

LEGISLATIVE ASSEMBLY

Tuesday 27 March 2001

Mr Speaker (The Hon. John Henry Murray) took the chair at 2.15 p.m.

Mr Speaker offered the Prayer.

BULAHDELAH TRUCK COLLISION

Ministerial Statement

Mr DEBUS (Blue Mountains—Attorney General, Minister for the Environment, Minister for Emergency Services, and Minister Assisting the Premier on the Arts) [2.15 p.m.]: This morning on the Pacific Highway near Bulahdelah a terrible accident occurred involving a collision between a semitrailer carrying grocery items and a gas tanker carrying liquid oxygen. Miraculously, the drivers of both trucks escaped from the wreck. New South Wales Fire Brigades crews, volunteers from the New South Wales Rural Fire Service, police and ambulance officers were called to the scene at 5.30 a.m. Fire crews reported that when they arrived both semitrailers were well alight. While work was under way to fight the fire the fuel tanks of both trucks exploded, adding to the intensity of the blaze.

New South Wales Fire Brigades crews worked quickly to try to contain the blaze, fearing a major explosion of the liquid oxygen on the truck. There is no doubt that their swift action in cooling the gas tanker averted a major disaster—both to human life and to the local environment. Fire crews have been working in extremely hazardous conditions. The intensity of the fire melted a large hole in the tarmac of the Pacific Highway. The grocery truck was completely destroyed. The Westpac rescue helicopter pilot reported that the blaze could be seen from 30 kilometres away. I understand that one truck driver escaped with minor injuries and the other has been flown to John Hunter Hospital with reported head and back injuries.

A difficult operation is currently under way as fire crews vent the liquid oxygen from the truck into the atmosphere. This is a difficult operation and crews are working as quickly as possible to allow the highway to be reopened following major disruptions to traffic. All precautions are being taken to prevent any further problems or injuries. I am sure that all members of the House join with me in expressing thanks yet again to the many emergency service workers, police and ambulance officers who put their lives on the line to help the community.

Mr J. H. TURNER (Myall Lakes—Deputy Leader of the National Party) [2.18 p.m.]: I join with the Minister in passing on thanks to those involved. This terrible accident happened in my electorate. The State Emergency Service workers, the volunteer workers who attend these accidents, regrettably all too often, do a fantastic job. They are called out at a moment's notice to very difficult operations such as the accident this morning involving liquid oxygen. I understand that the accident occurred in the vicinity of the Tea Gardens intersection. That is a particularly dangerous spot. Roadwork has been going on there for some time. If that is where it occurred, we have been lucky in this instance. I hope that the road will be rectified to a standard at which it is safe to traverse. This accident highlights the need for the upgrade of the Bucketts Way. Today traffic from the Pacific Highway has been diverted onto the Bucketts Way. The Minister for Roads has provided extra funding but there is concern that the funding has not been expended on the road.

Mr Scully: Six million dollars.

Mr J. H. TURNER: I thank the Minister. In instances such as this, with extra traffic on the road, there are problems for the Bucketts Way. Having said that, I congratulate all those involved. Thankfully there were no fatalities in this instance. I hope that the local officers involved receive the accolades they properly deserve.

DEATH OF JULIE PAYNE

Ministerial Statement

Mr WOODS (Clarence—Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs) [2.20 p.m.]: On 9 March mayors, general managers and other local government representatives from the Western Division gathered in Moree for an annual meeting. I regret to inform the

House that, unfortunately, the meeting had a tragic ending. On the way home the next day on a stretch of road between Wilcannia and Menindee the general manager of the Central Darling Shire Council, Julie Payne, was killed in a car accident. Her death was a great shock to the entire community and particularly to Wilcannia, where the council chambers are situated. Ms Payne, who was only 43, was the mother of two sons aged 19 years and 16 years. I take this opportunity to formally extend to her two sons and to other members of her family the condolences of the New South Wales Government. The honourable member for Murray-Darling, who has headed off to open the New South Wales Farmers convention at Menindee, joins me in passing on the sympathy of Parliament.

Today I met with the Mayor of Broken Hill, Councillor Ron Page, and Councillor Bill O'Neill. They described Ms Payne as a great asset to the region who will be sorely missed. Ms Payne was appointed General Manager of Central Darling Shire Council only a little more than a year ago and her death has had a major impact on the community. The Central Darling shire is the largest local government area in New South Wales. It spans a massive 52,000 square kilometres; it is bigger than Switzerland or Denmark. The shire has one of the smallest populations of any shire in New South Wales, with some 2,300 residents. I have written to the Mayor of Central Darling shire, Councillor Raymond Longfellow, expressing the State Government's condolences to the council and to the community. Councillor Longfellow said of Ms Payne:

She took on everything she possibly could to improve the quality of life for everyone in the community—it was just in her nature.

I offered the mayor and his staff any assistance that is needed in this difficult time. The Department of Local Government has helped to find and install an interim general manager for the Central Darling Shire Council. Mr Alan Nelson, who has extensive local government experience, will start work tomorrow. Again I express my condolences to Ms Payne's family, to the Central Darling Shire Council and to the local community. The Government will continue to offer any assistance necessary to help the council steer through the difficult days ahead.

Mr J. H. TURNER (Myall Lakes—Deputy Leader of the National Party) [2.22 p.m.]: The Opposition joins the Minister for Local Government in expressing condolences to the family of Julie Payne and to the community she served. It is sad when people are involved in accidents that result from the tyranny of distance in New South Wales and, indeed, the whole of Australia. I hope Julie's family will be looked after during this tragic time and that the community in which she worked will be able to come to grips with this misfortune. I ask the Minister to convey the condolences of the Opposition to Julie's family and loved ones.

CABRAMATTA ANTI-DRUG STRATEGY

Ministerial Statement

Mr CARR (Maroubra—Premier, Minister for the Arts, and Minister for Citizenship) [2.23 p.m.]: I wish to make a major and detailed statement about Cabramatta. The Drug Summit revealed two facts about heroin: first, it is 100 per cent imported and, second, some people remain determined and gullible about injecting this poison into their veins. All of us—families, police, health and social workers, doctors and parliamentarians—are fighting both international supply and domestic demand. The latest police intelligence suggests that the most active suppliers operate from Afghanistan and Burma. Those two nations now produce 94 percent of the world's opium. Drug dealers are looking for new markets and, sadly, they are finding Australia and New South Wales. It is clear that a concerted effort by police to arrest suppliers and harass dealers has forced up the price of heroin. Three months ago a hit cost as little as \$20. Latest reports indicate that prices are now 10 times higher, that is, up to \$200 a hit.

I would like to address the assertion that business in Cabramatta is stagnant. Currently, the Cabramatta Chamber of Commerce is seeking the construction of a \$19.5 million commuter car park with 428 extra car spaces. I am advised that ground floor retail tenancy at Cabramatta is currently more expensive than at Manly or Bondi. Cabramatta has one of the lowest retail vacancy rates in all of New South Wales. This year's Chinese New Year Festival attracted 40,000 visitors—more than ever before. I recognise that there are very serious problems at Cabramatta. I have seen the problems with my own eyes. They need evidence-based plans and solutions. That is why today I announce an evidence-based plan, to be mounted in three stages, which will apply statewide—not just at Cabramatta. Stage one is a criminal justice plan. Stage two is a plan for compulsory treatment and stage three is a plan for prevention and early intervention.

Police have reported that efforts to curb street dealing have given rise to an alarming number of drug houses. These are fortified with steel doors and, in many cases, are guarded premises where drugs are being

sold. When police break down the doors during a raid, lookouts raise the alarm, thus allowing drugs to be hidden or destroyed. What police find are large quantities of cash, drug-affected people, illegal firearms, scales and other measuring equipment used for supply, steel fortifications and lookouts. They find everything showing evidence of dealing but, in many cases, because of the time taken to bust into the premises, they find no drugs. We have to close that loophole.

New laws will be introduced allowing police to arrest anyone who acts as a lookout, guard, or who raises the alarm for others in a suspected drug house; anyone who enters or leaves a suspected drug house unless they can establish a legal purpose; anyone who knowingly allows the premises to be used as a drug house; and anyone who organises or assists in the organisation of a drug house. Police will also be able to force the owners of a building to take steps to prevent the supply of drugs at the premises or take action to close or confiscate the premises. Each of these offences will carry a penalty of one year in gaol for the first offence and five years in gaol for the second offence.

[Interruption]

The Opposition will have an opportunity to reply. I am outlining these matters by way of a ministerial statement so that the Opposition will have an opportunity to participate in the debate. Police will establish that the building had the characteristics of a drug house in securing the original search warrant. Those police powers and the new one-year and five-year penalties apply even if no drugs are found. If drugs are found on the premises penalties for existing offences can result in much longer prison sentences.

Police have advised of the difficulties in establishing possession or supply of a drug when drugs are concealed or swallowed. Swallowing heroin in a balloon is a well-known example. The Government will give police the power to detain an individual and have a medical practitioner assist in a search. Apart from the new drug house problem, police need to be able to take action against those loitering at Cabramatta railway station, in many cases acting as go-betweens for suppliers. Those people do not carry drugs, but they are part of the drug trade. To combat this problem police will be given the power under the Summary Offences Act to move those people on. This will be similar to the move-on power for gangs that has been used by police over 54,000 times since this Parliament, in the Government's last term, gave police that power.

Refusal to move on can result in arrest. This power will mean that police will be able to intercept before the go-between becomes active. It is in addition to the existing powers that allow police to search and arrest anyone they suspect is dealing in drugs. This power will provide an extra option for police to apply, depending on the circumstances confronting them on the street. These changes mean police will have new powers to search and close down drug houses, to search for drugs, to arrest those who try to stop them from trying to enter premises where drugs are being sold and to move on loiterers trying to arrange drug deals. The evidence gathered also indicates a strong nexus between drug dealers and the trade in illegal firearms. Retired Federal commissioner Mick Palmer has spoken of this and so have our own police. I understand the upper House inquiry will call on former commissioner Palmer to give evidence of this problem. I support this.

Police have reported at Cabramatta evidence of the same people engaged in both illegal drug supply and firearms trafficking. To target the trade in illegal firearms the Government will create new laws and increase existing penalties. New laws will make it illegal to supply or take part in the supply of firearms to any person not authorised to use them. This offence will carry a 14-year prison sentence. It will be illegal for a licensed firearms dealer to wilfully record false details in firearms transactions. This will carry a 14-year gaol term. It will be illegal for an eligible person to obtain a licence to act as a front for an illegal firearms dealer. Again a 14-year penalty will apply. It will be illegal in New South Wales to conspire to traffic in illegal firearms, even if the conspiracy takes place outside New South Wales. In addition, penalties for the illegal possession of prohibited firearms will be increased from 10 to 14 years gaol. Police will be given the power to demand all firearms and parts for inspection from suspected arms dealers.

There will be a requirement for compulsory registration of firearms frames to curb the trade in the trafficking of illegal firearms parts. Further, the Bail Act will be amended to remove the presumption in favour of bail for those charged with handgun, prohibited firearm and offensive weapon offences. The last thing police need is to see the alleged illegal gun dealer they arrested on the Monday appearing in the streets on bail on Tuesday. One point is critical. Legitimate shooters, including farmers and sporting shooters, need not be concerned by these changes. There is no expectation of any problem or unintended consequence for those legitimate firearms users. These measures are directed at the criminals distributing heroin and illegal arms, not at responsible shooters.

Cabinet considered these legislative changes yesterday. The legislation will be drafted for introduction as soon as possible. Given their importance, I want the House to pass these laws in this session of Parliament. It is reasonable to expect these changes may swell prison numbers. If these changes mean extra cells, those cells will be built. The Cabramatta community has expressed concern at the grading of the Cabramatta police station. The grading of police stations has been used as an internal tool for deciding rates of pay in local area commands. It has not affected staffing levels. I can advise the House that Commissioner Ryan has reviewed the status of Cabramatta police station. Cabramatta Police Station has become a grade 1 police station because we want to attract the best senior officers to Cabramatta.

We are giving police the powers they need. With these new powers, the Police Service will saturate Cabramatta with 90 officers from the Greater Hume tactical action group, or flying squad, dedicated to Cabramatta; 108 officers currently in the local area command; 10 extra drug detectives; six extra bicycle patrols for rapid street-level and alleyway response; and a team of drug detection dogs, which were successfully trialled during the Olympic Games. In 1995 there were 84 police officers at Cabramatta. This plan means a police presence of over 200 police with new powers, when the legislation passes, to deal with street and drug house dealing.

I have also been advised by police of an urgent need for interpreters to assist police operations. Interpreters are needed to provide quick translations of telephone intercepts and accounting documentation in foreign languages. Ten interpreters are being contracted by the Community Relations Commission to work with operational police at Cabramatta. Police must investigate where evidence leads them. Ethnicity is not the issue; criminality is. One of the important issues at Cabramatta is the relationship between police and the local community. The Community Relations Commission will immediately commence the City Watch program, an initiative of the honourable member for Cabramatta, which will bring together representatives of local businesses and the police to exchange information and develop solutions to local crime. It will be chaired by the local area commander, Frank Hansen, and include the member for Cabramatta, local business and community leaders, school principals and the Community Relations Commission. The aim is to improve the flow of information between the community and police.

With these greater police numbers and greater police powers we expect more contact with drug users. Drug users are often homeless, have mental health problems or chronic addictions. Many will be imprisoned, depending on the individual circumstances. Many will refuse detoxification. In the absence of long-term treatment, many who receive detoxification treatment will simply return to the streets seeking more heroin. One of the solutions has to be compulsory treatment. That is why in Cabramatta police bail will be changed to add two conditions. First, it will be a breach of bail to fail to attend drug treatment and, second, if a person is from outside the area it will be a breach of bail to return to Cabramatta. Breaching bail will mean prison.

Further, the Government will set up the magistrates early referral into treatment [MERIT] scheme in Cabramatta. Due to commence in July 2002 the scheme will be brought forward to 1 July. Again, magistrates will impose treatment as a bail condition. The key to the success of these programs is effective drug treatment. Given these new programs, there will be many more referrals. Rehabilitation and treatment services in the south-western Sydney area will need to be expanded. We propose to do that. One of the most critical parts of the rehabilitation and treatment is the provision of methadone, naltrexone and other drugs. On the weekend I announced that from next month naltrexone will be available in public clinics. It has been put to the Government by both Dr Andrew Wilson of the Health Department and Assistant Commissioner Small that there must be local treatment and rehabilitation facilities.

A local environment plan has been passed by council which does not allow for drug treatment in the area. The council's position is understandable. Like the honourable members for Fairfield and the honourable member for Cabramatta, the council is aware of the failure of the Barbara Street methadone clinic. It was poorly located and fell victim to the honeypot effect. I agree that any future facilities must not be located near schools or where young people congregate. The police and the Health Department have drafted a plan for the provision of treatment, which I want the council to consider.

A \$4.4 million plan will complement the magistrates early referral into treatment [MERIT] scheme and the police bail scheme with, first, up to 500 extra treatment places, eight transitional rehabilitation beds, three acute-care beds and four mental-health beds; second, 47 extra crisis places through the Department of Housing; third, a three-person team of health professionals working with police and Department of Community Services [DOCS] workers to identify the method of treatment at the first point of contact; and, fourth, Health Department court liaison officers for implementing the MERIT scheme. I have asked Dr Wilson and Assistant Commissioner Small to commence discussions with Fairfield City Council and the Cabramatta community to decide on the best options and locations, and to avoid the problems of the earlier clinic.

Rejection of this plan will both increase pressure on services and the surrounding areas and make it more difficult to solve Cabramatta's drug problem. We need to work in partnership with the local council to meet the needs of the Cabramatta community. I agree that there must not be a return to the failed approach of the past but there must be consideration of this new plan. I turn now to early intervention and prevention. I welcome the Prime Minister's advertising initiative aimed at strengthening the role of parents in drug education. Parents are far more likely to help young people avoid drugs than any other group. We need to help those families most at risk.

I have no difficulty with anti-drugs education of this type being as explicit as possible: it tells the truth! In Cabramatta an additional \$270,000 will be spent to set up a mobile child care team and provide extra family counselling services to help a further 350 families each year. To help police deal with homelessness, a six-person 24-hour DOCS team will be set up and will help police on the streets. We want to find young homeless people and warn them off drugs before they join the ranks of the Cabramatta users. The Families First plan will provide support for 100 Cabramatta families. Under that program parents of preschool children will visit local schools for classes that will assist them in their parenting.

From 1 July a \$600,000 community drug education team will be set up to work in schools in Cabramatta, Fairfield, Bonnyrigg and Canley Vale. Its aim will be to increase the retention of students in schools. Its simple message will be "Stay in school, and stay away from drugs". The last thing that the people of our State want to see is police, or anyone else, playing a blame game while we grapple with this most serious problem. The police, the community and business leaders must put their differences aside and be prepared to make some tough decisions. If we stand divided, heroin will flourish in Cabramatta and elsewhere; united, we have a fighting chance.

Mrs CHIKAROVSKI (Lane Cove—Leader of the Opposition) [2.43 p.m.]: Along with other members of this House, in particular the shadow Minister for Police, the honourable member for Epping, I have spent a number of days in Cabramatta. To say that it is less than a pretty sight is fair comment. To say that it is a shocking sight is also fair comment. To say that it is a very sad sight for the people who work and live in Cabramatta is also fair comment. Today I am concerned about a number of things, but first and foremost I am concerned that it has taken the Premier so long to finally get around to doing something about a problem that he has known about not just for weeks or months but for years.

The Cabramatta business community and the people who live in the area know about the problem and in increasing desperation have cried out to the Government for help. I give credit to the Government that it has finally done something about the problem, but we all need to acknowledge that this problem has been going on for a considerable period and it seems that the Government has only recently come to the decision that it needs to do something about it. I give credit to Ross Treyvaud and the people in this Chamber who have been actively canvassing the media. They have raised these issues as much as they possibly could on radio, in local newspapers and newspapers across the State, because they were crying out loud but were not being heard.

If they felt the need to go to the media, that was because they had to do something—and the Government was not listening. Congratulations to the people who had been involved. We know that they have suffered and have been the subject of threats. We congratulate them on their bravery, on standing up for their community and on wanting to work for their community. In response to matters raised by the Premier today I make the following comments. It is absolutely incorrect to say that the business community in Cabramatta is thriving. It is incorrect to say that business people are unconcerned about the level of street dealing in their community. Premier, I suggest that you go out to Cabramatta—

[Interruption]

Mr Speaker, the Premier was heard in silence. As this is an important issue I would appreciate members of the Government giving me the same courtesy. The Premier and other members of this House need to go to Cabramatta without the cameras, without the radio microphones, and walk around and talk to the business community. They should talk, as I did, to the people who own the shops near the Woolworths shopping centre. A woman who runs one of the shops said to me, "In my shop I have goods which I want to sell to children. They are pretty and attractive to children. But how can I do that if their mothers will not come into my shop because the druggies and drug dealers are in my shop and they terrify the children? They hassle the children, and push them around. My business is failing because I cannot keep those people out of my shop." Businesses are failing because the druggies can wander around Cabramatta, stoned out of their mind, and no-one is doing anything about it.

Ms Meagher: This is starting to sound like Marrickville.

Mr SPEAKER: Order! The Leader of the Opposition has the call.

Mrs CHIKAROVSKI: If the member for Cabramatta wants me to explain to the House what the people of Cabramatta think of her I will seek an extension of time, because we have got all day to talk about this. Reba, they think you are a waste of space. Recently I sat and had coffee in Cabramatta and talked to the owner of the coffee shop. The owner had complained that on the previous weekend his coffee shop had been graffitied. His shop was graffitied because he had been one of those brave people I mentioned earlier who had the courage to talk about the problems in Cabramatta and wanted something done.

The shop owner said to me, "I intend to keep this business going. It is tough and it is hard, but I intend to keep it going. But we want support, we want recognition that we have these problems, and we want the Government to do something about it." It is not correct to say that business is booming—business is struggling and will continue to struggle. The business community wants to know that its efforts to keep the businesses open will be supported by the Government doing its part and cleaning up the streets. The Government should do what it can to attract business back to Cabramatta. It has a very nice shopping centre, with a fabulous variety of food, restaurants and shops.

People want to know that if they go to Cabramatta that they will be able to enjoy the food and shopping without falling over those who are drugged out of their minds. I visited Cabramatta in broad daylight and saw 10 deals being conducted. The people who live and work in Cabramatta know that is happening and want it cleaned up so that when anyone, including any member of this Chamber, visits Cabramatta they will be able to enjoy the amenities and not be concerned about the deals or about being hassled. Anyone who has been to Cabramatta would know about the aggressiveness of the dealers. They offer heroin to people they do not even know. The people of Cabramatta do not want that in their streets or in their community. The Opposition supports them in their fight to clean up their streets.

The Premier referred to the discussion about drug houses. Again, that is an important issue. On a previous visit to Cabramatta I was shown the location of some drug houses. I was also taken into the parks near those drug houses and shown the gear on the ground—the used needles, the foils, the whole bit. The issue is not only about shutting down the drug houses, it is also about cleaning up the whole community. It is about making sure that children can play in parks and not have to worry about needlestick injuries. The Opposition will look carefully at the details of the Premier's proposal, but we urge him to make sure that his whole-of-government approach includes cleaning up the local parks of Cabramatta.

The Premier also talked about the new loitering laws. I assume that the legislation will apply to the whole of the State. How will the Premier distinguish between the imposition of the loitering laws in Cabramatta and in Kings Cross? An injecting room is about to be opened in Kings Cross, if the Government can get it sorted out. How will police in the Kings Cross area deal with this law when they know that people will be loitering outside the injecting room doing deals? Will people in Cabramatta be treated differently to those in Kings Cross or will the law apply across the State? I am not sure how it will be applied. The Opposition agrees with the Premier that it is about time Cabramatta police station was re-upgraded. Such an upgrade is vital. Let us give credit where it is due. The reason for the upgrade is because the shadow Minister for Police has fought long and hard for it. He has been far more vocal about Cabramatta than has the honourable member for Cabramatta, who has repeatedly said that there was no problem in Cabramatta.

The Premier also referred to compulsory treatment. The Opposition supports the notion of more treatment. However, the latest figures from the National Drug and Alcohol Research Centre show that there are 35,400 dependent heroin addicts in New South Wales. That is 48 or 49 per cent of the national total. The Premier said today that 500 extra places for treatment would be made available. At present only one in four people seeking treatment can access it. An extra 500 positions will not make a huge dent, particularly with the introduction of compulsory treatment. An extra 500 will barely be a drop in the bucket. A lot more than 500 places will be needed, and a lot more trained and qualified staff will be required to deal with those people. The Government should not only provide extra places but also ensure the availability of qualified staff to treat those people.

The Opposition accepts, as the Premier has said, the need for a range of treatments. However, I am concerned that the Premier will continue to expand the methadone program. That seems to be the easiest solution because methadone can be distributed without the need for further treatment. Addicts can now get

methadone from pharmacists. Methadone merely defers the problem. People do not rid themselves of an addiction; they swap one addiction for another. The use of methadone rather than heroin is not necessarily a great result. I have been told by clinicians that it is much harder to get off methadone than heroin. I urge caution in that regard. I heard the Premier talk of teams from the Department of Community Services, but I did not hear him make an announcement about extra positions for juveniles. I understand that eight beds are available for juveniles in New South Wales. If the Premier is serious about young people accessing services, he should make sure that substantially more positions are available to help young people get off drugs.

My overall concern about today's announcement is that this is yet another announcement about another package for Cabramatta. The Premier referred to the failed approaches of the past. I remind him of his own approach announced in 1997. The 1997 Cabramatta plan was going to clean up the streets of Cabramatta. It was going to tackle drug dealing in the streets, take the addicts off the streets and make sure that Cabramatta became the community it is entitled to be. Since the Premier announced that plan in 1997, drug-related crime and the number of people involved in drugs who are now regular attendees at Cabramatta have increased. Since the Premier announced his Cabramatta strategy in 1997 there has been no real or substantial improvement in the drug situation in Cabramatta. The Premier must ensure that any announcement he makes about Cabramatta today shows real results. It needs to be an ongoing program. It should not be, as has happened in the past, that a few police officers and health workers are moved in for a short period of time and then moved out again.

The only way we will resolve the problems of Cabramatta is with a sustained approach for a long period of time and a real commitment from the Government to address the issues that exist in Cabramatta. We cannot have another public relations exercise that is designed for the media and to make people feel good but does not deliver results. The people of Cabramatta—and Fairfield and all the areas that are suffering from drug-related problems—need a serious, long-term commitment from this Government to address the issue of drug-related crime. The matter will not be resolved overnight. It will not be resolved in 24 hours, 48 hours, a week, a month or a year. If we are going to get to the core of the drug issues in this State and address the crime issues that arise from drug taking, we must follow a sustained approach over many years. It cannot be the Cabramatta strategy 2001, a public relations exercise just for the cameras.

The Opposition has been campaigning long and hard about Cabramatta's problems. We have been working with the community to put pressure on the Government to try to resolve the issues. Today's announcement by the Premier has followed through and may go some way towards addressing some of the issues. We will need to look at the detail of the proposed legislation. We will also need to look at the detail of the package because the Premier failed to give notice that he was going to make this announcement today. Such behaviour is not atypical of the Premier.

We will support any initiatives that will battle the curse of drug addiction in this State. I, like the Premier, support the Prime Minister's initiative to ensure that parents talk to their children about drugs. The Opposition applauds any initiative to dissuade young people from getting involved in drugs. As I have said, we must take an ongoing, sustained and comprehensive approach to drugs. Our approach has to be ongoing over an extended period of time. The problem has not arisen overnight and it will not go away overnight. Unless the Premier and the Government are prepared to properly resource and attack this problem we, or others in our place, will be here in 20 years time still talking about it. We must all be committed to working towards a drug-free society in New South Wales.

VARIATIONS OF PAYMENTS ESTIMATES 2000-01

Mr Aquilina tabled the variations of the receipts and payments estimates and appropriations for 2000-01, in terms of section 26 of the Public Finance and Audit Act 1983, arising from the provision by the Commonwealth of specific purpose payments in excess of the amounts included in the State's receipts and payments estimates.

COMMITTEE ON THE OFFICE OF THE OMBUDSMAN AND THE POLICE INTEGRITY COMMISSION

Report

The Clerk announced the receipt of the discussion paper entitled "Parliamentary Inquiry into the Jurisdiction and Operation of the Administrative Decisions Tribunal", dated March 2001.

PETITIONS

North Head Quarantine Station

Petition praying that the head lease proposal for North Head Quarantine Station be opposed, received from **Mr Barr**.

Willoughby Paddocks Rezoning

Petition praying that the Legislative Assembly will advocate for the retention of all vacant land in the area historically known as the Willoughby Paddocks and its development as public parkland for the enjoyment of the community, received from **Mr Collins**.

Public Housing Rental Increases

Petition praying that public housing rental rates not be increased, received from **Mr McGrane**.

State Taxes

Petition praying that the Carr Government establishes a public inquiry into State taxes, with the objective of reducing the tax burden and creating a sustainable environment for employment and investment in New South Wales, received from **Mr Debnam**.

National Australia Bank Gymea Branch Closure

Petition condemning the National Australia Bank's decision to close the Gymea branch and calling on the Federal Government to pass laws that require banks to maintain minimum customer service levels, received from **Mr Collier**.

National Australia Bank Jannali Branch Closure

Petition condemning the National Australia Bank's decision to close the Jannali branch and calling on the Federal Government to pass laws that require banks to maintain minimum customer service levels, received from **Mr Collier**.

Cronulla Police Station Upgrading

Petition praying that the House restores to Cronulla a fully functioning police patrol and upgrades the police station, received from **Mr Kerr**.

Malabar Policing

Petition praying that the House notes the concern of Malabar residents at the closure of Malabar Police Station and praying that the station be reopened and staffed by locally based and led police, received from **Mr Tink**.

Randwick Police Station Downgrading

Petition praying that the House notes the concern of Randwick residents at the major downgrading and possible closure of Randwick Police Station and praying that the station be staffed 24 hours a day by locally based and led police, received from **Mr Tink**.

Northside Storage Tunnel Gas Emissions

Petition praying for the installation of an acceptable system to address health risks associated with the discharge of sewage gases from the northside storage tunnel, received from **Mr Collins**.

Mona Vale Hospital

Petition praying that Mona Vale Hospital be retained and upgraded, received from **Mr Brogden**.

Avoca Beach Primary School Funding

Petition praying that capital works funding be included in the 2001-02 State budget for Avoca Beach Primary School, in order to provide some degree of certainty for the school's future, received from **Mr Hartcher**.

Non-government Schools Funding

Petitions praying that the Government reimburse the \$5 million in funding that has been withdrawn from non-government schools and reverse its decision to withdraw a further \$13.5 million in funding in 2001, received from **Mr Debus** and **Mr Richardson**.

Queanbeyan Preschool Services

Petition praying that funds be made available to construct a new and permanent preschool in Queanbeyan, received from **Mr Webb**.

Windsor Road Upgrading

Petitions praying that Windsor Road be upgraded and widened within the next two financial years, received from **Mr Merton** and **Mr Rozzoli**.

Level Crossings Safety

Petition praying that the Government install double boom gates and lights at all level crossings in New South Wales, including at Gerogery, received from **Mr Maguire**.

Tumut Regional Roads Upgrade

Petition praying that regional roads in the Tumut area be upgraded and that a regional roads summit be conducted, received from **Ms Hodgkinson**.

Main Road 241

Petition praying for an increase in funding to local government authorities to allow them to properly maintain Main Road 241, received from **Ms Hodgkinson**.

Cardiff Railway Station Disabled Access

Petition expressing concern at the difficulties experienced by disabled and elderly patrons in accessing Cardiff railway station platform, and praying that Cardiff railway station be included on the Easy Access program and a lift or ramp installed, received from **Mr Hunter**.

Kempsey and Macksville Pacific Highway Upgrade

Petition praying that the House improve safety on the Pacific Highway and fast-track the proposed bypassing of Kempsey and Macksville, received from **Mr Stoner**.

South Coast Television Reception

Petition praying that the Australian Broadcasting Corporation, Win Television and Capital 10 Television upgrade their transmission services on the South Coast, received from **Mr R. H. L. Smith**.

Sydney Catchment Authority Regional Environment Plan

Petition expressing dissatisfaction with the proposed regional environmental plan of the Sydney Catchment Authority and praying that the draft report be withdrawn, received from **Ms Hodgkinson**.

National Parks Entry Fees

Petitions praying that the proposal to introduce a \$6 entry fee per car per day into national parks be rejected, particularly in Bundjalung National Park and Iluka Nature Reserve, received from **Mr George** and **Mr Oakeshott**.

John Fisher Park

Petition praying that the Government supports the rectification of grass surfaces at John Fisher Park, Curl Curl, and opposes any proposal to hard surface the Crown land portion of the park and Abbott Road land, received from **Mr Barr**.

Sydney Water Biosolids Strategy

Petition expressing concern about Sydney Water's proposed biosolids handling and transport strategy and praying that the House rejects the strategy, received from **Mr Barr**.

Manly Lagoon Remediation

Petition praying that funds be made available to assist in the remediation of Manly Lagoon, received from **Mr Barr**.

Bega Valley Shire Council

Petition praying that extension of the term of the administrator appointed to oversee the affairs of Bega Valley Shire Council be opposed, received from **Mr R. H. L. Smith**.

QUESTIONS WITHOUT NOTICE

EPPING TO CASTLE HILL RAIL LINK

Mrs CHIKAROVSKI: My question is directed to the Premier. Does he recall that the Minister for Transport, and Minister for Roads confirmed on 28 February—less than four weeks ago—that the planned Epping to Castle Hill rail link would not only proceed but would be completed by 2010? Given the debacle involving the cancellation of the Parramatta to Epping link, does the Minister's guarantee about the Castle Hill line stand or will that line also be scrapped because of funding shortfalls?

Mr CARR: I would have thought that the Leader of the Liberal Party would be the last person to raise rail projects in this House given the scandalous performance of Bruce Baird when her deputy was his chief adviser.

Mr SPEAKER: Order! I place the Deputy Leader of the Opposition on two calls to order.

Mr CARR: I remember Bruce Baird assuring all of us in this Parliament that the city to airport rail link would proceed without one cent of taxpayers' money.

Mrs Chikarovski: That's not true. None of yours are even started.

Mr CARR: The Leader of the Opposition says that that is not true. Baird said on 28 April 1991—not on 1 April—"The Government simply cannot afford to build a rail link to the airport" and any proposal would be "fully funded by the private sector". That was the Baird assurance. This is the bloke who left State politics, went to run Tourism Australia and bankrupted it and fled into the Federal Parliament. The latest rumour about Bruce Baird is that, willingly or unwillingly, he is about to return to this Chamber.

Mr O'Farrell: Point of order—

Mr SPEAKER: Order! Premier—

Mr CARR: If Baird were on his way back, we would welcome him.

Mr SPEAKER: Order! I call the the Deputy Leader of the Opposition to order for the third time. He now stands to take a point of order.

Mr O'Farrell: My point of order relates to relevance. The question is whether the Epping to Castle Hill railway line will proceed or whether, like the Parramatta to Epping line, it will never be operating.

Mr SPEAKER: Order! There is no point of order.

Mr CARR: The clock ticks and in March 1992 Greiner and Baird announced that the project would cost \$600 million, and Baird said, "there would be some government support". At that stage he committed half a million dollars to a feasibility study. In October 1992, after the Metherell affair and the transition to John Fahey's leadership—and I digress to say that we are united in wishing John well as he recovers from a serious illness; I understand that he is out of hospital and he has the best wishes of the entire House. Mr Baird estimated that the total cost would be about \$800 million but said "the Government simply does not have the necessary funds itself". Isn't that terrific, he was saying that the Coalition Government did not have the funds—

Mr Hartcher: Point of order—

Mr CARR: —but he constructed a deal that saw the Labor Government that defeated him and Fahey in 1995 having to find the funds!

Mr SPEAKER: Order! Premier, the member for Gosford stands on a point of order.

Mr Hartcher: Standing Order 130 requires that the answer be relevant to the question asked. The Premier has been speaking for five minutes without any relevance to the question asked, which was about the railway line his Minister promised on 28 February.

Mr SPEAKER: Order! There is no point of order.

Mr CARR: This is all about funding rail projects and the constructive lessons of the past. In March 1994 the tide was running out for the Fahey Government; the writing was on the wall. Mr Baird, the bloke who bankrupted the organisation that was to employ him when he left State politics, said in reply to a question on notice that the likely contribution by the State Government for the airport link would be—remember a moment ago it was costing nothing—\$354 million. To cut a long story short, the cost came in at \$600 million. And it all had to be found out of the rail budget of this Government.

By the way, in July 1994, with the Parramatta by-election pending—one that returned a Labor candidate, the present member for Parramatta—Bruce Baird discovered that Parramatta should have a new rail line and he tempted Parramatta with the promise of a \$480 million rail line between Hornsby and Parramatta. The Opposition is considerably deflated now and I do not think there is a great necessity to go on talking about the state of rail planning under the Coalition. But I remind you, Mr Speaker, of this: it could not get the little things right, let alone the big things. Remember, in the last session of Parliament I was able to refer to a question by the Deputy Leader of the Liberal Party. It was about the demolition of a small rail station in outback New South Wales, in the electorate of Darling.

Mr Richardson: Point of order—

Mr CARR: It was claimed while Labor was in government that it is a blunder to close country stations.

Mr SPEAKER: Order! Premier, the member for The Hills stands on a point of order.

Mr Richardson: The point of order once again is relevance. The Premier has been speaking for 7½ minutes without making a single reference to the Epping to Castle Hill rail link. I have a very significant interest in this issue. My constituents have a very significant interest in the issue. I am sure that members of this House have a very significant interest in the issue. I would ask that the Premier address the issue before the House.

Mr SPEAKER: Order! There is no point of order. The honourable member for The Hills will resume his seat.

Mr Fraser: Point of order: Once again I draw your attention to Standing Order 105, which says:

When a Member rises on a point of order ... The Member who was speaking shall be seated.

Three times during the non-answer to the last question points of order were taken and the Premier for a considerable time refused to acknowledge that the points of order had been taken. I believe, Mr Speaker, that it is your place to draw the attention of the Premier to the fact that a point of order is being raised and request him to be seated.

Mr SPEAKER: Order! There is no point of order.

SECURITY OF PAYMENTS LEGISLATION

Mr W. D. SMITH: My question is to the Minister for Public Works and Services, and Minister Assisting the Premier on Citizenship. What is the latest information on the Government's security of payments law?

Mr IEMMA: The question from the honourable member for South Coast is timely because yesterday marked the first anniversary of the security of payments legislation. I am pleased to give a progress report on how that legislation is working. Honourable members will recall that that landmark piece of legislation was introduced to this House to repair an anomaly. That anomaly applied in the building and construction industry whereby overwhelmingly small business operators—some 65,000 of them—have been subject to the very un-Australian practice of developers and builders not paying their bills to small businesses, often resulting in the small businesses being sent to the wall. The security of payments legislation provided a cheap and quick system of adjudicating disputes that arise in the building and construction industry and also set out some standards for payment which all players in the contracting chain have to adhere to.

I am pleased to report that there have been a number of adjudications under the legislation operating over the last 12 months, and small businesses in the building and construction industry are at last getting justice. There have been 15 adjudications. Eight have resulted in the subcontractor, the claimant, getting a decision for 100 per cent of the claim. Four have resulted in the subcontractors getting an adjudication for part of their claim. And in three cases the claimant subcontractors lost and the respondents received an adjudication in their favour. That shows that the legislation is working in a balanced way. Some developers and larger contractors were concerned that the legislation was unfairly skewed towards the subcontractor. The claims have ranged between \$1,500 and \$570,000 and adjudications have taken place across the State—the North Coast, the South Coast and in the western suburbs of Sydney.

The range of developments have involved home unit projects, industrial projects, and projects for the construction of car parks, nightclubs and bowling clubs. In a celebrated adjudication a kitchen supply company, Direct Catering Equipment, from Campbelltown was awarded \$32,000 after adjudication. The interesting thing about that case was that the company was in dispute with the owner of a nightclub in Brighton. Direct Catering Equipment did not receive payment of \$32,000 for the manufacture, supply and fixing of a kitchen.

The owner of Direct Catering Equipment commenced proceedings in the Supreme Court, not knowing of its rights under the security of payment legislation. When he was made aware of the security of payment legislation, he withdrew his Supreme Court action and took the owner of the nightclub through the various stages of the security of payment legislation, resulting in an adjudication in his favour for \$32,000—100 per cent of his claim. He succeeded in a quick and cheap way, rather than having to pursue a Supreme Court action and incur what would have been the significant expense of engaging lawyers to chase a developer who, quite wrongly and unethically, refused to pay bills for this small business operator in Campbelltown.

In another celebrated adjudication an electrical contractor in Neutral Bay did work for a developer on an industrial estate and submitted a claim for \$85,000. The developer, quite wrongly and unethically, refused to pay and the subcontractor chased the developer for some 60 days. Finally he grew tired of chasing him and threatened to use the security of payment legislation and adjudication process against the developer. The day after the threat was made to use the legislation a cheque for \$20,000 arrived and the developer commenced to progressively pay the outstanding amount to the point where the total amount of \$85,000 was paid to the satisfaction of the electrical contractor.

The same contractor again threatened to use the legislation against another unethical and unscrupulous operator who was refusing to pay. That resulted in the electrical contractor from Neutral Bay getting his payment of \$40,000. These examples show that the legislation has been an outstanding success. The legislation is providing practical assistance to small businesses that are involved in the building and construction industry—some 65,000 in total throughout the State. For decades, these small businesses have been crying out for legislative protection to enable them to get payment and keep their businesses afloat. I am pleased to report that 12 months down the track the legislation is working well.

CABRAMATTA POLICING

Mr SOURIS: My question is directed to the Premier. Given that police numbers across New South Wales have not increased since March 1999, despite the Premier's promise, will the Premier explain which city or regional police stations will have to be weakened so that more police can be deployed to Cabramatta?

Mr CARR: Part of our restructuring of the Police Service is to provide flying squads of police to saturate those areas that need it.

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

SOUTH SYDNEY REVITALISATION

Mrs GRUSOVIN: My question without notice is to the Minister for Urban Affairs and Planning. How is the Government helping to revitalise South Sydney?

Dr REFSHAUGE: I commend the honourable member for her ongoing interest and active involvement in the projects in South Sydney. The South Sydney Development Corporation was established in 1996 by this Government to secure the economic development of the South Sydney growth centre. It is responsible for promoting, co-ordinating, managing and securing that economic development. The Government's foresight is already paying dividends. We are well on the way to revitalising this historically significant part of Sydney, which has a strong industrial past. Over the next few years many of the old and disused industrial sites will be redeveloped and replaced with new vibrant communities, new quality housing, and new investment and job opportunities.

During the past five years the South Sydney Development Corporation has performed with great success. More than \$250 million worth of development is slated for completion in the area over the next two years. Green Square is becoming an increasingly popular place to live, according to the "Domain" section of last Saturday's *Sydney Morning Herald*. People are saying that it is now hip to be square. Today, to further enhance the work being done by the corporation, I am pleased to announce additional funding of \$500,000 for what will ultimately be the largest urban redevelopment project in the southern hemisphere.

This funding is to be allocated to a number of projects that will be managed by the corporation. Firstly, funding will be allocated to accelerating the implementation of the Green Square Town Centre. Secondly, a web site detailing the progress of the project will be developed to keep the local community, new residents and businesses up to date. Thirdly, a prospectus document detailing key economic and demographic characteristics will be developed to draw new investors to South Sydney. The prospectus will help to promote greater private sector investment and accelerate the momentum of economic development. The fourth allocation of funding will be directed towards stage one of the Alexandra Canal cycleway project.

Mrs Chikarovski: Point of order: For the edification of the House the Minister is referring to the Green Square development, which we know was only made possible as a result of the railway station which is now part of the airport link.

Mr SPEAKER: Order! There is no point of order.

Dr REFSHAUGE: As I said, this is the largest redevelopment project in the southern hemisphere and, as such, it deserves the best. That town centre will be the showcase of this redevelopment. As a result, the Government will call for expressions of interest for a design competition for mid-year. This will attract the best ideas locally and internationally for the heart of this new area. While the competition will be open to Australian firms, as is the case mostly these days we will be encouraging international partnerships. At the same time the competition will help to increase awareness of the investment opportunities in the town centre while promoting design quality and innovation.

This extra funding will help the development corporation drive the re-invention of South Sydney into a thriving, exciting and sustainable community. We are already seeing a mix of residential, commercial and retail development, while respecting the heritage character of the area. In two years, 1,800 new homes will be completed, creating a new, vibrant community, in which thousands of Sydneysiders will live and work. By 2020 it is expected that a total of 20,000 new residents will be living in high-quality residential developments in the area. In terms of both commercial and residential development I am pleased to advise the House that the South Sydney Development Corporation has taken a lead in promoting design excellence.

The corporation has made the decision to establish a design subcommittee to provide advice and comment on significant proposed developments. The subcommittee has developed design guidelines, which constitute the criteria for the assessment of development applications. This will ensure that the quality of the built environment within the growth centre achieves the highest possible standard. The decision to hold a design competition builds on the proven record of the corporation in promoting excellence in design.

I can also advise that new clean industries and businesses, such as telcos, IT and biotech companies are already relocating to the area, bringing new employment opportunities to South Sydney. We have estimated that 7,000 long-term jobs will be created in the town centre alone. That does not take into account the 2,000 direct and 3,000 indirect jobs that will be created in the construction period. It is estimated that by 2016 the Green Square area will employ 41,500 people, compared with the current employee population in the Parramatta central business district of 37,000 and in the North Sydney central business district of 30,000.

The Government is creating a new, sustainable urban community in the inner city, but we have not lost sight of the importance of leisure time and lifestyle for new residents. We are ensuring that by providing 20 hectares of new public open space as part of the rehabilitation of 3.9 kilometres of the Alexandra Canal. For many years the area around the canal was occupied by some of Sydney's dirtiest industries, including metalworks, wool scourers and brickworks. This polluted waterway will be transformed into a major recreational and ecological asset which can be enjoyed by present and future generations. Stage one of the Alexandra Canal project will see the completion of a 1.2-kilometre cycleway, offering residents a valuable recreational amenity. The South Sydney area covers 487 hectares and it must be noted that an urban renewal project of this size—in fact, it is the largest in the southern hemisphere—is a long-term project to create a revitalised community full of opportunity and optimism.

COUNTRY TOWN WATER AND SEWERAGE PROGRAM

Mr WEBB: My question is directed to the Premier. How can the Premier possibly justify his claim that the Government is increasing funding to country water and sewerage projects by \$60 million when he ripped \$170 million from those projects in the past five years, with the result that the program backlog has extended from six years to 10 years and many country towns, such as Adaminaby, remain without clean running water?

Mr CARR: The honourable member would have been very welcome at Penrith on Sunday to hear my report.

CUT FLOWER INDUSTRY

Ms ANDREWS: My question without notice is to the Minister for Agriculture. What is the Minister's response to community concerns that it is unable to distinguish overseas produced flowers from locally grown flowers?

Mr AMERY: I suggest that we all take for granted the cut flower industry. As individual customers, we recognise it from time to time. However, we often do not give it enough credit for the vital role it plays in the State's economy, and in supporting many families in various parts of the State. The Opposition made derisive comments when the question was asked, and hopefully I will be able to answer the question with a positive attitude.

Mr Hazzard: And succinctly—don't give a technical answer.

Mr AMERY: Thank you, Brad, you are an expert! When I am finished with the foot rot program, I will send the resources to you. We have tablets for that problem. I have been asked to inform the House about some of the problems facing the cut flower industry. In New South Wales the cut flower industry is worth \$350 million at the farm gate and about \$800 million at the retail level. Of the 600 growers, many are small family operations, and just over half are native flower growers. The industry supports about 2,000 direct on-farm jobs and about 10,000 indirect jobs. It is no surprise that the honourable member for Peats has a keen interest in this industry as the Central Coast and western Sydney are well-established areas for cut flower production. I appreciate her concern for the industry. The northern and the southern coastal areas are also great cut flower growing regions, as are Orange, Dubbo, Gunnedah, Mungindi and Wagga Wagga. New South Wales and Victoria are the largest flower producing States in Australia.

Mr Fraser: And Coffs Harbour.

Mr AMERY: Yes, and I would like to know why the honourable member for Coffs Harbour is getting bigger crowds at his Monday afternoon meetings than the Leader of the National Party. How is that so? How is that that more members of the National Party attend his afternoon teas than those of the Leader of the National Party? Things are going on in the National Party.

[Interruption]

I forgot about the strategy—save George at all costs. Sorry about that! New South Wales is the largest consumer of flowers, with more than 700 florists statewide. We export about \$40 million worth of native

flowers to Japan, the United States of America and other countries. I now get to the point of the honourable member's question. We also import \$11 million worth of flowers each year from India, Zimbabwe, Kenya and other countries. Those imports continue to grow at a higher rate than the local industry.

Last week I visited western Sydney with the Minister for Education and Training, who launched a project worth \$21 million related to an education and training plan for sustainable agriculture in the Sydney region. Sal Russo, Secretary, and Tony Bagala, President of the Flower Growers Group of New South Wales Inc., told me that industry estimates suggest that less than half the roses sold in New South Wales on Valentine's Day were locally grown. Think about that! I was also told by Mr Bagala and Mr Russo that 60 per cent to 70 per cent of roses sold throughout the year are imported. Many consumers are not aware that the flowers they buy are imported. It is important that consumers are given that message. Many people accept that some agricultural products are imported but not many know that perishable items, such as cut flowers, are imported—and there is no labelling to warn consumers of that fact. I believe that, given a choice, many people would rather buy flowers from New South Wales than from elsewhere. Given that support the local industry could expand, thereby creating more local jobs.

Mrs Skinner: Are you going to do something about the labelling legislation?

Mr AMERY: Yes, I am. I will investigate ways to develop a clear labelling system which identifies whether the flowers we buy are from New South Wales, Australia or overseas. I will ask my department to contact grower and retail organisations to discuss this initiative. I will write to the Federal Minister for Industry, Science and Resources, Senator Nick Minchin, the Minister responsible for labelling issues, and also to the Federal Minister for Agriculture, Fisheries and Forestry, Senator Warren Truss. I will express my concern to the Ministers about the lack of choice faced by consumers when they buy flowers. I will urge the two Ministers to take a role in the development of a clear national labelling system which helps consumers identify where flowers come from. New South Wales Agriculture is already helping to improve the quality of cut flowers. It is investing in the National Centre for Greenhouse Horticulture in Gosford and it is conducting major research at the centre to improve flower quality through post-harvest care.

New South Wales Agriculture has a development officer and entomologists based at the Plant Health Centre of Excellence in Camden. We have a number of district horticulturalists based in Camden, Windsor and Gosford, who are advising and working directly with growers across the State. Last year we published a book for rose growers entitled *Rose Flower Care for Professionals*. We will continue to help the New South Wales flower industry to improve in both quality and quantity. We also need to help consumers make a choice about what they buy. Virtually any product we buy these days is marked with the country of origin, showing whether it is a product of Australia or of any other country. That does not apply to the cut flower industry. I assure the honourable member for Peats that I will do everything possible to support the New South Wales cut flower industry and to help our local growers service the people of this State.

Mr MICHAEL KNIGHT CONSTRUCTION COMPANY CONTRACT

Mr PICCOLI: Will the Premier confirm that the former Minister for Public Works, former Minister for Roads and former Minister for the Olympics, Mr Michael Knight, has been employed as a consultant by construction giant Leighton Holdings to lobby him and his Ministers to win major Government construction contracts, such as the \$400 million cross-city tunnel contract?

Mr CARR: No, I cannot. When it comes to major undertakings by the State Government lobbying plays no part.

Mr Souris: They are wasting their money?

Mr CARR: They are wasting their money. The process is so rigorous and, to an enormous extent, in the hands of the public servants and not the politicians, as the experience of major tenders in Olympic works or rail infrastructure confirms arguments not related to hard financial facts and technical requirements simply do not count.

Mr SPEAKER: Order! I call the honourable member for Davidson to order. I call the honourable member for Vacluse to order.

Mr CARR: I have witnessed this in two governments and I have witnessed it in the previous Coalition Government. If major infrastructure companies think that lobbying plays a part in New South Wales—and I believe this is true of Coalition governments as well as Labor governments—they are mistaken.

Mr PICCOLI: I ask a supplementary question. In light of the Premier's answer, does Mr Knight's new consultancy breach guidelines issued by the Independent Commission Against Corruption and his own department for post-separation employment?

Mr CARR: That is a stupid supplementary question. I have no idea who employs Mr Knight or what he is employed to do. That question, I presume, will be put to Mr Knight by the media.

REGIONAL SPORTS FACILITY PROGRAM

Mr GAUDRY: My question without notice is to the Minister for Sport and Recreation. How is the Government helping local communities improve regional sports facilities?

Mr WATKINS: I am aware that many sporting organisations across New South Wales are looking forward to this answer. The Regional Sports Facility program, which was an initiative of my predecessor, the honourable member for Parramatta, is designed to improve the range, availability and quality of major support and recreational facilities across this State.

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

Mr WATKINS: In particular, the program provides funding for a network of sporting facilities that fit between small, local facilities and those of national scale and importance. Funding of up to \$300,000 is made available to applicants, usually councils or sporting clubs and organisations, who also have to make a significant financial contribution. Since the program's inception in 1997 more than \$14 million has been provided to councils and sporting organisations across New South Wales to assist them in the completion of projects. Today it gives me great pleasure to announce the successful applicants under the Government's 2000-01 program.

I am extremely pleased to advise the House that again this year the funding is heavily skewed towards rural and regional New South Wales. Last year 11 of the 13 projects went outside the Sydney metropolitan area. This year I am delighted to announce that 17 of the 20 successful applicants will be outside the Sydney metropolitan area. I am sure that honourable members will be interested in the fate of the applications from their local communities. That is why today I can announce \$2.2 million in successful applications. Funding of \$110,000 will be provided to Narromine Shire Council to assist in the construction of a multipurpose hall at Trangie Central School, in the electorate of Barwon. Funding of \$290,000 has been allocated to Tallaganda Shire Council to assist with the construction of a multipurpose indoor facility at Braidwood Central School, in the electorate of Monaro.

Mr Slack-Smith: Point of order: I know the Minister is more than generous but Narromine happens to be in the electorate of Dubbo.

Mr WATKINS: An amount of \$270,000 will be allocated to Lachlan Shire Council to assist with the upgrade of Condobolin pool. I announce the one that the honourable member for Peats has been waiting for: \$80,000 has been provided to the Central Coast branch of Riding for the Disabled to assist with the construction of an indoor riding facility at Kariong. After a good application last year, the families of the mid North Coast will be thrilled that this year \$250,000 will go to Nambucca Shire Council to assist with the redevelopment of Macksville swimming pool, in the electorate of Oxley. After intense representations from the honourable member for Northern Tablelands, I am sure he will be pleased to know that \$100,000 will go to Guyra Shire Council to assist with improvements at Guyra swimming pool.

Funding of \$80,000 will be provided to Wagga Wagga City Council to assist with improvements at Robertson Oval in Wagga Wagga, \$50,000 will be allocated to Berrigan Shire Council to assist with the provisions of lighting at Finley Recreation Reserve, \$55,000 will be allocated to Inverell Touch Association to assist with lighting at the Inverell sporting complex, and \$65,000 will be allocated to Murray Shire Council to assist with improvements at the Moama Recreational Reserve. I am sorry that the honourable member for Murray-Darling is not present to hear that. Last week I had great pleasure in announcing at Cabarita Beach on the far North Coast with the honourable member for Tweed \$200,000 to the Cabarita Beach Surf Life Saving Club to assist in the construction of a new clubhouse. I also announced with the honourable member for Bathurst last week funding of \$110,000 to Bathurst City Council to assist with the upgraded facilities at Bathurst Sports Ground.

The Salvation Army will receive a sports grant of \$44,000 to assist with the expansion of the Oasis Youth Centre in the electorate of Wyong. In the electorate of Coogee the Bronte Surf Life Saving Club will receive \$50,000 to assist with the expansion of its clubhouse. This is the one I know that the honourable member for Newcastle has been waiting for: the Newcastle-Port Stephens Soccer Association will receive \$110,000 to redevelop the Edden Dual Regional Soccer Facility at New Lambton. The Callala Junior Sailing School, in the electorate of South Coast, will receive \$50,000 to assist in the redevelopment of its premises at Callala Bay. The Narrabeen Beach Surf Life Saving Club will receive \$50,000 to assist in the upgrading of its facilities.

The new member for Campbelltown will be pleased to know that \$80,000 has been allocated for the redevelopment of the Campbelltown Sports Stadium. The honourable member for Orange should note that the Manildra Sports Council will receive \$100,000 to assist in the construction of a grandstand at Jack Huxley Oval. The Gundagai Shire Council, in the electorate of Burrinjuck, will receive \$60,000 to assist in the construction of new amenities at Anzac Park, Gundagai. That is the successful list. I look forward to meeting representatives from those clubs and organisations as I tour New South Wales in the coming months. Applications for 2001-02 will be available in the middle of this year. I encourage honourable members to work with their local communities and sporting organisations to put in applications. They might be successful next year.

IMPORT REPLACEMENT

Mr NEWELL: My question without notice is to the Minister for Small Business. How is the Government assisting small business to create jobs in New South Wales?

Ms NORI: Recently I was able to report to the House that small and medium enterprises that are participating in the Government's small business programs are reaping the benefits through increased sales and exports and, most important of all, they are employing more people.

Mr SPEAKER: Order! Although the Chair extended a degree of latitude to members when the Minister for Sport and Recreation was answering the previous question I now ask members to cease talking amongst themselves.

Ms NORI: Today I am able to report on yet another good result for small business programs achieved by the Government. It is particularly pleasing in the light of the fact that small businesses have been hit around the head by the GST and the Federal Government's complete abrogation of its responsibilities for small business. As honourable members would be aware, I have previously reported to the House on import replacement. I have previously made the point that import replacement is just as critical to the continuing strong performance of the New South Wales economy as are exports. We know from independent analysis that for every \$1 million worth of manufacturing business that is successfully created or retained in Australia 22 full-time jobs are created, \$1.2 million in value is added to the economy, around \$210,000 is saved in welfare benefits and significant tax revenue is generated.

I am pleased to report to the House the excellent outcomes since the agreement in July 1999 between the Government and the New South Wales Industrial Supplies Office Limited [ISO] to promote import replacement in New South Wales. The ISO promotes import replacement. The ISO was established in the mid-1980s by a Labor Government, and it was a Labor Government that recognised that jobs could be created through import replacement. The ISO matches the needs of purchasers and manufacturers with the industrial capacity of Australian manufacturing, and replaces imports on a commercially viable basis: the bottom line is king. This is no welfare program; it is a hardheaded program that replaces exports at the same or better price with the same or better quality. Since 1997-98 the Government has provided the ISO with about \$1 million a year. I am pleased to report that this fairly modest contribution has paid big dividends for the people of New South Wales, particularly the people of regional New South Wales.

Mrs Skinner: The background noise is so high that I cannot hear.

Ms NORI: If the honourable member is interested she will sit there quietly. If she is not I do not need the benefit of her interjections. If she is worried about small business she should get her shadow Minister to ask me a question, instead of sitting there like a stunned mullet. Since 1999 the ISO has secured more than 4,400 jobs for this State. During the same period, \$200 million in new business was created for the State. In regional New South Wales alone \$96 million in new business and 2,110 new jobs have been created as a result of the work of the ISO; that is approximately half of the new jobs created in regional New South Wales. That is a strong endorsement of the ISO program, and it is also an endorsement of the capability of the industry

throughout this State, not just in our cities. To the end of the last financial year the import replacement value to New South Wales firms from the activities of the ISO was \$138 million, which exceeds the 1999-2000 target set in the Department of State and Regional Development-ISO performance agreement by \$38 million.

Since 1997-98 the ISO has helped New South Wales companies to replace imports worth a massive \$411 million, which has created directly and indirectly more than 9,000 jobs. But the ISO is not stopping there, and neither is the Government. In the past 18 months the ISO has launched a concerted campaign to help regional firms identify opportunities to replace imports. ISO consultants have visited 2,400 firms across the State and have identified potential export replacement opportunities worth more than \$1.5 billion. This is the sort of return to local industry that is being achieved as a result of the Government's performance and funding agreement with the ISO. The spread of ISO services reflects the importance this Government places on working with regional business. As honourable members know, the ISO has offices in Newcastle, Wollongong, Orange and Albury. Consultants from the ISO operate from Grafton, Armidale, Goulburn, Dubbo and Wagga Wagga.

Regional consultants are undertaking the identification of competitive regional companies with a view to enhancing their access to major projects. The consultants are also assigned to specific companies to work on projects where there are significant import replacement opportunities and a commitment to local industry participation. There are lots of good stories about the efforts of the ISO. No doubt the honourable member for Gosford will be pleased to hear me mention Sylvania Lighting at Gosford one more time. As honourable members know, organisations tendered for Olympic construction projects against strong international competition. But with the assistance of the ISO Sylvania Lighting has turned an initial contract of \$500,000 into \$3 million worth of local and overseas business. The company now has a significant reputation, and is making sales in highly competitive international markets for stadium lighting. The growth of that company has resulted in the growth of jobs on the Central Coast.

Symonite Australia, a Sydney-based firm that manufactures specialised facade panels for building and civil structures, has worked closely with the ISO. As a result of a recent sales visit to Hong Kong, Symonite has won an order to supply fire-resistant panels for a new major building in Shenzhen, China. It is pleasing to note that Symonite is supplying the panelling for Sydney's busiest airport, Sydney (Kingsford Smith) Airport. For a relatively modest Government investment thousands of jobs have been created in the critical export sector of the State's economy. It is pleasing to note that many of them are being created in regional New South Wales. I congratulate Mr Bob Keeley and his team at the ISO on achieving this outstanding result.

Questions without notice concluded.

FORMER MINISTER FOR TOURISM Mr BRUCE BAIRD

Breach of Practice

Mr O'FARRELL (Ku-ring-gai—Deputy Leader of the Opposition) [4.02 p.m.]: Standing Order 104 relates to a breach of practice of this House. Twice during question time today the Premier claimed, deliberately and falsely, that there was a connection between Bruce Baird and the financial dealings of the Tourism Council of Australia. Former Speakers in this Chamber have ruled that Ministers should not slur members of the public. The Premier's comments were clearly misleading, wrong and not supported by the facts.

Mr Whelan: Point of order: The Deputy Leader of the Opposition cannot make a personal explanation on behalf of someone who is not a member of this House. It is for the House to determine the accuracy or otherwise of the Premier's statements and take action accordingly, if that is thought to be appropriate. No member is permitted to offer justification on behalf of someone who is not a member of Parliament. Non-members have the right to write to the Clerk to ask that *Hansard* be corrected. That is the limit of their options.

Mr SPEAKER: Order! Standing Order 104 states:

A Member may at any time raise a point of order relating to a breach of the standing orders or the practice of the House which shall, until disposed of, suspend the consideration and consideration of every other question.

The substance of the comments of the Deputy Leader of the Opposition have been dealt with by the Leader of the House. Earlier today the honourable member for Gosford quoted a ruling by Speaker Kelly. The Deputy Leader of the Opposition will understand that the provisions allowing those who are not members of Parliament to object to statements made in the House were introduced after that ruling was delivered. The provisions are clear: Strangers to this House can draw the attention of the Speaker and the Standing Orders and Procedure Committee to comments that they believe have maligned them, and the matter will be dealt with. There is no provision under the standing orders to deal with such matters in any other way.

CONSIDERATION OF URGENT MOTIONS

Illawarra Steelmaking Industry

Mr MARKHAM (Wollongong—Parliamentary Secretary) [4.12 p.m.]: My motion is more urgent than any other matter before the House for the pure and simple reason that 12,000 jobs are under threat in Wollongong and the Illawarra, and the families of 12,000 workers are very concerned about what has occurred in the past week.

School Closures

Mr O'DOHERTY (Hornsby) [4.13 p.m.]: The House should debate urgently the motion of which I have given notice because parents at at least eight schools, which will no longer exist when the Carr Government sells them off in a short space of time, are desperate to get some level of public understanding and discussion about important matters that have been dumped on the table by a Government that takes decisions behind closed doors and fails to consult. We must discuss urgently the structure of schooling in this State because the Government's policy is all over the place. On 30 December 2000 in an article entitled "Carr to restrict selective schools"—one might call it his last word on education for 2000—the Premier was quoted as saying:

If you increase the number of selective schools you create problems for the comprehensive schools ... We are not increasing the number of selective schools.

However, the Government announced last week that it plans to increase not only the number of selective schools but the number of places for children in gender-specific educational settings in inner-city areas—in other words, the number of boys' classes and schools and girls' classes and schools. The debate about gender in New South Wales is long and interesting and extends back to a report presented to the Fahey Government in 1994. The inquiry which gave rise to that report was chaired by someone who is now on the Opposition front bench and who is too modest to put his name to that report—okay, it was me. Since the O'Doherty report into gender equity, the Labor Party has had nothing to say on the subject.

The O'Doherty report refers to the need for a debate about single-sex classes versus coeducational classes. The Government has not initiated such a debate but, in the middle of the first parliamentary term of 2001, it has suddenly announced that it intends to lurch away from comprehensive coeducational schools towards single-sex classes. That is an interesting development in education and people across New South Wales want to have a proper, public debate about this issue. It represents a significant policy shift but the Government has done nothing to initiate that debate. There are those not only in public education but in non-government schools who would like to participate in an extensive debate about the education issues raised by the Government's announcement last week.

We must debate this matter because this major change will be introduced on a district-by-district basis. The structure of schooling in New South Wales will be altered via a process that could be best described by a senior bureaucrat, Alan Lachlan—a man of integrity and intelligence with whom I worked when he was director of the metropolitan north district of the department. We have no quibble with Alan Lachlan but, like a vaporous spirit, he has been sent by the Government to district after district—Alan Lachlan is coming soon to a district near you—to restructure schooling without consulting parents. It is not as though he wants to do that; I imagine that the Government has instructed him, "Keep it quiet; let's make our decisions about what we will impose upon schools without consulting parents first". That is exactly what has happened in inner-city districts and in Ryde, and it will happen in school districts in the electorates of every member of this House. The Government will announce significant changes to the structure of schools without public consultation.

The community wants to debate not only school closures but issues such as the number of selective schools versus comprehensive schools and the number of single-sex places versus coeducational places. We deserve to be able to discuss such matters in the context of a debate that is governed by educational policy, not by revenue or political imperatives. We need to debate this matter urgently because we strongly suspect that, in making its decision about which schools will close, the Government has simply looked down the list of schools in the inner city and in Ryde and chosen those with the highest real estate values. The Government has decided to sell Hunters Hill High School because it can maximise the real estate returns from that sale while it leaves other schools open.

Mr Martin: Lack of education.

Mr O'DOHERTY: I agree with the honourable member for Bathurst: There is a lack of education behind this decision. It is revealed in today's edition of the *Sydney Morning Herald* that the Government has valued the school properties at \$40 million more than their market value, so it will realise \$40 million less than it wants from their sale. In addressing this motion, we want the Minister for Education and Training to guarantee that he will make up the difference not by cutting the budgets of schools in Bathurst, Camden, Hornsby, Ballina, Wollongong or Lismore but by taking the money from general revenue. We must have a proper, public debate about the structure of schooling in New South Wales such as we have called for since 1995. [*Time expired.*]

Question—That the motion for urgent consideration of the honourable member for Wollongong be proceeded with—put.

[*In division*]

Mr SPEAKER: Order! I am informed by the Opposition Whips that there has been a malfunction in the operation of the lifts. I will allow the honourable member for Davidson and the honourable member for Northern Tablelands to enter the Chamber.

The House divided.

Ayes, 49

Ms Allan	Mrs Grusovin	Mr Orkopoulos
Mr Amery	Ms Harrison	Mr E. T. Page
Ms Andrews	Mr Hickey	Mr Price
Mr Aquilina	Mr Iemma	Dr Refshauge
Mr Ashton	Mr Knowles	Ms Saliba
Mr Bartlett	Mrs Lo Po'	Mr Scully
Ms Beamer	Mr Lynch	Mr W. D. Smith
Mr Brown	Mr Markham	Mr Tripodi
Miss Burton	Mr Martin	Mr Watkins
Mr Campbell	Mr McManus	Mr West
Mr Collier	Ms Meagher	Mr Whelan
Mr Crittenden	Ms Megarrity	Mr Woods
Mr Debus	Mr Mills	Mr Yeadon
Mr Face	Mr Moss	
Mr Gaudry	Mr Nagle	<i>Tellers,</i>
Mr Gibson	Mr Newell	Mr Anderson
Mr Greene	Ms Nori	Mr Thompson

Noes, 36

Mr Armstrong	Mr Kerr	Mr Slack-Smith
Mr Barr	Mr McGrane	Mr Souris
Mr Brogden	Mr Maguire	Mr Stoner
Mrs Chikarovski	Ms Moore	Mr Tink
Mr Collins	Mr O'Doherty	Mr Torbay
Mr Debnam	Mr O'Farrell	Mr J. H. Turner
Mr George	Mr Oakeshott	Mr R. W. Turner
Mr Glachan	Mr D. L. Page	Mr Webb
Mr Hartcher	Mr Piccoli	
Mr Hazzard	Mr Richardson	
Ms Hodgkinson	Mr Rozzoli	<i>Tellers</i>
Mr Humpherson	Ms Seaton	Mr Fraser
Dr Kernohan	Mrs Skinner	Mr R. H. L. Smith

Question resolved in the affirmative.

ILLAWARRA STEELMAKING INDUSTRY**Urgent Motion**

Mr MARKHAM (Wollongong—Parliamentary Secretary) [4.27 p.m.]: I move:

That this House:

- (1) notes the importance of BHP to the Illawarra economy with its 12,000 workers;
- (2) expresses concern about the proposed merger of BHP and British company Billiton;
- (3) notes that steelmaking would be "spun off" as a separate entity and that BHP Billiton has only given an undertaking that there will be no job losses until next year;
- (4) calls on BHP Billiton to immediately give job guarantees and make a long-term commitment on jobs; and
- (5) supports steel and coal unions representing the workers and families of the Illawarra in their campaign to end outsourcing.

BHP Steel has been in the Illawarra region since 1935 after it took over Australia Iron and Steel. The 66-year partnership between BHP Steel and the region is now on tenterhooks after the announcement earlier this month that BHP and British-based Billiton would create a global mining company worth \$57 billion. The front page of the *Illawarra Mercury* said it all: "For Sale: BHP Quits Steel". BHP announced on 19 March that steel would not be part of the new BHP Billiton. In effect, it was saying that it would sell off its steelmaking operations at Port Kembla. That puts at risk the pay packets of 12,000 Illawarra people working directly and indirectly for BHP Steel. There are 6,000 jobs at risk at the steelworks alone, 1,100 at coated steel, 1,400 in the four mines that BHP owns in the Illawarra, and 400 in the transport sector. So 8,800 jobs are directly affected by the decision. If one takes into account the 2,500 permanent on-site contractors at BHP, and the 700 off-site contractors, that amounts to 12,000 jobs—12,000 families left in doubt about their future.

The only undertaking so far from BHP is that there will be no job losses to next year—to next year! The new BHP steel company is to be spun out into a separate company to be known as BHP Steel. This effectively puts BHP steel up for sale. That means boots and all: the steel division and its assets, which includes the Port Kembla plant. BHP welcomed the news, saying that the new company would be full of optimism and excitement. The spun-out shares in the "new" BHP Steel will be offered to current investors before being listed on Australian Stock Exchange. Make no mistake, "spun-out" is simply a fancy name for selling off something that is no longer needed or wanted.

BHP has also admitted that it is considering all options, including—wait for it—a sale to another steel maker or a straight stock exchange float. It is little wonder that the unions are concerned for the viability of the Illawarra's biggest industry. That is why we should take this opportunity to put aside any plans for outsourcing. We need to focus on the long-term issue of job security. Last week I joined with five State and two Federal colleagues to call for an end to the outsourcing of 800 jobs at BHP Port Kembla. As most honourable members will know, Port Kembla Steelworks have been entrenched in an eight-month industrial dispute over plans to outsource maintenance and security jobs.

This is a critical time for the future of steelmaking in Australia. We must face up to it in an atmosphere free of confrontation and disputation. The relationship between management and the unions must be good. It is as simple as that, and the simple way to achieve it is to end outsourcing. Six State members and the two Federal members issued a joint press release. That is unique, I assure honourable members, but every one of us was concerned for the families of workers in the steel industry and associated industries. The press release, under the heading "Call on BHP to End Outsourcing Dispute" stated:

Enormous uncertainty has been created in the Illawarra community following BHP's decision to divest the Steel Division.

Steelworkers, their Unions and Management will face some very difficult challenges to ensure the industry is sustainable and continues to be one of the economic foundations of the regional economy.

It is time for BHP to call an end to their controversial outsourcing initiatives. BHP Port Kembla Management must review their position on this divisive issue and immediately resolve the current dispute with steel unions.

There is a strong desire in the community for a resolution to the outsourcing dispute. This is a crucial time for the industry and its future must be faced in an atmosphere free of confrontation and disputation.

The steel unions have publicly stated that all parties should be concentrating on the fundamental issues that the divestment decision has brought to the fore. We support this view.

It is signed "Stephen Martin, Colin Hollis, Ian McManus, David Campbell, Colin Markham, Marianne Saliba, Matt Brown and Wayne Smith". Some have speculated that the new company will be stripped bare. When one takes into consideration the fact that BHP has \$3.5 billion in assets and annual sales of \$5 billion, it makes a nice little package. That means job cuts, to make it more attractive to overseas investors. The question has been asked: Will the new BHP Steel be ripe for an overseas takeover? Once it is listed as a separate company on the Stock Exchange it will become an immediate target for an overseas takeover. On Wednesday of last week Graham Roberts, the National President of the Australian Workers, Union said:

It would be an absolute disaster if an overseas company bought out BHP Steel.

BHP produces only 1 per cent of the world's steel and, as one analyst put it, it could be a case of a minnow being swallowed by a whale. It would also impact adversely on the region. Since 1986 BHP has spent between \$500,000 and \$750,000 each and every day in capital investment in Port Kembla. Now on its own, BHP will have to find this money to keep itself internationally competitive. The company also uses or employs local small businesses. Honourable members should be in no doubt that this will create problems, because if BHP suffers, small business in the region will also suffer. The jobs of 1,400 coalminers are under threat. The new BHP may regard the region's mines as being of only marginal importance. The majority of coal mined from the four mines at Appin, West Cliff, Elouera and Tower is for BHP Steel. Some claim that the new company will be more interested in sourcing from open-cut style mines in Queensland.

What we hear from the work force—especially in regard to the outsourcing of 800 specialist jobs of tradespeople and security people who have had a long-term commitment and loyalty to BHP—is, "Why have we worked our guts out for so long when they are just going to toss us on the scrap heap?" Outsourcing is the big problem and they have to get that right. We have all got to work together to make BHP Steel work in the Illawarra because this country cannot afford not to have the capacity to manufacture steel, particularly in the Illawarra and in Wollongong. The motion I have moved today must receive the full support of this House so that we can send a strong message to BHP Steel and to the new corporation that we are not prepared to have jobs go down the gurgler in the Illawarra. In correspondence to local members who requested information Mike Archer said:

The positives that should provide us all with comfort:

- we have some of the best people in the industry;
- we enjoy a competitive advantage over most of the world's steel producers with our access to first class raw materials, including Illawarra coal;
- we have first class plant and equipment;
- we have strong brand names through the Coated Product's businesses and we have a solid core of marvellous customers in Australia and abroad who we believe will remain loyal to us while ever we continue to provide them with excellent products and service; they are the key to our future sustainability. No one should be doing anything that affects our customer's businesses adversely.

That is the very point. For the past eight months there has been a campaign of industrial disputation over outsourcing. The unions have made it clear they are not going to cop this. I assure honourable members that the workers, after hearing the announcement last week, do not know where they are going. BHP is not conversing with the work force in the way it should. BHP has said that it will spend millions of dollars in plant and equipment. I have no problem with that; I hope it does. However, I fear that the intention is to upgrade the plant to a standard where it will be regarded as a viable option to buy. If BHP is to sell off its steelmaking process in Wollongong, how does it propose to split it up? That is the question that needs to be answered by BHP.

Mr SOURIS (Upper Hunter—Leader of the National Party) [4.37 p.m.]: I move:

That the motion be amended by the addition of the following paragraphs:

- (6) notes the failure of the Carr Government's outsourcing, privatisation and State development policy; and
- (7) notes further the Government's failure to ensure the aluminium smelter project at Lithgow proceeded.

The reason the Opposition has sought to amend the motion to include those two paragraphs is to highlight the hypocrisy of the Carr Government. It is hypocritical of the Carr Government to talk about outsourcing when it is involved in outsourcing up to its eyeballs. The Carr Government wrote the manual on outsourcing. Ask the railway workers and the people in my electorate in the Hunter who thought they had jobs with the Government how they feel about the preparation for the coming privatisation of FreightCorp.

Mr Campbell: What about the workers in the Central West of New South Wales you sacked when you were in government? What about the Tallawarra power station workers that you sacked when you were in government?

Mr SOURIS: You will get your chance. You were looking like a pretty good member once upon a time, but you are not getting anywhere. The Carr Government was hypocritical in the way it dealt with the power generation industry, when it reduced employment by outsourcing in preparation for privatisation. That policy is alive and well and on the agenda. What about the Carr Government's involvement in reducing the level of employment in the electricity distribution industry in preparation for mergers, economic rationalism and potential privatisation?

Do not suggest that those plans are not still on the drawing board. I refer also to the Carr Government's non-existent State development policy for the Lithgow aluminium smelter, despite glamorous promises given during its election campaign. The Carr Government completely hoodwinked the electors of New South Wales, particularly those of the Bathurst electorate. It is incredible that the justification for this motion is based on outsourcing and the failure of the Carr Government to offer any government guarantee or job loss guarantee to the targets of its own economic rationalism and privatisation program.

I too express my concern for the families affected by this BHP-Billiton merger. I know many people in the Illawarra and Wollongong areas who are directly or indirectly involved in the steelmaking industry. I hope that steelmaking continues to be enhanced and increases its standing in order to find more export markets. Once upon a time that was the expected purpose of State development policy and government. I question the role that the Carr Government has played in assisting BHP's steelmaking in the Illawarra over its past six years in government. It has done absolutely nothing. What is the use of five or six State members and a couple of Federal members? Independence and balance are needed. State Labor members of that region have provided nothing but succour and support to a grossly militant union that has potentially destroyed more jobs in the Illawarra than that being referred to now.

The Carr Government has watched jobs go down the tube in the coal and steelmaking industries because of its blind pursuit of a left-wing militant union organisation. Labor believes in sticking firm to the brotherhood in the Illawarra in its eight-month fight against the bosses. I am sure that the people of the Illawarra are comforted to know that the five Labor members of Parliament are standing side by side singing the *Internationale* under a red banner. Will that save their jobs, stop the outsourcing, keep the coal industry going and ensure that the steel industry has a good future? What will it telegraph to the world and to potential markets? The signal will be that the Illawarra still believes in the revolution, in overthrowing the management bosses, and in the workers' co-operative. It signals a belief in the old days, which has helped to destroy the industry that Labor pretends to support. Those Labor members are fakes, they have failed in their mission and do not deserve to represent their electors. They have done nothing about the Carr Government's outsourcing policy.

Those members may intend to try to stop the privatisation of FreightCorp but they do not have the clout; they do not have two bob's worth of influence in the Carr Government. The Carr Government's blind pursuit of the ideology of economic rationalism is alive and well; it is being given support and succour by the five Labor members in the Illawarra. They have the hide to say they care, that they have been working hard in the past six years, standing alongside the militancy and blindness of the union movement. With the blind pursuit of economic rationalism by the Carr Government and the blind pursuit of the international Labor movement by the Left, Labor believes it will bring salvation to industries in the Illawarra. The points I have made indicate the failure of the Carr Government to provide a climate conducive to investment, employment, growth, prosperity and job security. These five Labor members have failed the tests of government and leadership. They have failed to properly represent their electorates and stand condemned.

Mr CAMPBELL (Keira) [4.46 p.m.]: I support the motion as originally moved by the honourable member for Wollongong. Although I could spend considerable time demolishing the comments of the previous speaker, I would like to remind him of a former Minister in the Greiner Government named Neil Pickard—they panic at the sound of his name—who closed coalmines and the Tallawarra power station. The Leader of the National Party should talk to the families of the Illawarra about that. To outline the Carr Government's support for industry in the Illawarra we should look at the joint approach by State members from the Illawarra, the unions, coal company managements and the Port Kembla coal terminal and at the way they have worked together on a number of occasions to put together a package to stabilise the coal industry and to stabilise the coal terminal as a business. This has been achieved through co-operation and working together.

The outsourcing dispute has lasted eight months and now the farcical situation has been reached in which the Industrial Relations Commission has directed the company not to send emails, write letters or talk to staff or unions. That is the ideological bent of the present BHP management. It does not talk sense or understand the importance of working together. The outsourcing dispute arises because BHP does not want to run steel but wants to become an international player in resources. It wants to sell the steelworks in Port Kembla. BHP-Billiton wants to become involved in minerals, not steelmaking. I have said in the media and during discussion that if the spin-off is done properly, if it is not a trade sale but is a proper float that is handled sensibly with open and honest communication with employees, in the long term the steel industry in Port Kembla and the Illawarra regional economy will be better served by a company that wants to run a steel business rather than by BHP, which does not. I note that the shadow Treasurer was in the region about 10 days ago trying to talk up manufacturing. I expect his contribution will be about how employers and employees can work together.

Wollongong will benefit in the long run if a dedicated steel company is prepared to make steel there. However, that has to be done sensitively. Following the announcement by BHP, the employees and their families, the contractors and their families, the small businesses that rely on the industry and their families, are concerned about their future. Paul Anderson and Don Argus have made contradictory comments, which add confusion to their concern. However, there are some positives in announcements by BHP about capital expenditure in the region.

Yesterday BHP committed to invest \$94 million in the sinter plant emissions project, something that does not add to production but is an environmental program. The test of BHP's commitment to the steel industry, to the Illawarra, to the State, and to Australia, will be the way in which it maintains that capital investment and capital expenditure as it goes through the process. It will be difficult for our region and difficult for individuals to cope with that process. BHP needs to be open, honest and sincere with people rather than giving a direction to its employees not to talk. In the long run if the steel industry is operated by a dedicated steel business in our region we will have a stronger future. I send a challenge to those setting up that company that it needs to demonstrate confidence and it must ensure that its corporate headquarters—lock, stock and barrel, including the managing director's desk and the boardroom table—is located in Port Kembla. *[Time expired.]*

Mr O'DOHERTY (Hornsby) [4.51 p.m.]: I thank the honourable member for Keira for mentioning that recently I was in the Illawarra for discussions with industry representatives. The day had a positive result, because we talked about the great capacity within Wollongong and the wider Illawarra area to attract internationally competitive manufacturing and the industry's capacity to attract export dollars. That is the future of the region. I said to the media representatives outside the civic centre that the necessity is to get new technology to work with existing expertise that has built up over the years in Wollongong. That expertise has been built up because it has been working with the internationally competitive BHP steel division.

There is no question about it. We agree that steel and the future of that region are integrally connected. However, we disagree because members opposite are confused about how to achieve those things. Industry representatives in the Illawarra told us that they have not seen the benefit to their manufacturing operations of the so-called Illawarra Fund. Apparently \$10 million has been spent by the Government, but they have not seen the benefit of that.

Mr Markham: They have.

Mr O'DOHERTY: No, they have not. They sat across the table from me and told me that when they sought funding to go to a trade fair in Melbourne to promote the capacity of the industry in Wollongong—and its flexibility, cost effectiveness and international expertise—they could not get money from the Illawarra Fund. They were told to go away and come back next year. They are now planning to attend with funding from the Australian industry group and its representatives. There has been some expenditure, but it was associated with tourism. We do not quibble with that, because it is as important to promote tourism in the Illawarra as it is in other parts of New South Wales.

If the Carr Government thinks that tourism alone will save the Illawarra, it is letting that region down badly. I admit that there is another prong to their strategy, and that is the call centres. When the Carr Government thinks about technology in country areas it thinks about call centres. The two prongs of the Carr Government's approach to saving the Illawarra are tourism and call centres. However, that approach does nothing to build the expertise of the region or to integrate the sale of the industry's capacity in the Illawarra, both in Australia and internationally.

We needed trade missions, jointly funded by industry and the Government. Industry will come to the party with a contribution if the Government promotes overseas trade missions to sell the expertise of the area. The honourable member for Keira said that if the new player comes in to run steel in Port Kembla, and was committed to the steel industry, that would be good for the Illawarra. We all agree that the future of steel and the future of the Illawarra are linked, because their pasts are linked. There is no doubt about that. The support required by companies that are available for contracting out, exporting, and so on, is linked to the presence of a large international steel player in the area. We do not disagree with that. On the other hand, the Labor Party said that it is committed to stopping contracting out. I could not work out whether the Government is more concerned about the potential sale of the steel division or about contracting out.

Mr Markham: It is one and the same.

Mr O'DOHERTY: The honourable member for Wollongong says that it is one and the same, but what is he doing? He is talking down the price and the capacity for someone else to come in and buy the steel division, because the Government wants to lumber it with work practices from two centuries ago. The Government wants to encumber industry with old industrial relations practices, yet it wants some internationally competitive player to come in and invest money in the region. It cannot have it both ways. The contributions by the two Government members were short on references to commitment by the Carr Government to the issues that they raised.

The two questions raised by the honourable member for Wollongong were: What is the Carr Government doing about it and what would Kim Beazley do about it? It is all very well for the five members of that region to get together and issue a press release, but what is Kim Beazley's proposal? Does he have one? No, he has not. I add this final question: What has the honourable member for Wollongong said to his Premier about support for the Newcastle steelmaking operation, Austeel, which is supposed to create 20,000 jobs—jobs which it obviously would take out of the Illawarra? [*Time expired.*]

Mr McMANUS (Heathcote—Parliamentary Secretary) [4.56 p.m.]: Honesty, sincerity, discussion, negotiation—that is what this is all about. This is not about economic rationalism; it is not about what the Labor Party or the Liberal Party is doing; it is about a company in the Illawarra which, for the past 20 years, has not negotiated with its staff or with its community. This is about a greedy company which has continually drained the Illawarra of profits and at the same time torn apart the union movement in the Illawarra and the community. I hark back to the mid-1980s and to the sincerity of BHP.

Mr O'Doherty: It is really about people like you.

Mr McMANUS: I am not a crazy left-winger. In the Illawarra 10,000 people lost employment simply because BHP decided to downsize. In the Newcastle area, 6,000 people lost their jobs for the same reason. Was there any negotiation, was there any sincerity, was there any honesty in what they did? BHP decided that it would not communicate. Today this is all about the union movement, the local members and the Illawarra community. In particular this is about the community. People have families and mortgages and they want a future in the Illawarra.

The so-called Big Australian is creating discourse and discomfort in the community and it has a responsibility to ensure that the community is appeased. It has a responsibility to make sure that the workers' representatives—the unions in this country—are appeased. Over the past 20 years we have seen the union movement negotiate its way through the processes, particularly strong militant unions such as that which works with BHP. The Illawarra has a very viable, environmentally sensitive steelmaking process. I am sure that until its closure Newcastle had the same. Essentially we are asking that BHP not merge with its counterpart in Britain. We are asking for the right to be able to say to our people that their jobs, their homes and their future will be secure.

With outsourcing that will not happen. There is no security because BHP will not give any guarantee of security. It is a time of uncertainty when the community, the union movement and staff are unable to discuss issues with management. BHP can resolve this problem simply. It can end outsourcing and make a long-term commitment to the steelworkers of the Illawarra region. BHP can indicate that it has a future in the Illawarra and that it is prepared to spend \$94 million on a sinter plant which, as the honourable member for Keira said, is an environmental issue. For once BHP should show some spirit and guts. BHP should talk to the community, the union movement and its staff and tell them that it has a commitment to steelmaking in the Illawarra and in this country.

BHP should be prepared to say that it will not outsource and that it will ensure the positions of its staff for the long-term future, not for 12 months. It is a joke that a company the size of BHP tells its staff that they may have jobs for 12 months. That is an insult to a community that has worked for BHP to create the annual profits it relishes. The figures show record profits in steelmaking for BHP. Yet it does not have the intestinal fortitude to give a commitment to its staff and to the people of the Illawarra region. It is time for BHP to say that there will be no outsourcing. Give us jobs, give us credibility and give us fair play.

Mr MARKHAM (Wollongong—Parliamentary Secretary) [5.01 p.m.], in reply: Opposition members who spoke about the trade union movement in the Illawarra are totally out of touch with the steel industry plant and the number of days lost through industrial disputation over the past eight years. Lost days are not even recorded now because the figure is so low. Last Tuesday, after I learnt about the merger, I rang BHP to arrange a meeting between the State and Federal local members and BHP management to talk through all the issues, not only the outsourcing issue. BHP management said it would not talk to us about outsourcing because the New South Wales Industrial Relations Commission [IRC] had told it not to. I told Lance Hockridge that the IRC does not gag me. I have been talking about it and I will continue to talk about it because it affects people I know. They are concerned about the future of not only their jobs but also their families. If Opposition members are not concerned and do not believe that we should come out and fight, they are on the wrong track.

Lance Hockridge gave us a good hearing for 1½ hours. We went through all the issues. As he was not able to elaborate on outsourcing because of the gag, we discussed the future of BHP steelworks in Wollongong. We had a good discussion and BHP management outlined a number of points which provided some light at the end of the tunnel for the survival of the steelworks in Wollongong. As I said to BHP management, many people will view the upgrades as a move towards making the plant more viable for selling off. The unions in this country at various levels have indicated that they will not cop steelmaking leaving this country, and no-one in this House should either. We have to do everything we can to make sure it stays here. The Opposition's Federal colleagues should be doing something as well. I have not heard one word from little Johnnie Howard on this issue.

Mr Souris: I have not heard from Kim Beazley.

Mr MARKHAM: Have a look at the *Illawarra Mercury*. The Opposition said that BHP has never received any assistance. As the honourable member for Keira alluded to, BHP is the principal consortium owner of the coal loader at Port Kembla. That consortium has had various discussions with Treasury and the Premier's Department and the Government has bailed it out three times in the last five years to try to keep the coal loader viable. The consortium wanted to run it privately but all of a sudden it asked the Government for money. On three occasions, after getting money from the State Labor Government, the consortium turned around and made adverse announcements. I remember four years ago, three or four days after the Government agreed to provide money for the coal loader, Tahmoor colliery management sacked 69 miners. That was its commitment!

Recently the same thing happened again when the ink was hardly dry on an agreement between the Government and the consortium—the principal owner being BHP. The workers took a package. As part of that package a considerable number of jobs went to save the jobs of others. The consortium that runs that coal loader, of which BHP is the principal, has not delivered in the Illawarra. We want BHP Steel to do everything it can to make sure it stays in the Illawarra and in Wollongong. It provides an economic benefit to my town, to this State and to Australia. The workers and their families are now suffering. If the Illawarra loses BHP Steel, each and every one of us in this country will know exactly what that feels like.

Question—That the amendment be agreed to—put.

The House divided.

Ayes, 36

Mr Armstrong
Mr Barr
Mr Brogden
Mrs Chikarovski
Mr Collins
Mr Debnam
Mr George
Mr Glachan
Mr Hartcher
Mr Hazzard
Ms Hodgkinson
Mr Humpherson
Dr Kernohan

Mr Kerr
Mr Maguire
Mr McGrane
Mr Merton
Mr O'Doherty
Mr O'Farrell
Mr Oakeshott
Mr D. L. Page
Mr Piccoli
Mr Richardson
Mr Rozzoli
Ms Seaton
Mrs Skinner

Mr Slack-Smith
Mr Souris
Mr Stoner
Mr Tink
Mr Torbay
Mr J. H. Turner
Mr R. W. Turner
Mr Webb

Tellers,
Mr Fraser
Mr R. H. L. Smith

Noes, 49

Ms Allan	Mrs Grusovin	Mr Orkopoulos
Mr Amery	Ms Harrison	Mr E. T. Page
Ms Andrews	Mr Hickey	Mr Price
Mr Aquilina	Mr Iemma	Dr Refshauge
Mr Ashton	Mr Knowles	Ms Saliba
Mr Bartlett	Mrs Lo Po'	Mr Scully
Ms Beamer	Mr Lynch	Mr W. D. Smith
Mr Brown	Mr Markham	Mr Tripodi
Miss Burton	Mr Martin	Mr Watkins
Mr Campbell	Mr McManus	Mr West
Mr Collier	Ms Meagher	Mr Whelan
Mr Crittenden	Ms Megarrity	Mr Woods
Mr Debus	Mr Mills	Mr Yeadon
Mr Face	Mr Moss	
Mr Gaudry	Mr Nagle	<i>Tellers,</i>
Mr Gibson	Mr Newell	Mr Anderson
Mr Greene	Ms Nori	Mr Thompson

Question resolved in the negative.

Amendment negatived.

Motion agreed to.

Pursuant to sessional orders business interrupted.

PRIVATE MEMBERS' STATEMENTS

HIH INSURANCE

Ms SALIBA (Illawarra) [5.15 p.m.]: I bring to the attention of the House the plight of 17 families in my electorate who have been tragically affected by the collapse of HIH Insurance. These people have seen their great Australian dream in tatters: their builders have collapsed, and their homes are half built and unable to be completed. As a result they have been housed in rental properties by HIH Insurance. However, they now find that their rent has not been paid and they are being evicted from their rental properties. These families have been completely devastated not only by the collapse of their builders but also by the collapse of their insurers, HIH Insurance. Last week 17 families from my electorate attended a meeting with creditors of HIH Insurance in Sydney. My phones have been running hot on a daily basis. People are desperate to find an answer to the problems created by the collapse of HIH Insurance.

I have advised people in my electorate and surrounding electorates to contact the 1800 number provided by the Department of Fair Trading to gather the necessary information to understand the full extent and impact of the collapse of this insurance company on New South Wales and our constituents. I read an article in the *Sunday Telegraph* about two former executives of HIH Insurance. One executive had an \$11 million mansion and the other had an \$8 million estate, yet these families are building homes for \$150,000 and they do not know whether they will ever be completed. They have watched everything they have worked for go down the gurgler. I have raised this matter with the Minister for Fair Trading. I know that he is doing everything he can to address these problems. I look forward to finding a way for us as a Government to assist these families. I am sure we can do something to ensure that these people are assisted. We should put safeguards in place to ensure that what happened to HIH Insurance can never happen to other insurance companies.

Where do people turn when their insurance company goes bust? We all rely heavily on insurance when something goes wrong, and now these people have nowhere to turn. This Government must consider ways to address the problems being experienced in the private sector. It is a shame that it has come to this and that people have been adversely affected. I assure my constituents that I am doing everything I possibly can to assist them in their plight and that the Government is endeavouring to ensure that they will have some security and

realise their dream of owning a home. I know of one family who are to be evicted from the rental property in which they are living because they cannot pay their rent. That is absolutely disgraceful. This family's home is no longer being built and they do not have anywhere to live. The Government and I are looking forward to finding solutions to this problem. We want to help these people and do all that we can to alleviate their difficulties.

Mr WATKINS (Ryde—Minister for Fair Trading, Minister for Corrective Services and Minister for Sport and Recreation) [5.20 p.m.]: I thank the honourable member for Illawarra for her contribution this evening. The collapse of HIH Insurance has clearly created a range of serious problems for New South Wales families and businesses. Honourable members will know that the insurance industry is regulated by the Commonwealth Government, primarily under the auspices of the Australian Prudential Regulatory Authority—which has many serious questions to answer in the wake of this debacle. In my portfolio, HIH is one of the approved insurers of the home warranty scheme, which was established in 1997 as a result of recommendations by the Dodd commission.

At this stage, I stress that the situation remains unclear for families whose building work was covered by HIH. As was reported at the end of last week by KPMG, the liquidator, a great deal of work needs to be completed before the financial position of home owners and builders affected by the collapse becomes clear. That is why I established an information line last week. At the close of business yesterday it had received more than 700 calls, but I must point out that many of them were unrelated to HIH. I urge people who are not HIH customers to call the Department of Fair Trading on its 133220 number.

According to the information collected to date, a small number of consumers are in dire straits as a result of the collapse of HIH and these people face immediate housing problems. That is why today I asked my colleague the Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Women to provide emergency assistance to these hardship cases. The Government clearly must provide some short-term assistance in these cases until the liquidator can ascertain the true financial position of HIH. In addition, I have spoken to the Treasurer, who will be attending a Treasurers' conference at the end of the week. He has advised me that he intends to raise the collapse of HIH and to ask what the Federal Government and the regulatory authority intend to do about it. A collapse of this extent obviously has serious potential ramifications across the nation. My department, the Insurance Council, KPMG and other associations will continue to do all that we can to help. [*Time expired.*]

HORNSBY HELPING EARLY LEAVERS PROGRAM

Mr O'DOHERTY (Hornsby) [5.22 p.m.]: Today I received a letter from the Minister for Education and Training referring to matters that I raised with him on 20 December regarding the Hornsby Helping Early Leavers Program [HELP]. The Minister has also received correspondence from the Mayor of Hornsby on behalf of the Council of the Shire of Hornsby. The Minister is well aware of the concern expressed by several of my colleagues, including the Leader of the Opposition. We met the council to discuss the defunding of HELP by the Department of Education and Training at Christmas last year. The Minister's response is manifestly inadequate, and I have taken the first opportunity afforded to me during private members' statements to urge him to reconsider. I want him to meet representatives of the Hornsby HELP program, the Hornsby mayor and me to discuss this matter because there has been precious little from the department or the Minister by way of explanation or real information about the defunding of HELP. I will go through as many points in the Minister's letter as I can in the short time available. The Minister says:

The funding application from Hornsby Shire Council was not rated as highly as applications from other areas.

The department apparently considered demographic data. This is the only program funded by the New South Wales Government that helps young people in my community who are at risk of leaving school early. It is no comfort to them to hear that some demographic study rated Hornsby as not being as needy as another area. The fact is that HELP received funding of \$67,000 to run programs for a specific number of young people—from memory, about 48—a year. HELP did not have any money left over: there were more than enough young people at risk to require the program. It does not help those young people to learn that greater need is perceived in other areas.

The needs of those students in the Hornsby electorate who were being helped by this program are not being met because the Government is taking the funding away. Where are they supposed to go? The Government seems to argue that they can join another program. The Government is asking young people who cannot organise themselves to attend local schools to travel by train or bus to Manly, which is where the closest available program for early school leavers is held. That is patently ridiculous. The Government is removing a

small but powerfully important level of assistance for young people at risk. They will leave the Hornsby community, and families will again be divided because there is no help available to them locally. The Minister continues:

... a Departmental officer rang the Council to advise them that their application had been unsuccessful ... the Council has been provided with detailed feedback ...

That process was ad hoc, informal and completely inadequate. When the Leader of the Opposition and I met council representatives, they told me that they were asked to submit an application at the very last minute and had little opportunity to provide advice to the department. There was no discussion until the council kicked up a stink and the department then telephoned the council to justify the decision that it had made—I believe on political grounds—to allocate the money to another area. The Minister says:

I am advised that the Council accepted an offer ... to extend the funding for one month to enable the Council to wind up its project operations ...

That is an overly generous interpretation of what occurred. The council, the local member of Parliament and others kicked up a stink about the Government's sudden withdrawal of funding and forced it to provide extra funding for one month so that the program could wind up its affairs with the small number of young people involved in it. The Minister continues:

Supporting youth education ... particularly for ... youth at risk is a priority for the Department of Education and Training.

I ask the Minister: Where is the evidence of that in relation to Hornsby? I recently attended a meeting with the local area command of the Police Service, members of the Mount Colah community and officers of the Department of Education and Training to discuss the sorts of young people whom HELP assists: chronic truants who are causing significant safety and amenity problems for the residents of Mount Colah. We have local solutions to help those young people, but the one program—HELP—that provided assistance to that group has been defunded. The Minister should inform the House and me what advice he received from the local office of the Department of Education and Training—I do not want to verbal them—that led him to decide to remove money from HELP. I think the Minister will confirm that local officers do not favour his stopping that funding. I urge the Minister to reconsider his decision as a matter of urgency.

NATIONAL AUSTRALIA BANK GYMEA AND JANNALI BRANCH CLOSURES

Mr COLLIER (Miranda) [5.27 p.m.]: Two branch closures in two suburbs in one day—that is what the National Australia Bank [NAB] plans to do in my electorate. On 20 June it will close the branch at GyMEA, which was established in 1959, and the branch at Jannali, which was established in 1962. Customers loyal to the NAB for about 40 years are being told, "Get on the train and get on the bus and go elsewhere for full, face-to-face banking services; use the ATM, use the Internet or go to the post office." Shopkeepers loyal to the NAB are being told, "Shut your shops and go to another suburb for your business banking." How did the NAB inform the community of its decision to close both GyMEA and Jannali branches on the same day? Did it consult the community? No. The NAB sent me—the local member—a fax from Melbourne, which said:

I am writing to officially inform you that ... NAB will close its outlets at Jannali and GyMEA on 20 June ... Our customers will be notified shortly by mail.

There was no consultation—even the staff of the NAB were not told. The NAB, which announced a record profit of \$3.3 billion, plans to close two bank branches on the same day. At the same time that NAB announced that \$3.3 billion profit, one of the largest in Australia's corporate history, the bank announced that it would also shut a hundred suburban branches, lay off 6,000 staff and—wait for it—raise its banking fees. But it could not even spend a zack on consulting with the community! All we get is a fax from somebody in Melbourne coldly saying, "We are going to shut you down."

In the *Australian Financial Review* of 27 October 1999 NAB chief executive officer Mr Frank Cicutto admitted that banks have social obligations and banks should provide services for everybody. He even acknowledged that banks were partly the cause of social problems in Australia. Mr Cicutto reportedly said, "Access to banking services was a basic entitlement and a legitimate expectation of all Australian citizens." Well, Mr Cicutto, obviously you do not apply your concept of social obligations to the GyMEA and the Jannali branches of the NAB in New South Wales, Australia.

This behaviour from the National Australia Bank is a national disgrace. So why is the bank turning its back on two communities? The reason the fax gives is "the decline in customer traffic and over-the-counter

transactions". And here is the hypocrisy of the bank. "We force you to use the ATMs, the Internet and electronic banking, but because you use those services that means you do not want traditional face-to-face services. So we shut the branches and give you more electronic banking." That is the vicious circle of banking, the way the banks shut the branches. Kyle Formica, the chair of the GyMEA Chamber of Commerce, and Paul Pandolfo, President of the Janali Business Association, tell me that there are always customers in those branches. What are they doing there if not transacting business over the counter?

The NAB contradicts what the shopkeepers, the locals and the seniors see every day with their own eyes—customers in the banks. For example, GyMEA has over 100 shops. It is perhaps the busiest shopping strip south of the Georges River. If the NAB cannot make it there it cannot make it anywhere. The NAB decision defies logic and commonsense. The communities of GyMEA and Janali want the NAB to immediately drop the plan to shut both branches. Petitions on this subject were presented to this House today. We simply want an explanation from Mr Cicutto. I have sent a fax to Frank in Melbourne. I have asked him to leave his plush Melbourne offices and meet with business leaders, seniors, residents and me in Sydney. Surely, with his \$1.9 million annual salary, he can afford it. So come on, Frank, come to see the damage that your bank is doing in my electorate to the people of Jannali and GyMEA.

Some honourable members will say that Frank will not come. After all, Frank is the bloke that shut the NAB branch at Roselands, where his own mother banked. He had no scruples about doing that. So come on, Frank, if you are really serious about community obligations, meet with us in Sydney. It is all very well to give out fee-free accounts to pensioners and the unemployed, but it is no good if there are no banks for them to go to. So come on, Frank, come and meet real people affected by your decision. Prove to us that you are fair dinkum when it comes to social charters and social obligations. Come on, Frank, here is a real challenge: meet with people who are upset at a really senseless and stupid decision that affects people in my electorate. It is time, Frank, the Federal Government imposed the provision of more face-to-face banking services on you at the NAB and other banks as a condition of your banking licences. Whenever the NAB and the Australian Bankers Association are closing banks in this way they are not being fair dinkum about establishing a social charter or meeting social obligations.

Ms NORI (Port Jackson—Minister for Small Business, and Minister for Tourism) [5.32 p.m.]: I thank the honourable member for his contribution and for raising a very important issue. I will address the small business aspects of the matter he raised more than how the behaviour of the banks affects the local community. I am very concerned about the behaviour of not just the NAB but a whole range of banks that are shutting up shop all over New South Wales. I am particularly concerned about the closures in the regions because the implications for regional small businesses are even worse than for those in metropolitan areas. I am particularly disturbed about the trend amongst the major banks to levy a cash handling charge. The NAB and the ANZ have a special fee for amounts over \$5,000 but the Commonwealth Bank is levying the charge for amounts over \$3,000. In effect, that is a levy on doing business.

Imagine how it affects businesses that have to collect money, such as newsagents collecting money for lotteries and so on. The money is not even from their own turnover but they are incurring banking charges. They are looked upon as being responsible for other people's money. This is very much a tax on doing business, a bit like the GST. It carries with it all the inequities of the GST and the compliance costs imposed on small business. It is time the banks realised and acknowledged the importance of small business as a sector to the growth of the economy. We cannot expect small business to remain strong and profitable while banks literally help themselves to quite extravagant profits at the expense of those who put their own money—every small business—at risk every day as they conduct their business life.

NORTH COAST FLOODS

Mr FRASER (Coffs Harbour) [5.34 p.m.]: I refer to the North Coast floods and in particular how they affected the electorate of Coffs Harbour. I will do this in two sections. Firstly, I send my sincere congratulations to the State Emergency Service, the town and rural fire services, the Department of Community Services, NorthPower, Telstra and the volunteers from the community generally who pitched in to assist in this time of absolute disaster in my electorate and across the North Coast. Unfortunately, a life was lost at Bellingen during the flood. I send my condolences to the family of that father trying to get home after seeking food for his isolated family. Communities in the Bellingen area continue to be isolated. The communities of Darkwood, Thora and Kalang have lost bridges. The effects are devastating. It will take up to five months to repair the bridges. Farm land and shops have been destroyed.

I am pleased that the Minister for Small Business, and Minister for Tourism is in the Chamber. Small businesses such as the butter factory in Bellingen and farms, which in effect are small businesses, are in total

chaos. The Government has offered loans under the Rural Assistance Act 1989. I understand that at the moment, because of the number of disasters in New South Wales, not far off 100 per cent of the money provided under the Act will come from the Federal Government under Commonwealth-State arrangements. Dairy farmers can apply for \$15,000 through Centrelink. The Deputy Prime Minister has offered \$10,000 to small businesses, also available through Centrelink. It is almost impossible to get assistance.

In 1996 another major storm event struck Coffs Harbour and there were many landslides. I am told that of the hundreds of claims under the natural disaster relief scheme that were lodged with the Rural Assistance Authority only two were paid. Two are still being contested. The Premier visited the area and said that the Government was extending no-interest loans of from \$80,000 to \$130,000 and letting businesses make no repayments for two years. Those claims sound wonderful as the Premier flies into Clarence and flies out again. I would love to table the criteria for the loans but I know that I would not be permitted to do so. It would cost \$1,000 to have an accountant fill out the application. Applicants are refused because either they have too much money or they have not enough and are deemed not to be viable. On the bottom of the form for primary producers it states:

ASSISTANCE DOES NOT COVER THE FOLLOWING:

Outstanding Accounts; carry-on needs for any non-farming activity; Lease or Hire Purchase instalments; interest on borrowings or loan repayments.

On the form for small business it states:

ASSISTANCE DOES NOT COVER THE FOLLOWING:

Overdue trading accounts; carry on needs for any activity not related to your business enterprise; Lease or Hire Purchase instalments; interest on borrowings or loan repayments.

Section 21 of the Rural Assistance Act states:

- (1) The Minister may from time to time determine the kind of assistance which may be granted either generally or in a particular class of cases.
- (2) The Authority may grant assistance under this division by way of:
 - (a) an interest subsidy of interest payable on, or the associated costs of, a loan, or both; or
 - (b) a loan; or
 - (c) such other means as the Minister may from time to time determine.

The conditions of assistance are included in section 22, which states:

The Authority may, in granting assistance under this Act, impose such terms and conditions on the grant of assistance as it thinks fit and may, for that purpose, enter into a contract or agreement with any person to whom it grants assistance.

The Minister has the opportunity to deem the changes relating to this money. Why not allow these people to consolidate their loans and use the \$130,000 to tidy up their debts? Why not let them pay current accounts? Because of this disaster the whole community is in economic turmoil. Businesses in town are suffering because accounts are not being paid; no income is coming into those businesses. Many of these people need only \$5,000 or \$10,000. Many of them could do with this assistance spread over 10 years, as the loans are offered, but they should be allowed to do it in a way that will enable them to manage their businesses into the future. I appeal to the Minister for Small Business to approach her colleague and ask him to deem under this Act, as he has the authority to do, the changes that will result in this community being able to recover from these disastrous floods.

HIH INSURANCE

Mr BROWN (Kiama) [5.39 p.m.]: I inform the House of a situation facing a number of constituents in the electorate of Kiama. That electorate includes the Shellharbour council. Shellharbour is one of the fastest-growing areas in the State and there is considerable building activity there by many young families. Yesterday I received a deputation in my office from Pauline Prouse, Frank Borg, Corey Bess and Jamie Ryan, with a proxy from Rita Brown, whom I met earlier that day at Soul Pattinson Chemist in Warilla Grove. Each had a similar story to tell. Some time ago they elected to build new homes and decided on a particular builder. That, unfortunately, was the first mistake that many of them made. They undertook the necessary searches in relation to the builder in question and ensured that they took out the required insurance. The builder went about building

their homes, but in each case the building work was shoddy and their homes have not been completed properly. Understanding that they were covered, they approached their insurer, HIH Insurance, and requested that something be done to rectify their incomplete homes.

The insurer, through its representatives, informed my constituents that they were to find a place to rent, which the insurance company would pay for, and that the insurance company would find a new builder to rectify the faults to their homes. That is what occurred. My constituents signed leases for their rental properties while their homes were being rectified. Many of the leases that they entered into were at market rate, if not more, and the rent being charged is much more than many of them can afford. The predicament that my constituents find themselves in is that they are incurring charges for rent that they are having trouble servicing, as well as a mortgage over a home that cannot be built. The insurance company has gone belly up and the builder who was retained to rectify the shoddy work is no longer able to do that work. My constituents are in a dire situation and, as often happens when people are at their last resort, they came to see their local member of Parliament.

No sooner had these people come to see me than I contacted the Minister, who I know is doing everything he can to try to ensure that the hardship they are experiencing is reduced significantly. In fact, I understand that the Minister is having a number of meetings with the Treasurer and with the Premier's Department to ascertain what the New South Wales Government can do to reduce the impact of this situation, not only on my constituents in Kiama but on people in other areas of the State who are affected by the collapse of the insurance company. There are a number of problems and questions that my constituents have raised. They have been told by KPMG, the liquidators for HIH Insurance, that they might have to wait nine months to receive any money. As policyholders, they are classified as unsecured creditors and will probably only get a portion of what they thought they were insured for.

These people need some answers. They need to know how they can structure their lives and when they might expect some money. They have also expressed alarm that the Australian Prudential Regulatory Authority [APRA], the regulator of the insurance industry, did not notify them about the predicament that HIH Insurance was in. I am sure that if they had been notified a little sooner they could have taken action to reduce the liability that they are about to encounter—for instance, they would not have signed leases to pay rent that they cannot afford. I bring this issue to the attention of the House and look forward to continuing to work to ensure a just outcome for my constituents.

Ms NORI (Port Jackson—Minister for Small Business, and Minister for Tourism) [5.44 p.m.]: The honourable member for Illawarra raised a similar matter this evening in a private member's statement, to which the Minister for Fair Trading replied. I suggest that the honourable member for Kiama might refer to the Minister's reply.

MARROOTA SAND EXTRACTION

Mr ROZZOLI (Hawkesbury) [5.45 p.m.]: I draw to the attention of the House problems that are being encountered at Maroota, which is in the north-western part of Sydney, in relation to sand extraction in the area. This is a longstanding and vexed problem. Some years ago the Government of the day sought to address the problem by amendments to Regional Environmental Plan No. 9, which controls sand extraction in Sydney metropolitan area. The Government included in the amendments a special section on Maroota sand which called for a moratorium on further development consents in regard to the extraction of sand until a number of environmental studies had been concluded, including in particular a ground water study.

Subsequently, and I believe most regrettably, Regional Environmental Plan No. 9 was further amended to remove that provision and allow the consideration of development consents by Baulkham Hills council—not Hornsby council, which resisted the temptation to do so. I am not criticising necessarily the extraction industry companies which work in that area and which I presume are working to the development consent conditions placed on them by the council. Nor am I necessarily criticising the council for the conditions placed on the development. I am very critical, however, of the Government's action in amending the regional environmental plan to remove the requirements for those environmental studies to be concluded, leading to a situation in which development consents have been issued without an understanding of the ramification of further sand extraction from the area.

I have recently returned from a conference on law and policy in water management which was held in Adelaide. At the conference a paper was presented on the effect of ground water extraction and on developments which affect ground water and watertables in our environment. The picture painted there was

alarming. The underlying feature was that we know very little about the scientific ramifications and the future effects of interfering with under ground watertables which are inextricably linked with surface water. To be even-handed about this, there appears to be very clear evidence in the Maroota area that the watertable has already been affected by sand extraction. There are a number of instances where orchards that relied on springs for irrigation have lost that source of water because the wells from which they drew the water have dried up.

The sand extractors indicate that they were working within the terms of the development consent, although that is disputed by others. I am not particularly concerned about the fight that might be going on between the various parties, but I am concerned to try to get the process back on the rails, and to try to secure a moratorium on further sand extraction until we understand the ramifications of what is happening to the area as a result of the extraction that is taking place. There is a designated extraction area that has not been fully extracted. The current extraction area is not limited to the potential extraction area, so there is a capacity to increase the borders of the sand extraction area.

I realise that Sydney needs a supply of sand, but the apparent destruction of the environment at Maroota is of great concern to the local community. The incapacity of the sand extractors to rehabilitate the lands for a useful purpose, the lack of any rehabilitation program which addresses the long-term use of land at Maroota, the immediate impact of the sand extraction and the movement of heavy vehicles in the area remain of great concern to the Maroota community. That small community has only a few hundred people, but they have the same rights as everyone else. The Department of Urban Affairs and Planning, the Environment Protection Authority and the Department of Mineral Resources rode roughshod over their rights, and have not addressed the real problems that face Maroota. I implore the Government to treat this matter seriously and to get the matter back on track.

PORT STEPHENS SISTER CITY RELATIONSHIPS

Mr BARTLETT (Port Stephens) [5.50 p.m.]: At the end of the Second World War, General Eisenhower, who later became President of the United States of America, was the supreme commander of the Allied expeditionary forces. He said words to the effect that he had controlled the largest military force that the world had ever known and yet he could not bring peace to the world. He believed that peace was too important to leave to politicians and diplomats. In his view the only way to bring peace to the world was through people-to-people contact in what became known as the sister cities movement. He said that people-to-people contact at the local level was the best way to achieve peace. He believed that that contact would break down feelings of isolation and feelings of being different and that it would attack racial intolerance.

General Eisenhower said that people-to-people contact would promote friendship, tolerance and understanding of other cultures and other ways of looking at the world. Since 1983 Port Stephens has had a sister city relationship with Bellingham in the United States of America. In 1988 the Port Stephens Sister Cities Committee was formed. Since then two different concepts have evolved. One was a triangle of friendship around the Pacific. Port Stephens adopted Bellingham's sister city in Japan, Tateyama. Tateyama Japan had enjoyed that relationship with Bellingham since the early 1950s. As the concept grew we formed a circle of friendship and added Yugawara in Japan, Nachodka in Russia, Tauranga in New Zealand, Victoria in Canada and we are now looking for a sister city in South America to complete the circle.

Following the excellent work that people from overseas have done in assisting Port Stephens in its sister city relationships, it was decided to recognise Mr Jack Pierce from Bellingham; Mr Hideo Suzuki, Mr Kohichiro Yahagi, Mr Bill Konishi, Mr Sunao Tachibana, and Mr Kimihiro Ito from Tateyama and Yugawara as honorary citizens of Port Stephens. The sister cities movement has resulted in a number of cultural exchanges over the years. Choirs and dance groups have travelled in each direction, with successful results.

Thus a great number of people around the Pacific Rim from a variety of walks of life hold the same ideals. Tonight I acknowledge some of them, including June and Bob Fowler, Kerry and Nola O'Connor, Fran Corner, Innes and Jill Creighton, Arthur and Margaret Heiler, Syd and Dawn Taplin, Ray and Judy Milton, Lloyd, Selena and Sophie Goodwin, John Walsh, Mike Ryan, Junko Blades, Robyn and Lance Woods and Debbie Cooper from Port Stephens; Jack Pierce, who will become an honorary citizen of Port Stephens, Joanne Burkhart, Gretchen and Brian Erga, Larry and Margaret Iishi, Wendy and Mac Setter, Stove Talbot, Bob and Bernie Bell from Bellingham; and Suzuki San, Yahagi San, Konishi San, Tachibana San, Ito San and Yamaguchi San from Japan.

All around the Pacific Rim people from cities with populations of around 50,000, the population of Port Stephens, hold the same ideal: peace will come to the world only through people-to-people contact. That is the

way to go forward. They have endeavoured to make that ideal work. When Port Stephens sends a delegation of 45 or 50 people to Bellingham, approximately \$200,000 has to be raised. The members of a dance group which recently returned from Bellingham were fantastic ambassadors. In April a group will go to Tateyama and Yugawara, Japan. To all the people involved I say, "Well done, keep up the good work, we are on the right track, that is the way to bring peace to the world in the future."

GLOUCESTER DAIRY FACTORY CLOSURE

Mr J. H. TURNER (Myall Lakes—Deputy Leader of the National Party) [5.55 p.m.]: The small town of Gloucester in my electorate has about 2,500 people, and between 4,000 and 5,000 people reside in the general area. Gloucester is a resilient and proud town which has farming as its backbone. Previously forestry was its main industry but, regrettably, a few years ago that industry was virtually phased out with a loss of about 35 jobs. For a small area that loss was significant. Last week the Dairy Farmers Co-operative announced the closure of the dairy factory which has operated in the town since 1936. Another 36 people will effectively be out of work in Gloucester. The closure will be yet another body blow to the town. It means that the school will lose its extra teacher and the young girl who makes the workers' sandwiches will lose her job. The ripple effect through the town will be dramatic.

When I attacked this decision to locate the operations of the Dairy Farmers Co-operative to Hexham, which I class as part of the Sydney-Newcastle-Wollongong nexus, I was surprised that some locals thought it was a smart move. I do not resile from being appalled by that move, and I said so strongly. The decision was a real body blow for Gloucester. The Gloucester Shire Council and the Gloucester Chamber of Commerce moved quickly to arrange a public meeting, which is to be held tomorrow. The theme of the meeting is "We need to bounce back", and that it is one of the things that Gloucester does well. I endorse the quick action of the council and the chamber of commerce. I know that the people of Gloucester will bounce back, as they have done in previous times. I do not know how much longer small towns in country New South Wales can continue to take the body blows of losing services and jobs in the way they have. I reflect on what my leader said in an earlier debate and what he said at the National Party campaign in 1999, that blind adherence to economic rationalism is at an end so far as the State National Party is concerned.

I do not want towns such as Gloucester to continue to suffer from the economic rationalist approach to business and to government which is causing so many jobs to disappear from country towns. I suspect that there will be a good turn-up at the public meeting I have referred to, as always happens in Gloucester, and that suggestions will be made, which I am sure will be agreed to. Putting on my hat as shadow Minister for Tourism, I suggest that one obvious idea will be the promotion of tourism. Gloucester is a beautiful town in a beautiful area. It is on a beautiful river, it has camping areas and a strong attraction for canoeists. I am sure that its natural beauty will be a great benefit to the resurgence of tourism in the area.

The Bucketts Way, the old Pacific Highway, must be upgraded. It is the only road that goes to Gloucester, starting above Raymond Terrace and coming back in below Taree. The Minister for Roads has announced funding of \$6 million for the upgrade. The four council areas through which the road runs—Taree, Gloucester, Port Stephens and Great Lakes—have agreed to provide approximately \$2 million each and the Federal Government will provide \$2 million through black spot funding. The community is greatly concerned that the first allocation of \$2 million from the State Government has not yet been received. I ask the Government to overcome any delays and make the money available as soon as possible. With the closure of the milk factory and the need for alternative industry or further tourism activity, Gloucester requires proper and good access and a road that people can confidently travel on.

Regrettably, in many letters to the editor of the local newspaper people have written that Gloucester is a beautiful place but they will not return because of the poor condition of the road. The Khoribakh Bridge in the Taree section has been washed away. The people in the Krambach area, where the bridge is located, are anxious to have the bridge rebuilt. It has not been available for use for nearly a year. There is some talk that it will not be rebuilt until at least September. That is unsatisfactory. With the loss of jobs, the Gloucester area needs infrastructure of a sufficiently high standard to support future industries and existing industries such as tourism.

WOONONA PUBLIC EDUCATION FORUM

Mr CAMPBELL (Keira) [6.00 p.m.]: Last Tuesday evening I attended a public education forum at Woonona High School which had been organised by the Woonona public education lobby group. I took part in a panel discussion with my colleague and friend Dr Stephen Martin, the Federal member for Cunningham. The

discussion, which involved from 100 to 150 concerned parents and teachers, related to maintaining a strong and vibrant public education system in Australia. The parents at the meeting expressed concerns about the direction that the Federal Government is taking, particularly the reduction of funding for the public education system. They were concerned that the enrolment benchmark adjustment scheme has reduced funding to government schools to fund an expansion of non-government schools. The expansion of funding for non-government schools was, in turn, facilitated through the abolition of the new schools policy and substantial expansion of non-government school funding by the Commonwealth through the socioeconomic status [SES] funding model. Those sorts of issues cause real angst amongst parents.

When the parents at the meeting learnt that approximately 70 per cent of students in Australia attend public schools but only 32 per cent of the Commonwealth funds go to the public system they became angry and agitated. When they learnt that a total of \$30.8 million had been lost to public education in New South Wales and the Commonwealth was promising only to make refunds retrospective to 2000—which is worth \$17 million to New South Wales, leaving a \$13.8 million hole in the New South Wales allocation—their anger became almost palpable. The Commonwealth funding issue was certainly of particular concern.

Another concern raised by the parents was teacher recruitment. I was able to point out to them that the New South Wales Department of Education and Training undertakes comprehensive work force planning. I informed them that a number of programs are in place to ensure sponsorship of students to undertake graduate diplomas and that these students then enter deeds of agreement to accept appointments. I was able to advise of the collaboration of universities in providing pathways into technical and applied studies teaching areas. For example, retrenched BHP staff from Newcastle had been given the opportunity to take part in those programs. I was also able to point out to them the retraining programs that are under way at a number of universities. There are some positive initiatives in this area.

From listening to the parents and teachers I learnt of their concern about growing societal and family dysfunction and its impact on education. They were particularly concerned about the number of children who attend school with behavioural problems and their ability to access school counsellors. I had heard about this problem and had discussed it with teachers previously, but it was brought home to me by the graphic, vivid and emotional contributions on this evening. Clearly, the problem leads to disruption in the classroom. For example, a teacher may need to leave the classroom with a child who may be self-harming. For me it was a telling experience and I was pleased to receive the information.

I also had the opportunity to listen to teachers' concerns about some of the occupational health and safety issues in old buildings. I was pleased to be able to point out that the Government is currently spending approximately \$80,000 at Corrimall High School on access and sick bay amenities. More recently capital expenditure has been provided for Woonona High School: \$81,000 for dust extraction from woodworking rooms and \$10,000 for an electrical upgrade in the industrial arts room. That is good news. The discussion was mainly about money and the ability of government to make ongoing contributions to public education, which is an important issue to me.

Mr AQUILINA (Riverstone—Minister for Education and Training) [6.05 p.m.]: I commend the honourable member for Keira for his commitment to public education in his electorate and throughout the State and for taking the time to attend the meeting and listen to the valid concerns expressed by parents and teachers about schools in the Wollongong area. I have listened to the matters he has raised and I wish to address a few of them in the short time I have available. The honourable member for Keira referred to teacher training. It is well known that because we are nearing the end of an era which started out with the post-war baby boom, a large number of teachers are now heading for retirement. Therefore, we are heading into the future with a degree of uncertainty about the provision of teachers. That is not a New South Wales or Australian phenomenon; it is occurring worldwide.

I intend to introduce a number of initiatives to provide more teachers. One of those initiatives is the scholarship scheme that I announced earlier this year. The Government will provide 135 scholarships, each worth \$4,460, for students in their final year of an undergraduate or postgraduate degree, so long as they teach in specific locations and in the field of science, mathematics or technology. There are also special programs for those currently in industry and commerce who may wish to train as teachers. The Government is providing a number of courses. I am sure the honourable member would be pleased to know that more than 100 people are currently training under the auspices of Newcastle University but using the facilities at Wollongong University. Once again, I commend the honourable member for raising these issues. I will respond to all of the matters he has raised at a later date.

DISABILITY ADVOCACY GROUPS FUNDING

Mr HARTCHER (Gosford) [6.07 p.m.]: I draw to the attention of the House the impact of a Government decision to put to tender funding for disability information and service programs. The Government sugar-coated that announcement with a \$1 million injection into the funding arrangements. The current funding is \$3.7 million. The injection was a welcome amount, considering the huge needs of disability advocacy services. The bitter pill that 36 agencies around New South Wales must swallow is that from 30 June their current grants will no longer apply. Instead, they have been told that they must put in a tender to receive money that for years has been considered recurrent funding. That poses a serious risk to agencies such as the Central Coast Disability Council. This council provides a vital and much-needed service to people with disabilities in the electorate of Gosford.

I have met with the manager of the Central Coast Disability Council on numerous occasions. I am constantly impressed with the work of the council staff to ensure that the rights of those with disabilities are upheld. They are a dedicated team. They liaise with government departments on behalf of those with disabilities and assist them with a wide diversity of problems. One such problem, which I raised in this House last year, was the need for community housing on the Central Coast. In the past the council has provided assistance in relation to community housing to many people with disabilities.

The Government thought it was clever sugar-coating such a bitter pill. For \$1 million it has succeeded in effectively clamping down on any criticism of its policies on disability services. Although disability advocacy services act on behalf of individuals they also perform another important function: they speak out on behalf of a group of individuals about policy and systemic matters in relation to Government decisions. The Coalition believes in the important work of groups such as the Central Coast Disability Council. We believe that people with disabilities should be treated fairly and equally, and that they should be protected at all times from abuse and neglect. We believe that they should exercise their rights and responsibilities as citizens, and that they should live in and be part of the community. To that end it is imperative that people with disabilities are able to have their voices heard by the Government via individual advocacy and appropriate peak groups.

For years disability advocacy groups have watched the Carr Government both ignore their concerns as they have raised them and discard the recommendations of the peak bodies. The Government is now attempting to silence these groups through intimidation and threats of defunding. Only two weeks ago a motion was moved in the Legislative Council condemning the attempts of the Carr Government to silence the political voice of people with disabilities. Not surprisingly, the Government used its numbers to vote against the motion. The Government uses rhetoric to talk up the rights of people with disabilities, but it uses policy and funds to disempower them and silence their collective voice. As Shirley O'Toole stated in a letter to the Ageing and Disability Department:

Central Coast Disability Council welcomes the commitment to improving advocacy and information services to people with a disability and we would welcome the consultative process that enables that to happen. The current process is disempowering and disabling and we urge you to reconsider the course of action you have embarked upon.

On behalf of the disabled residents of the Central Coast and on behalf of the Central Coast Advocacy Agency I raise this matter and bring it to the attention of the House to urge the Government to review its policy, to go back to the drawing board and, in consultation with those who will be affected by its decisions, to come up with an alternative funding arrangement that meets the needs of all concerned.

MANLY LAGOON CONCERT

Mr BARR (Manly) [6.12 p.m.]: I have previously brought to the attention of the House a pesticide spill in Manly Lagoon. Recently, local musician Neil Ohlbach came to me and suggested that we hold a concert, which I thought was a very good idea. Together we organised the "In Tune with the Lagoon" concert, which was held Sunday a week ago. We arranged for some local groups to be part of the concert—the Manly Children's Choir; JSA Outhouse, a blue-grass type group, the Texas Playboys, Neil's group; and a special group, which I will refer to later. I am grateful to Manly Council for its sponsorship of the council and the assistance of its events manager.

We also had assistance from the Manly Environment Centre and the Manly Youth Council. The concert was held on a perfect Sunday afternoon in front of some 2,500 people. In this business we get to meet lots of interesting people, all the movers and shakers and the would-be movers and shakers. I have had the privilege of meeting some of them. But the high point of my career to date was Sunday afternoon, 18 March, when, as

master of ceremonies, I stood on the stage and introduced Midnight Oil. They donated their services to the concert. Unfortunately, we were not able to publicise the concert. Thousands upon thousands would have attended. However, through word of mouth the concert was well attended.

Midnight Oil's encore was *The Power and the Passion*. It brought to tears to people's eyes. It was wonderful stuff! I am still high from it. I could not sleep that night. I still think about it. It was a really wonderful moment. The concert raised more than \$3,000, which will go towards remediation of the lagoon. It is a drop in the ocean compared to the funds that are needed to help the waterway to recover. I have called on the Minister for Land and Water Conservation to pitch in, and I hope to meet with him shortly. I have also sent reports to the Minister for the Environment, the Premier and the Minister for Fisheries. We are seeking Government support to fund remediation of the waterway. A petition was signed on the day of the concert. It is the length of a cricket pitch. I will roll it out.

Mr ACTING-SPEAKER (Mr Lynch): Order! Standing Order 132 sets out the procedure for the lodging and presenting of petitions. It is disorderly and a breach of the standing orders to attempt to present a petition in the way the honourable member for Manly has done. I suggest that he not roll out the petition. He would be in order in speaking to the contents of it. However, the petition should be lodged in accordance with Standing Order 132.

Mr BARR: It reads:

Dear Mr Carr,

We the residents of Manly and environs request you to immediately provide urgent funding to assist in the remediation of Manly Lagoon.

Many people signed the petition. I would like to place on record my sincere thanks to the people who worked so hard to make this event a success, such as Mr Neil Ohlbach of Neil's Guitar and Amps who did so much work for the concert and played so well on the day with the Texas Playboys; Manly Council, which provided great support and assistance; and the Manly Environment Centre, which presented a display about the lagoon environment and which will administer the funds raised. Manly Youth Council helped out by collecting donations and the signatures on the petition. It was a real community event. I have been inspired by the response of individuals and organisations to this threat to our treasured lagoon. The message from the concert was that the lagoon is still very much at the heart of the Manly community. With the help of emergency funding it can recover from the disaster of the pesticide spill, and we can move toward the main goal, which is primary contact. One day people will be able to swim in the lagoon as they once did.

Private members' statements concluded.

[Mr Acting-Speaker (Mr Lynch) left the chair at 6.17 p.m. The House resumed at 7.30 p.m.]

MINISTER FOR COMMUNITY SERVICES, MINISTER FOR AGEING, MINISTER FOR DISABILITY SERVICES, AND MINISTER FOR WOMEN

Motion of Censure

Mr HAZZARD (Wakehurst) [7.33 p.m.]: I move:

That this House censures the Minister for Community Services for:

- (1) misleading Parliament on 27 February 2001, when answering a question from the Leader of the National Party, by stating that "the DOCS helpline was a recommendation of the Wood Royal Commission";
- (2) allowing the implementation of the helpline when the helpline was not resourced and staffed sufficiently to commence operations as a centralised statewide call centre for reporting child abuse;
- (3) not ensuring that the helpline was able to respond quickly and appropriately to many urgent calls for assistance in the case of children in abuse situations;
- (4) allowing children, by her inaction, to be left in situations of risk, exposing children to the possibility of further harm; and
- (5) blaming teachers, refuge workers on the North Coast and other mandatory reporters for stating their deep concerns about the failures and dangers the helpline's inefficiency and inappropriate reporting methods create for children already abused.

This is a serious motion to bring before the House. It is the first time in my 10 years in Parliament, six of which have been spent as a shadow Minister, that I have found it necessary to censure a Minister. It is with reluctance and disappointment that I take this necessary step.

Mrs Lo Po': We can tell.

Mr HAZZARD: The Minister may be enjoying this and a lot of what has gone on, but the Opposition is not enjoying it—in fact, we are quite concerned about the entire situation regarding children and abuse and the role that helpline, the Minister's creation, is playing in treating children with abuse notifications. The so-called centralised helpline service was implemented on 18 December 2000. The helpline service operates out of a suburb of Sydney and a number of staff have been transferred into that area.

Some of them were trained in other government departments and were moved urgently to the service when it transpired that the Department of Community Services could not get the number of people necessary to staff the helpline on 18 December. Logically, the introduction of the helpline service should have been delayed—if it was to operate at all—until the appropriate staff were in place. However, that did not occur. The Minister was so keen to get the helpline operational—apparently principally for budgetary reasons—that it kicked off on that date without proper resources and staff. In answer to a question on 27 February, the Minister told the House:

The DOCS helpline was a recommendation of the Wood royal commission.

The helpline was not, and is not, a recommendation of the Wood royal commission. The Minister misled the House for her own expedient purposes, assuming that her mendacity would not be uncovered by others in this place. It was. Problems with the so-called helpline have been highlighted by the complaints of many mandatory reporters, aunts, mothers, sisters and other family members who have been unable to get through to the service since its inception. The helpline was allegedly set up as a centralised service designed to provide communication with qualified people who would take calls regarding child abuse—they used to be called "notifications" but they are now called "reports" as a result of the 1998 legislation. Under the helpline concept, people who contacted the services would get very quick response times, first, to their telephone calls and, second, to their detailed reports of child abuse. It was emphasised that real people would be taking the calls—that was the Minister's model number one.

However, that model was already in trouble by mid-January: the service could not cope with the number of reports it received. At that stage there were indications from the Minister's office and from the director-general that there were about 3,500 reports to the helpline per week. By the time schools resumed on 29 January, the Deputy Director-General of Education, Alan Lachlan, had notified all Department of Education and Training schools that, if teachers spent more than 10 or 15 minutes attempting to report what was in some cases the horrific abuse of young children, they should send a fax. The fax number was made available to government schools only. When that model also started to have problems the Opposition raised issues publicly and the Minister was asked questions in this House. In an intolerable, rude and inappropriate way she indicated that teachers were the cause of the problem because they were actually reporting the child abuse—

Mrs Lo Po': What rubbish!

Mr HAZZARD: Minister, you ought to have listened to what you said publicly and what you said in this place. Teachers around the State have heard precisely that.

Mr O'Doherty: She said that if people were waiting on the line for more than a certain amount of time that was their own fault.

Mr HAZZARD: Exactly. That is exactly what she said, that if people are waiting past a particular point of time it is their own fault. Then she screamed across this Chamber in a very offensive way, "fax, fax, fax". That was on the news that night. People saw the simplistic and deplorable way in which the Minister was approaching such a serious problem. The Opposition pursued the issue and within a couple of days had found that the Minister and the director-general had deliberately excluded one-third of all schools in the State—the Catholic system and the independent system. By the time that became obvious the Minister went to ground: she disappeared. She made a brief statement and then realised that she had got it wrong about the faxes, that the independent and Catholic schools would not be assisted by the fax system because they had not been told about it. She then had her director-general—

Mr O'Farrell: The old director-general trick.

Mr HAZZARD: Yes. The director-general took each one of the journalists from the press gallery into Minister Lo Po's office here in Parliament House just three weeks ago. Even Noah's ark took two by two, but the Minister took one by one. She made sure that each one of the journalists had a spin on the story. No-one actually accepted the Minister's story. All the journalists understood that she was trying to put a spin on an impossible situation. The Minister then had her director-general pull in each of the complainants. By that stage there were complainants from the New South Wales Women's Refuge Movement.

Mr O'Farrell: They marched on the House.

Mr HAZZARD: Yes, they marched on this House on the last Thursday of the sittings. The Minister may laugh about them marching here. They did not think it was funny and they do not think it is funny that the Minister has failed to attend any of the meetings that they have asked her to come to. So the Minister should not sit there smiling. It was apparent from the march that not only did private and independent schools have no knowledge of the existence of the fax option; the Women's Refuge Movement had no knowledge, nor did any of the childcare workers. Last week I confirmed through the Australian Medical Association that none of the general practitioners have been notified by the Minister. In other words, very few people have been notified about the fax option. But is that a problem? It is a problem in the sense that the Minister made an appalling decision to cut them out of that alternative method of lodging a report on serious child abuse issues.

The Minister then did not put enough staff on to deal with the faxes. Over a thousand faxes were sitting there all last weekend. The Minister and the director-general and others got extra staff in. This weekend—not just two weekends ago—they were asking for 15 extra staff to come in to clear the faxes. That might be seen as an admirable step but I do not know whether the Minister realises that two weeks ago in the Hunter, one of Labor's heartland areas, the Hunter Community Services Commission had 64 faxes sent to it on Monday morning at 8 o'clock. That means that these hard-working frontline officers who are trying to cope with dealing with just the daily activities and all the reports that are coming in to them suddenly had an influx of 64 reports—an unworkable position.

The fax system did not work and has now fallen apart. Last week the Minister implemented Faye Lo Po's model three. When people ring up now they press various buttons just as with the banks: press one if you want attention; press two if you really do not care; press three if you want to wait for a couple of weeks. This shows an unbelievable lack of support for people who simply want to be able to report child abuse. I hope that the Minister is not aware of the present situation because if she is and she has done nothing she deserves more than censure; she deserves to resign. There is now a delay of hours and sometimes days in getting a response under the present system.

The system has metamorphosed through four different stages under the Minister, none of which have worked. But Faye Lo Po, Minister for Community Services, is supportive of each one of them. She has told us that she has tinkered at the edges. The Minister is probably lucky that she was not here on the day after she answered simplistically by saying that people had to wait two minutes on the helpline and 11 minutes for the longest duration call. The very next day the Premier was caught out cold because the Minister's staff handed over one of the documents that she kept hidden the day before. The Premier told the House that people were in fact waiting 83 minutes. But even that is understating the situation, because as at this date people are still waiting hours.

The Minister may claim that the situation has changed. I spoke to people at the public school principals forum today. They told me they meet with Carmel Niland and were expecting a teleconference with her last week to look at some of the issues and to try to sort them out. Again there was no response. The Women's Refuge Movement told me that it invited the Minister to its meeting at a hotel in Sydney on the day after the last sitting day. The Minister and the director-general said that they would attend provided there was no media—no public scrutiny. The Opposition went, I went, and Kay Le Roi was sent—an excellent officer who does not deserve to be put in this terrible situation by the Minister. Carol Peltola was also sent. They were both instructed by the Minister and the director-general to say next to nothing, and they said nothing. That is fair enough: they were not in a position to say anything without the Minister's authority. But the Minister can only get away with this behaviour for so long.

The Minister puts up her head when there is good news, about ageing and Premier's concerts and little issues that are good news stories. But the Minister is nowhere to be seen when serious issues arise. I am told that Government members say, "Don't bother Faye Lo Po' with the details." Heaven knows, that is a true statement, because there is so much detail in this issue that the Minister has missed. There are 6,800 reports of child abuse

a week. They are disappearing into the ether. There have been all these different systems and there has been not a solitary substantive change. If the Minister thinks she has friends she should forget it. In the *Illawarra Mercury* a report stated:

Keira MP David Campbell contacted community services Minister Faye Lo Po' after speaking to Mr Arthur and sought an explanation. "I made it clear to them [the Minister's office] that I did not think it was good enough," he said. I asked them to find out what went wrong.

The Minister's own people sitting behind her are saying that this is an absolute disaster. This Minister cannot handle it. The Public Service Association is issuing threats and saying, "Sort it out within a month." It said that the introduction of the Department of Community Services helpline was a disaster from the start. Last week in the *Sydney Morning Herald* the PSA said that it was still a disaster. It has given the Minister a month to sort it out but it is beyond the capacity of the Minister to sort this out. The Minister has taken away the relationship between DOCS officers in the local area and the mandatory reporters. The officers have been left to rot out there in the ether. They do not know what they are supposed to be doing. The newsletters are telling CSC people, the DOCS people, that they should now be taking direct complaints. Should they take the complaints? Should they not take the complaints? Should the helpline take the complaints? Where do you go when you have a problem with children? Not to the Minister's department, because the Minister is utterly incompetent. She should be censured. In fact, she should resign. [*Time expired.*]

Mrs LO PO' (Penrith—Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Women) [7.48 p.m.]: Yet again the Opposition has got it wrong. As we have seen with the six helpline cases Opposition members have raised in this House recently, they are totally unable to get their facts right. They are trying to censure me for allegedly misleading Parliament on 27 February in response to a question from the Leader of the National Party by stating that the DOCS helpline was a recommendation of the Wood royal commission. Surprise! Surprise! They cannot even get this crucial fact right. Let me quote from volume 4 of the final report of the Wood royal commission. To assist members of the Opposition, I have done the research for them. They should look at page 916 of that report, under the heading "Recommendations". It states:

The Commission recommends the following: standardisation of the intake across the State.

That sounds very much like a helpline to me. I will expand on what the Wood royal commission had to say about that recommendation. At page 912, when referring to the need for a skilled and experienced intake and assessment of information on child protection matters, the commission stated:

It would be preferable for the existing system to be improved through a standardisation of the intake system across the State.

The commission stated that it would not discourage further study of the centralised approach and it would be appropriate for the Department of Community Services and the Children's Commission to monitor the South Australian system to see whether it would be appropriate to adopt it. This censure motion is typical of the honourable member for Wakehurst. The DOCS helpline is based on best practice examples of service delivery around the world. We have taken more than 50,000 calls in three months and over 20,000 of those were about suspected abuse and neglect. If, as the honourable member for Wakehurst said, it is not working I do not know why we have taken 50,000 calls. I do not know who is taking them. Further, 17 States in America now offer a centralised child protection hotline, providing some measure of intake assessment as well as general information services.

Prior to the establishment of the helpline, intake in DOCS was conducted at 85 community service centres across the State. The helpline provides the public with one point of contact to report child abuse and neglect. The helpline will free up the front-line staff to deal with child protection matters, and result in greater consistency around the State. I take to task the honourable member for Wakehurst for his comment that calls were being made to the people in the front line of DOCS staff. The calls are being made to the helpline, they are working through the issues and then sending them to the front-line staff. We are taking the onus off the people in the front line; all they have to do is deal with the community. The notion that they no longer have a rapport with the community is ridiculous.

The people who handle the helpline are not dealing with the families; the DOCS officers in the CSCs continue to deal with the families. I do not understand where the honourable member for Wakehurst got the idea that there is now no relationship between DOCS officers and families. The Government recognises that on the helpline we are dealing with people, with their emotive issues and very personal problems. DOCS is a human services organisation. Our emphasis is not on maximising turnover or profit, but on protecting vulnerable

children. There are two levels of officers working on the helpline: the customer services officers take the initial calls and screen them to determine whether people are asking for a child care placement or for a more detailed notification.

Mr ACTING-SPEAKER (Mr Mills): Order! The honourable member for Wakehurst has contributed to the debate. If he interjects again he will be called to order.

Mrs LO PO': Customer services officers are people who are good at the job of customer service. The honourable member for Wakehurst was critical about taking intake officers from the field. Where does he expect our best intake officers to be, sitting in the AMP or the Westpac Bank? They are out of the field. They are DOCS officers who are expert in intake. Of course we would use them! We are using the best intake officers we have and we get them from DOCS offices. How stupid can one get?

Mr Hazzard: How do you know there is no training?

Mrs LO PO': They are the customer services officers. I will not bother other honourable members with this, because it is well known around the traps that the honourable member for Wakehurst does not listen. After he has met with people in the community they say to me, "Is this bloke thick or is he thick?" The Government recognises that on the helpline we are dealing with people, emotive issues and very personal problems. Following a full assessment of all the options for centralised intake the New South Wales Department of Community Services concluded that a centralised system, such as the helpline, was the most appropriate way to receive intake reports. As I said, the DOCS helpline is based on the best practice examples of service delivery around the world. The helpline was introduced as a result of criticism from agencies such as the Child Death Review Team, the Community Services Commission and, last but not least, the Wood royal commission.

As I said, 17 States in the United States of America now offer a centralised child protection hotline providing some measure of intake assessment as well as general information services. The helpline provides the public with one point of contact to report child abuse and neglect. Before the helpline was introduced calls were taken across the State. I can understand why those opposite are upset about the Wood royal commission, because they did not support it. They still do not, I believe. The helpline will free up front-line staff to deal with child protection matters and result in greater consistency around the State. DOCS no longer has 85 entry points; there is one. This will mean that the same risk assessment principles are applied to all incoming child protection calls. Whilst the helpline incorporates innovations that are commonplace in call centres around the world, such as sophisticated telephone management technology and complex demand modelling and rostering systems, it operates quite differently to a typical call centre. DOCS is a human service organisation. Our emphasis is not on maximising turnover or profit, but protection of vulnerable children.

It would be very inappropriate if I let the honourable member for Wakehurst get away with the suggestion that he has any concern about this issue. He remembers well when he was a member of the former Government exactly what his Government did in respect of child protection. His hypocrisy is amazing. When those opposite were in Government their lack of commitment to child protection was well known: they closed almost a quarter of the DOCS offices in the State, they slashed 1,000 jobs, they restructured the department until there was nothing left to squeeze and they did not even spend all the money that had been allocated to child protection. When we came to office \$11 million was unspent. When we came to office only \$49 million had been allocated for child protection. It is now well over \$110 million.

This Government has more than doubled the amount but the honourable member for Wakehurst has the audacity to sit in this Chamber and pontificate about anything to do with child protection. The simple fact is that he left a mess behind him and now he is arguing about the way I am sweeping it up. I think the achievements of this Government should be well known. Recurrent child protection funding has more than doubled, a 125 per cent increase since 1995. It has gone from the former Government's miserable \$49 million to \$110 million plus. In 1999-2000 the allocation for child protection was \$93.9 million and it has increased beyond that, another \$17.7 million. Those opposite should not talk to me about child protection. They were the people who gutted it, who did not give a damn about kids and their safety.

Funding for child and family services has increased from \$413 million in 1995-96 to \$603 million currently—a massive 46 per cent increase. This Government has allocated more than \$6 million to joint DOCS and police investigation teams to establish nine permanent teams. We have introduced the Families First program and allocated \$54.2 million to improve support services for families with children aged up to eight years, which includes providing in-home support to new parents. We have allocated \$5.4 million over two years

to implement the recommendations arising from the Wood royal commission. We have launched the interagency guidelines for child protection intervention in 1997. That promotes DOCS as the lead child protection agency, while recognising that protecting children is a responsibility to be shared by agencies and the community.

The Government established the child death review team to monitor and report on child deaths in New South Wales. We established the Commission for Children and Young People. We established the Office of the Children's Guardian to monitor children in out-of-care. We have increased front-line DOCS staff by more than 350 positions. The innovative legislation for children and young persons signals a shift to prevention of child abuse and neglect and an improvement of the systems for responding when abuse has occurred. In 2000-01, \$8 million was allocated for its implementation. The introduction of the new Act has provided more than 52,000 hours training to more than 4,000 staff and thousands of managers from other government departments. For front-line staff there has been an improvement in technology with the replacement of 2,750 desktop personal computers, 700 additional personal computers and 500 laptop computers.

Mr Hazzard: What about helpline, Faye, what about the children?

Mrs LO PO': Let us get this into perspective. In three months the Government has dealt with more than 50,000 calls, of which more than 20,000 involved suspected child abuse and neglect. The Government is determined to ensure that those children are safe. In every case brought to this House by the honourable member for Wakehurst, he has yet to get one correct. Every time he brought in a matter we were able to shoot him down the next day—the facts were wrong, the timing was wrong, it did not happen the way he suggested.

Mr Hazzard: Keep saying it, Faye, keep saying it. It will make sure your career is shortened. Keep talking.

Mrs LO PO': It did not happen the way that you suggested.

Mr ACTING-SPEAKER (Mr Mills): Order! I call the honourable member for Wakehurst to order. He will have an opportunity to reply to the debate at the appropriate time.

Mrs LO PO': The Government was able to show that everyone cares. This new-found concern about child protection is good. The Coalition, when in government, did not focus on child protection, but it does so now, and that is a good sign. I congratulate the Opposition on finding this new area of interest, called child protection. Apart from the political point scoring, in which some members indulge, I believe that there is an absolute want from the remainder of the Opposition to protect our children. Members of the Opposition now understand that this is serious stuff—when in government some members of the Coalition did not understand that. In this Parliament there is general consensus that we want to protect children in this State. That is fine!

That is a difficult job, one that officers of the Department of Community Services do very well. I have told members of this House before, and will do so again, that DOCS officers go into houses and find little girls aged five with genital warts; babies aged two with gonorrhoea of the throat; children whose hands have been held in pots of boiling water as a punishment; children who have been burnt by having cigarettes ashed out on their foreheads; children who have been locked in cupboards; children who have been locked in garages; and children who have been locked in cars as punishment. The DOCS officers go into the same homes that police go into, but they go in without weapons. The Government is determined to make sure that children are safe. The helpline is one tool that we use and it will serve us well. In years to come, when the honourable member for Wakehurst remembers this debate, he will remember that he debated against me about a helpline that is about saving children.

Mr O'DOHERTY (Hornsby) [8.03 p.m.]: The people of New South Wales will remember that the implementation of the helpline has been an absolute disaster in trying to help the children that the Minister for Community Services has spoken about. Every time she speaks about child protection she recites the same four or five horrific cases, the same mantra. That mantra has been stated by her so often that it is losing its meaning. It is a bit bizarre and borders on the offensive for the Minister to always cite the same four or five cases.

Mrs Lo Po': What about the kids?

Mr O'DOHERTY: Minister, no-one denies that they are happening in our community. Minister, the Opposition wants you to fix the problem.

Mrs Lo Po': It offends me to know that children are hurt.

Mr O'DOHERTY: It absolutely offends me that children are hurt; it offends every bone and sinew in my body. It offends me more that the Minister—who is charged with the protection of children—comes into this House on every occasion we raise this issue, on a non-political basis on behalf of the children whom she has pledged to protect, and dismisses the rightful concerns of the Opposition and of the people who put their careers on the line by bringing information to us. If they try to take the information to the Minister what does she do? Out come the bovver boys and girls, the departmental officers, and they lean on people. If the Minister says in the party room, "Name the principal who gave you that information", what will happen? The Government will lean on them, in the same way they tried to lean on the shadow Minister for raising matters. When the shadow Minister was unavailable and the press contacted me about a matter the bureaucrats rang me and tried to lean on me about helpline.

Every time we raise this matter there is a scramble within the bureaucracy to try to bury it. The Government knows that it is extremely politically vulnerable on this matter. The helpline is not working. I am surprised, but I believe it is probably only its political hubris that has meant that it has stuck with the helpline for so long. The Government ought to be honest enough to admit that the helpline is not working; take it away and redesign it. The Minister did not address the issues of the censure motion at all, save from mentioning the royal commission. The Minister did not tell the House that the royal commission said that there were disadvantages to a centralised system. The report stated:

8.314 The possible disadvantages of such a system include:

- the remoteness of those involved in the intake from local knowledge of the family ...
- delay in the transfer of the information from the central office to local offices—

which is exactly what has happened—

- the need to develop skills at the local area; and
- possible resistance within the department by staff unhappy with taking direction from a remote central body.

All those things are happening now and were envisaged by the royal commission, which the Minister said was the genesis of the idea. The report continued:

At this stage, however, there is not any definitive research or quick evaluation to show that such a centralised system would be transferable to NSW.

8.316 The Commission is concerned not to put in another layer of bureaucracy, which might exacerbate, rather than alleviate, the present problems ... the Commission considers that it would be preferable for the existing system to be improved through:

- standardisation of the intake system across the State—

and they have not done that—

- training at Local Community Services Centres—

they have not done that—

- proper follow up of notifications accepted for further action.

Mrs Lo Po': Read the part about the South Australian system. Read the rest of the report.

Mr O'DOHERTY: I am reading it. I have read the salient points. The Minister is afraid of the truth and the recommendation of the royal commission was, at best, equivocal. There is no way that the Minister can sustain what she said in this House recently. Further, the Minister has not gone to the cases raised by the shadow Minister in Parliament, cases which have been well and truly confirmed by people who have no political axe to grind, such as the Primary School Principals Forum and the Women's Refuge Movement. Cases that have been raised by the Opposition in this House are genuine, and in every one of them is a child who the Minister's system has let down. The Premier admitted, because he read the brief that was handed to him by the officers in this House, that mandatory reporters are waiting up to 83 minutes to report a case. In Parliament the next day the Minister said that if anyone is waiting more than five or 10 minutes, or whatever figure it was, it was their own silly fault. The Minister did not use the word "silly", but it was certainly implied.

Mrs Lo Po': Thank you.

Mr O'DOHERTY: There you are, an accurate quote. But it was conveyed by the tone in which she said it in this House. That is the problem. Instead of understanding the issues, instead of looking at the reality of what is happening within the department, the Minister thinks that she can tough it out with the use of bureaucratic muscle in trying to silence her critics and the use of the numbers in this House. She will win this debate because she has the numbers, but she will not win the debate out there. [*Time expired.*]

Ms BEAMER (Mulgoa) [8.08 p.m.]: Last Sunday the Premier announced that another 60 workers would be recruited for the helpline, with front-line child protection its core responsibility. That was not the first time that the Carr Labor Government admitted that one of its duties is to look after the children of New South Wales. In 1995, when we first came to Government, one of the first things the Carr Labor Government did was re-employ some of the 77 specialist child protection workers whose positions had been slashed by the previous Coalition Government. I remember 23 Department of Community Services offices, almost a quarter, being closed by the previous Government. I remember listening to a radio program when it was put to Virginia Chadwick that she had closed offices around regional and rural New South Wales. The radio was silent for a good 10 seconds while she tried to fathom what response she would make.

For Opposition members to cry nothing but crocodile tears and say they are the only people who take this issue to heart is plainly wrong. During the seven years they were in government the Department of Community Services was slashed. That was the time that more than 1,000 workers were lost. Since that time this Government has said, "Our mandate is to look after the children of New South Wales. How do we do it? What are the ways we are going to do it?" How does the honourable member for Wakehurst think helpline operates? He says that it does not operate. Then he says that on a Monday morning faxes are waiting in an office for child protection workers to act on. They also have to answer the phone for mandatory reporting. He fails to understand that this is what it is about. It is about getting child protection workers out in the field to do the job they should be doing. That is where those officers should be and is what should be occurring so they know the type of cases in the field. Let me work this out. The honourable member for Wakehurst—who is described as driftwood by his own side—tries to tell us that the Government does not care. I believe that one of the hardest jobs in New South Wales is that of a DOCS officer. We all come across compelling and difficult cases in our electorate offices. We see them all the time. We want the resources to deal with it.

Mr Oakeshott: Exactly.

Ms BEAMER: Let me talk about what the Coalition Government did. With \$11 million left sitting in the kitty were they helping? Not at all.

Mr Hazzard: We managed.

Ms BEAMER: You talk about doubling resources. Where are the resources? The Opposition says that putting people on the front line to go out and help families who are in crisis is not the way to go. We know where the problems are and where the front-line troops are needed. We do not close DOCS offices and turn a blind eye. This Government does not deserve censure; it deserves to be commended for taking the problem to heart and dealing with it seriously. The people in my electorate want a DOCS office that responds in their home when they are in crisis. They want front-line troops. When we announce additional funding for front-line troops, and we have—

Mr Hazzard: They want phones answered.

Ms BEAMER: The Opposition members fail to hear. They fail to acknowledge that this is what is occurring. They are barking up the wrong tree. The honourable member for Wakehurst thinks this problem can be easily solved. These are difficult problems. No-one is saying that we have a solution overnight, but we know this is the way to go. [*Time expired.*]

Mr MAGUIRE (Wagga Wagga) [8.13 p.m.]: I do not have any pleasure in taking part in this motion of censure against the Minister for Community Services, but I have to relate the serious concerns that I have and those of the people of my electorate. One day in my office I received three separate complaints about the Department of Community Services [DOCS]. Since that time I have received another two complaints about inefficiency and the department not acting on concerns. I refer to correspondence of a concerning nature that was received by my office. The correspondence, dated 25 February, states:

Dear Mr Maguire

I was watering my lawn when I heard a loud thump noise come from down the road.

In fact, that noise came from 80 metres down the road. The correspondence continues:

I turned to see what had happened and I saw a child lying on the ground crying out very loud. I then saw his father lean over and tell him to go to hell ...

My neighbour rang DOCS straight away ... I rang on Monday, I rang the helpline and was put on hold for 1¼ hours, then I was given a local DOCS Branch number to ring ... This time I was told a manager would ring me back but they never did. I had to ring helpline again to express fears over the child. Again I was put on hold for 1½ hours. The person I spoke to said the case manager could've taken the information, but the case manager told me they couldn't take any new or old information, only helpline could. When I rang the local DOCS office again I asked to speak to the manager. I was told by the so-called manager that she had spoken to the family, not come out, only spoken over the phone.

The neighbour had written to me and said that she had witnessed this assault. She said that this young child wanted to ride his bike and his father had hit him. He hit him so hard that the neighbour who lived 100 metres down the road heard the force of the thump on the child's chest. It actually lifted the child off the ground. The neighbours reported that. The lady said she went immediately to the DOCS line and rang. After relating the information to DOCS she was told the information would be sent to the Wagga Wagga office. The next morning she rang at 9.50 a.m. and was told that as it was only a little after 9.00 a.m. they would not have seen it yet. She thought that this was fair. She rang back on Monday afternoon and was told that the person in charge was not available. She knew that her neighbour had rung. She then was put on hold for a substantial amount of time. When they got back to her she was told that someone would ring back.

On Tuesday she rang the Wagga Wagga office and was put on hold for 10 minutes while they got the manager to speak to her. She was told they would ring back. They did not. She rang again and she was told they would send her a letter detailing what was going to happen. To the best of her knowledge no-one visited the house about which she had made the claims. Being concerned about this, I attended a preschool meeting with 13 preschools. I asked whether the preschools had the DOCS fax line number. All of them replied they did not. I asked them to investigate this as I was concerned that the information should be provided to the mandatory reporters. Telephone conversations today with several of those preschools revealed that they still do not have that fax number. Of even more concern, I rang the women's refuge and was told that it did not have the fax number and it could not provide it to me if I wanted to make an urgent fax to the helpline. I questioned the refuge staff and said, "You must surely have this number." I was told they did not. Since then I have contacted the Catholic schools in my electorate and I have been told today that finally they have the fax number. Correspondence sent from the DOCS office states:

I need to stress that the fax facility should remain the last resort option. Principals and teachers should continue to make all efforts to contact the helpline by phone in the first instance.

It goes on to say that the best way to have a case worker assess the problem and to offer greater expediency in handling a report is to talk to the helpline direct. These are serious concerns that a straw poll on the other side of the House will indicate that all members are having. This helpline and help fax number have been handled badly. It does not give me pleasure to point the finger at the Minister. [*Time expired.*]

Ms SALIBA (Illawarra) [8.18 p.m.]: The Opposition should be ashamed of trying to score political points at the expense of children. The Department of Community Services [DOCS] helpline was set up following recommendations from the Wood royal commission that a centralised intake system be implemented. The helpline is different from other call centres in that it focuses on human interaction and helping people in need. The aim of the helpline is to provide faster, better and easier access to DOCS services to all members of the community, to community partners and to mandatory reporters such as police and the medical profession. I stress that DOCS is a child protection agency. It investigates allegations of abuse and neglect, and works with the families and the Children's Court to keep the child either at home safely or to remove the child. As with other matters relating to safety, anyone who sees a child in imminent danger should call the police.

The DOCS helpline became operational 24 hours a day, seven days a week from 18 December 2000. Before the helpline was introduced calls were taken at 85 community service centres across New South Wales. The helpline means greater consistency. The department no longer has 85 entry points across the State; it has one. That means that the same risk assessment principles are applied to all incoming child protection calls. In 1998 DOCS considered examples of best practice in service delivery around the world to ascertain what New South Wales could learn from other organisations in the delivery of customer service. The helpline was introduced as result of criticism from agencies such as the child death review team, the Community Services Commission and the Wood royal commission.

In 1998-99 the child death review team report acknowledged that systemic electronic and filing systems needed to be improved, whilst the Wood royal commission recognised the need for a centralised intake

system. Seventeen States in the United States of America now offer centralised child protection hotlines, providing some measure of intake assessment as well as general information services. Our feasibility studies also identified a number of areas where streamlined customer contact could potentially add value to DOCS, its staff and its clients. For example, the public has one point of contact to report child abuse and neglect and, as has been stated already, the helpline will free up front-line staff to deal with child protection matters.

Mr ACTING-SPEAKER (Mr Mills): Order! I call the honourable member for Wakehurst to order for the second time. He will have an opportunity to speak in reply and should cease interjecting.

Ms SALIBA: Whilst the helpline draws upon some of the innovations that are commonplace in call centres around the world, such as sophisticated telephone management technology and a complex demand modelling and rostering system, the helpline operates quite differently to a typical call centre. The Department of Community Services is not a call centre; it is a human service organisation. The emphasis is not on maximising turnover or profit but, rather, on providing high-quality service and protection for the vulnerable in our community. Centralisation of intake services is a growing international trend. The helpline is not like a call centre for commercial operations. Calls to DOCS are not transactions and DOCS does not focus on the turnover of calls but on dealing with very personal information and the emotive issue of people's lives.

Mr Kerr: Get them to underline the stuff next time.

Ms SALIBA: Maybe you should read some of this information, or sit and listen. Then you might know what the helpline is about: It is about protecting children. This censure motion is a joke because the Opposition is utterly devoid of policy and credibility on these issues. When one looks at the Carr Government's achievements on child protection one will see that recurrent child protection funding has more than doubled. It has increased by 125 per cent since 1995, when the Opposition was in government. It has increased from \$49 million in 1994 to \$110 million in 2001. [*Time expired.*]

Mrs LO PO' (Penrith—Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Women) [8.23 p.m.], in response: I was hoping to speak to the honourable member for Wagga Wagga. However, he has left the Chamber so I will speak with him privately later. Let us leave politics out of this. The honourable member for Wagga Wagga—and everyone else—needs to understand that when calls to the helpline are investigated we cannot always let those who made the notification know what is being done because that might compromise the case. For example, the notifiers might be known to the alleged perpetrator. The notifiers might think that DOCS is doing nothing, but the department cannot provide feedback or a blow-by-blow description of the action that is being taken because that might compromise the case. The department is aware of the case in Wagga Wagga—I think the honourable member for Wakehurst has had a long discussion with Carmel Niland about it—and the matter has been investigated.

Despite the fact that the honourable member for Wakehurst has been touting for business with doctors—he has been ringing them, trying to get them to complain—the department has received one complaint from a doctor about the helpline. The honourable member for Wakehurst has also been bothering foster carers, trying to get some gory story that he could bring into the Parliament. He has been unlucky there as well. I reiterate that the helpline is best practice. Across the world people are moving to centralised systems. The helpline provides a measure of intake assessment as well as general information. Before the DOCS helpline was set up there were 85 points across the State.

Information about child abuse in this State is horrifying and this is the first time it has been properly collated. More than 50,000 calls have been taken, of which more than 20,000 are suspected cases of abuse and neglect. Instead of focusing on criticising the helpline and moving motions of censure, we should ask what is wrong with our society when the helpline receives 20,000 phone calls in three months that involve child abuse and neglect. Only now are we getting a handle on the level of child abuse in our community. If those statistics do not frighten members of the Opposition members, they frighten members of the Government because what is happening in families and how children are subjected to the most horrendous lack of care is only now becoming evident.

For those in this Parliament who live a different lifestyle, our children are safest when they are in bed at home with us. However, we should be aware that some children are in the greatest danger when they are with their families. That is why the helpline is so important. People have actually rung up at 1.00 a.m. or 2.00 a.m. or at 11.00 p.m. or midnight and DOCS officers staffing the helpline have had to leave their jobs to go and remove children from their families because the children have been in danger. I want the Opposition to understand that the helpline will be one of our most useful tools in the war against child abuse and neglect.

The honourable member for Wakehurst made some fairly interesting claims. The first one we heard about was early last month when he went on the Sally Loane show and spoke about someone hanging on for 5½ hours. Sally Loane asked, "Who would wait for 5½ hours?" The honourable member for Wakehurst could not answer that question; he waffled on. Sally Loane said to him, "So you don't have any details on this?"

The honourable member for Wakehurst did not have any details, but that did not stop him from waffling. We can safely conclude that a 5½-hour phone call falls into the category of Opposition myth making. When he was fed that line he should have had enough nous to realise that he was being taken for a ride. Can honourable members seriously imagine anyone in his or her right mind waiting 5½ hours for someone to answer the phone, particularly if the matter were urgent? Nobody else would believe it except the honourable member for Wakehurst. The helpline is working. We are saving children. We have taken 50,00 phone calls, 20,000 of which are about suspected abuse and neglect.

We have started more than 500 serious joint investigations—an increase of more than 20 per cent on last year's figures—of the worst cases of suspected child abuse. Honourable members will realise that the helpline is unearthing, not happily or proudly for any of us, a society that has real child abuse problems. Without the helpline the information about that would be spread across the State and it would be lost. We are now able to home in on areas where the abuse of children is becoming well documented. In that context we will be able to place the new 60 Department of Community Services [DOCS] officers we have managed to score—

Mr SPEAKER: Order! I ask the honourable member for Burrinjuck to stop interjecting. It is the second time I have asked her to remain silent. If the honourable member for Port Macquarie cannot keep still and keep quiet I will ask him to leave the Chamber.

Mrs LO PO': The helpline has given us a roadmap to child abuse in this State. We have 60 more DOCS officers and they will be put where we they are needed. We are becoming aware of child abuse in areas where it has not previously surfaced. The number of child abuse notifications has increased, and I am at a loss to understand why. Investigations have increased.

Mr SPEAKER: Order! The honourable member for Wakehurst is already on two calls to order. I call him to order for the third time. He will have an opportunity at the appropriate time to reply to the debate. If he does not remain silent he will not have that opportunity. There is no need for him to turn his head around. He will abide by the standing orders.

Mrs LO PO': Whatever the dimension of child abuse, the number of calls now being received vindicates the Government's decision to introduce mandatory reporting and the helpline. We are now finally seeing the dimension of child abuse in this State, and we can put DOCS officers in areas where they are sorely needed to protect children.

Mr HAZZARD (Wakehurst) [8.33 p.m.], in reply: The Minister is either totally stupid or ignorant of what is going on with the helpline. For her to claim that the helpline is working is tantamount to criminal negligence. The January 2001 issue of "Service 2000/01", which is issued from her department, states:

Nevertheless, if a client is distressed, angry or has been unable to get through to the Helpline staff CSCs should use their discretion and assist these clients to avoid escalating the problem.

The Minister's service newsletter is acknowledging that callers cannot get through on the helpline. Kay Le Roi, whom I said is an excellent officer, should not be vested with the rotten task of trying to make the helpline work when it will never work. She put out a circular to all area directors on 23 February, one week ago—

Mrs Lo Po': It is a month ago.

Mr HAZZARD: I am sorry, a month ago. The circular stated:

As you would no doubt be aware there have been several difficult periods of adjustment since the helpline commenced work as a twentyfour hour service on 18 December 2000.

On 23 March 2001 a circular went out to all her directors of child and family services. It is a beauty! If the Minister has not seen it she should come up to my office afterwards and I will show it to her. She needs to see a few of these circulars before she resigns. The circular states:

To All,

It is vitally important that when reporters have attempted to get through to the Helpline and then contact the CSCs with an urgent matter, the CSCs take the report.

Why does the Minister think the circular says that? It is because they cannot get through on the helpline. The circular continues:

With the new capacity in the Helpline reporters can leave a message after 10 minutes.

Now isn't that very good! Reporters can leave a message on a tape machine. The circular then states:

It is hoped that all callers will therefore be able to get through to the Helpline quickly and CSCs will not need to take reports.

The circular is saying that if reporters cannot get through to the helpline because it is not working, then they can leave voicemail. It is like ringing the Commonwealth Bank! Press "1" and the bank will ring you back sometime—it will take your money or it will not take your money. Children's lives are at risk. The circular further states:

However, to ensure no child is put at risk, please contact all your CSCs urgently to ensure that they follow the Department's procedure which is:

"If callers are unable to get through to the Helpline and have an urgent and serious Child Protection matter the CSC is to take the report and deal with the matter."

But that could not happen because, as the Minister says, everyone can get through to the helpline. The Minister's directors are sending memos to everyone across the State that are clearly wrong. But the circular says that the helpline is not working, the Minister's service documents say it, Kay Le Roi says it, the Minister's directors say it, the Public Service Association says it, the front-line staff say it and the helpline staff say it. Everybody is saying it. We are saying that they cannot make helpline work. It is a disaster. Staff inside the helpline work in teams. The Minister says that the system is designed to provide consistency across the State. Rubbish, that is absolute rubbish! Teams that work on the helpline are not communicating with each other. As late as last week they were sending memos around the office saying, "We need to have consistency in what we are doing, because we are not getting out these responses; we have faxes sitting here that are going nowhere." The Minister is so far out of touch that she should not have this job. She should resign.

Ms Saliba: Get behind the children, get behind the kids!

Mr HAZZARD: The honourable member for Illawarra and the honourable member for Bathurst should go back to kindergarten.

[*Interruption*]

You told me to keep quiet, Mr Speaker; tell her to keep quiet. The honourable member for Illawarra should take note. She claimed in this debate that everything was working well. She is totally wrong. Principals from schools in Wollongong are reported on the front page of the *Illawarra Mercury* as saying that they were not able to get through to helpline. Her colleague the honourable member for Keira said that the Minister should fix the problem. Yet the honourable member for Illawarra comes into this Chamber like some sort of simplistic moron and says that the helpline is working. The bottom line is that it is not working. There are some 6,800 reports per week, but part of the problem is that they are not—

Ms Saliba: Point of order: I take offence at being called a moron by someone in the Opposition. He should be ashamed of himself.

Mr SPEAKER: Order! There is no point of order.

Ms Saliba: I slowed him down a bit.

Mr HAZZARD: If the honourable member's purpose was to slow me down, she did. But she also made sure that she slowed down a very important debate about children's lives. I congratulate her. The honourable member for Keira has been quoted on the front page of the *Illawarra Mercury* as saying that principals and teachers in Wollongong are concerned because kids in the Illawarra area are being put at risk by the malfunctioning of helpline. By waffling on in support of the Minister, and doubtless in support of her on this censure motion, the honourable member for Illawarra has facilitated the continuation of this crazy system.

The honourable member for Illawarra should talk to the honourable member for Keira. Many of their colleagues on the Labor benches are unbelievably concerned about this system. They have expressed those

concerns to the Minister privately and they have told us that they are stuck with voting for her. We are not stuck with her, and we will make sure people know that we are saying the helpline should be fixed. There is no consistency in the way helpline staff deal with reports. That is not their fault. They are underresourced and they were sent into action before they were ready. Looking at the bigger picture, the service will never work because it has destroyed the relationship between—

Mrs Lo Po': That is not true.

Mr HAZZARD: It is true: The Minister has destroyed the relationship with local mandatory reporters. Before the Minister came along, principals had a relationship with their local CSCs. A principal used to have a relationship with his local branch of the Community Service Commission [CSC] and his DOCS officer. If he was uncertain about something he would telephone the CSC and say, "It is so and so here. You know me, I do not call with silly complaints. What do you think about this situation? Do you think that I should report it? Is it a notification situation?" That relationship has now gone. A six-year-old girl reported to her teacher that she had been sexually assaulted by her stepfather. The teacher went to the principal and the principal tried for quite a long time to contact the helpline but could not get through. He was forced to fax his message, containing very personal details, into the ether. That is significant because on 16 March in a letter to Mr Ian Baker from the Catholic Education Commission, the DOCS Assistant Deputy Director-General said:

As we discussed at our meeting, when reporting a child at risk matter, personal contact over the phone with a Helpline caseworker enables better assessment and greater expediency in the handling of the report and in the provision of information and feedback from the Helpline to principals and teachers.

That is a statement of fact: It is about personal contact. The Minister has introduced an anonymous, silly system that has destroyed the relationship between mandatory reporters, health workers, police, general practitioners and teachers. Those people are now dealing with anonymous helpline workers in roll-through teams with different systems and different results. They are putting inconsistent and wrong information on faxes that are sent to DOCS offices throughout the State. Those offices—there are 84 of them across the State—are going berserk. They are saying, "We no longer know what our role is; we were told that we were not to have intake teams any more in the 84 offices across the State. What we would have was people who would respond to this wonderful, magnificent new helpline. But we are now a hybrid; we are confused. We do not know whether to respond". It depends on whether they look at the official protocols or the "Service 2000/01" newsletter—or on what day it is.

The Minister has screwed up the system by implementing this anonymous helpline and her staff are screaming for help. Her response is to send me a letter. Just as the deputy director-general sent a letter threatening the Hastings women's refuge and telling them to keep quiet, the Minister has sent me a letter telling me to keep quiet about these issues. She said that I should not talk to staff in the field, but I will go on talking to them. The Opposition will continue to raise these issues and we will ensure that the Minister does not shut anyone up because these matters are important to the children of New South Wales. [*Time expired.*]

Question—That the motion be agreed to—put.

The House divided.

Ayes, 31

Mr Armstrong
Mrs Chikarovski
Mr Collins
Mr Debnam
Mr George
Mr Glachan
Mr Hartcher
Mr Hazzard
Ms Hodgkinson
Mr Humpherson
Dr Kernohan

Mr Kerr
Mr Maguire
Mr Merton
Mr O'Doherty
Mr O'Farrell
Mr Oakeshott
Mr D. L. Page
Mr Piccoli
Mr Richardson
Mr Rozzoli
Ms Seaton

Mrs Skinner
Mr Slack-Smith
Mr Souris
Mr Stoner
Mr J. H. Turner
Mr R. W. Turner
Mr Webb
Tellers,
Mr Fraser
Mr R. H. L. Smith

Noes, 53

Ms Allan	Ms Harrison	Mr Orkopoulos
Mr Amery	Mr Hickey	Mr E. T. Page
Ms Andrews	Mr Iemma	Mr Price
Mr Aquilina	Mr Knowles	Dr Refshauge
Mr Ashton	Mrs Lo Po'	Ms Saliba
Mr Barr	Mr Lynch	Mr Scully
Mr Bartlett	Mr Markham	Mr W. D. Smith
Ms Beamer	Mr Martin	Mr Torbay
Mr Brown	Mr McGrane	Mr Tripodi
Miss Burton	Mr McManus	Mr Watkins
Mr Campbell	Ms Meagher	Mr West
Mr Collier	Ms Megarrity	Mr Whelan
Mr Debus	Mr Mills	Mr Windsor
Mr Face	Ms Moore	Mr Woods
Mr Gaudry	Mr Moss	Mr Yeadon
Mr Gibson	Mr Nagle	<i>Tellers,</i>
Mr Greene	Mr Newell	Mr Anderson
Mrs Grusovin	Ms Nori	Mr Thompson

Question resolved in the negative.

Motion negatived.

VISITORS

Mr SPEAKER: Order! I welcome to the gallery Chairman Rodney Parsons and regional presidents of the Institute of Chartered Accountants of Australia. I hope their visit will be to their benefit.

APPROPRIATION (BUDGET VARIATIONS) BILL**Second Reading**

Debate resumed from 28 February.

Mr STONER (Oxley) [8.54 p.m.]: The objects of the Appropriation (Budget Variations) Bill are to appropriate additional amounts from the Consolidated Fund for recurrent services and capital works and services for the years 2000-01 and 1999-2000 for the purpose of giving effect to certain budget variations required by the exigencies of government. The additional amount appropriated under the bill is some \$830 million. Not being an accountant or a Treasurer in waiting, this appears to me to be a case of unforeseen expenditure or expenditure which was not adequately planned for. This clearly indicates a problem with the financial management of this Government. It is not a small underestimation: we are talking about nearly a billion dollars of State taxpayers' money which did not appear in any of the budget planning by the Government. At the eleventh hour we need to rush through a bill to appropriate additional moneys to cover the so-called exigencies.

This bill is proof positive that this is a typical, big-spending Labor Government engaged in poor financial management funded by an exorbitant taxation regime. The Auditor-General in his recent report found that the Government raised an additional \$988 million in State tax revenue in 1999-2000. This is clearly a Government with a huge appetite for extra tax revenue. This is borne out by the fees and charges which have been introduced by the Government in its previous and current terms. These fees and charges are hitting country people especially hard. Some of the new fees and charges include national park entry fees. We can no longer go to a beach via a national park without paying the Carr Government for the privilege. The saltwater fishing licence fee is another example. People in my electorate would often go to the beach via a national park that encompasses many of the coastal towns in my electorate to wet a line and go fishing. They are now unable to do so without contributing to the coffers of the Carr Labor Government. The septic tank inspection and registration fee, dog and cat fees under the Companion Animals Act—

Mr O'Doherty: They will be taxing fishing next!

Mr STONER: They are taxing fishing. This bill shows that the fishing licence is purely a revenue measure for the Treasury. It is stated in black and white in the bill. Countrylink fares have been increased recently by 14 per cent. I note that another round of increases is about to go before the Independent Pricing and Regulatory Tribunal. Country people are really being hammered by these tax increases. The \$830 million extra in this bill is seemingly being frittered away. The bill contains more revenue collection measures. There is \$8.5 million for fixed digital speed cameras—more revenue collection by the Government. The bill proves that the Carr Labor Government is a high taxing and big spending government that embarks upon waste and has poor financial management. On 8 March the *Sydney Morning Herald* contained an opinion on how the New South Wales budget is going and on the Treasurer's performance in particular. It stated:

On latest Grants Commission figures, NSW was spending 5 per cent or \$1.2 billion above the national average and taxing 4 per cent or \$400 million above the national average.

That compared with 1.6 per cent and 1 per cent respectively when the Carr Government came to office.

That is further proof positive that this is a high taxing and big spending State Government. The bill contains very little to explain why the Government suddenly needs an extra \$830 million. This shows a continuation of the secrecy and arrogance of the Carr Labor Government. I will comment on some of the reasons given for allocating additional funding to the burgeoning bureaucracy in New South Wales. The allocation of \$20 million for the Olympic attendance allowance seems to be a sweetheart deal with the public service unions. It is a secret deal that only came to light on the tabling of this bill. Why do we not have an allocation of money for medallions for the volunteers who also served with distinction at the Olympics? I am sure that the cost of minting such medallions would be substantially less than the \$20 million allocated for the Olympic attendance allowance.

There are other Olympic costs contained in the bill, including \$18 million for temporary urban domain works. That indicates to me that country New South Wales is continuing to pay for the Olympics and for the very substantial works undertaken in Sydney. In this bill there is an allocation of almost \$40 million in extra unbudgeted costs of the Olympics. That is \$40 million in forgone improvements to ramshackle country hospitals, third world conditions on country roads, understaffed police commands, towns without a reliable water supply or even a sewerage scheme, and overcrowded and run-down schools.

Only last week I visited Byabarra Public School at the invitation of a desperate parents and citizens association. I spoke to parents Ron Lindsay and Cheryl Carpenter at the Byabarra school. The main part of that school is a 104-year-old tiny weatherboard building with no staff room, no sick bed, no storage facilities and no airconditioning. The building is infested with rats which gain entry because the roof is not sealed. In addition, only a week before I visited the school a little girl found a funnel web spider in the area where the sick stretcher is located. There is no sick room but a sick stretcher is located on a verandah. The teacher put the spider in a jar and it was later identified as a funnel web spider.

There is one demountable building at the school. It has no airconditioning, either, and no running water. Byabarra Public School recently endured a week in which the temperatures reached 44 degrees Centigrade. That was the hottest day of a week when temperatures hovered in the high 30s and low 40s. The school has an enrolment of 26 students and a growing enrolment. The school sporting equipment is stored in a wheelie bin in the toilets and maintenance equipment is held in a tin shed in the school grounds, in which snakes have been discovered.

I was shocked by conditions at the school. The school has asked for another demountable classroom and certainly the enrolment numbers justify it. They requested that the new demountable classroom have running water, some storage and office space, and airconditioning. They were told that they were not entitled to it; that they would get a small class-only demountable from the Comboyne Public School up the range. Hundreds of demountable buildings were allocated to the media village during the Olympic Games. Surely we could find a decent demountable building for Byabarra Public School. I take this opportunity to ask the Minister for Education and Training and the Minister for Public Works and Services if they can help me to find a demountable for Byabarra Public School.

That school has no assembly area. It has a small covered outdoor learning area through which wind and rain blow. The honourable member for Wyong would know that the wind that blows down off the Comboyne plateau, certainly in winter, is very cold and frequently fairly wet. The school has used the community hall next door at Byabarra, but it is termite infested and can no longer be used. I mention the case of this school to illustrate that there are many schools in country areas in a similar condition. We are talking about the allocation

of an extra \$830 million that the Government can suddenly find for these various reasons. The Government should look at the country areas and allocate funds for maintenance and basic services, such as education.

The Minister for Education and Training recently announced that \$457,000 will be spent on public schools in the electorate of Oxley. That is certainly welcomed, but this is mostly routine maintenance money and just a drop in the bucket. This bill contains an allocation of \$830 million, with virtually nothing for country areas—certainly nothing for Byabarra Public School and nothing for other schools in need, such as Frederickton, Herons Creek and Kendall.

I referred earlier to the Government's addiction to tax revenue. In this bill \$8.5 million has been allocated for additional fixed digital speed cameras. My view as a member of the Standing Committee on Road Safety is that that is not a proved lifesaving device. It is not directly related to a reduction in the road toll. Certainly more police on the road would be likely to reduce the road toll, and \$8.5 million would pay for an additional 100 or so police. Police are a visible deterrent—not a hidden, big brother fining machine, as are the speed cameras. During the 1999 election campaign this Government promised an extra 2,110 police in this term of government. The Government is now more than half way through that term—

Mr Debnam: And has failed!

Mr STONER: Absolutely failed. We have no extra police. I suggest that the Minister hurry up and provide those extra 2,110 police. That is something I would be happy to support an additional appropriation for, in order to get those police out on the streets and on the roads where they can do some good. I have noticed some waste highlighted amongst the minimal information provided in this bill. There is a State Electoral Office rent increase of \$84,000. Why was that not planned for? Surely we have lease agreements with rent increases as part of that document? Could it have been that a bad deal was struck by the State Electoral Office and that it has not conducted rent reviews? We can only guess. There is an allocation of \$900,00 for the State Records Authority for refurbishment. Is that so that the files can be happy? We cannot get the money, it seems, to make schoolchildren more comfortable.

The State Library space rationalisation study shortfall is \$400,000. One can only imagine what a space rationalisation shortfall is, but \$400,000 would be a lot of money to a little school like Byabarra. For Fisheries, a reversal of funding reduction due to delayed revenue collection amounts to \$250,000. Now we know what fishing licences are for—revenue—because there has been a reversal of revenue reduction as a result of the delayed implementation of the fishing licences. There it is. That is how Treasury regards it. The Opposition has always said that this is yet another tax on country areas and further proof that this is a big taxing, high-spending government.

The Department of Industrial Relations will get \$607,000 for the Women's Equity Bureau reversal of salaries savings. One can only assume that something has gone pretty wrong in the Department of Industrial Relations when planned savings on salaries have not materialised. The bill contains an allocation of \$6 million for the Office of the Co-ordinator General of Rail, because the Minister has not been able to keep a handle on his portfolio. Why should the taxpayers of New South Wales have to fork out another \$6 million because the Minister cannot do his job? The Coalition will not oppose this legislation but wishes to highlight examples of waste, poor financial management and issues to do with basic services in country areas.

Mr DEBNAM (Vaucluse) [9.08 p.m.]: I would say at the outset that this bill should be renamed. It should not be the Appropriation (Budget Variations) Bill; it should be called the "Budget Mismanagement Bill". This budget continues the theme of the Carr Government that we have seen for the last six years. Time flies when you are having fun, but we have had six years of the Carr Government and six years of a budget out of control. If we were to look back on what has happened during the past six years we would all be frightened. I suggest that Government members examine the budget reports that have been produced under Treasurer Egan and Premier Carr, and at what they have and have not achieved in that time. This bill is only a small bill but it has a large impact and honourable members would be mistaken in not having a look at the detail of it.

The bill covers quite a few dollars—about \$750 million in 2000-2001 and about \$80 million in 1999-2000; a very substantial amount—but there is not a lot of detail in it. That is probably the theme of the Carr Government. In its six years in office it has pushed through as many dollars as possible, but has given out as little information as possible. The Government has been very successful with that, whether to do with appropriation bills, monthly reports or with the extraordinary press releases that issue from the Treasurer's office. There is no information in the bill, but there are huge dollars.

Not many people in New South Wales realise that every year the Government spends well in excess of \$30 billion of taxpayers' funds. After six years we have never had so much money flowing into and out of Treasury, but we have never had worse services. We have an appalling level of services, but we have never had more money spent on them. Very little detail is given about that spending. Parliament needs to devote far more time to scrutiny of that spending and to financial management legislation, about which I will make some comments. Other members have spoken about various sections of the bill, including the expenditure on the Olympic Games, the Treasurer's advance, and the Olympics attendance allowance.

Members who are not naive will know that we will not see the final cost of the Olympic Games for at least another year, until the Auditor-General has done the second of two sweeps through the Government to determine the cost of the Olympic Games. Anyone who says that the Olympic Games are paid for is kidding; they do not know the final cost, and will not know for at least another year, almost at the time of the next State election. That is an important point that the people of New South Wales should remember. We might finally know what the Olympic Games cost the people of New South Wales and what the Labor management of the Games cost.

A few years ago a schedule was produced for the infrastructure and operational activities of the Olympic Games, but a lot of that was brought forward. Why was it brought forward? It was brought forward for the last State election. Various members of this Chamber may have gone out to the concert in the stadium on a night in March 1999 at which a considerable effort was put into bringing forward the entire schedule for the Olympics. What for? For the Labor Party's election campaign in 1999. We will see the final cost of that in a couple of years.

Various other line items in the bill are of millions of dollars but with little explanation. I suggest to the Government, as we have in previous appropriation debates, that in the upper House it might like to take the opportunity to explain in a little more detail exactly what is included in some of the line items, especially the ones that run into many millions of dollars. It is important that we look at what is happening in the legislative side of the financial management of the State. We can use one piece of paper that appeared tonight to demonstrate that we need to focus on that a bit more; that is, the list of amendments that the Government put forward. I saw the amendments tonight for the first time. One item is an \$18 million change. I would have thought that the Government could get it right.

Not much legislation is going through this Parliament; we can count on one hand the items of legislation that have gone through this calendar year. I find it extraordinary that we end up with \$18 million amendments. That is unusual, but it gives a window on what is happening in New South Wales. It is worth remembering a couple of reports. In July 1998 Treasury issued a working paper addressing the financial management legislation in this State. When one reads through that working paper and listens to the various accounts of seminars and debates, one would realise that the financial management legislation is out of date. It is fair to say that Treasury has been working on an update for about 10 years—from about 1991-92. That is appalling.

This State is spending in excess of \$30 billion, but it has taken a decade to work out how to update the most basic financial management legislation. It is no wonder that we have these problems. The Legislative Council's General Purpose Standing Committee No. 1 "Appropriation and Expenditure Final Report" issued in December 2000 is relevant to the debate. It goes to the heart of financial management in New South Wales. It is particularly enlightening for members to read the recommendations of that upper House committee set out on page 9 of the summary of recommendations, of which there are 10. It covers matters such as requiring agencies to obtain and produce comparative data to benchmark their operations.

I admit that there has been a token movement in that direction in the past decade or so. One only has to read today's budget papers, last year's budget papers, the budget papers of the year before or the year before that to learn how token it is. It is extraordinary that we have not embraced performance budgeting in this State. I can understand that department heads and Ministers do not want to be tied down, because they are simply incompetent. That covers just about every portfolio—the Ministers are incompetent in getting value for money for the taxpayers. That is mentioned in recommendation No. 2 of the report.

Recommendation No. 3 mentions the requirement for agencies in controlled entities, such as area health services, that have important roles and functions to produce annual reports to Parliament. New South Wales has requirements about producing annual reports. But time and again, year after year, various agencies do not produce any reports. If one reads the consolidated accounts, the Auditor-General's reports, year after year the

Auditor-General says that a report is late. That does not happen once or twice, but on numerous occasions. The Auditor-General has to qualify the accounts and says that the annual reports or information required from agencies was late. That is not good enough.

It is not difficult to get it right. The agencies know the dates but they have fudged the dates for years to make it easier for the agencies to deliver the reports, the financial information. But it is still not happening. Recommendation 4 mentions introducing legislative requirements for the validation of performance information reported by agencies. I wish! I sincerely hope that I am still in the Parliament in the decade when that comes through. Everyone in Parliament will applaud the provision of some real information. I will not debate the recommendation about reinstating the allocation of funds to agencies by budget programs, because that will go on for ever. A number of other recommendations are worth reading and I applaud the upper House for its report on financial management legislation. I turn now to financial information, because I find the Minister's second reading speech to be intriguing. He said:

The practice of introducing further appropriation bills has enhanced accountability for the expenditure of public moneys from the Consolidated Fund. It is further evidence of the Government's commitment to transparent and full financial reporting to the Parliament and the community.

I cannot use the word "lie" in this House, but that is one of the biggest untruths we have heard in the six years of the Carr Government. The Government has done absolutely nothing that has been accountable—absolutely nothing—whether it is legislation or regulation, or monthly or annual reports that the Treasurer might, on a whim, decide to put out or change. The Government has done nothing to enhance accountability. It has done nothing to demonstrate any commitment to transparent financial reporting to the Parliament and the community. Treasury staff present tonight would be aware that one of the outstanding questions on notice that I have in this House is for the basic tax data that was provided in the monthly reports up to June of last year and magically disappeared in July.

The Treasurer would know that I have asked several times for the information and I am yet to get it. This Government has done nothing to enhance accountability in this Parliament. It has done nothing to provide transparency or full financial reporting. Its inaction will be to the detriment of the people of New South Wales who will realise in a couple of years that New South Wales has a major financial problem because of mismanagement. For six years this Government has relied on booming tax receipts to save it every single time it has over-run budget expenses. In recent years it has been \$1 billion plus. Every year the Budget Speech and budget papers do not bear any real relation to honest projections. They are more a work of art, a fantasy. The Treasurer has been rescued by booming tax revenues every year.

As I said when the Budget Speech was handed down last year, I suspect that the party is coming to an end for Bob and Michael and in a couple of years the boom time boys will be in strife. Their expenses are running up at a great rate. That is why they have had massive problems in managing the budget in each portfolio. That is why they have crisis talks throughout the year with a number of portfolios. That is why a number of the departmental people come to us and tell us of the ridiculous conversations at various levels with Treasury about their management style of simply ignoring the budget structure in the departments. There will be a problem and Bob Carr and Michael Egan will eventually have to acknowledge it.

While I am talking about budget variations I will quickly move to the hilarious statement that Premier Carr made on Sunday. It was a 24-hour beat-up prior to the Academy Awards. Undoubtedly, my vote for best actor would have gone to Bob Carr. It was not about pump priming, it was about smoke and mirrors. It was an outrageous attack on parliamentary credibility in New South Wales. The Premier will stop at nothing to pretend to the people of New South Wales that he is interested in what is happening in this State. One aspect that he is least interested in is the budget. It is hilarious to hear the Premier talking about substantial dollars—\$1.5 billion—when he has no understanding of what is happening in the budget. Over the past six years we have often seen a public debate between Treasury and the Premier about the need for financial responsibility. In each case Treasurer Egan has lost the battle and we have ended up with runaway expenses.

Sunday's statement was all about rhetoric and competing for an Academy Award. Premier Carr has my vote. If he ever tries to run for Federal politics, he should be in foreign affairs. Hopefully we will get him to Los Angeles for the next Academy Awards. But he has no place in New South Wales purporting to be interested in financial management and introducing bills that involve hundreds of millions of dollars but no accountability, no transparency and no financial responsibility. The Government of New South Wales must realise that it is dealing with a very significant budget in Australia—we have a third of the economy in Australia—and has or should have a leading role in getting the fundamentals right. In its budgets to date and its budget variation bills it has not got the fundamentals right. It is all about the Government being saved by tax.

Mr RICHARDSON (The Hills) [9.23 p.m.]: I endorse the comments made by my colleague the honourable member for Vacluse. This is significant legislation for two reasons. One is the sheer amount of money involved, which is more than \$800 million—\$740 million for this financial year and an additional \$80 million against the previous financial year. It is also significant because of the way in which the Government goes about managing or mismanaging the State economy. To come to the Parliament this late in the budget cycle and ask us to approve retrospectively more than \$800 million worth of expenditure, given the paucity of detail in the bill about where the money is to be spent, is nothing short of scandalous. That issue was dealt with by the Auditor-General of New South Wales almost three years ago when he was severely critical of the Government and the way in which the Government was spending money unlawfully—money that had not been approved by the Parliament. At that time the Government decided it was going to introduce this retrospective validating legislation. The Opposition feels very strongly that the mechanism the Government is employing is not an appropriate one because the money has already been spent.

The central issue that members should bear in mind is that the money has already been spent. In a sense it does not really matter whether this Parliament approves the expenditure; it cannot get the money back. That needs to be addressed by this Government and by subsequent governments. The budget should more accurately reflect the level of expenditure for the year. As late as this evening we have had the spectacle of the Government introducing an amendment for an additional \$18 million for the First Home Owners Grant. The cost of the grant has gone from \$60 million to \$78 million. The question is: Why was that not foreseen? I want to address a number of specific issues in this legislation. The first is the additional expenditure for the Olympic Games. When the Treasurer introduced the budget on 23 May 2000 he said, "With this budget all the Olympic and Paralympic costs are covered, every single last cent." He then came back to the Parliament and asked for an additional \$141 million to cover Olympic expenditure.

This bill includes additional payments to public servants for overtime of \$20 million. The Premier could not provide medals for the volunteers but he approves \$20 million for overtime for public servants. The bill also includes \$2.5 million additional salary costs for police to work at the Games and \$17.8 million on temporary urban Domain works. The bill does not spell out what the temporary urban Domain works cover. But if we cast our minds back to the time of the Olympics we will recall that a lot of additional road signs and other material were erected around Sydney, mainly for public transport purposes. I suppose that is what the \$17.8 million was expended on. The question again is: Why was that not foreseen? When the Government was budgeting for the Olympics did it not understand that it was going to have to put these signs and other measures in place to direct traffic and public transport around Sydney? The question also is: Where will it all end? What will be revealed in this year's budget in the way of more retrospective payments for the Olympics? If the Treasurer says "I want another \$100 million for the Olympics and that will cover every single last cent", who will believe him?

I have some other major concerns about items in the bill. One such concern is the payment of \$2 million for processing digital speed camera infringements. There is also a payment of \$8.526 million for the purchase of almost 50 new fixed digital speed cameras. I am sure honourable members will remember the horrific road toll when 38 people died on New South Wales roads over the Christmas holiday period and the horror that people felt at that time. There seemed to be no end to it. Despite the rising carnage, people still seemed to drive in a dangerous manner as though there were no tomorrow. Unfortunately, for 38 people there was no tomorrow.

On 30 January the Premier stated—and I think I would agree with this assertion—"I do not want any knee-jerk responses to the horrific road toll. I want fresh ideas." What are the fresh ideas? All we get is 50 fixed speed cameras. Yet we know from comments made by experts at the time, road safety experts and Chief Superintendent Ron Sorensen, that in many of those accidents speed was not the major contributing factor. One has to ask what this is if it is not a knee-jerk response. One has to ask if this is a fresh idea. I certainly do not think it is a fresh idea. It does not come within a bull's roar of a fresh idea to fix the problem that we experienced over the Christmas period. Many of those deaths were due to human error, such as people trying to overtake at the wrong time and not wearing seatbelts. A task force set up by the Government at the time is, very appropriately, addressing those issues. The task force was to have reported in March, but I understand that it may not report until May.

The question is: Why has the Government seen fit to allocate \$10.5 million to fund new fixed speed cameras and the processing of traffic infringements in advance of the task force report? It may be that putting some of these fixed speed cameras in certain locations in New South Wales is an appropriate response to the road toll. But the task force might equally determine that there should be another 100 marked police cars on the

road targeting some of the dangerous driving practices that I saw over the holiday period, which I am sure other honourable members also saw. The installation of fixed speed cameras leads one to believe that the Government is not really fair dinkum about doing something about the road toll in this State, but that it is more interested in revenue raising, pure and simple.

Many of my constituents are angry about the installation of fixed speed cameras. They want to see something done about the road toll but they do not necessarily believe that the installation of 50 fixed speed cameras is the way to deal with it. Another issue I noticed came under the advance for my old friend the Minister for Public Works and Services: the sum of \$15 million for the settlement of the government cleaning contract was snuck in on page 23 at the back of the bill. Honourable members know what this is about. It is a real lulu. Only a Labor Government could come up with such a settlement. The Government ended up paying \$17 million, not \$15 million, because there was a previous payment of \$2 million to the Menzies Property Group to resolve an industrial relations dispute. The Menzies Property Group is one of three companies that won the contract to clean government schools and other buildings, including members' electorate offices.

The union said that the productivity improvements sought by the Menzies Property Group were unreasonable. Industrial action ensued. The Government brought in the Independent Pricing and Regulatory Tribunal [IPART] to examine the contracts, which determined that there was certainly scope for some productivity improvements. IPART suggested that the parties should negotiate this issue, which is perhaps what they should have done in the first place. Negotiations commenced, but they broke down and the workers from the Menzies Property Group went on strike again. It did not take too long for the Government to step in. The Minister for Public Works and Services came into the House on 12 April last year and spoke very proudly about the way in which the dispute had been resolved. He said the resolution represented the sort of outcome that can be achieved when a sensible approach is taken to industrial relations; when both parties are prepared to sit down, talk about the problems and come up with an acceptable agreement, and when Government is willing to facilitate that process.

There is absolutely no question that \$17 million would go a long way in greasing the wheels of settlement. It is uncanny, but the Minister made no reference to the \$17 million that was paid to resolve the dispute about productivity improvements. That is the worst outrage of this entire bill. It is one of the worst outrages that I can recall. The Minister for Public Works and Services is the man who has been overseeing the building of the Conservatorium of Music. He thought that \$17 million was a reasonable sum to pay to settle the contract. One really wonders whether the \$187,000 that the Liquor, Hospitality and Miscellaneous Workers Union donated last year to the Labor Party did not have something to do with the Minister's enthusiasm in providing \$17 million to the company to settle the dispute so that the workers would not have to work so hard. One could also look at it another way. One could say that the 33 per cent productivity improvement that the Menzies Property Group insisted on when it won the contract was excessive.

But why did the Minister for Public Works and Services not recognise that at the time and say that there was absolutely no way that it would be acceptable to the union or the workers? Why did he not say that such productivity improvements could not be countenanced? Why did that not happen? Instead we have the ludicrous situation of the Government's negligence precipitating an ongoing industrial dispute and, after one week of schools not being cleaned, the Government capitulating and providing \$17 million—\$2 million had been advanced earlier and another \$15 million is advanced in this bill—to resolve the dispute. I cannot think of any other situation that is comparable in industrial relations history. This has set new standards. Did the \$187,000 donated by the Liquor, Hospitality and Miscellaneous Workers Union to the Australian Labor Party the previous year make it easier for the Minister to provide the \$17 million to resolve the dispute?

These are only issues we know about. There may well be many other examples of similar outrages within the legislation. That is why we on this side of the House believe that it is not sufficient to steamroller this legislation through both Houses of Parliament. These line items should be subjected to the budget estimates process. A substantial amount of taxpayers' money is involved, more than \$800 million. There is extraordinarily little detail in the bill, which was introduced into the House by way of a three-minute speech by the honourable member for Newcastle. That was manifestly inadequate, given the nature of some of the issues I have raised tonight.

Mr J. H. TURNER (Myall Lakes—Deputy Leader of the National Party) [9.38 p.m.]: In my role as shadow Minister for Roads I refer to the item in the bill to which my colleague the honourable member for The Hills referred so eloquently a few moments ago: fixed digital speed cameras at a cost of \$8.526 million. The number of road deaths over the Christmas period was a tragedy. Unfortunately, there is a tragic number of road

deaths every week. About 15 people are lost each week over Christmas and probably 10 or 11 die on our roads every other week of the year. That is the subject of another debate at another time. It is universally accepted that speed cameras will not provide a solution to the road toll. People must have a duty of care and take responsibility for what can happen to them on our roads.

Revenue raising has been condemned by responsible road safety organisations and I think it is inappropriate to apply this amount of money at this time. I do not believe it will reduce the road toll. People who are captured by speed cameras do not receive their fines for three or four weeks and, regrettably, they may have killed or maimed others in the intervening period. This is not the time to debate road safety—although I could do that. I remind honourable members that the Government reduced the amount of money allocated to road safety in the last budget. I would have liked to see this money appropriated to public education on road safety issues rather than used on a revenue-raising device.

Mr CRITTENDEN (Wyang—Parliamentary Secretary) [9.41 p.m.], in reply: Before I deal with the contribution of the honourable member for Hornsby I should make this point while the honourable members representing the electorates of Vacluse and The Hills remain in the Chamber. The honourable member for Vacluse asked why \$18 million is proposed in the amendments before the House. The honourable member for The Hills went even further in respect of these amendments and asked why this expenditure was not foreseen. The answer is quite simple: I am sure that the Treasurer would be the first to concede that his state is not divine and therefore he cannot cling to an equality with God. If the Treasurer could have looked into the future, he could have anticipated this expenditure.

The honourable member for Hornsby made a contribution to this debate on 7 March this year. On 15 February Treasury officers projected the cost of the First Home Owners Scheme to 30 June 2001 in an amount of \$60 million. On 9 March the Prime Minister doubled the First Home Owners Scheme payment from \$7,000 to \$14,000 after this legislation was introduced in the House. I hope that answers the questions posed by the honourable member for Vacluse and the honourable member for The Hills. I can understand the preoccupation of the honourable member for Vacluse following the preselection battle in Wentworth and its possible implications for him. I certainly hope that he will do his homework in future—although he will have to line up his preselection votes. I urge the honourable member for Vacluse, for whom I have a fair bit of respect, to keep his mind on the game.

The honourable member for Hornsby couched his comments on the Appropriation (Budget Variations) Bill in terms that can only mislead the House. Whether that was a deliberate ploy or reflected a misunderstanding on his part is a moot point. The honourable member quoted from the 1998 report of the former Auditor-General who had drawn the House's attention to a number of breaches of the statutory provisions relating to appropriations. These breaches were the result of procedures introduced by the previous Coalition Government following the introduction of accrual accounting. This Government responded by changing the procedures to ensure that there would be no breach of the statutory provisions in future. Under these procedures, the practice of introducing budget variations bills to seek Parliament's approval for additional expenditure has become entrenched in New South Wales. The honourable member for Hornsby misled the House when he stated:

The bill is retrospective validating legislation to cover over unlawful expenditure by the Government without the approval of Parliament. The money has already gone; it has been taken out of the public purse; it is spent. The Government now asks Parliament to approve what it has done unlawfully.

I noted with interest that the honourable member for The Hills also used the phrase "retrospective validating legislation" in his contribution. My comments about the honourable member for Hornsby apply equally to the honourable member for The Hills. It would have been refreshing if the honourable member for Oxley and the honourable member for The Hills had done some research rather than simply reading the contribution of the shadow Minister to the second reading debate. If the honourable member for Hornsby is to continue as the shadow spokesman on Treasury matters, he should take the trouble to familiarise himself with the provisions of the Constitution Act 1902 and the annual Appropriation Act, not to mention the Public Finance and Audit Act 1983 and the bill presently before the House. Had he done so, he would know that no expenditure covered by the bill has been unlawfully incurred.

Amounts from the Treasurer's Advance have been spent lawfully from an appropriation made to the Treasurer under the Appropriation Act 2000. Advice from the Crown Solicitor clearly shows that there is no statutory requirement to seek further approval from Parliament to spend this appropriation. However, it has become customary for the Treasurer to account to Parliament for how the advance has been applied. Payments

made under section 22 of the Public Finance and Audit Act 1983 have been made lawfully in accordance with the provisions of that Act. In accordance with the statutory requirements, the Governor's prior approval was obtained for these payments to be made from the Consolidated Fund in anticipation of appropriation by Parliament. This section was enacted by Parliament to allow payments in excess of appropriations when the exigencies of the Government so require and the payments are necessary in the public interest.

The section also requires the Government to seek Parliament's approval for appropriation when presenting a subsequent appropriation bill. However, the bulk of the appropriations sought under the Appropriation (Budget Variations) Bill relate to payments that have not yet been made from the Consolidated Fund. Furthermore, clause 10 (2) of the bill makes it clear that no part of the sums included in column 3, schedule 1 of the bill as further appropriations can be drawn from the Consolidated Fund until the bill is passed and has received assent. The concerns expressed by the Auditor-General in 1998 have been addressed in full. This is demonstrated by the following comments from the current Auditor-General on page 27, volume 1, of his report to Parliament. The Auditor-General said:

Previous Reports to Parliament have referred to unauthorised expenditure from the Consolidated Fund. During 1999-2000 audit found that all additional expenditure funded from the Consolidated Fund had been approved in accordance with the legislation. Treasury has implemented procedures which should ensure that all requests for additional funding are approved in accordance with the legislation prior to the appropriation approved in the annual Appropriation Act being exceeded.

Parliament approved two additional Appropriation Acts for 1999-2000 during the financial year, the Appropriation (Budget Variations) Act 2000 and the Appropriation (Further Budget Variations) Act 2000. These Acts approved additional appropriations and detailed to Parliament expenditures approved in accordance with Section 22 of the Act and expenditures funded by the Treasurer's Advance and the Olympic Funding Reserve.

The honourable member for Hornsby also had his facts wrong when he stated that the Commonwealth passes back petrol excise to the States. As reported by the Auditor-General in volume 1 of his 2001 report, the arrangement under which the Commonwealth passes back petrol taxes to the States was abolished as part of the goods and services tax arrangements. The honourable member for Hornsby had much to say about the cost of providing essential services to support the Olympic and Paralympic Games. Public servants such as transport workers, police officers and health and medical workers were crucial to the overall success of the Olympic and Paralympic Games. Recognising this, the Government negotiated an allowance for staff that were required or directed to provide Olympic services and whose working conditions were significantly changed. The allowance was negotiated with the Labor Council of New South Wales and relevant unions and negotiations were not completed until after the budget was announced.

It was an important part of the negotiating strategy that the parties were not aware of the budget sum available, for obvious reasons. Consequently, a specific reference in the budget papers in anticipation of the amount required was neither sensible nor feasible. The Treasurer's approval was sought for this payment from the 2000-2001 Treasurer's Advance. While the allowance increased the cost of the Games, the amount was funded from amounts already appropriated by Parliament for the 2000-01 budget. While preparing for the Games, the Olympic Co-ordination Authority [OCA] advised the Treasurer that additional works were required in the common domain area at Homebush Bay. This work was funded from savings identified in the OCA's capital budget so that the overall cost of the Olympic Games did not increase. This funding provided for improved catering facilities and spectator services such as additional toilet facilities and temporary pedestrian bridges to improve spectator movement. The transfer of funding occurred during 1999-2000 and was recorded in the 2000-01 budget papers.

The honourable member for Hornsby stated that the Opposition intends to refer the bill to General Purpose Standing Committee No. 1 when the bill is debated in another place. As members will be aware, that committee recently conducted a most comprehensive review of appropriation procedures and reported its findings in two reports, the final report being presented only three months ago. Referral of the bill to the standing committee will only delay its passage and hold up payments in the areas of community services, education and transport, as well as disrupting arrangements for the payment of grants under the First Home Owners Scheme and for the administration of the goods and services tax. All these payments are dependent on the authorisation of further appropriations from the Consolidated Fund through the passage of the bill now before the House.

In the contribution of the honourable member for Hornsby there was a repetitive reference to the minting of a medallion for the volunteers at the Games. I was going to let it go through to the keeper but as several Opposition members have also latched onto the issue in what passes for their research I should point out, as I have pointed out previously, that the contribution of the honourable member for Hornsby in this debate

occurred on 7 March. In question time on that day the Premier reported that Frank Lowy from Westfield Holdings Ltd was funding several scholarships for teachers to improve their knowledge and resources in the history field. When the proposal for medallions was floated the Premier made it clear that private sector involvement would be required to fund it. Nothing changed. I found it somewhat strange that the honourable member for Hornsby would latch on to that issue on the same day that the Premier answered a question involving the same sort of concept. Unfortunately, his acolytes on the other side have latched on to the same issue. The matter was raised at least three times in the honourable member's contribution. I suppose repetition helps things sink into the minds of Opposition members.

The honourable member for Hornsby referred to achieving for teachers the esteem they desire. I agree with that. He made at least passing reference to superannuation. The average age of school teachers is about 48. I have spoken to quite a few of them over a number of years. The present superannuation scheme gives schoolteachers great security. The scheme was in a more precarious state when the Labor Party came to government. We have reduced the unfunded liability substantially, which has been of benefit to teachers and other State public servants. It gives them security into the future.

The honourable member for Hornsby, towards the end of his contribution, mentioned provision in the bill for resurfacing the track at Eastern Creek. Having been a member of this place since 1991, I well recall some interesting question times when the issue of Eastern Creek was traversed in great detail. The honourable member for Hornsby was originally elected as the member for Ku-ring-gai, following the departure of Nick Greiner. Eastern Creek was the nemesis of Greiner because it demonstrated that he was a straw man. He did not have the financial credibility that he claimed he had. It is unbelievable that a Coalition member in this House would raise the issue of Eastern Creek. No doubt the honourable member for Hornsby will check up on Eastern Creek and the disaster it was for this State. Nick Greiner claimed to have financial credibility but he certainly lacked it in relation to Eastern Creek. I commend the bill to the House.

Motion agreed to.

Bill read a second time.

In Committee

Mr CRITTENDEN (Wyang—Parliamentary Secretary) [9.58 p.m.], by leave: I move the following Government amendments in globo:

No. 1 Page 3, clause 5 (2), line 29. Omit "\$478,138,000". Insert instead "\$496,138,000".

No. 2 Page 17, schedule 1, line 19. Omit "60,000". Insert instead "78,000".

No. 3 Page 18, schedule 1, line 8. Omit "144, 200". Insert instead "162,200".

No. 4 Page 18, schedule 1, line 9. Omit "144,200". Insert instead "162,200".

No. 5 Page 19, schedule 1, line 13. Omit "478,138 ". Insert instead "496,138".

Mr O'DOHERTY (Hornsby) [9.58 p.m.]: It is a shame that the Treasury people have not written the honourable member for Wyong a nasty speech about the amendments as well. On the basis of the quick briefing that the Opposition has had on these amendments, which came into the Chamber only a few minutes ago, we understand that the amendments are to do with changing the figures in the bill to accommodate the Commonwealth Government's new First Home Owners Scheme. That gives me the opportunity to say how important it is for Parliament to facilitate that.

The Howard Government has recognised that there needs to be a short, sharp measure to stimulate the economy in the housing sector as a way of assisting the growth in that sector and in the economy as a whole. The Australian economy is taking pressure from many sides at the moment, not the least of which is the international downturn particularly reflected in United States of America. Yet the Australian economy is better placed to weather that international storm than almost any other economy that one can think of, in the same way that we weathered the Asian crisis just a short time ago. It is because of the economic management of the Howard Government that we are so well placed. If it were not for the Howard Government we would be in all sorts of strife.

The CHAIRMAN: Order! I ask the honourable member for Hornsby to identify which of the amendments he is speaking to.

Mr O'DOHERTY: I am speaking to the amendments moved in globo. All of the amendments deal with the First Home Owners Scheme. That is on advice from Treasury. We would be facing high interest rates, high unemployment and businesses going to the wall if it were not for the Howard Government. Let us not forget that those were the legacies of the Keating Government. Let us not forget that Kim Beazley played his part in the Keating Government's so-called financial management of this country. Those same pressures are bearing down on the New South Wales economy. The New South Wales Government should be thankful that we have the Howard Government in place to help us to weather those international pressures.

It is time that the New South Wales Government accepted its responsibility to provide short-term stimulus for the State's economy, in the way that the Howard Government has done with the First Home Owners Scheme. For the past few years, during good economic times, the Carr Government has been taking plenty of revenue from a buoyant New South Wales economy. It has collected \$1 billion more in stamp duty revenue over two years than it had budgeted for. That has come out of the pockets of home owners. It has come out of the pockets of people making business transactions and insuring their homes. The hardworking people of New South Wales have contributed \$1 billion more to the Carr Government than it had hoped or budgeted for.

The Government has not given any of that back. The level of taxation that the Carr Government has come to rely on has reached the stage where it will act as a real dampener on any hope that we have of New South Wales going well during this downturn in the economy. The Carr Government must acknowledge that fact and relieve pressures on taxpayers in the forthcoming May budget. When the Howard Government made its announcement about this further measure for home buyers, the Carr Government was preening itself. To read the press release one would have thought that it was the Carr Government's additional home sweetener. It was not the Carr Government's idea.

There is a State scheme, which was a budget measure in the last State budget, but it was in response to the Federal Government's initial First Home Owners Scheme. The Howard Government has allocated an additional amount to the home owners of Australia and the Carr Government wants to claim credit for that. Honourable members might find the press release instructive. Michael Egan likes to line himself up with the economic credentials of the Howard Government. Michael Egan is not Peter Costello and Bob Carr is not John Howard.

Mr Crittenden: At least he has the courage of his convictions.

Mr O'DOHERTY: Talking about the courage of one's convictions, the Parliamentary Secretary should stand up in front of his constituents in Wyong and tell them why the Carr Government continues to get the benefit of 8.35¢ per litre in petrol tax but does not return any of it to the people of Wyong. The Government has the power to return 7.2¢ but is not giving any of it back, none whatsoever. The people of Wyong know the truth and they know that what the honourable member for Wyong said tonight is not the truth. The Commonwealth takes in that excise and it comes back to the State as a revenue replacement payment, as the honourable member well knows.

The CHAIRMAN: Order! If the honourable member for Hornsby is discussing petrol excise he is outside the leave of the amendments.

Mr O'DOHERTY: I was responding to an interjection.

The CHAIRMAN: Order! Different rules apply during the Committee stage.

Mr O'DOHERTY: The honourable member for Wyong interjected but it seems I am not entitled to respond. The measure introduced by the Howard Government is a good measure; it is an additional stimulus applied at the right time. The Carr Government should also provide stimulus in the form of taxation breaks to businesses and corporations in New South Wales. The Opposition is looking to the Government to do that in the budget. The Government is not well placed to do so; it is relying on so much revenue coming out of the economy. The Government will be tied up in a budget that has a great deal of fat that can be trimmed.

The honourable member for The Hills referred recently to the \$75 million that has been thrown away by the Carr Government on the Conservatorium of Music. The over-run of \$75 million on that project could have been much better spent in the pockets of those in our communities. That revenue could be in our economy, generating growth and jobs, rather than generating an icon to the Premier's waste. The Opposition will have more to say about that later. The Opposition is certainly in no mind to oppose the amendments. The

amendments make possible the extension of the Federal Government's First Home Owners Scheme. The State Government will pay out the money—that is why it is in the Appropriation (Budget Variations) Bill—and the Commonwealth will refund it to the State. It is a sensible measure.

I thank John Howard for his management of the economy. If Kim Beazley should ever get his hands on the tiller it would be a disaster for New South Wales. In his reply the honourable member for Wyong might answer this question: What impact would rollback have on the New South Wales budget? Rollback would mean reduced revenue from the goods and services tax for the State of New South Wales. Without that revenue the Carr Government will have to increase State taxes even further, therefore dampening yet again the New South Wales economy.

Mr RICHARDSON (The Hills) [10.05 p.m.]: In response to some comments made by the honourable member for Wyong, I am happy to concede that the doubling of the first home owners grant by the Federal Government would have had an impact on the economy of New South Wales. Like the honourable member for Hornsby I thank the Federal Government for having created the stimulus to the housing market. If one were to look at the national accounts, one would be aware that in the December quarter there was a downturn in New South Wales of the order of 3.6 per cent. When Australia went into reverse—a small reverse of about 0.6 per cent for the December quarter—it was entirely due to the economic circumstances in New South Wales. It was not merely a downturn in the housing market that created those circumstances; it was a downturn in the construction industry. That downturn in the construction industry should have been anticipated by the Government—not last Sunday at Penrith, but in the last budget. Appropriate measures should have been taken to stimulate the construction industry in accordance with promises made by the Government in the lead-up to the last election and subsequent to it.

There was always going to be a clear hiatus after the conclusion of the Olympics and the construction phase associated with them. The Premier made a lot of noises about taking up the slack, but the national accounts figures reveal that there was an enormous downturn in the construction industry in New South Wales. That was the primary reason why Australia went into reverse over the December quarter. The Federal Government has taken appropriate steps to try to address the other issue: the downturn in the housing industry. I hope that the Government will, for a change, abide by its promise of \$1.5 billion in expenditure, which was made by the Premier last Sunday, and that that money will provide an appropriate stimulus to the New South Wales construction industry. New South Wales certainly needs it.

Mr CRITTENDEN (Wyong—Parliamentary Secretary) [10.08 p.m.]: I am pleased that the honourable member for The Hills has contributed to the debate on these amendments. When he was talking about the \$18 million increase he asked why the need for the expenditure had not been foreseen earlier. He has done a great deal of homework since then. I think it was Mark Twain who said that he did not let schooling stand in the way of his education. The Government certainly will not let this Chamber stand in the way of educating the honourable member for The Hills.

The New South Wales Government welcomes the Prime Minister's comments. We hope that the increase from \$7,000 to \$14,000 will not only assist first home buyers but also the building industry, which I believe was also the Prime Minister's intention. The Commonwealth has estimated the cost of the increase in the level of grants at \$18 million. An additional appropriation to cover that cost is therefore necessary. The Commonwealth will fully compensate New South Wales for the cost of the additional grant, as mentioned by the honourable member for Hornsby, and there will be no net impact on the 2001-02 budget.

For those purchasing or building new homes the new measure means that they could qualify for as much as \$20,000 in State Government and Commonwealth Government concessions. The combination of the joint Commonwealth-State first home owners scheme, the Commonwealth's new home grant and the New South Wales Government's first home plus scheme is delivering benefits to first home buyers. However, it is important to realise that the appropriations for the first home owner grants scheme sought under the bill must be approved in order to pay the grants to eligible first home buyers. At the current rate of expenditure the existing appropriation will be exhausted by the middle of April. Therefore it is important that this bill is passed by both Houses of Parliament as expeditiously as possible. I commend the bill, with the proposed amendments, to the Committee.

Amendments agreed to.

Clauses 1 to 4 agreed to.

Clause 5 as amended agreed to.

Clauses 6 to 10 agreed to.

Schedule 1 as amended agreed to.

Schedule 2 agreed to.

Bill reported from Committee with amendments and passed through remaining stages.

BUSINESS LICENCES REPEAL AND MISCELLANEOUS AMENDMENTS BILL

Second Reading

Debate resumed from 6 March.

Mr J. H. TURNER (Myall Lakes—Deputy Leader of the National Party) [10.12 p.m.]: The Opposition does not oppose the bill, but draws attention to some strange wording in new sections 21 (4) and (5).

Mr WATKINS (Ryde—Minister for Fair Trading, Minister for Corrective Services and Minister for Sport and Recreation) [10.13 p.m.], in reply: I thank the Opposition for that intervention and remind the House that the purpose of the bill is to repeal the Business Licenses Act 1990 and to make consequential amendments to four other Acts that I outlined in my second reading speech. The High Court decision in 1997—

Mr J. H. Turner: Point of order: The purpose of the Minister speaking in reply is to address any matters that I may have raised in my contribution to the second reading debate, not to reiterate the second reading speech. From what I said, he could not possibly raise any further points.

Mr DEPUTY-SPEAKER: Order! The Minister should have the opportunity to address the points that you raised in your short contribution.

Mr WATKINS: This is great legislation and deserves the support of both sides of the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

TRADE MEASUREMENT AMENDMENT BILL

Second Reading

Debate resumed from 6 March.

Mr J. H. TURNER (Myall Lakes—Deputy Leader of the National Party) [10.14 p.m.]: The Opposition does not oppose the bill. Although it has the agreement of peak groups there is a real cost to small business in the implementation of it. I hope that the Minister will take that into consideration when he reviews the bill at some future time.

Ms BEAMER (Mulgoa) [10.15 p.m.]: The bill has the support of the Opposition. I believe that real protection for consumers in the area of weight for measures is of real interest to the people of New South Wales. The Minister for Fair Trading gave an impassioned speech in favour of the legislation. He cited several examples of people who have been overcharged because of packaging. For example, 10¢ or 16¢ had been added to the purchase price of packed silverside. That has meant that people have been ripped off. This bill is about the consumers of New South Wales being protected by the Government.

The legislation seeks to allow consumers to operate on the basis of net weights, which is what consumers believed they had been doing. It is important that petrol pumps, alcohol dispensers, weighbridges, industrial scales and even rubbish dumping are properly and fairly weighted and measured. The bill clarifies current law to make it easier to prosecute traders who do the wrong thing. There will be some impost, but I note that the legislation contains ways in which partnerships need have only one licence. That will reduce fees. In

that way the Government is looking at cutting red tape for small business. I believe that people want a fair amount of goods for a fair price. No-one would argue against that. I welcome the Opposition's support for the legislation.

Mr BARTLETT (Port Stephens) [10.17 p.m.]: The object of the bill is to amend the Trade Measurement Amendment Act 1989 to adopt the amendments concerned. Excuse the pun, but this may not be a weighty matter. I became interested in this bill for three specific reasons. In July last year there was a shot across the bows of various supermarkets in the Hunter by the Minister, warning some supermarkets to have the weight of packaging included in the charge by delicatessens. Woolworths was approached in Singleton, Coles was approached in Belmont, and Bi-Lo was approached in Muswellbrook, amongst others in the Hunter. Fines of \$40,000 were imposed for a number of weighing offences.

I have followed this bill with interest as it has passed through the Parliament. I was initially interested in the provisions of this bill that relate to packaging. I have had some involvement with packaging in Japan, and I have always been amazed that in Japanese culture the packaging is as important as the item inside. It is not unusual in Japanese society for an item to be wrapped from eight to 12 times. The item is placed in a small packet, wrapped in cellophane, placed in another packet and wrapped in cellophane again. The item is then placed in a box, then placed in a larger box with a lid and wrapped again. Then it is wrapped again, covered with gift wrapping paper for the presentation and then tied with a ribbon or bow. I do not know whether the customer is charged for the packaging material. The intention of this amending legislation is to remove packaging costs. When consumers buy a product in New South Wales they do not pay for the weight of the packaging.

I am also interested in this bill because of the sandmining and sand extraction activities in my electorate of Port Stephens. For example, 800,000 tonnes a year comes out of Port Stephens in rutile, zircon, fill sand and silica sand. Sand extraction is merely the loading of sand onto trucks using front-end loaders and sandmining involves a dredging process for rutile, zircon and the like. Also, enormous quantities of coal are being trucked and moved around the Hunter. According to the latest figures I have seen, it is the largest coal exporting port in the world, with approximately 80 million tonnes a year going through the port.

This amending bill enables the use of class 4 measuring instruments, which are used for determining freight or haulage charges. A class 4 measuring instrument is the least accurate type of measuring instrument approved for use under the uniform trade measurement legislation. Its specified purposes are: as airport baggage scales; for the determination of freight or haulage charges; for weighing garbage; for weighing earth, sand, gravel or other similar material; as a crane weigher; and for weighing timber in log form. Having listed the specified purposes for which a class 4 measuring instrument can be used, the bill provides a person using this most least accurate form of weighing time to solve any problems with the instrument. As to the comments of the honourable member for Myall Lakes, it is helping business conform in a difficult area, such as weighing timber in log form. This legislation will assist in those difficult tasks.

Part [6] of schedule 1 enables an inspector to give the owner or user of a measuring instrument a notice allowing up to 28 days to correct an instrument that does not conform with requirements regarding marks on weighbridges, as long as it does not impact on the price to the consumer. That is the main change. Owners or users have 28 days as long as it will not impact on the final price to the consumer. The provision of 28 days will assist people who have to calibrate these large measuring instruments. A further provision of the bill gives an inspector the power, in investigating an offence against the principal Act, to weigh a vehicle and its load. I became interested in the Trade Measurement Amendment Bill because of events that had been occurring in the Hunter. Delicatessens had been caught for overcharging and there were problems with weighing and measuring heavy equipment and awkward material. Overall the Minister has provided an excellent bill that addresses issues in the Port Stephens and Hunter electorates. I commend the bill to the House.

Mr WATKINS (Ryde—Minister for Fair Trading, Minister for Corrective Services and Minister for Sport and Recreation) [10.25 p.m.], in reply: I thank previous speakers for their contributions. To again address why these amendments are necessary, a number of difficulties with the administration of the trade measurement legislation were identified by the Trade Measurement Advisory Committee. It had been given the task of reviewing the trade measurement model legislation that applies throughout all States and Territories, except Western Australia. This first batch of amendments has come through that process. Further amendments will be introduced later this year. While in some cases the amendments could be seen as minor, they bring about beneficial results. For example, they will improve consumer protection by increasing the chances of a successful prosecution against the practice of selling by gross measurement where the weight of the packaging is inappropriately included when calculating the price of the article for the consumer. Unfortunately, in recent

times that problem has arisen in many supermarkets. I have been very clear in my discussions with the Australian Retailers Association that I will not tolerate such practices. The association has indicated that it will fix the problem in some of the grocery chains that operate around New South Wales.

Another benefit is increasing administrative flexibility—for example, the introduction of the 28-day permit system to allow minor breaches of the legislation with regard to measuring instruments to be rectified without the owner of the business facing the risk of prosecution during this period and also enabling the legal supply of the product—for example, petrol—to be maintained for consumers in remote communities. The only speaker for the Opposition used the usual mantra that the Opposition comes out with: that this will cost more for small business. It is worth looking at that question. Will the amendments result in increased additional costs for government, businesses or consumers? I am advised that there will be no increased or additional cost for government, businesses or consumers resulting from these amendments. Some of the amendments should reduce the costs faced by businesses and consumers or help to ensure they obtain value for money. I am sure that all members of this House would want that.

A number of the amendments will help to ensure that consumers are not undersupplied or overcharged and consequently receive what they paid for, not less—for example, classification of the definition of net measurement and its application of the pricing of prepacked articles, such as prepackaged meat and delicatessen items that are bought in the supermarket. Several amendments also improve the chances of successful prosecutions being carried out in New South Wales. In particular, I want to look at how these amendments will benefit business, as this was the only comment by the Opposition. A number of the amendments will directly benefit business. It is worth acknowledging that many businesses are also consumers that value the consumer protection offered by the trade measurement legislation. Businesses with a measuring instrument, for example scales, that as a result of inspection have a minor problem detected will no longer face not being able to use that instrument or risk being prosecuted. The proposed new permit system will enable an inspector to issue a notice to the owner of the measuring instrument which allows 28 days to have the minor problem corrected or rectified. A notice would only be issued provided the problem does not affect the accuracy of the instrument's measurement to the detriment of consumers.

As the previous speaker mentioned, the newly provided class 4 measuring instruments can reduce the cost to businesses as they are less expensive than other classes of measuring instruments. Businesses can use them to measure transactions to ensure that the trader does not supply too much product, for example sand or gravel, or to check that the consumer receives the amount that has been charged for. It is fairer for all concerned that any requirements that businesses are to abide by to meet some suitable objective, such as consumer protection or accountability, be clearly stated. That is what the amendment does. Several of the amendments clarify some of the amendments for pre-packing, servicing, licensee or batch testing businesses. This bill has the support of the Australian Retailers Association. The representatives of supermarket chains to whom I have spoken are very aware of their responsibilities regarding accurate measurements. They are very supportive of the measure. The bill should be accepted and welcomed by all members of this House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

SPECIAL ADJOURNMENT

Motion by Mr Whelan agreed to:

That the House at its rising this day do adjourn until Wednesday 28 March 2001 at 10.00 a.m.

House adjourned at 10.30 p.m.
