the frail aged, to name just a few. I point out though that the overall budgetary allocation for community services represents 8 per cent of government expenditure. Some may argue that 8 per cent is not all that extraordinary, but when we add to that figure the housing department's contribution to special housing, which I regard as a welfare-oriented allocation, it becomes apparent that this year's budget allocation to welfare services matches the budget allocation for public transport. That is a fantastic contribution. That is why I believe that this budget is a caring budget.

I say to those critics in society, in particular, those critics who sit opposite who complain about what this Government is doing for welfare services, that this Government has increased the allocation of funds to the Department of Community Services by approximately 40 per cent to catch up with the neglect of the previous Government. I point out to those who criticise this Government's concentration on welfare services that recurrent community services expenditure is up by 11 per cent this year; funding for the Department of Community Services is up by 40 per cent; and, overall, welfare funding now matches funding for public transport. I am pleased that specific funding has been allocated for the Canterbury electorate to cover those major areas of the State Government's responsibility such as health, housing, transport and roads.

In the area of law and order, \$3.7 million has been allocated for a new police station at Ashfield. The Ashfield patrol covers half my electorate and a new station in that area is long overdue. It is pleasing that this Government is doing something about it. Local schools in my electorate have not

been neglected in this budget; there is an overall funding increase of 3.4 per cent on last year's figures. Specifically, I will cover some major areas of State government responsibility in Canterbury, namely, health, housing and roads. This year sees the final allocation of funding towards the building of the new inner west hospital at Canterbury. In fact, this year's budget allocates \$1 million to complete that project. If we marry that \$1 million with the \$79 million that has already been allocated, we see that we are getting a brand new \$80 million hospital in the inner west.

That hospital is one of the success stories of this Government. It said it would build a new hospital, and it said it would build it in Canterbury. The project is now six months ahead of schedule and the hospital will be opened later this year. It is the most exciting project that I have witnessed in the 12 years that I have been the member for Canterbury and it is probably the largest project in the Canterbury region since the railway line went through more than 100 years ago. It is little wonder the community is behind the Government and is just as excited about the project as I am.

The new hospital in Canterbury, which is scheduled to be officially opened before the year is out, will be 208-bed, five-operating theatre hospital, capable of handling approximately 14,500 patients each year. Support services include a 24-hour emergency unit, which will cater for an anticipated 31,000 patients, which includes 8,000 children. Other support services include an obstetrics ward with 22 beds, plus four neonatal cots, a hydrotherapy pool and a children's ward. Paediatric services at Canterbury were withdrawn years ago. I cannot recall the last time that Canterbury Hospital housed a children's ward. But all those services are now being reinstated. A wide range of community health services will be provided at the hospital, such as aged care, palliative care, mental health services, and drug and alcohol services, to name just a few. But that is only part of the story.

Health spending in this budget is up for the fourth consecutive year, despite the Howard Government's health cuts. In fact, in this budget recurrent expenditure alone is up by 4.8 per cent on the figures for last year. Everybody in this State has a fundamental right to adequate health care. Governments have a fundamental responsibility to provide that service and care. I believe that this Government has exceeded its responsibility. Since coming to office it has increased health funding by \$1.3 billion overall. It is fair to say that our contribution to health has both increased and improved over the last four years to levels that

nobody anticipated. Despite the uncertainty over the Commonwealth-State Government Housing Agreement, New South Wales continues to forge ahead in the area of public housing. All up, \$185 million will be spent this financial year on new housing stock alone. The \$185 million does not include money that will be spent on special housing, such as Aboriginal housing and community housing. That \$185 million is just for normal dwelling accommodation for families and single persons.

The Canterbury electorate fares well out of that \$185 million allocation. It will receive \$3.5 million of that \$185 million allocation for public housing. That includes money to complete 13 dwellings which are currently under way, and another 22 to be built this year—22 units of accommodation in the Campsie and Belfield areas. All up, 35 new housing dwellings will be constructed in one electorate alone, which is an amazing effort considering that the Canterbury electorate is a built-out area with very little land available for this type of development. The Canterbury electorate requires a lot of additional public housing because people have been on the public housing waiting lists for between eight and 10 years in some instances. I am pleased to announce that the Minister for Housing has not neglected those people. In addition to providing above-average new units of accommodation in Canterbury, he has allocated \$1.3 million in rental assistance in the housing region that the Canterbury electorate falls into. Such assistance is essential for people on low incomes who are waiting to get into public housing.

Rent assistance finances bonds and assists people with relocation expenses. Without doubt families are the big winners in this budget; more families will be able to buy their own home because of the three major stamp duty concessions. The area that interests me mostly is the increase from \$155,000 to \$170,000 for homes which attract the concession. This concession will assist families whose homes are valued between \$160,000 and \$170,000. In the Canterbury local government area 47 per cent of the housing stock is below the \$170,000 limit and, therefore, 47 per cent of the stock now available in Canterbury will be available for that concession. Currently in the Canterbury local government area few houses would be valued below the previous benchmark of \$155,000. Many struggling families will be eligible for stamp duty concessions and therefore their opportunity to purchase a home will be increased.

Low-income families will also benefit from the saving of \$43 on car registration. Thousands of

older drivers and self-funded retirees will also benefit. A new formula has been devised to ensure that low-income earners will pick up that \$43 saving on car registration. Approximately 1.3 million vehicles which were registered last year will now pay \$43 less for this year's registration. That is another reason the budget has proved to be a family-friendly budget. I refer now to roads. In my electorate a major road project has been funded progressively over the past four budgets, the \$54 million flyover on the Hume Highway at the intersection of Roberts Road and Centenary Drive, Greenacre. This year \$1.4 million has been allocated for the Canterbury electorate's contribution towards the flyover, which borders four electorates. This year's funding will complete the job.

The overpass will significantly improve travel time. Anyone who knows that intersection or attempts to drive on Centenary Drive or the highway during peak hour will agree that it is an horrific bottleneck. The flyover will also reduce traffic accidents and will provide better access for pedestrians, who, in the main, are local residents wanting to cross Liverpool Road. I am pleased that there has been a special allocation for the incorporation of a 1.5 metre-wide bicycle lane with ramps on and off the highway. This project is on target and the flyover will be completed by the end of the year. This is another initiative of the Carr Labor Government. The sporting venues for the Olympics will be finalised a full year ahead of the Games, and the worst intersection in Sydney, leading directly to the Olympic site, is to be upgraded and will be running smoothly almost two years before the Games commence. Honourable members can thank the Government for that.

I refer now to land tax. Since the land tax was introduced on owner-occupier residential properties valued at more than \$1 million, residents in my electorate have been concerned that they will fall within this tax category. However, the tax is to be indexed to residential values, which means that next year the threshold will rise to \$1.07 million. Legislation is to be introduced to cap the number of affected properties to no more than 0.2 per cent. As promised, the millionaire's tax will remain the exclusive obligation of millionaires—that is a good idea, as millionaires often boast about how they like to be exclusive. Furthermore, despite all the bleating about ability to pay, of the 3,000 persons who pay this millionaire's tax only 60 have applied for its deferral. That shows that the majority who pay this tax can afford to do so.

The budget offers relief to those paying land tax on investment properties. I join with the Premier

and the Treasurer in emphasising that less than one-quarter of investment properties in this State attract land tax. It is important to point out that fact. Nevertheless, the Government is pushing up the threshold by \$10,000 to \$170,000. It has been estimated that 4,000 persons who paid that tax last year will not pay it this year. As I see it, small investors who have fallen into that category in the past—and there would be very few of them, bearing in mind that less than a quarter of investment properties attract land tax—will not pay land tax next year. That is, once again, another initiative of the Carr Labor Government.

Finally, any budget that increases spending on almost every area of responsibility is an extremely good budget. Any budget that does that while providing an estimated cash surplus has to be hailed as an excellent budget. Any Government that can fund the 2000 Olympic Games, which are now virtually paid for, whilst maintaining this State's AAA rating, can rightly claim to be a model of fiscal responsibility. The Carr Labor Government has done that and has delivered maximum services and concessions to the people of New South Wales.

Mr KINROSS (Gordon) [3.40 p.m.]: The 1998-99 budget could best be described as a betrayal of trust by a government which, to date, has broken at least 450 promises. I will refer to some of those broken promises that relate to my electorate. It has been said that not only is the budget a smoke and mirrors budget, but proper accounting principles have not been applied. The handing down of the budget was delayed by the Treasurer so that some accounting principles, such as accrual accounting, could be applied. Closer examination of one measure in the budget, a stamp duty discount for first home buyers, reveals an appalling scenario—which has been confirmed to me today by an officer of the Office of State Revenue.

The budget, described in various terms by such eminent commentators as Ross Gittins and Alan Wood, is a reflection on a government that has not planned ahead. Generally, the Government's promises are not being honoured by the provision of funds to fulfil those commitments in future years—for example, in the area of education. The electorate of Gordon has received nothing from the Carr lying Labor Government for four years. It was not surprising that it did not receive anything in this budget. However, the people in my electorate will have to pay increased taxes, a matter I raised in the House last year. Those increased taxes are in a hidden regulation and include a 10 per cent increase in fines for parking and traffic offences and other sundry revenue matters.

Last year this Government introduced a tax on owner-occupied homes, again in spite of a promise in 1995 that it would not introduce any new taxes. In every budget since the Carr-Egan Government came to power, the electorate of Gordon has received no substantial funding and certainly no capital works funding whatsoever. However, this year will be particularly brutal for the taxpayers of Gordon with a massive increase in land tax and another round of valuations to come. The further valuations will impact on even more residents and will catch in the Government's dirty net those who are not currently paying land tax. Land tax is already an issue of importance to communities across New South Wales. On 20 December last year, during the Sutherland by-election, the Opposition pledged to concerned residents to repeal the tax on owner-occupied homes.

In my electorate—with a 75 per cent increase in land valuations generally, and only a 6 per cent increase in the land tax threshold for investment properties—the land tax increase will result in a huge windfall of additional tax revenue for the Government. I attest to those increases from personal experience. Furthermore, the current tax rate of 1.85 per cent has increased by some 23 per cent since Labor came to office. Despite the Government's promise to reduce the rate last year, no reduction has occurred or will occur in the 1999 land tax year—another betrayal by Labor. Only in the year after the next election will there be any hope for a reduction in the land tax rate.

The Treasurer has proudly and consistently stated that land tax on owner-occupied homes—the "silvertail" tax, as he calls it—will remain, thereby perpetuating class warfare. When the revaluations occur, even more home owners will be slugged with this new tax. I am proud to say that in relation to this tax I coined the term "de facto death duty". As I stated soon after the Treasurer made the announcement last year of the imposition of this tax, if home owners were unable to pay, the property would have attached to it an accrued liability based on interest rates levied on any outstanding amount. Clearly, the State could only receive that tax when the home owner died and the property was sold as part of the estate.

The only way to remove this insidious tax—the "silvertail" tax, as the Treasurer likes to call it—is for residents, who are being hit in the hip pocket, to vote to remove the Carr lying Labor Government. The Opposition has pledged to introduce a bill to repeal that tax. The Carr Government has failed to recognise the substantial negative impact of the tax on renters. Various interest groups—which I would

have considered would be in the Australian Labor Party court—have expressed gross misgivings about this tax. Renters will now have less opportunity to purchase their own home because the tax increases are being passed on to them. As many have stated, that logic would be obvious to anyone who has a basic understanding of economics.

As happens when costs of goods or imposts on them are increased, the increase eventually manifests itself in the ultimate price to the consumer. The same thing occurs in this context, with the consumer being the renter of the property. They are the ones who will ultimately pay for the increase. On 2 June the Speaker of the House ordered my removal from Parliament. I had proved the lie by the Treasurer when he stated that the discount to first home owners on an average price of \$170,000 would yield a saving of some \$2,200. In fact, page 23 of Budget Paper No. 1 shows a saving of \$888. In other words, Labor still cannot be trusted. Clearly, in spite of what is in the written record, the Treasurer was looking for a media grab through the televised coverage. That \$2,200 represented a more agreeable figure than the one stated in the budget papers.

Despite the Treasurer's mantra that the land tax burden has been eased, it is the calm before the storm. I will refer to some figures as they generally affect first home owners. Today I discussed the discount to first home owners proposal and the number of applicants who would benefit from it with an officer of the Office of State Revenue—whom I will not name. Sadly, not only has the puppet Treasurer and Premier presented rubbery figures, but page 14 of the 1996-97 annual report of the Office of State Revenue sets out wrong figures. I asked the officer whether a corrigendum had been released, and he simply informed me that the figures in the annual report were not correct; they were wrong. A published annual report with no formal correction made to it, coupled with Michael Egan giving wrong figures compared with those provided in the budget paper, is symptomatic of a government that has repeatedly lied to the people of New South Wales. I am pleased that a high proportion of the people of New South Wales gave a rating of 67 per cent to the importance of commitments made by politicians generally.

The safety of rail and road commuters is still in jeopardy and is a matter of grave concern. I have expressed continuing concern about the ongoing safety of both rail and road commuters using Pymble bridge in my electorate. In the 1994 budget the coalition Government allocated some \$5.5 million for the realignment and upgrading of Pymble

bridge. However, none of that money has been expended on that project, let alone on any other project in the Ku-ring-gai area. I am amazed that Labor members such as the honourable member for The Entrance and the honourable member for Peats have not complained about that. Accordingly, we can expect another year of chaos and delays on the Pacific Highway as a result of the Labor Government's failure to plan for an orbital road network and upgrade, which was coalition policy at the last State election.

Anyone listening regularly to the afternoon traffic reports on radio stations such as 2UE, 2GB and 2BL knows that from about 3.00 p.m. onwards Pymble bridge gets a mention, almost without fail. The build-up of traffic on the bridge is a regular problem. I doubt whether the NRMA has costed the overall loss of revenue, not to mention the negative impact on the environment of exhaust fumes from the crawling traffic. As I said, that has been occurring since the Carr Government came to office. A front page article in the *North Shore Times* of 13 May stated that a survey of its readers revealed that people on the north shore are less concerned about safety generally than people living in other areas such as Campbelltown and Blacktown. The article further stated that the Government's complacency and failure to install security camera equipment on stations from Lindfield to Turramurra would aid and abet gangs cruising the trains, thereby fuelling the existing and real fear of crime in the community.

Only yesterday the shadow minister for transport referred to Vanessa Laws who expressed concern about having to run for her life on Killara station, which was deserted. Indeed, today's *Sydney Morning Herald* contains an article about the matter with the headline "Train pervert shows security flaws". If the Government made a commitment to install security cameras on train stations, that would go a long way towards eliminating the crime that occurs generally on train stations and people would not fear for their safety, as Vanessa Laws did. Gangs frequently hang around train stations, especially in major areas on the north shore, including my electorate of Gordon. That is not good enough. The Government should not perpetuate the message that the people on the north shore are wealthy enough to look after their own safety. That is an appalling betrayal by a government that is charged with the task of protecting the community without discrimination. In relation to roads, I have some concerns about the B2-B3 corridor option. The B2-B3 option was flagged in a question asked of the former Minister for Transport by the honourable member for Gladesville on 19 June 1996. The question asked:

What are the Government's intentions for the road corridor proposed as the future link between the M2 motorway and the Sydney to Newcastle freeway?

The Minister in his answer said that the community had some concern about the road reservation known as the B2-B3 corridor through the Lane Cove Valley between the M2 and F3 freeways and that the Government would abandon the B2-B3 corridor. The people in my electorate, especially those in Turramurra and Wahroonga, were pleased about that as the proposed link would have run further down through the bushland and up past Fox Valley Road. That promise has not been honoured. The Government has not honoured that statement made in the House, because the B2-B3 corridor is still an option. As a notice of motion on this issue by one of my colleagues lapsed, residents in the area are concerned that the Government will proceed with this option as it has not canvassed other options to deal with Pacific Highway traffic chaos generally. I shall say more about that issue later.

While an upgrade of the 000 emergency call system has been flagged for Sydney, many of my constituents are still concerned about the poor response times to their distress calls. I have raised this matter in my capacity as a member of the Committee on the Office of the Ombudsman and the Police Integrity Commission in relation to one resident in my electorate. It is not good enough that Gordon police can respond to calls only if they are properly and adequately received at the 000 emergency call headquarters. That has not happened in the past. I simply tell my constituents not to hold their breath waiting for any improvement in response. In any event, with this Government the proof of the pudding is in the eating, as I have been told by many of my constituents.

The shadow minister for police, the honourable member for Eastwood, has also proven that the Government's claim of extra police is a furphy. The claim in the budget papers that police numbers will be at an all-time high of 13,378 is blatantly false. Information obtained under freedom of information legislation shows that the number of police will in fact fall to below the number of police on duty in November last year. People only have to visit Gordon police station to verify that that is the case. In relation to police and safety, I flag that I was the first member to express concern about this matter when I gave notice on 18 September 1997 of a motion about the increase in crime generally. The motion, which is still on the business paper, states:

That this House notes that for the 3 months to August 1997 in the Gordon Police Patrol area over the same period last year there was a:

- 50% increase in Assault;
- 35.5% increase in Break and Enter;
- 175% increase in Drug Detention;
- 142.9% increase in Robbery; and
- 116.7% increase in Stolen Vehicles.

That this House calls upon the Minister for Police to reinstate a full-time Inspector of Police to be based at Gordon Police Station and not have a part-time and temporary Inspector at Hornsby handling Gordon.

Since I gave notice of the motion the figures have got substantially worse. The Opposition showed that the Government's commitment to law and order is a furphy by pointing out that the Government's knife legislation provided a fine of only \$500 whereas a heavier penalty could be imposed for simply defacing a library book. Such weak legislation simply adds to the real fear of crime that exists in the community. I turn to the allocations for the New South Wales Fire Brigades and State Emergency Services. The budget does not provide capital works funding for upgrading the fire station located on the Pacific Highway at Pymble. Only late last year the chief fire officer informed me that the building was grossly inadequate for the needs of his firemen and, indeed, probably breached occupational health and safety legislation.

Honourable members know that the Fire Brigades, in conjunction with the State Emergency Service, do an excellent job. Most notable was their work during the January 1994 bushfires. The Fire Brigades and the State Emergency Service cannot continue to operate with run-down equipment, and the lives of many constituents remain potentially at risk if that is not remedied. In conclusion, this budget amounts to nothing short of class warfare and ignorance of the very real needs of the people of the north shore at a time when everyone is hurting. The Government must not foot the bill by imposing a silvertail tax on people in accordance with class warfare considerations. [*Time expired.*]

Dr MACDONALD (Manly) [4.00 p.m.]: I characterise the 1998-99 budget as exclusively for the western suburbs and the Olympics. For the first time a special document called the western Sydney budget statement has been produced to pander to the western areas of Sydney. This is blatant pork-barrelling in an attempt to win favour with people in western Sydney, to the exclusion of areas such as I represent in northern Sydney, which effectively have been left out of the budget process. The Treasurer proudly said in the Budget Speech that all the Olympic construction costs are being paid for up

front: not a single cent will be left to pay in Sydney in the year 2000. I do not agree with that. If \$2.185 billion of civic construction works is to be spent on the Olympics it should be factored in over a number of years. As a result of the large expenditure up front many areas are hurting. Agencies and programs are not receiving adequate funding and many electorates are missing out. In 1998-99 Olympic construction expenditure will be \$1.413 billion. We cannot afford this sort of expenditure at this stage.

I turn now to some of the wins and losses in my electorate: areas that have received funding over the past 12 months and areas that have not received funding. My electorate comprises mainly the Manly Council area and part of the Warringah Council area. Twelve months ago I supported, amid some opposition, the introduction by Manly Council of a special environmental levy. The management and conservation of the environment had fallen behind and the council and the community needed to show their will. The 7 per cent levy raises about a million dollars a year, and it also attracts State Government funding. In the 1997-98 financial year it will attract \$279,376 in matching dollar-for-dollar grants in a number of areas: \$70,000 for the Sandy Bay gross pollutant trap, \$180,000 for Clontarf Reserve foreshore remediation and \$30,000 for works around Manly Dam. My electorate would not have received the benefit of that funding if council had not had the courage to impose the environmental levy.

I turn now to the health budget. The Northern Sydney Area Health Service is to fund a joint investigative team. JIT projects were introduced by the current Government in 1996. They are the preferred model for investigating serious child abuse, particularly intrafamilial abuse. Eight were established, but not in the northern part of the Sydney metropolitan area. On 10 September last year I wrote to the Minister for Health that my electorate was gravely underresourced. The benefit of the JITs was emphasised by James Wood in Volume 4 of the report of the Royal Commission into the New South Wales Police Service. He detailed the history of previous attempts to provide a joint investigation approach and the abject failure that had resulted. However, the Government introduced JITs in October 1996 and they have been a success. An amount of \$300,000 has now been provided to fund a JIT in the northern Sydney area. That welcome funding will provide an essential facility in my community, where, unfortunately, there is a high level of child abuse.

On general trends in the health budget, we have to look at where money is being appropriated.

In 1996-97, \$4.4 billion was appropriated for health spending. The proposed expenditure for next year is \$5.5 billion. That increase within two years is set against a revenue drop of about 20 per cent, mainly due to the drift out of private health insurance. The Commonwealth hospitals funding grant has levelled out in the last three years to about \$1.53 billion. The only increase in Federal funding has been for home and community care grants, which have increased steadily.

About 71 per cent of Health Department expenses are incurred in hospital-based services. The provision of health-related services does not receive adequate parliamentary attention in proportion to its budgetary significance. I repeat that health spending has increased by more than a billion dollars in the last three years. In view of the social implications and the size of the work force involved—80,000 people are employed by the Health Department—I wonder why there is not a standing parliamentary committee to monitor health spending from year to year. I commend the Government for continuing to increase the health budget in particularly difficult times. The Pioneer Clubhouse is part of a rehabilitation program on the northern beaches for people with mental illness who live in the community. Its purpose is to get them back into employment. It was a first in New South Wales and was based on a Victorian model. It is now proposed to establish a number of these programs throughout the State and they have received the full support of the Minister for Health.

However, funding for the Pioneer Clubhouse has not increased; it has remained at \$115,000 a year for the past three years. On 11 June I wrote to the Minister pointing out that the clubhouse cannot survive. It is estimated that it will cost in excess of \$200,000 to establish a clubhouse at Tamworth but the Pioneer Clubhouse in my area cannot survive if it does not receive additional funding, particularly as it has now absorbed clients from the Weeroona program in the Dee Why area. The membership of the Pioneer Clubhouse is well over 200, and 30 to 40 members regularly attend. The supportive environment helps them to recover from their mental illness and move back into the work force. I hope there will be a response from the Minister, even if it is outside the budget process, so to speak.

On the revenue side of the budget I am concerned about a couple of areas. One is the increasing dependence on gambling revenue by the States, and particularly New South Wales. Revenue derived from gambling in this State is estimated to increase by \$103 million in the next financial year, and that will bring gambling revenue to \$1.43

billion. That is \$103 million more misery, heartache and even suicide. Any government—and both sides of politics are responsible—that encourages addictive activity from which it derives money and for which there are enormous social costs should hang its head in shame, and bears an enormous responsibility. For instance, following the passage of legislation by this Government, hotels now have an additional 2,500 poker machines. Income from gambling devices in hotels is estimated to increase by 82 per cent, to \$277 million. In the old days one could meet friends in hotels and have a drink in a happy ambience; now hotels are venues of misery and gambling, with no communication, but supported and endorsed by governments because they want to derive income.

Neither the Labor Party nor the coalition will abolish land tax. In 1986 and 1991 the coalition said it would, but only on investment property. In 1992 the honourable member for Bligh and I worked on a private member's bill to double the threshold of investment land tax and to disaggregate individual property. The Greiner Government indicated its support for the bill and, indeed, said it would move towards abolishing land tax. It did not do so in government and now, in Opposition, it does not intend to support the abolition of investment land tax. Certainly the Government will not.

I have a long history of commitment to getting rid of this silly, unfair and inequitable tax. In the last budget debate I spoke strongly about this issue. I attended public meetings at which my community voiced its strong opposition to this tax. Last year the Government introduced the million dollar family home tax. There was relatively little response during that budget debate, but when valuations started to emerge in November and December, the impact was suddenly realised, and the Opposition then started to jump up and down. Late in the game the Leader of the Opposition said he would abolish the tax on the family home and, if I remember correctly, he introduced a private member's bill. This budget has tinkered around the edges and done very little.

The Government is patting itself on the back because it reduced the tax rate, increased the threshold, and talked about how those changes will affect the number of people paying tax on their family home. Of course, it is some relief that the rate will be limited to 0.2 per cent, but I get nervous when taxes are imposed. Whichever party is elected to government in March, I am nervous that it will see the opportunity to abolish the ceiling on this tax and play around with the threshold. I will not be satisfied with anything less than the abolition of both the investment tax and the family home tax. I

have given notice of a private member's bill that will abolish tax on the family home, double the threshold to \$360,000, and disaggregate individual properties. Surely that is the first move towards getting rid of land tax!

The budget provides good news for transport. In the last six months my electorate received funding for a late night bus service from Manly to Dee Why. One problem with Manly's popularity and its 24-hour licensed premises and numerous activities is that many inebriated patrons have to find their way home in the early hours of the morning; indeed, hundreds of people spill out of the hotels. Appeals were made to the Minister for Transport and the Department of Transport and they resulted in the provision of an essential transport service between midnight and 4.00 a.m. It was a small budget item but a big community safety issue.

The budget is disappointing because it allocates no funds to improve public transport in the northern Sydney area. Of course, the current ferry service will be maintained, but no capital expenditure is provided to replace the run-down JetCats. The old favourite ferries, which provide a reliable service, keep trudging along and have everyone's support and affection. But the JetCats are beginning to run out of steam; they are operationally unsound and unreliable. The budget does not recognise or address that. It makes no allocation to build on the small gains achieved in the past few years by implementing the recommendations of the section 22 committee following its examination of public transport in the northern beaches area.

One recommendation was to develop a rapid transit bus system that would feed onto the Military Road corridor and through to North Sydney and the city. It is worth noting that Military Road, which is the route from Manly to the city, is the slowest commuter feeder in the city, with traffic travelling at an average of 10 kilometres per hour. Recently I proposed that consideration be given to the section 22 committee recommendation for the provision of a 6.5 kilometre tunnel to take express buses from the peninsula to North Sydney and the city. I do not support road tunnels or light or heavy rail; the only way to improve the northern beaches bus service is to have a dedicated Oban similar to that in Adelaide. Buses would whistle along the 6.5 kilometres track. This would capitalise on the present bus service, which has been improved, but transport services will not be improved without the provision of a dedicated tunnel.

The budget does not recognise that an improved service is needed. Doing nothing allows

Opposition members to argue for the Mosman bypass road tunnel under the Spit Bridge and Mosman. Building another road tunnel would be absolute madness! I express strong disappointment in this Government for not funding stage two of the noise abatement scheme on the Burnt Bridge Creek bypass. Last year the budget funded \$500,000 for stage one, but only \$60,000 has been allocated this year, and that falls far short of the \$500,000 needed to complete the program. That allocation is shortsighted and unreasonable, and it breaches a promise made by this Government.

I am pleased that the budget has increased funding to the Department of Community Services. Since 1995 this department's expenditure has rapidly increased. I have prepared trend lines for the drop in funding under the previous Government from 1992 to 1995. It was a disgrace. Funding dropped from almost \$1 billion to about \$725 million. It has since crept up to almost \$900 million, but most of the increased expenditure was for approximately 500 more staff, who were mainly targeted for child and family support programs. For that I commend this Government, but no additional funding has been provided for licensed boarding houses.

On a number of occasions I have spoken about the need to move people out of licensed boarding houses. Quite frankly, their conditions are an absolute disgrace. Approximately 2,500 of the most disadvantaged people in our society, those who have disabilities or, more likely, suffer from mental illness, still live in overcrowded and substandard licensed boarding house accommodation. The Coalition for Appropriate Supported Accommodation has attended meetings in this place, and held meetings and seminars to call for proper allocation of resources to provide decent and humane conditions for those people. The budget has allocated nothing towards moving these people out of licensed boarding houses.

I commend the Government for allocating approximately \$400,000 for the acquisition of land at Harbord primary school. However, the Government has failed to provide any capital works funds for that school, which it sorely needs. The school has in excess of 700 students. Manly Vale primary school completed the construction of a school hall in the last year from funding provided on a fifty-fifty basis, but the Government did not provide capital works funding, which was the subject of my submission to the Government.

Mr RICHARDSON (The Hills) [4.20 p.m.]: It disturbs me once again to have to condemn a Labor budget. I do it not with any sense of pleasure but

with a deep sense of disappointment that a government trusted with the purse strings of Treasury—and all the good it can do as a consequence—should have been so ham-fisted during the past three years. This Government has promised much in the way of fiscal rectitude but has delivered little. This is a Government that promised to balance the books but failed on every occasion. It claims to be looking after the battlers, when in reality it is the highest-taxing Government in the history of New South Wales and Australia. Do not take my word for it: on 6 June Ross Gittins of the *Sydney Morning Herald* had this to say:

Like Peter Costello before him, Michael Egan claims to be "back in the black".

His planned Budget surplus of \$45 million is the rabbit. Take a good look at it because today may be the last day you see it.

Mr Egan's surplus is the product of a large but fortuitous fall in the Government's interest bill, a 12 per cent cut in its spending on capital works and a \$378 million leap in asset sales.

In other words, it's not just unsustainable, it's unrepeatable.

We have gone from last year's smoke and mirrors surplus, a \$27 million underlying surplus that the Opposition said in reality was a \$300 million deficit—the only thing Opposition members got wrong was the size of the deficit because we understated it by more than \$100 million—to this year's claimed \$45 million surplus. This will not be a deficit; it is yet another deceit from a government that lied its way into office and has not stopped lying ever since. One can expect a blow-out of more than \$800 million by the time the final tally is taken, and the Treasurer, the Hon. Michael Rueben Egan, knows it. One need only look at the alternative scenarios in Budget Paper No. 2, which I examined with some interest, to see that. The predictions on which this budget are based are a 3 per cent growth in gross State product, a 1.5 per cent growth in employment and a 2.2 per cent inflation rate. But under both the lower growth and currency crisis scenarios covered in Budget Paper No. 2 the Government is predicting a deficit of around \$320 million.

Given the level of concern surrounding the Asian crisis and the way in which some of the Asian economies are imploding, the budget predictions are likely to be blown out of the water, and probably were in the couple of weeks following the Treasurer bringing down the budget. I recall that the Carr Government's first budget predicted a \$238 million deficit, but that turned into a \$611 million deficit; its second predicted a \$5 million surplus, but that never eventuated and it became a \$452 million deficit; and

last year the \$27 million underlying surplus became a \$416 million deficit.

This year Mr Egan's illusory surplus has been arrived at by exaggerated levels of asset sales, a 5.7 per cent increase in revenue that most commentators believe is unachievable, and a \$375 million cut in capital works funding. That means that less money will be spent on roads, schools, public transport and hospitals. That is consistent with what happened during the years of the Wran Government; indeed, every Labor government becomes high-taxing and high-spending and does not deliver on outcomes. As Alan Mitchell commented in the *Australian Financial Review* of 6 June:

In its first Budget the Carr Government spent fairly freely on its favourite constituents but also promised heroic fiscal restraint . . .

Sadly it never quite managed the heroic restraint.

Michael Egan's fourth Budget will take the average annual growth in recurrent spending under the Carr Government to almost 5 per cent. That's more than twice the underlying rate of inflation, and well ahead of the average growth of wages.

Moreover, the Government's interest costs have been falling over the life of the Carr Government . . . When interest is excluded, the Carr Government's recurrent spending has been growing at an annual average rate of almost 6 per cent.

As a result, the Budget is barely in surplus, even though the Government has had the benefit of a boom in stamp duty revenue . . .

Yet Mr Egan asks us to believe that by 2001-02 the Budget will be running a surplus of almost \$1 billion.

The Opposition does not believe that, and neither does Ross Gittins, who wrote further on 6 June:

Mr Egan is master of the ever-beckoning Budget surplus. This is his fourth Budget and in each the story's been the same: though, last year's actual balance was a deficit, in the coming year it will be back in surplus. And in the subsequent years the surplus will just keep growing.

One really must wonder what the Government thinks it is doing on the Treasury benches. What is the point of it all? What is the point of winning office if it is simply going to go through the motions? Honourable members should ask themselves: How are the people of New South Wales better off for having the Carr Government in power? Are the hospital waiting lists down? The answer is no. The Minister for Police is in the Chamber and I ask him: Are the crime rates down? The answer is no. Are our kids being better educated? The answer is no. Are schools better maintained? The answer is no. Is the road program continuing apace? The answer is no. Have public transport outcomes improved? The answer is no. On the negative side, under this

Government land tax has increased from \$510 million under the former coalition Government to \$945 million in this budget, an 85.2 per cent increase.

Taxes, fees and fines have increased by 24.6 per cent during the term of this Government, and that is more than double the rate of inflation in that time. The Treasurer made much in his budget of the tax cuts he is providing for families, and I wish to talk about how they affect my constituents. For example, the \$43 motor vehicle registration exemption will apply only to family allowance recipients and Seniors Card holders. So if one is not privileged to fall into one of those groups—most of my constituents do not—one will not benefit. Anyone who wishes to buy a new car might have thought the Government would fulfil its promise of eliminating the 0.5 per cent increase in stamp duty on motor vehicle transfers. The Government will not now do that. It has given on the one hand and taken away with the other, and by so doing has broken yet another promise.

I have actually described this as a never-never budget because most of the cuts that the Treasurer has spoken about will not have to be delivered until after the next election. Essentially it means they will never be delivered, because we all know what the result of the next election will be. The cuts include a reduction in land tax from 1.85 per cent to 1.7 per cent, which only partially offsets the Government's rate increase from 1.5 per cent to 1.85 per cent and will not take effect until 2000. Again, it is the land tax of the never-never and, as the honourable member for Manly said, it hits property investors and renters.

The indexing of the land tax threshold in line with valuations—something that all honourable members will welcome—does not start until next year. The increased payroll tax rate of 7 per cent will not be wound back to 6.7 per cent until 1 July 1999. At the same time the \$300 a year slug imposed on families in the last State budget has not been reduced in any way. This is a never-never budget that may never never be delivered—or, as Ross Gittins, put it, "Let the good times roll until the chickens come home to roost."

Given the impending economic storm, it would have made good sense to have battened down the hatches and shortened sail. Not the Treasurer! Instead, like Odysseus, he has clapped on canvas, strapped himself to the main mast and headed straight into the hurricane, hoping to hear the seductive victory song of the sirens on 27 March next year. That will not happen. The budget will not

save his ship from being dashed to pieces on the rocks. Nothing will save this budget, and nothing will save the Treasurer from destruction. According to the Treasurer his motto is "Put Families First". So far as my constituents are concerned, it is "Tax Families First"!

How will these never-never benefits compensate for the \$2,224 that Labor is taking out of the pockets and purses of every taxpayer in this State? That is double the amount Queenslanders pay and \$417 more than Victorians pay. How will those benefits compensate taxpayers for last year's shameful budget, which, as I have mentioned before, left families in The Hills \$300 per year worse off? The Treasurer's unabashed theft from the hard-working families of The Hills might have been excused if there had been some benefits for the electorate in the budget, but there are not. I had to pressure the Treasurer's office to obtain a list of asset acquisition projects for my electorate. Other honourable members received copies on the Thursday of the last sitting week. I did not receive my copy until a week later. Having looked at it, I am not surprised. I believe the Treasurer's staff were ashamed to send this document to me, knowing that I would expose it to the public.

A measly \$4.86 million has been allocated for roadworks in my electorate, but \$2.66 million of that is supposed to be for the M2. In case the Minister for Transport, and Minister for Roads is not aware of it, the M2 was completed and opened in April of last year. Of course, neither the Minister nor any other member of the Government attended the opening. Susie Maroney, the great long distance swimmer, opened the road because no-one from the Government wanted to be there. If one deducts that \$2.66 million from the \$4.86 million one is left with funding of \$2.2 million for roads in my electorate, the fourth biggest electorate in New South Wales and one of the fastest growing. That is less than 7 per cent of what was spent in The Hills in the last coalition budget.

What does the electorate get for this measly sum of money? A couple of hundred thousand dollars has been allocated for the County Drive Road-Castle Hill Road intersection, a much-delayed project that Hornsby council, my constituents and I had to fight for. Honourable members might remember that the great wall of Cherrybrook was knocked down a couple of years ago. That received significant television coverage and, as a result, the Government capitulated and said that funds would be provided for work at that intersection. An amount of \$100,000 has been allocated for the widening of Old Windsor Road, but absolutely nothing has been

allocated for improvements to Windsor Road. Each morning Windsor Road resembles a parking lot. The Rouse Hill development area is the largest new housing estate in New South Wales and the only way in and out is by means of a two-lane road.

If that happened in the electorates of other members, they would be outraged as well. No funding has been allocated for roadworks on New Line Road, which is another bottleneck caused by the development that has taken place in the Cherrybrook area, or for Hastings Road-Old Northern Road intersection, where traffic lights are sorely needed. That intersection is a black spot and it is extremely dangerous for drivers attempting to get in and out of the area. However, some \$850,000 has been allocated for the Castle Hill ring road bus priority works. No explanation has been provided about what that funding is expected to achieve, but I believe other major projects should have received priority funding. That is the only funding in the budget for public transport initiatives in my electorate.

A few weeks ago I attended a meeting of the Western Sydney Regional Organisation of Councils at which the Minister for Transport, and Minister for Roads spoke about the new busway that the Government proposes to build from Parramatta to Liverpool or, I should say, the first two kilometres of which the Government intends to build from Parramatta to Liverpool. Whilst not begrudging the people of western Sydney that busway—indeed, the Opposition believes the people of western Sydney have been hardly done by in relation to the provision of public transport services—every study that I have seen indicates that the priority for a busway or new public transport initiative is north from Parramatta to Baulkham Hills and to Rouse Hill, not south.

The Minister for Transport, and Minister for Roads recently issued a press statement relating to western Sydney. It was headed: "\$600 million for transport and roads budget for west and south-west Sydney". I went through the document with a degree of interest. I got out the microscope and studied the document because I wanted to find out what dollars my electorate would receive for this very, very important public transport initiative that is needed to service the growth area of Rouse Hill. After I had waded through all of the initiatives and non-initiatives that the Government intends to introduce this year, I found the following paragraph at the bottom of the document:

The Department of Transport will continue to assess the feasibility of the Parramatta to Chatswood rail line—

That, honourable members might remember, is the railway line the Government promised to start work on in this term of Government—

and the north-west transit corridor in 1998-99.

Well, whoopee! The Government will continue to assess the feasibility of the north-west transit corridor! I put a question on notice only a short while ago seeking information as to how many homes had been acquired along the Windsor Road to Rouse Hill corridor. That corridor was identified in 1989, so nine years have been available in which to acquire homes—three years under this Government when the need has been urgent. How many homes does the House think have been acquired for that road? A big fat zero, absolutely none! That is the commitment by this Government to public transport out to Rouse Hill. The people of The Hills have had a gutful of it.

Because of the exploding population at Rouse Hill, there are significant pressures on schools in the area, particularly Kellyville Public School, which is a holding school for the area. There were significant concerns when another 100 children were enrolled at the school at the beginning of the year. A number of demountable classrooms were required to house them. An application had been made for those classrooms at the end of last year but they did not arrive until the end of the first term. The children were virtually living in the playground during that time. They were being taught in the assembly hall, which is an open-air facility, and in the staff room because the Minister could not get it right. I received a letter from the Minister for Education and Training dated 30 January which stated:

I am writing to advise you that a new school site has recently been acquired in Roseberry Road, Kellyville. This site had been identified on the Baulkham Hills Council's local environmental plan.

Planned residential development of adjoining parcels of land is now considered imminent and the Department of Education and Training's planning for future educational requirements of this area is now proceeding to ensure school sites are available when local demographics determine the need to construct new schools.

Local demographics determine that there is a need to construct those new schools now. Kellyville school will be at bursting point at the beginning of next year when more than 600 students will be enrolled. The site is so small that the school will be at the limit of its student capacity, and 600 would be the absolute top whack for the school. There is no commitment in the budget to start work on a new school to accommodate those students. West Pennant Hills Public School has been asking for an assembly

hall for years but no money has been allocated for that project. Some money has been allocated for a new public school at Castle Hill which was to be opened in September, but there is a problem with access at that school. Bus operators have said they will not drive into the parking area provided at the school. I wrote to the Minister about that, and I received a reply dated 20 April in which the Minister stated:

The safety of students and the fluent operation of the carpark has been a priority and taken into consideration in the planning and design of the new school. The Department of Education and Training will continue to assist Glenorie Bus Company and Westbus in this matter.

That is just as well, because drivers from Glenorie Bus Company and Westbus have refused to go onto the site because of concerns for student safety. That is as absurd as the underlying assumptions in this, Michael Egan's fourth and, we fervently pray, last budget.

Ms ANDREWS (Peats) [4.40 p.m.]: I speak in support of the Appropriation Bill and cognate bills. This is the fourth budget of the Carr Labor Government that has delivered for the Peats electorate. Under the former coalition Government the Peats electorate was sadly neglected. That is not the case under this Government. The upgrading of Woy Woy railway station, including the installation of lifts, is now nearing completion. The 1998-99 budget allocates the balance of remaining funding of \$150,000 of a total of \$1.7 million to enable this project to be finalised. The associated roadworks, the new bus-rail interchange, the kiss-and-ride facility, the extension of the underground car park and the provision of bicycle lockers have given the village of Woy Woy an entirely new look. The transformation is astounding and was only made possible because of the Labor Government's commitment to the electorate of Peats.

Labor committed itself to this major project in the lead-up to the 1995 election. I am proud to say that the Government has made good its pre-election promise to the electors of Peats. Local residents are justifiably proud of the vast improvements, and readily acknowledge that the Carr Labor Government is making improvements to allow for easier access to the railway station, improving safety on the station platforms—Woy Woy railway station was made a safe station some time ago during the term of the current Government—and improving safety on our trains with the provision of two security guards on each CityRail train operating after 7.00 p.m. commencing from 1 July 1998. The upgrading of Woy Woy railway station and its environs has been carried out with an allocation of

funds in successive budgets since 1995, to the extent of well over \$7 million. I understand the total cost of upgrading the railway station is \$1.7 million.

The 1998-99 budget has again put families and those in most need in our community first by increasing funding in the all-important areas of health, education, community services and law and order. The budget has been given much consideration and its spin-off effects will be widely felt throughout the State. I welcome the Carr Government's continued commitment to increasing and improving health facilities on the central coast. It is important to realise that since coming to office in 1995 the Carr Labor Government has boosted health funding by a record \$1.3 billion. For the Government to be able to continue to increase funding in the face of savage health cuts in successive budgets by the Federal coalition Government speaks volumes for New South Wales Labor's continuing commitment to maintaining a viable public health system in this State. As the Minister for Health rightly said, "We are putting health first." The 1998-99 budget has allocated total health expenditure of \$6,664 million—an increase of \$303 million on the 1997-98 budget.

Mental health will be funded to the extent of \$452 million, which will include improved overall services to the mentally disabled, specialist services for children and adolescents, and suicide prevention programs. Sadly, the central coast has the highest number of youth suicides in Australia, even though it is surrounded by some of the most spectacular scenery in the State. Fortunately, the Carr Government is making a determined effort to address this dilemma, and the budget allocation to mental health will enable the suicide prevention programs set in place to be continued and improved. I am confident that the tragic suicide figures for this region will soon decrease markedly. The good news for the Peats electorate, and particularly the residents of Kariong, is that in this budget \$621,000 has been allocated for the construction of stage three of Kariong Public School. The total cost of this project is \$1.3 million. Stage three will include six additional classrooms, increased library and administration facilities, and additional student toilets. Kariong Public School opened its doors in 1988 to 79 pupils, and in 1998 the school has a total of 824 students. Therefore, the construction of stage three will greatly enhance conditions at the school.

The \$50 back-to-school allowance has been of tremendous assistance to families with school-aged children. In my electorate there has been an overwhelmingly positive response to the allowance, which was an integral part of the 1997-98 Carr

Labor budget. Parents are delighted that the Government has again committed funding of \$55 million to guarantee the continuation of this worthwhile allowance. It is fitting that in the one hundred and fiftieth year of public education and training in New South Wales a record expenditure of \$6,809,000 has been allocated to this area. That amount represents an increase of \$338 million, or 5.2 per cent, on last year's budget. It will ensure that New South Wales students are better prepared and equipped for the future. That is why this Government is forging ahead with the use of computers in classrooms and greater emphasis than ever is being placed on improving literacy and numeracy standards. We on the Government side are justifiably proud of the achievements being made in the vital area of education and training.

The joint TAFE-university precinct at Ourimbah has been allocated \$4.39 million to enable the next stage to be constructed. That project includes learning space for child studies, general classrooms, computing and science laboratories, and administrative facilities. It also provides part refurbishment of the second floor of the library buildings. Those programs have been identified as priorities for the central coast. The \$12.5 million project is due for completion in April 1999. The Government's response to the need for an increased injection of funds into the complex area of community services, ageing and disability services, and juvenile justice has been swift and decisive. Recurrent funding in this area is \$131 million more than the allocation in the 1997-98 budget. That represents an increase of 11 per cent and is a clear indication of the Government's strong commitment to social justice and equity and to helping families and individuals in need.

During the Carr Government's first term of office funding to the Department of Community Services and the Ageing and Disability Department has been boosted by approximately 40 per cent. That is in strong contrast to the final year of the Fahey Government, when the Department of Community Services and the Ageing and Disability Department received \$899 million. In this budget those two areas will receive \$1.258 billion—in other words, \$359 million more to help families in those areas. That increased spending demonstrates that the 1998-99 budget is a "putting families first" budget.

Of the \$261 million allocated in this budget for new Department of Juvenile Justice detention centres, \$7.3 million has been allocated for the construction of a new 120-bed juvenile justice centre on the Mount Penang site. The new centre will replace the outdated facility which has been on the

site almost since the turn of the century. On 22 April the Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Women unveiled the plans for the new juvenile justice centre, which will be known as the Somersby Juvenile Justice Centre. The estimated cost of the new centre is \$22.9 million. The extra \$14 million allocated to the Ageing and Disability Department for the purpose of meeting disability crisis support and accommodation will benefit a number of residents of the Peats electorate. Many residents now well into their 70s and 80s are no longer physically able to care for their middle-aged physically disabled sons or daughters. Many of those parents have benefited from the Government's policy of providing support accommodation for their loved ones in group homes near to where they live so that they can make regular visits without the necessity of travelling long distances. I applaud the Government for adopting and implementing that policy on the central coast.

It is vital that the home and community care, or HACC, program is adequately funded, as the number of senior citizens residing in the Peats electorate is above the State average. I am delighted that the HACC program has received extra funding of almost \$15 million, making the total expenditure for 1998-99 \$266 million. That funding will enable HACC to provide more services in homes for the sick, the frail aged, and those with disabilities. The recently established Ageing Issues Directorate, or AID, will be funded with \$2 million to promote and co-ordinate the interests of senior citizens. Next year the International Year of Older People will be celebrated. This budget has put aside \$500,000 to promote that theme. International years celebrations have become renowned for the significant changes that they make to our society as a result of the promotion of a specific theme. I allude here to the International Year of the Disabled. I am confident that in 1999 there will be marked improvements in services provided to our senior citizens, who are the salt of the earth.

The provision of adequate housing at a reasonable rent continues to be a major concern for many residing in the Peats electorate. Despite a non-committal approach by the Howard Government to the provision of funding for the construction of much-needed public accommodation, the Carr Labor Government continues to tackle the waiting lists in New South Wales. In the face of all odds the Government has managed to increase its commitment to public housing. To the Government's credit \$1.7 million has been allocated for the construction of a total of 19 units within the Peats electorate. More than \$600 million of the State's

housing budget will go towards public and community housing initiatives throughout New South Wales. Many Department of Housing tenants in the Peats electorate will derive benefit from the expenditure of \$119 million on the maintenance of public housing throughout the State.

Of the 222 recommendations in three royal commission reports, 219 have either been implemented or are in the process of being implemented. That demonstrates clearly a genuine commitment by the Carr Labor Government and the Minister for Police, who is in the Chamber, to the restructure of the New South Wales Police Service for the overall benefit of the community and of serving police officers. It is estimated that at the end of June police numbers will be 13,378, a record high, and there is provision in this budget for a further 100 police officers. The focus of the restructure of the New South Wales Police Service is on the key priorities of crime reduction, public satisfaction and police responsiveness, realistic improved work practices and systems, and employee job satisfaction and motivation. A record amount of \$1.3 billion has been allocated in the budget to fight crime in New South Wales.

The Rail Access Corporation has, by ministerial direction, sustained the role of contestability for rail infrastructure maintenance until 1 July 1999. In the interim, the Rail Services Authority will be corporatised and a commercial framework will be established to ensure that the RSA can compete on an equal footing with its private sector competitors. That is to ensure that the railway work force will receive a fair share of rail maintenance work. The community transport program has again received an increase in the 1998-99 budget, with \$200,000 or 10 per cent being added to the scheme. That will enable the funding of more community projects and increased support for the transport disadvantaged. That is good news for a number of residents in the electorate of Peats who rely upon community transport to get them to and from medical appointments and shopping, et cetera. The pensioner excursion ticket and pensioner half-fare concessions will be continued with the allocation of \$171.5 million, of which \$142 million will fund the State Rail Authority and State Transit Authority pensioner excursion tickets, which provide pensioners with unlimited travel on all SRA and STA services.

More than \$8 million will be spent on building and upgrading roads in the Peats electorate. Manns Road, Narara, will continue to receive pavement rehabilitation, and more than \$3 million will be expended on pavement rehabilitation of the F3 in the

Peats electorate. That ongoing work will make a significant improvement to driving conditions on the F3. An amount of \$50,000 has been allocated to improve lighting at interchanges on the F3. Gosford City Council will receive \$156,650 to subsidise traffic route lighting, and \$30,000 has been allocated to carry out a study on traffic movements along Brisbane Water Drive from Woy Woy to West Gosford.

The intersection of Racecourse and Showground roads at West Gosford has been a matter of concern to me since I became the local member. I am particularly concerned about the safety of pedestrians crossing those busy roads. Gosford High School, with a large number of students, is located in this vicinity and Gosford Hospital is only a short distance away on Racecourse Road, and \$200,000 has been allocated for pedestrian improvements at this busy intersection. Cycleways have become very popular in the electorate of Peats, and I am pleased to note that in this budget \$240,000 has been allocated to construct an underpass at Point Clare for the cycleway that meanders around picturesque Brisbane Water. More than \$6 million has been allocated to Gosford City Council from the total roads program. That will ensure that the electorate's road network and traffic management will be maintained at a high standard.

New South Wales Fire Brigades is charged with the responsibility of providing fire protection to developed centres throughout the State, covering more than 90 per cent of the population. In times of emergency, such as a bushfire crisis, it supports the Rural Fire Service in non-urban areas. As the central coast is one of the most rapidly developing areas in the State, it is imperative that New South Wales Fire Brigades develops a strategy program for the area. It is therefore pleasing to note that \$1.6 million has been allocated for that specific purpose.

The Peats electorate will also benefit from the \$8 million provided for the continuation of an ongoing program to acquire and replace firefighting appliances. The budget has allocated \$500,000 for the commencement of the construction of a new fire station at Kariong, the total cost of which will be \$1.5 million. The Carr Government acknowledges that the 70,000 men and women volunteers who operate through 2,400 community-based bush fire brigades attached to 142 local government areas play a significant role in the containment and prevention of bush fires. In the electorate of Peats a number of such brigades are staffed by community-minded men and women of varying ages who do a magnificent job year in and year out.

There is no doubt that the brigades in the Peats electorate will benefit from the budget allocation of \$19 million to fund the continuing tanker program. As many as 155 new tankers should be funded during the next financial year, and between 100 and 150 replacement and second-hand tankers will be provided to bush fire brigades statewide. A further \$3.2 million will be spent on new and upgraded bush fire brigade stations. The sum of \$39.7 million will be allocated to local councils for the purchase of capital equipment, and \$15.8 million will be provided to meet recurrent costs associated with bush fire fighting.

It is worth noting that the comprehensive strategy for flood management in the Hawkesbury-Nepean area undertaken by the Hawkesbury-Nepean Flood Management Advisory Committee has been accepted by the Government. The State Emergency Service will, in this budget, receive \$1.35 million from the Department of Land and Water Conservation to update and improve flood emergency planning and response capabilities, to upgrade flood warning and to improve public education arising from that strategy report..

As a member of the joint select committee on the review of the Threatened Species Conservation Act, I am pleased to note that the Government has allocated \$6 million to enable the National Parks and Wildlife Service to discharge its obligations under that Act. Stormwater management is an important part of the service provided within the Peats electorate by Gosford City Council, and \$15.2 million has been allocated in this budget to continue stage 1 of the grants program commenced in 1997-98 and for stormwater management plans. The Peats electorate, and the Woy Woy peninsula area in particular, have already benefited from the Government's stormwater management policies. I am pleased to note that this policy is to be continued.

I am particularly pleased to note also that an additional \$2 million has been provided to the Department of Sport and Recreation for regional sporting facilities. An amount of \$16.4 million has been provided from the Sport and Recreation Fund for the operation of sporting associations, sports development grants and sporting facilities grants, and \$250,000 has been allocated to the Department of Sport and Recreation for the upgrading and partial resurfacing of the access road into the Broken Bay Sport and Recreation Centre, located near the village of Patonga.

It is encouraging to note that approximately 80 per cent of the New South Wales agriculture budget of \$246 million is to be used to further develop

sustainable agricultural strategies and practices to ensure farming and livestock enterprises remain economically viable and environmentally sustainable. That funding will undoubtedly assist the many chicken growers in the Peats electorate, particularly at Mangrove Mountain. The chicken growing and processing industries are vital to the economy of the central coast. Hundreds of jobs rely upon these industries, which are highly efficient and clean and green. It is pleasing to note that Australia's chicken industry is the most efficient in the world.

An allocation of \$6.408 million, an increase of \$162,000, will ensure that noxious weed control strategies are improved throughout the State, including the Peats electorate. I am proud to be a member of a government that has a strong commitment to protecting and improving conditions for the workers of the State, particularly workers engaged in the textile and clothing industry, most of

whom are female and have been victims of unscrupulous employers for years. Since coming to office in 1995 the Government has actively promoted equity in the workplace through applications before the New South Wales Industrial Relations Commission and the part-time work agreements test case. Of vital importance to the workers of this State is the pay equity inquiry, and I hope that it will lead to equal remuneration for men and women doing work of comparable value. Once again, the Carr Labor Government has been responsible for bringing down a budget whose object is to more evenly distribute the wealth of this great State between the haves and the have-nots.

Debate adjourned on motion by Mrs Stone.

**House adjourned at 5.00 p.m. until
Tuesday, 23 June 1998, at 2.15 p.m.**
