

LEGISLATIVE ASSEMBLY

Thursday 7 June 2001

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

Mr Speaker offered the Prayer.

HOME BUILDING LEGISLATION AMENDMENT BILL

Second Reading

Debate resumed from 31 May.

Mr J. H. TURNER (Myall Lakes—Deputy Leader of the National Party) [10.00 a.m.]: I represent the shadow Minister for Fair Trading, who is in the other House. My comments on this bill will be somewhat truncated—he will make a more definitive contribution on the bill in the upper House—but I will put on record a few matters on the bill. I had carriage of the Home Building Act on behalf of the Opposition when it came before the House. Although I do not have my speech with me, it is clearly in my mind, and it has been referred to in representations to me by organisations such as the Master Builders Association. Although the Opposition supported in principle the Home Building Act, we had severe reservations about a number of matters. At the time I stated that the legislation would have to be revisited. Those comments were prophetic. At the time a number of evident deficiencies were not picked up by the then Minister for Fair Trading, mainly because of the lack of consultation and the inherent rush to have the bill passed.

This brings us to the HIH Insurance debacle. It was the Home Building Act that saw HIH come on board in the home building sector. In 1995 when the legislation was debated I enunciated reservations about private insurance sector involvement. We believed that it would create more problems than it would fix. On 30 April 1996, one day before the legislation was to come into effect, the Minister was still scratching around for sufficient private sector insurers to make up the numbers so that builders would have an option of whom to ensure with. Five days before, I had written to the Minister suggesting that she defer implementation of the Home Building Act because there was confusion in the market in relation to insurance, legal contracts and many other things. She ignored my plea, which reflected representations from the home builders and the public at large.

On 1 May 1996 I put out a press release to say that I had severe concerns about the entry of HIH. That also was prophetic. The building market has collapsed and there are many cases of hardship, with people in economic ruin and despair. I have to say that that could have been avoided had the Minister heeded the advice of the Opposition at the time, and hastened slowly and properly implemented the Home Building Act. The other problem associated with the HIH debacle is that the Home Building Act provides that the Minister—both the previous Minister and the current Minister—shall approve and accredit insurers under the Home Building Act and has the power to revoke that accreditation. What were the Ministers and the department doing from 1996 to date in relation to the accreditation or revocation of the approval of insurance companies? Surely there were some prudential requirements on the Minister and the department to ensure that the HIH debacle did not occur.

I am sorry to say that a great deal of responsibility for what has happened in the home building industry rests squarely on the shoulders of the former Minister for Fair Trading, the Hon. Faye Lo Po', and the current Minister, the Hon. John Watkins. Their lack of proper prudential oversight of companies such as HIH has led to this sorry mess. It is hollow for the Government to crow that it is doing something in relation to the home building industry following the collapse of HIH, because it was the Government's negligence that created the current problem. The public should remember that the Minister has the power to approve and accredit—and the Minister has the power to revoke that accreditation. It is a very sad industry at the moment.

The bill contains some reasonable provisions. By and large, we will not oppose it but we are concerned about a number of matters in addition to those I have just raised. Previous amendments to the Home Building Act may have changed section 92, but it provided that if a builder did not have insurance at the time that he undertook building work the contract for the work was void ab initio and, no matter what work was done, the owner of the land would not subsequently have to pay the builder. A constituent of mine signed a contract one

day and received the insurance the next day, before any work had been done. After the building had been completed and disputes arose, some money was paid—not much. Under section 92 the owners were able to avoid the payment of any further money. Even a quantum meruit consideration could not be given.

Unfortunately, there is no retrospectivity in relation to that provision and the builder is out of pocket and facing bankruptcy. That is a typical example of what happened with the original bill. It was not thought through and looked at properly and a number of people were caught out. A number of concerns have been expressed by various organisations. The Master Builders Association has raised with the Hon. Michael Gallacher a number of matters, including renewal of contractor licences and the provision in relation to consumer information under new section 7AA. The association wrote:

This can be regarded as a potentially good thing or a wasted opportunity. In light of the Bill's present proposals for dispute resolution and a "cooling off period" the *information brochure* could well be a wasted opportunity. Amongst its functions will be to:

- (i) explain the Act; and
- (ii) explain the procedures for the resolution of disputes both those under the contract and relating to insurance.

To explain the Act will be a very complicated and difficult job—it certainly should involve a lot more people than just Departmental Officers.

The association goes on to state:

More importantly though the "brochure" will be compulsory and therefore a fantastic starting point for delegatising the dispute resolution process and promoting a style which attacks the issue by fixing up the problems with the building work or the payment of money which are the two central prominent elements affecting consumers and builders.

It refers to a cooling off period and has some concern for its members in this respect. It states:

What comfort will be in a cooling off period for builders who have spent many weeks, if not months, negotiating and talking to a client?

The association refers to bid shopping, added costs, the contract procedures and the resolution of building disputes. The observations are considered in detail. I am sure the Leader of the Opposition in another place will go into more detail about those matters. One of the matters we are concerned about is that the bill will expand the level of information provided about the history of builders on the registration system, which can be inspected by consumers prior to entering a building contract. The registered details of builders provided is certainly more than one can obtain now, but we are aware of two shonky builders who recently had their licences suspended by the Director-General of the Department of Fair Trading but who would have had clean bills of health on the register. The industry may resist this, but we take the view that someone about to invest \$100,000 or \$200,000 on a building project deserves to know whether the builder has been ordered to rectify structurally defective work, not just whether he has refused to comply with an order from the tribunal. As I said, a number of other matters concern us but the shadow Minister in another place will fully enunciate those.

Mr GREENE (Georges River) [10.11 a.m.]: I support this legislation. I will start with discussion about two of my constituents, Mr Brian and Mrs Janice Griffin, who decided to do some extensions to what was going to be their retirement residence at Caves Beach. Unfortunately the builder—and I use that term under advice—in this construction, which included a second-storey addition and various renovations, was so incompetent that he could not manage to tie the second storey to the bottom storey of the premises. So, in high winds, as has been suggested by an engineering report, there is a strong possibility that the second storey may be blown off the residence. Also, the roof was so badly put on, the tiles would come off before the second storey. These poor people, the Griffins, have been through a long and arduous process that so far has cost more than \$30,000, with various reports and barristers trying to get this work rectified.

Fortunately, the Minister for Fair Trading and the staff at the Fair Trading office have been extremely co-operative and of great assistance to the Griffins, and I congratulate them on that. Without going into the enormous detail and the litany of complaints these poor people have, I shall say it is extensive. This legislation looks to help consumers such as the Griffins. Innocent people who employ apparently competent builders to undertake important work—in this case work valued at in excess of \$120,000—should not have to face rectification work costing up to \$180,000. Mr Griffin had retired and was going to spend his retirement at a lovely residence at Caves Beach, but his dream, although not yet destroyed, has certainly turned out to be a huge nightmare.

This bill aims to protect consumers such as the Griffins. It does so in a number of ways: first, with the contractor licensing scheme and associated disciplinary process, the home warranty insurance scheme, the

resolution of disputes process and the provision of consumer advice. The need for home building reform has arisen from a review of legislation as well as concerns raised by people such as the Griffins, homeowners, consumer advocates, industry associations, insurers, builders, members of Parliament, various representations on behalf of people such as the Griffins and other interested parties. The reforms set out in this legislation are intended to significantly improve the level of protection for consumers. The reforms tighten the licensing system, speed up the disciplinary process, increase penalties for non-compliance with the Act, make the insurance scheme fairer and more accountable, establish an early intervention dispute resolution system and raise consumer awareness of remedies available when things go wrong. In addition, members of the building industry will benefit from these reforms, especially those relating to dispute resolution and continuing education.

The review of licensing in the New South Wales home building industry recommended that a number of changes be made to the licensing system. Based on consultation with builders, consumers and industry associations, the Government believes the current licensing system should be enhanced to provide a greater level of protection for consumers and a simpler system for builders. A further review will be conducted three years after the commencement of these reforms. Without wishing to go through each and every one of these reforms, they include additional matters on the register of licences maintained by the Department of Fair Trading that can be accessed by consumers. This will include orders of the Fair Trading Tribunal that have not been complied with and other such matters that are to be finalised after consultation. The reforms also give responsibility for conducting disciplinary inquiries to the Director-General of the Department of Fair Trading rather than the Fair Trading Tribunal. This will significantly speed up the process and ensure builders who should not have a licence are removed as efficiently as possible.

The reforms will include the licensing of building consultants. The building consultancy industry has grown in recent years. A continuing professional education program will be developed with the assistance of the Home Building Advisory Council, and will specify additional requirements for owner-builder permits. Around 20,000 permits are issued each year, and complaints have been received from purchasers of owner-builder dwellings that contain defective work not covered by insurance. The reforms will rationalise the number of categories of building licences. Currently there are around 420 types of building licences in New South Wales.

The bill will enable the Director-General of the Department of Fair Trading to cancel a contractor's licence if, for example, the holder becomes bankrupt, or is convicted more than twice in 12 months of a breach of the insurance provisions, or fails to maintain home warranty insurance cover. The reforms will enable the director-general to suspend a contractor's licence held by a company that is placed into administration and will crossreference the electronic licensing records to disclose builders and contractors who are licensed as individuals as well as through a company. This will help to ensure that inappropriate persons do not circumvent the licensing system via incorporation. They will also develop a licensing renewal policy linked to the number of complaints and other criteria, and will introduce photo licences.

Under the home warranty insurance scheme introduced on 1 May 1997, the Home Building Act, subject to certain limited exceptions, provides that persons contracted to do residential building work costing more than \$5,000 must arrange insurance cover for that work. Since 1 November 1999 all applicants for a new licence or existing licence holders seeking to renew their licence as builders, and certain other categories, have been required to provide proof that they have, or are eligible to obtain, insurance cover for future work. Consumer complaints about the system mainly relate to the claims-handling processes of insurers.

From the industry perspective, the main complaint is that insurers have unreasonably raised both the financial requirements and premiums. After nearly three years of operation it is clear that reform is needed. The proposals for this reform include, amongst many, a requirement that when a contractor is licensed both as an individual and through a company and there is a difference between the building contract and the insurance certificate, the consumer is still covered by the policy. This overcomes a legal shortcoming identified in several tribunal and court cases over the past 12 months.

The reforms also include: ensuring that where a certificate of insurance is provided by the builder, the consumer is still covered, even if the insurance policy commenced after the date of the contract; requiring a contractor to provide insurance cover for building work when the labour and material costs exceed \$5,000, whether part of the work or material is provided by the other party to the contract—that means that the \$5,000 threshold for insurance will be changed to reflect the value of the project, not just the cost of the contractor's work; increasing the period of appeal against an insurer's decision from 30 to 45 days, and allowing the Fair Trading Tribunal, with leave, to extend the period of appeal.

Further reforms include: clarifying when a consumer has reasonable grounds to refuse access to the contractor who did the work without prejudicing the consumer's insurance claim; and confirming that certificates of insurance issued by contractors on or before the HHH liquidation on 15 March 2001 are valid and that consumers who had HHH insurance in place before 15 March are covered by the Government's \$600 million HHH rescue package. As a result of representations by consumers, and the department's ongoing monitoring of the insurance scheme and consultation with building and insurance groups and the Home Building Advisory Council, clearly there is a need to, first, better define when an insurance claim can be made and, second, establish a new dispute resolution process in the industry.

Amongst interest groups there is general consensus that an alternative dispute resolution process is required to deal with residential building disputes which is simple to follow, cheap to use, provides a quick resolution and is attached to the Fair Trading Tribunal. In addition, all interest groups recognise that an integral feature of any process is early intervention. Unless the parties are brought together at the initial stage of the dispute, the dispute can rapidly escalate and the chance of informally resolving the dispute decreases substantially.

Following consultation with representatives of the home building and insurance industries and the Home Building Advisory Council an alternative dispute resolution model has been developed which focuses on mediation. The bill gives significant clout to consumers and at the same time provides protection for builders and contractors. I compliment the Minister, his staff and the staff of the Department of Fair Trading. I attended a briefing at which Mr Peter Smith attended with whom I had had dealings with and found him to be exceptionally good at his job. No doubt an enormous amount of work has gone into this bill by the people I have mentioned and many others, to ensure that people from my electorate, such as the Griffins, are protected.

Undertaking building work on one's home is a large investment; it is not only a financial investment, but also an investment of heart and soul. We, as a Government, have a responsibility to protect people, because a great emotional cost goes into building programs, especially when problems arise. The Government should do all it can to protect those who are most vulnerable, the weakest in society and most susceptible to being done over by shonks. I congratulate Minister Watkins, who is in the House today, on this most appropriate bill, and thank him for his work. I commend the bill to the House.

Mr McBRIDE (The Entrance) [10.24 a.m.]: I support the Home Building Legislation Amendment Bill. Along with the honourable member for Georges River and other members, constituents have approached me for help in making a claim to resolve problems associated in building their homes. I have had real concerns about this issue for a long time. In my time as a member of this Parliament numerous complaints have come through my office regarding builders who, for one reason or another, had not complied with the original contract. More importantly, the resolution of disputes has often been ongoing, interminable, and leading to the destruction of the claimants.

In one case, the client, that is the person who engaged the builder, was definitely in the right. The claim was valid. However, the builder was clever with his documentation concerning the dispute. As one would expect, the builder was familiar with the building industry and all its associated nooks and crannies. Whenever there was a problem, the builder systematically went through a careful documentation process, recording in his diary discussions with other people, bringing in consultants—and I use that term advisedly—to confirm his position. When the client, the home owner, negotiated with the builder on the rights and wrongs of the contract it was clear that the client was completely outflanked.

The owner took the attitude that although she was right, and I believe she was right, she could not win the case. One of the problems with the home building industry is that inexperienced people take out a contract involving a large amount of money and sometimes deal with people who, unfortunately, do not behave in a professional manner. The concept behind this legislation is to overcome problems with contracting and to make sure that licensed contractors do the right thing. I have worked in the building industry and found it to be tough and cost competitive. Compared with America, England and many European countries, New South Wales has the most efficient building industry, and its residential construction is at the lowest cost. However, when individuals contract with certain builders problems often arise. I welcome the legislation because it will tighten up the industry, make contractors more responsible, define the responsibilities of contractors and, most importantly, speed up the dispute resolution process, which I consider to be an outstanding issue.

A reform regarding licensing is the inclusion of additional matters on the register of licences maintained by the DFT, which can be accessed by consumers. That is important, because if one is to buy a car

and wants to find out whether the car is incumbent, one can telephone the register of encumbered vehicles to find out whether there are any liabilities on that vehicle. But when one builds a house, there is no way to check up on the contractor's performance during the period of his licence. That is an important reform, because clients have to make a decision without having sufficient information.

Earlier when constituents have come to my office and we investigated their cases, we found that contractors had very poor form. On a number of occasions contractors have been caught for disciplinary matters and have failed to meet their contractual obligations; notwithstanding that, the contractor still maintains a licence, but a person engaging in a contract with such a licensed contractor cannot find out the contractor's previous history. That is an important reform associated with this legislation. The bill provides that the Director-General of Fair Trading, rather than the Fair Trading Tribunal, will have responsibility for conducting disciplinary inquiries. My office has received numerous complaints that the process has been too slow. When people decide to have a house built they are on the edge in terms of their finances.

If a dispute arises the process slows down, people find their position is weakened, and they must enter negotiations to get an outcome; otherwise they do not have a home to sleep in. As a result of the collapse of HHH, people are living in garages, et cetera, because their homes cannot be completed. The length of time it takes to resolve a dispute is an ongoing problem. The bill provides for building consultants to be licensed. I have met building consultants on a number of occasions, and it has been interesting to find out what qualifications they have to undertake building consultancy work. Many people who are employed as building consultants have never been involved in constructing a building. In many cases they have not been at the interface with the builders and the contractors, the people working on the site, yet they claim they are building consultants.

I know of one building consultant whose only experience was working in a council office basically rubber-stamping building approvals. He knew a bit about what council required but he was not within cooee in his knowledge of building details—whether a building had been properly constructed, whether the bricks had been laid properly, whether the timber frames had been installed correctly and whether the concrete had been poured correctly and met all the relevant standards. Despite that, a real estate agent hired him to consult on building works. It is clear that the current licensing system provides insufficient regulation of building consultants. Generally speaking, when people take out a loan to purchase a house they are required to have the property evaluated by a building consultant. Obviously there are some glaring gaps in that aspect of the building industry.

The bill provides for the development of continuing education programs, which are undertaken in all other areas of construction. Education is important because new products and new techniques are continually coming onto the market, and builders need to be aware of the changes taking place. For example, until about five years ago residential plumbing was all copper pipes and soldered fittings; today it is all plastic pipes with pressure fittings. So there has been a total change in how work is carried out and in the equipment used to carry out that work. Education is an ongoing process. It is important that builders and contractors are aware of new products and equipment as they come onto the market.

The bill specifies additional requirements for owner-builder permits. At present, builder-owners are regulated only by a local government authority, which is not comprehensive. At present, builder-owners cannot sell a house within two years of construction. When the house is put on the market, if the construction is unsatisfactory there is insufficient insurance protection for the purchaser in terms of redress for faulty workmanship. The bill provides for the Director-General of Fair Trading to cancel a contractor's licence if the holder becomes bankrupt, is convicted more than twice in 12 months for a breach of insurance provisions, or fails to maintain home warranty insurance cover. That has been a big issue in my electorate. Builders continue to operate for long periods although they have a bad record, and no action appears to be taken against them.

The bill further provides that when a contractor's licence has been suspended or cancelled the director-general may make an order for completion of the work on hand by other builders and the insurer. As I said, the finances of people buying a house are usually limited; when work on the house comes to a halt the builder has the upper hand in any negotiations with the purchaser. That has happened on a number of occasions, and such cases have been brought to my attention as the local member.

Another reform in the bill is the development of criteria for renewal of a contractor's licence. That relates to the licensing procedure and monitoring the performance of those who hold a licence. It is proposed to introduce a photo licence, which seems to be in vogue. I do not think that will make much difference. The bill has several provisions relating to insurance reform. For example, it provides that even if the contractor is licensed both as an individual and through a company, consumers will have insurance cover if a dispute arises between the contractor and the insurer.

The bill requires that contractors provide insurance cover for building work when the labour and material costs exceed \$5,000, whether or not part of the work and materials are provided by the other party to the contract. That means the insurance threshold of \$5,000 will be amended to reflect the value of the project, rather than simply the cost of the contractor's work. In the past, some contractors broke down the contract price into allotments or \$5,000 or less. That meant that they did not have to carry comprehensive insurance for a particular project; \$5,000 was the limit. Interestingly, it does not matter how a contract is worded, because people will always find a way around it if it means they will save money along the line.

The bill further provides for the Fair Trading Tribunal to extend from 30 days to 45 days the period in which to appeal against an insurer's decision. The bill contains a number of other reforms relating to dispute resolution and other issues in the building industry. The Government intends to revisit the legislation in three years, and that is important. Appropriate legislation is introduced, but as times change, it needs to be reformed to resolve unintended consequences in terms of the way people find their way around it.

This bill is important for ordinary people in society because it improves the procedures for resolving construction disputes. Hopefully, it will reduce the trauma and angst suffered by people when something goes wrong. It provides for resolution, compensation and a reduction in lengthy processes. The dispute resolution process is lengthy at present, and in some cases purchasers lose all the money they have invested in their home and they become insolvent. Honourable members realise that purchasing a house is probably the largest purchase that people make in their life. It is fundamental to our whole existence, particularly in Australia, which has one of the highest rates of home ownership in the world. I commend the Minister for Fair Trading for introducing this bill and taking up these issues on behalf of ordinary people in society.

Ms MEAGHER (Cabramatta—Parliamentary Secretary) [10.39 a.m.]: The House may recall that in August last year I brought to its attention the disgraceful story of the Trang family from Bonnyrigg. The Trangs had been the victim of an unscrupulous builder who preyed upon them, took their money and left them with an appalling mess that is still to be cleared up. The Trang family, like so many of us, wanted to build their dream home. They engaged Westfield Concrete to turn that dream into a reality. Instead, Westfield Concrete, trading as Boulevard Homes, under the auspices of Romulo Tomassetti's building licence, has left that dream and their house lying in utter ruin. The Trangs lost \$120,000 in building their home—and I use the term derisively because it never will be a home.

The house has since been cited to have 24 defects and it is earmarked for demolition as it is defective beyond repair. The Trangs struggled and worked hard to be able to build this house. Now they battle to meet mortgage repayments on a house they cannot live in. To rub salt into the wound, they also have to meet rent payments. Sadly, the Trangs are not the only people to suffer from the deceptive and predatory practices of some people calling themselves builders. I know of 22 cases in my electorate that have been before the Fair Trading Tribunal and I have personally spoken with 10 families in similar circumstances.

Today I congratulate the Carr Government on doing something about these deceitful and despicable practices. Regrettably, the old legislative regime meant that it took a long time to put disreputable builders out of business. That is because individual complainants had to make an application to the Fair Trading Tribunal and the matter then had to be considered by the tribunal. This bill will put an end to those excessive delays. It gives the director-general the right to suspend the licences of questionable builders. The bill not only ensures protection for families like the Trangs but also protects hardworking, responsible builders whose reputations are being tarnished by the actions of a few dishonest, untrustworthy vultures. Under this bill, building licensees must undergo a minimum amount of continuing professional education each year, and professional standards will be improved.

The various legal loopholes that in the past allowed some of these shonks to continue to trade have been well and truly closed by this legislation, particularly by its requiring more information about the past fair trading records of licensees, including any failure to comply with the Fair Trading Tribunal orders. The depth of the despicable business practices of Westfield Concrete cannot be overstated. Its victims were predominantly from non-English-speaking backgrounds, and they were all first home buyers. Westfield Concrete took advantage of their language difficulties and their lack of knowledge and experience of building procedures. Most people rely on the recommendation of family or friends when hiring tradesmen. We must ensure that people investigate the past history and work of a builder so that they are fully informed before they enter into contractual agreements and end up paying large sums of money to people who abuse their trust.

Under this new legislation the Director-General of Fair Trading has the power to immediately cancel and suspend licences, thereby freeing up the Fair Trading Tribunal to focus on dispute resolution. Prior to

seeking my assistance the Trang family had been disputing the complaint against Westfield Concrete for two years. This is an unacceptable delay, and a remedy has now been put in place. Under this legislative regime, dispute resolution procedures will be fast-tracked. Where a dispute is notified to the Fair Trading Tribunal an expert will be appointed to visit the site to provide guidance and assistance. If an agreement is reached by both parties, it will be lodged with the tribunal. If this is not adhered to, either party can have the matter heard by the tribunal as a building claim.

The Home Building Legislation Amendment Bill also makes provisions for people who buy from a speculative builder to rescind a contract for sale of land if the required home warranty insurance is not taken out. It also extends from one year to three years the period within which action on offences may be instituted. Although nothing can console the Trangs and other families who have been preyed upon by these vultures, this bill goes a long way to ensuring that some justice will be done and that few families will ever have to endure the ordeal that the Trangs have experienced. I take this opportunity to congratulate the Minister for Fair Trading on oversighting the debate and ensuring appropriate protection for consumers who are setting out to build their homes. I commend the bill.

Mr BARTLETT (Port Stephens) [10.44 a.m.]: I speak on the Home Building Legislation Amendment Bill from a background of only two years in this Parliament. In that time I have contacted the Minister a number of times and as a result of representations from me, consumer groups and other Government members—but few representations from Opposition members, as, similarly, few will speak in this debate—a review of the Home Building Act and related legislation was ordered. Today 153,228 licensed tradespeople are working in the building industry and each month the Fair Trading Tribunal receives approximately 300 to 400 building claims.

When I was elected a member of Parliament in March 1999, among the first people to come to my office seeking help was a young couple who, unfortunately, have subsequently separated, largely because of the 2½ years of stress related to their building problems. Unfortunately, their builder was unlicensed and used the licence of another builder. He laid the foundation slab for the house below ground level so that every time it rained the house filled up with water. It took 2½ years to sort out the insurance and undertake investigations. At the end of the day the brickwork was pulled down, the frame was jacked up and the slab was relaid to prevent water coming into the house.

One might question what happens when council building inspectors check foundations, frames and the final product. I have discovered that council building inspectors provide hardly any security; they do not even ensure that the building is correctly on the block of land. They do not guarantee that the foundations are at the right height or that the frame meets requirements. On final inspection they do not even say whether the house is all right, so I wonder about the role of council building inspectors. This house was finally completed and after this considerable delay of almost three years, they were able to move in. During the intervening period they lived in a caravan on the site because their income went towards paying off the loan for the house.

As a member of Parliament I urge people buying a new house to be aware that this industry still has a number of disreputable people, although the bill is designed to tighten up relevant requirements. Constituents I have known for 20 years bought a new house in January 1997. This was the first time they had purchased a house, so they were inexperienced. They saw the house, liked what they saw and decided to buy it. The first time it rained they realised that the windows were not secure, water leaked in through the skylight, and as a result the house had a musty smell. There was insufficient downpiping and the water had pooled under the house, causing the piles to sink and the floors and walls to crack. The conditions in the building were unlivable because of the smell and the leaks. Despite the building being brand-new, it was found that there was absolutely no dampcourse.

The building was made of hebel bricks and because the render on the outside of the bricks was different in texture, the bricks and the render expanded and contracted at different rates and consequently whole slabs of the exterior of the building fell off. An inspection of the skylight revealed that there was building debris all over the roof although, presumably, the house had been subjected to a final building inspection by the local council. Because of the water pooling under the building and the piers having sunk owing to insufficient drainage, the owners had to get the builder to come back and fix the problems. Thus began a period marked by even more concerns.

In mid-1997 the builder declared himself bankrupt. The unit I have described is one of three units on the site. The situation was that the windows and the skylight did not have any flashing, the water was pouring in and the builder declared himself bankrupt. The vendor cleared off overseas in 1998 and was never seen again.

When the investigations began, it became evident that there was no formal contract for the building: construction had been based on a handshake between the builder and the vendor. When the investigator tried to work out through the insurance system and the fair trading legislation what exactly had happened in this instance, there was no documentation and there was no evidence. The unit owners spent \$3,000 each and \$3,000 came out of the aptly-named sinking fund to repair the exterior of the house where the slabs of render had fallen off. The drainage was also fixed and other repairs were undertaken.

Having been mightily emotionally scarred throughout the whole process of letters being written, contracts and everything else—the relationship of the previous couple I mentioned had actually broken up—the owner decided to sell. That is very interesting because the sale highlighted the role of building consultants and building inspectors. The building consultants who were engaged to try to rectify the problems despite the absence of a dampcourse said that the best way to repair the house was to drill holes through the hebel bricks and pump in some chemicals to form a seal to stop the damp from rising. The owners thought that that advice was fair enough, so they went ahead and paid for damp-proofing. I will deal with that in more detail at a later stage.

The provisions of the bill that relate to the circumstances I have outlined in the limited time available to me are the rationalising of licence categories and the introduction of licences for building consultants. A person who wishes to buy a house usually obtains an assessment that is carried out by a building consultant. Lo and behold, the building consultant chosen by the prospective purchaser was the very same building consultant who advised the vendor in respect of the repairs. The building consultant wrote to the prospective purchaser and basically stated that he would not advise purchase of the house because in lieu of a dampcourse the vendor had injected chemicals to control rising damp. He actually stated that purchase of the house would not be a course of action that he would advise, in spite of the fact that it was the very same building consultant who advised the owner to use chemicals to damp-proof the dwelling.

I am very pleased that the effect of this bill will be to introduce a system of licensing building consultants. Moreover, additional requirements will need to be met by owner-builders, including a course of education. The gentleman in the first example to which I have referred, who was an owner-builder, had signed a contract to engage someone who simply was not licensed to build. The bill will also introduce new licences and renewal requirements that take into account the number of complaints against an applicant for a licence and other criteria. At this stage, complaints are not taken into account and I think that that vital information is crucial to the reforms that are provided in the bill. The bill also contains provisions that introduce an early intervention dispute resolution scheme which focuses on alternative dispute resolution. In the first example I mentioned, dispute resolution may have been a player because there was no contract between the builder and the vendor—just a handshake—and the insurance company just washed its hands of the matter.

By virtue of this legislation, the Government is attempting to address a large number of issues concerning the building industry. There is insufficient time available during this debate for me to outline all the instances of which I have knowledge, but I warn young people who are buying their first home to be very, very careful. This bill will address a lot of problems in the building industry. I congratulate the Minister on trying to bring these reforms together to help people. Not a lot can be done retrospectively but it will be interesting to see what actually happens at the grassroots level when the improvements outlined in the bill are implemented. I thank the Minister for listening to the complaints I have outlined on behalf of my constituents. I wish the Minister well in implementation of this amending legislation. Taking into account the range of legislation that applies to the building industry, one wonders whether the Home Building Legislation Amendments Bill will clean up all the problems. I suspect that the legislation will require further amendment in the future relating to other matters.

Mr FRASER (Coffs Harbour) [10.56 a.m.]: In commenting on this legislation, I will probably be doing a bit of parish pumping because the concerns that I have knowledge of are similar to matters outlined by members opposite. Let me put this matter in perspective. The Minister for Fair Trading, who has carriage of this legislation, is amending the Act because the action that was taken in May 1997 did not solve the problems in the building industry. It is a pat on the back for the Minister to say that he is fixing up something the previous Minister failed to fix in 1997, as well as the additional problems created by the Minister who was previously responsible for homeowners. The Great Australian dream of owning a three-bedroom, brick veneer, double garage home on a quarter acre block is fast becoming a nightmare because of unscrupulous builders and because dispute resolution has not been undertaken properly. The legislation has no teeth and the Department of Fair Trading has insufficient resources with which to support people experiencing major problems with their own home.

Mr Debnam: A lazy Minister.

Mr FRASER: A lazy Minister indeed. I cite the copybook example of HIH Insurance Company being given the opportunity by the previous Minister, the Hon. Faye Lo Po', to carry all insurance on new homes in New South Wales.

Mr Debnam: By the Carr Government.

Mr FRASER: It was done by the Carr Government—by the previous Minister.

Mr Debnam: By Bob Carr.

Mr FRASER: As the honourable member for Vacluse says, it was done by Bob Carr. The Government is now saying that the collapse of insurance companies is not its problem. In relation to most of the problems in the marketplace, this Government says, "They are not our problem. It is a problem for the Federal Government." It should be remembered that the responsibility came down to the Minister for Fair Trading at that time, the Hon. Faye Lo Po', to actually assure herself, this House and the people New South Wales that the insurance company she appointed had such a prudential standard that it would not fall into a big heap, as some have done recently.

Even under this legislation, the Minister has set down certain guidelines for two insurers, Dexter and HIA Insurance, but it absolutely amazes me that apart from monthly reports et cetera the Minister does not require at any time a full financial history of the insurer or a statement of any kind that the insurer is actually solvent and that it can meet the liabilities to which it is exposed. I challenge the Minister for Fair Trading to take up this matter by way of amendment. Is that not the problem that occurred with HIH? Yet, under the legislation that is presented by this Minister, the people of New South Wales are faced with exactly the same situation.

Mr Brown: We are not the regulator.

Mr FRASER: The Government is the regulator of the building industry and it licenses insurers by regulation. However, it is not asking for a full probity prudential check that will give the industry and homeowners confidence that their insurer, who is authorised by this Government, can meet their claims. That is hypocrisy. This is a nice thick bill; it looks good, but it does not address the basic issue that people must have confidence in the insurer that this Government has authorised. I have received a letter from Mr Graeme Everard, a builder, about a quite unusual case. The party concerned experienced some problems 14 months ago and had a claim authorised by HIH. So the money is available. Mr Everard now has the building contract. The letter states:

In the case of Maria Nichles where her original builder was ordered off the job due to an engineer's report for unsatisfactory workmanship and structural defective work as the attached fax explains. She was lucky in one way that she was paid out before HIH went down. Under the Government relief program paid out or not her original policy should stand but only if her original builder is to finish the job, but in this case where a new builder is engaged to rectify that builder has to apply for a new Home Warranty cover and 5 – 6 weeks and another 2 - 3 weeks for a cover note.

As she has been put out for over 14 months with her roof leaking and unsafe exposed floor joists crawling up and down ladders to get to bedrooms etc., was the way her building was left. I think she should qualify as a special hardship case. We are not asking for N.S.W. building laws to be changed but we are asking that hers and others in the same situation that their original policy should stand under an arrangement so that they can get their buildings completed. A new policy cover be obtained either during the rectification process or on completion and that the original cover taken out by the previous builder be temporarily transferred to the rectifying builder saving the time span of 2½ months in which will send us and others to the wall. Not only will this get jobs completed but get smaller builders like ourselves back to work. I think that these types of cases have been overlooked by the Govn. relief program.

On behalf of myself and many other small builders I think that something urgently must be done in cases such as this. Maria Nichles phones at least twice a day asking when we can start but our hands are tied.

People such as Maria Nichles cannot get cover because of past legislation. She is desperate; she is climbing ladders to reach rooms in her house and floor joists are exposed. The Government is no help: It is not saying, "Look, you have the cash and you are a reliable builder so we will go out of our way to assist you." Ms Nichles is in a parlous state and the builder cannot do anything. He has four people ready to work but he cannot get insurance cover because the Government will not assist him. It is all very well to say that it is a Federal Government problem. It is not. There is to be a royal commission, but should we simply wait for its results in 18 months or two years? We cannot do that. The building industry is the lifeblood of our society. New houses must be carpeted and furnished, and most service provision in our society revolves around the building industry.

This legislation does not provide any assistance. Government members claim that they have no responsibility in this area. That is lunacy when the regulations and conditions for building and contracting are

set by this State Government. They cannot hide from that fact. The Government must do something. It should allocate some resources to the Department of Fair Trading and allow it to mediate on claims immediately—not in four, five or six months. Two and half years down the track, Ms Nichles is in dire straits. She has money in her pocket and a builder to do the job, but the work cannot begin. This legislation does not address that problem.

Mr Debnam: They are in denial.

Mr FRASER: That is true. It is a bit like the drug legislation that was passed by the House yesterday: It looks good in the media releases. However, people do not believe it. In case Government members have not noticed, the electorate is somewhat cynical these days. The Government must address existing concerns and issues. Labor loves to blame someone else, but it has been in government for a fair while. This Government has had the opportunity to do something about shonky builders in this State. We tend to get a lot of them on the North Coast because it is a nice place to live.

These builders work for low wages because they put only one nail or a stud in the joist and then sheet it over and no one knows the difference until there are problems later. I was somewhat amused by the comments of the honourable member for Port Stephens, who was a councillor. This legislation should return us to the old system of inspecting every post. That would keep the builders honest and ensure that companies with a building licence but no licensed builders earn some credibility among consumers and members of Parliament. The legislation picks up on a few points, but it does not cover the full ambit of the issue. It is a nice piece of paper—

Mr Brown: Move some amendments.

Mr FRASER: This bill was put out to public consultation. I have a letter dated 5 June 2001 from the Master Builders Association [MBA]—I am happy to table this correspondence because Government members should be aware of it—detailing its concerns. The Government has not addressed these issues.

Mr Ashton: The letter was written on 5 June and you expect the Minister to have read it and moved amendments straightaway.

Mr FRASER: There was public consultation on this issue. The honourable member for East Hills is not prepared to address the concerns of the Master Builders Association—the industry's peak body in this State.

Mr Ashton: The draft bill was published six months ago.

Mr FRASER: The Minister is trying to push through this legislation without addressing the concerns of the MBA.

Mr Ashton: The MBA had six months in which to write that letter.

Mr FRASER: It does not matter whether it had six months or two years, the Minister decided ultimately not to listen to the MBA.

Mr ACTING-SPEAKER (Mr Lynch): Order! The honourable member for East Hills will cease interjecting and the honourable member for Coffs Harbour will direct his comments through the Chair.

Mr FRASER: The fact is that the Minister has not listened to the Master Builders Association's concerns. I do not claim to support every one of those issues, but the Government has not listened to the MBA. The legislation is nice and thick but it does not address the MBA's concerns. It is all very well for Government members to flag wave and say "Aren't we wonderful?", but that will not make a great deal of difference at the end of a day. I do not believe this legislation will help Ms Nichles one iota in resolving her problem. I do not believe it will assist Mr Everard in putting his four employees to work. I do not believe this legislation addresses the concerns of the MBA. It is nice window dressing but the Government has not learned anything from the consultation process.

The Government should listen to people's concerns and deal with them. I challenge the Parliamentary Secretary to relay my comments to the Minister. The Minister should give an assurance that the guidelines for approving insurers will request a full financial history and a confirmation that insurers are capable of meeting their debts. If that does not happen the two insurers covering the State's construction industry might end up insolvent as well. The Parliament cannot risk that outcome. We have seen the devastation that the collapse of

HH has wrought across the board—the building industry is just one group affected. It is now up to the Minister: He must obtain full, documented assurances from insurers that they are solvent and could meet claims and liabilities in the event of a collapse similar to that of HIH. I support the legislation, but with reservations.

Mr BROWN (Kiama) [11.09 a.m.]: It gives me great pleasure to support this legislation and to acknowledge the very hard work of the Minister for Fair Trading, and his staff and department. I am continually amazed at the unhelpful waffle from Opposition members in debates in this place.

Mr ACTING-SPEAKER (Mr Lynch): Order! I suggest that the honourable member for Coffs Harbour contain his amazement and allow the honourable member for Kiama to continue.

Mr BROWN: Time and again Opposition members say that they support a bill and then point out all the problems with it. They make it up on the spot and waffle on. We can see the cogs turning in their minds—click, click, click. Rather than Opposition members speaking for 15 minutes about how they support a bill and trying to invent problems as they go along, they should take the time to read the legislation. If they have concerns about it, they can move amendments to it. In that way, Parliament can entertain proper debate. The honourable member for Coffs Harbour said that this bill did not address the issue of the ability of insurers to meet their liabilities. The honourable member should look at the amendments to section 103A of schedule 6 of the Home Builders Act 1989. This legislation will insert new section 103A, which puts beyond doubt the matters that the honourable member has raised.

Mr Fraser: It does not. You do not seek a guarantee.

Mr BROWN: The honourable member for Coffs Harbour says that the legislation has not addressed the issue. Clearly it has in new section 103A, which puts it beyond doubt that a corporation authorised under the Federal Insurance Act 1973 is able to carry on insurance business. It is the Federal Government's role to regulate the insurance industry through its regulator, the Australian Prudential Regulatory Authority [APRA]. The honourable member for Coffs Harbour, having been told of those facts, has put his tail between his legs and scurried out of the Chamber. I was going to inform him that simply because an organisation writes a letter saying it does not agree with a number of aspects of legislation does not mean that it has not been consulted. We are an open and accountable government. We are about reforms that will move the community forward and we want to take all sections of the community with us. One has only to look at the polling and the support for the Carr Labor Government to attest to that fact.

The Master Builders Association has met with the Minister for Fair Trading and his department on at least 10 occasions. Its suggestions and comments have been taken seriously by the department and by the Minister. When the honourable member for Coffs Harbour says that no-one has been consulted, simply because he has received a letter dated two days ago, he is getting very close to misleading the House. Consultation took place over six months with various facets of the community to try to improve home building in this State. The reforms that the Government is introducing in this legislation massively overhaul New South Wales home building laws.

The package, which includes more than 50 new reforms, will make New South Wales the leader in home building consumer protection in Australia. That is another area in which this Government is leading the nation. The consumer protection and dispute resolution reforms include: giving consumers more information about licencees' past fair trading record, including any failure to comply with Fair Trading Tribunal orders, thus assisting consumers in their choice of tradespeople; giving the Fair Trading Director-General, instead of the Fair Trading Tribunal, power to cancel and suspend licences, thus reducing harm to consumers by acting more quickly; and requiring building licensees to undertake a minimum amount of continuing professional education each year. They are just a few of the reforms.

Like other members in this House, a number of constituents have spoken to me about problems they have had in the construction of their homes. Many members of our community face a massive financial and emotional commitment when they build a new family home. Unfortunately, a number of shonks operate in the industry. When things go wrong, it seems to be the start of a whole host of issues that impact on family life. The Minister has acted on every issue that I have brought to him about home building, including my concerns about the shonky builder Mahmud Ali, who operated in the Illawarra. I spoke to this House last year about Mahmud Ali. No sooner had I raised the matter with the Minister, he spoke with his departmental officers, and the television program *Today Tonight* came to the Illawarra and did a story on this matter.

Mr Debnam: Was the media good?

Mr BROWN: The honourable member for Vacluse is suggesting that we went to the media simply to get publicity. Yes, we wanted major media because we wanted to warn all consumers that this shonky builder, Mahmud Ali, is a danger to their families, their homes and their financial situation. Perhaps the honourable member for Vacluse would like me to stand on top of the Kiama blowhole and yell out the dangers of Mahmud Ali. It is more sensible that we go through the electronic and print media to warn consumers and get the message out.

The Minister, in his second reading speech, made it clear that the object of this bill was to protect consumers. That is the object of bills fundamentally. Unfortunately, some builders and insurers will regard these new consumer regulations as tough legislation. The new regulations match the Carr Government's tough laws in other areas which try to protect our citizens. These are tough consumer laws, but we want to work with the builders and the insurers to ensure that their businesses are profitable. We want to make sure that the decent builders in the industry are able to do their job and that the shonks are found out. The bill affords better protection to consumers by providing that more information about licensees be given to consumers when they are deciding on engaging a tradesperson.

When a consumer looks up a licensee on the Register of Licences, details of a contractor's non-compliance with orders of the tribunal will be given. The register will also include details of any disciplinary action, results of any prosecutions, the number of penalty notices issued, the number of insurance claims paid, formal cautions issued to the licensee and details of any public warnings and cancellation or suspension imposed under the Home Building Act or any other Act. That sort of information empowers consumers. The register also cross-references records electronically to make sure that individuals cannot hide behind companies or trading names. In the case of the building shonk in the Illawarra, Mahmud Ali, every time he did a shonky job he would register a new trading name. He would then organise his contracts under that new name so as to hide from the power of the register. This legislation will address that problem and some of the other sneaky devices that builders such as Mahmud Ali use.

When the department revoked Mahmud Ali's licence he then worked under a consultant. My office rang and asked why the consultant was not supervising Mahmud Ali. The consultant said, "We have never heard of him. Don't know who he is. I live in Queensland. That's where I do my work. I do not know how I have a registered building number in New South Wales. I've never built there." Constituents bring these problems to their local members, mostly on this side of the House, who present them to the Minister. The Minister distributes a draft bill for consultation, people look at it, and the result is the excellent legislation we are currently debating.

Mr Fraser: Why is the Master Builders Association still upset about it?

Mr BROWN: The reforms set out in the legislation will improve significantly the level of protection for consumers, tighten the licensing system, speed up the disciplinary process, double penalties for non-compliance, make the insurance scheme fairer and more accountable, establish an early intervention dispute resolution system, and raise consumer awareness of remedies available when things go wrong. Members of the Opposition continually interject about insurance. They are the last people who should speak about it. Their Federal colleagues through the Australian Prudential and Regulatory Authority, after being notified last year by the New South Wales Carr Labor Government that HIH was in financial difficulties, decided to do nothing. Families are suffering as a result of the HIH collapse. That suffering is due predominantly to the weakness and inadequacy of APRA. The arrogant Coalition and conservatives both here and in Canberra have not listened to the concerns of the working people. I support the bill. If the Opposition has complaints about it I would like to see them move some amendments so that we can have a proper debate, rather than their continual harping and snide remarks that are not at all constructive.

Ms HODGKINSON (Burrinjuck) [11.21 a.m.]: Thank goodness that is over! The honourable member for Kiama took many liberties, particularly when he said that there was full consultation on the bill. If that were so why would the MBA, the peak building organisation in this State, continue to write to us? The MBA will be somewhat miffed that it was so trivialised by the honourable member for Kiama in his contribution to the debate. Building a family home in this State used to be a family dream, but it has become a nightmare. It is important to put on the public record, as both the honourable member for Coffs Harbour and the honourable member for Myall Lakes did so eloquently, the fact that the former Minister should have ensured that the prudential standards of the company she appointed, HIH, were up to scratch, and that it would not fall in a heap.

I note that the honourable member for Myall Lakes, in his capacity as shadow Minister, questioned the appointment of HIH way back when that appointment was made. Five days before HIH was appointed he

questioned the whole process, and said that it should not have occurred. When HIH was appointed he pointed out that he had not heard of the company, nor had many other people, which could bode ill for the future. What vision the honourable member for Myall Lakes has! What vision the Coalition has! It is extraordinary that the Carr Government is trying to heap accolades on itself when it should have been conducting probity checks on HIH. How could so much go so wrong? The answer, of course, is Labor. People in my electorate no longer have confidence in their insurers: once bitten twice shy. Why should they have confidence in insurers when so many people have lost so much money?

This morning the honourable member for Cabramatta told us that she has received something like 22 representations, which is probably a fairly average figure for members of this Chamber. So many people have been bitten by the HIH scandal that, as a local member, it is sometimes difficult to feel that one is doing enough for them. I will read excerpts from a letter I received from Ganter Constructions Pty Ltd, quality building contractors who work in Goulburn. They use local staff and local tradespeople from the area. They wrote to express their anger, concern and disgust about the announcement that HIH had gone into provisional liquidation. Their concern is home warranty insurance, which they are obliged to take out by law for their business to operate. The letter states:

The Department of Fair Trading will not renew your builder's licence unless you provide them with a letter of eligibility stating that you have insurance cover or can obtain insurance cover. Also local council will not approve any building application unless you supply them with a copy of a current certificate of insurance. Our business cannot operate properly without this insurance cover.

We cannot seem to get any answers as to what exactly is to happen with our current policy that now seems to be totally useless. All we seem to know for sure is that unless we are prepared to fill out more forms or part with more money, then we probably won't be able to get on with our work.

On 27 February 2001 we renewed our blanket cover policy—called Mastercover—through a firm called Jardine Lloyd Thompson in Sydney. (HIH Insurance is the underwriter for this home warranty insurance.)

In order for our policy to be renewed we were required to fill out lengthy application forms as well as supplying our current financial document for the year ended. Our accountant also had to sign a declaration verifying that these documents were true and accurate.

Why is it that the public are required to provide a financial guarantee yet the company itself can do what it likes without being monitored or held to answer? ...

Our renewal was issued only after they received our premium of \$2637.58. This made our policy valid from 13/3/01 until 13/3/02.

How in all conscience could they take our money so close to them announcing their liquidation? Isn't this a fraudulent premeditated act? ...

Weren't the Department of Fair Trading aware of the problem? What is the government going to do about this? ...

We know that we are only one of thousands of people that have been affected by this collapse. The government should have monitored the situation more closely to prevent this situation from occurring!

That is one example. Another example is Gunning District Community and Health Centre, a community organisation that has medical negligence insurance through an insurance broker. The broker did a flit with the premium and the centre lost \$1,300. The centre had to reinsure. It reinsured with HIH and forwarded a premium of \$1,258 on 6 March. HIH then folded. The Gunning District Community and Health Centre is now—

Mr ACTING-SPEAKER (Mr Lynch): Order! Members on the Government benches will come to order.

Ms HODGKINSON: Many thanks, Mr Acting-Speaker. Dunning District Community and Health Centre is now seeking further reassurance. It has lost \$2,600 in premiums in the past three months.

Mr ACTING-SPEAKER: Order! The honourable member for East Hills and the honourable member for Keira will restrain themselves.

Ms HODGKINSON: The Government had a chance of monitoring what was going on. It should have checked the full financial history. We cannot, as a Parliament, accept this kind of thing happening again. Insurers must be able to meet their claims and liabilities.

Mr ASHTON (East Hills) [11.27 a.m.]: Mr Acting-Speaker—

Mr Rozzoli: Now we will hear some great wisdom.

Mr ASHTON: You will hear some, and you will enjoy it. You might not like it, but you are going to hear it. Nothing is more important for most Australians than building their own home. In financial terms it is certainly the greatest contribution they will ever make. I represent people in Labor electorates who have to build homes around the \$200,000, \$300,000 and \$400,000 mark. They are not building or buying homes in the electorate of Vacluse that they will then sell off for \$8 million, \$10 million or \$12 million. I note that the only contribution to this debate by the honourable member for Vacluse has been by way of interjection. He has sat in this Chamber for the one and half hours I have been here and has interjected on eight or nine occasions. He has offered no indication that he wants to stand up and say something. He is not here to speak; he is here to interject. I can understand why the besieged Leader of the Opposition, Mrs Kerry Chikarovski, sacked him last year for his outrageous disloyalty when he had the hide to point out some of the Opposition's problems. So far his contribution has been nothing but interjections.

Mr Fraser: Tell us about the MBA.

Mr ASHTON: I am going to tell you about the MBA.

Mr Fraser: Tell us what you said off the record a minute ago.

Mr ASHTON: It does not matter about off the record. I am happy to repeat it. The honourable member should listen to it. The MBA has had six months to be involved in this process. On 30 November last year the package of draft reforms was released. Even those opposite can work out that from November to June is a period of six or seven months to look at it. But the MBA is so busy that it has done nothing in that time. A draft exposure bill was released three months ago! I know the Master Builders Association [MBA] is very busy, with HIH tripping over, the One.Tel problems and the New South Wales financial sector collapsing, but it could not prepare a letter until 5 June.

The honourable member for Coffs Harbour referred to the letter dated 5 June from the MBA in which the association indicated it was not happy about the proposed reforms. They have had three months, possibly six months. The Home Building Legislation Amendment bill was introduced by the Minister on 31 May. It would have been preferable if the honourable member for Coffs Harbour had bothered to read what the Minister said in his second reading speech on that day. If he did not attend a government school I could understand it, but if he did attend a government school he should be better able to read. The Minister said:

I make it clear at the outset that the introduction of this bill is not in my mind the end of the consultation and improvement process. I am more than willing to adopt any sensible suggestions that further improve the bill as it passes through this Parliament.

There it is. The Minister has told me, as honourable members will note from his second reading speech, that he will be happy to consider further amendments. The MBA might have some. Today is 7 June and the Opposition referred to a letter dated 5 June. Fair go! A Minister cannot respond to a letter like that by saying, "I will run down to the Chamber now and scribble out a few notes." I know that the Minister met representatives of the MBA on 4 June. That was Monday! He met them on Monday and they wrote a letter on Tuesday! I just love the way the honourable member for Coffs Harbour skedaddles when I get stuck into him. It is just amazing.

Mr ACTING-SPEAKER (Mr Lynch): Order! The honourable member for East Hills will return to his speech.

Mr ASHTON: I will.

Mr Debnam: There is a speech?

Mr ASHTON: There is a speech and it will be a good one. A State Labor government, the Carr Government, has introduced legislation that encompasses more than 50 reforms that will make New South Wales the leader in building consumer protection in Australia. The bill will improve protection for consumers in the building industry, but it will also improve the reputation of the builders in the building industry. That is a vital component that members opposite have no interest in. As I said before, the honourable member for Vacluse represents more than half of the people involved in the biggest financial collapse in this nation's history. That has come to attention in the past few weeks. He can be proud that they live in his electorate. I am sure they are proud of the quality of their representative.

The building industry drives the Australian economy and it is vital that it be successful, but it is equally vital that consumers have protection. The consumer protection and dispute resolution reforms contained in the bill mean that information will be given about a licensed tradesperson's Fair Trading background, including failure to comply with decisions of the Fair Trading Tribunal. It will also give power to the Director-General of the Department of Fair Trading to cancel or suspend licences and act more quickly to help consumers. He already has that power, but he will be able to act much more quickly. Each licensed tradesperson will have to undertake a minimum amount of continuing professional education each year.

In the same way as high school teachers, doctors, chiropractors and others have to undertake extra training, some of these people that the honourable member for Vacluse and the honourable member for Coffs Harbour want to help will have to learn a little more about the technology in the building industry. The honourable member for Coffs Harbour is probably very experienced in building—"We want a fence post there. Get some of the slaves over here, boys, dig that hole. We will put a post in here. I will claim that bit of land." It is a bit more involved down here in the city, where huge buildings are constructed. We need to protect people. Giving powers to the Director-General of Fair Trading to cancel or suspend licences and requiring each licensed tradesperson to undertake extra study during the course of the year will provide that protection.

Dispute resolution procedures will be fast tracked. Any dispute referred to the Fair Trading Tribunal will first go to a mediator and \$3 million has been set aside for that program. Each month an average of 300 to 400 building claims are received. With a mediation process it may well be that most of those can be satisfactorily resolved in advance of a referral to the Fair Trading Tribunal, which could involve a lengthy process. More than 150,000 licensed tradespeople work in New South Wales. As with licensed doctors, solicitors, teachers and barristers—who pay no tax—there will be a few shonky operators, a few cowboys.

Mr Debnam: Lawyers.

Mr ASHTON: You were a lawyer, weren't you? The legislation before the House is the result of 18 months of examination—not 18 days or 18 hours, but 18 months. Honourable members might say it could have been done in a hurry. One cannot get things right if they are done in a hurry. Look at the Baker bill that the Opposition tried to introduce a couple of months ago. If something is put up in a hurry it will be shot down in flames. Being in government means you have to do it right; being in Opposition means you can sit there and waste everyone's time. I am sure there is not a member of this House who has not had to deal with distressed home builders. They have told us horror stories about their experience with some builders. I exclude the honourable member for Vacluse, because people do not build homes in Vacluse; they just keep buying everyone else's and racking up the prices.

We all know about the cowboys in the industry who take on too many jobs, cut corners by using poor materials, and engage poor tradesmen and subcontractors who then employ unreliable labourers. So it goes on. The result is a badly built or half-built house that often ends up as a horror story on one of the various current affairs programs. Of course, the recent collapse of HIH Insurance highlights the number of people caught in that trap. It has been a ridiculous effort by the Opposition in this House today. One speaker after another has attempted to claim that the collapse of HIH Insurance, Australia's biggest financial collapse, is somehow the fault of the Carr Labor Government. The Australian Prudential Regulatory Authority [APRA], the organisation in Canberra that has responsibility to oversight insurance companies, was sound asleep at the wheel and that has caused road kill throughout the entire insurance industry in Australia.

The Liberal Party's mates involved in One.Tel—Jodee, Bradley and Rodney; the way those names end is a worry—are all punters from the Vacluse electorate. They are good mates of the honourable member for Vacluse who have made donations to the Liberal Party. That is why the honourable member is continually interjecting: so that the Government will be unable to get through its important legislation. He is ashamed to know them. The Premier pointed out yesterday that when he dealt with those people they said, "We don't really need to talk to you, Bob Carr, we will be talking to the next Premier, Kerry Chikarovski, in a couple of weeks." Famous last words! If that shows their business acumen they should not have been allowed to own a telephone, let alone run a telephone company. Gee, you are a bad lot! Honourable members opposite have more fun when I make a speech than they do at 2.15 p.m., when the troops come into the Chamber and fill up all the Government benches. The Opposition is fairly quiet then, because interjecting—

Mr ACTING-SPEAKER: Order! I suggest that the member returns to the leave of the bill. If he does not we will still be here at 2.15 p.m.

Mr ASHTON: I am merely responding to interjections, but I take your point, Mr Acting-Speaker. The former member for East Hills, Pat Rogan, and I tried to assist a woman whose new house in Revesby was built

by a respected, well-known home building company. When building the home they put down a slab. The building inspector came out and allegations have been made about his inspection routine. There are photographs that show that the slab was not laid on compacted soil, or on proper footings. It was simply plonked down in the backyard on some soft dirt. Needless to say, later on there were cracks in the walls and brickwork and it was impossible to open or close the doors.

The building company, which is a big and powerful company—not the one referred to by the honourable member for Kiama, but a famous company that advertises on television—decided to use its size and power to completely ignore requests to fix the problems. That went on for a couple of years, with Pat Rogan and I making representations. Finally, a resolution was achieved. As the honourable member for Port Stephens said about a case in his electorate, the family was emotionally destroyed after all that. Even though they finally won the case after three or four years of prevarication and obfuscation by the building company, I understand the family was emotionally destroyed. I hope their emotional state has now improved.

The new reforms will speed up the dispute resolution process. More importantly, they will go a long way towards ensuring that those types of shonky houses are not built at all. The Register of Licences will now include details of a contractor's non-compliance with orders of the Fair Trading Tribunal. Many consumers have placed great faith in the gold licence certificate of tradesmen, but this addition to the register will add extra protection. I am sure that in the past many tradesmen subject to proceedings and adverse findings of the Fair Trading Tribunal did not remove their "Licensed Builder" sign. It is still on the back of the panel van as they drive around and attempt to suck other unfortunate people into their deceitful web.

The list on the register will be specific. It will include public warnings, and a record of any cancellations, suspensions, fines or requests to show cause. The director-general will no longer have to provide 48 hours notice to those contractors. That merely provided them with an opportunity to quickly transfer any assets into the names of their respective wives or husbands, or enabled them to obtain passports and travel to Majorca—where most Liberal voters can be found. The bill also guarantees a lesser risk for the public.

The honourable member for Port Stephens mentioned the provisions relating to building consultants. People set themselves up and call themselves building consultants. They come around and say, "Oh yeah, not a bad house, it would be a pretty good idea to go ahead." They have probably been given a backhander by the real estate agent to say that it is a good-looking house. There is no guarantee that the person is not just a mate looking after somebody. The bill will ensure that consultants are fully certified. They will have to have a proper licence and professional indemnity insurance, hopefully taken out with a responsible insurance company. But how would we know after what has happened with HHH, given that APRA was taking no interest? A royal commission has been announced, but there are no terms of reference and no commissioner has been appointed yet.

Mr Campbell: "A few weeks".

Mr ASHTON: "It is in the pipeline." It is going to happen when John Howard finally gets around to giving a bit of thought to it. It was six or eight weeks before John Howard thought that HHH was going to be a problem. He said that it was an insurance company and that under the private enterprise system people perhaps should have looked more carefully at what company they insured with. That is what he said: it is on the record. A couple of weeks later when it became too hot, with publicity on the Alan Jones show and a few others and the *Daily Telegraph* having a picture of John Howard's mate Ray Williams on page 1 saying "Give back the money" John Howard decided to react. He is very reactive—in more ways than one, and reactionary.

Another good aspect of the bill is that it provides that builders will have to have photo licences, which will provide further protection. It has been suggested that not every photo licence is 100 per cent, but it is a little better to have a photo licence system for respected builders. There will be ways of guaranteeing that the photo licences are accurate. The Home Building Legislation Amendment Bill will improve consumer protection in the home building industry through reforms to the home warranty insurance scheme, the contractor licence system, better initial mediation processes, alterations to the jurisdiction of the Fair Trading Tribunal, and increases in the range of penalties for non-compliance. As I said at the start of my speech, in Sydney, where the cost of building a home is so prohibitive, this bill will go a long way towards guaranteeing consumer rights and further improving the building industry's reputation.

I congratulate the Minister, his staff and those interested groups, including the MBA, that have helped frame the bill. In the Minister's second reading speech he said that he was open to further amendments. As I

have already said, the Minister spoke to the MBA on Monday. The MBA will probably come back asking the Minister to look at different aspects of the bill, and the Minister has said that he will do that. The Opposition has been pumping air into the issue to try to keep it going but the gas just leaks back out. Paul Keating, when referring to Andrew Peacock, said that a soufflé rises only once. This Opposition is yet to rise—but I do not think it will be a threat to anybody when it does. I look forward to the valuable contribution that will soon be made by the honourable member for Vaucluse, and I will wait here until he makes his contribution.

Mr ROZZOLI (Hawkesbury) [11.42 a.m.]: It is a pleasure to follow my good friend the honourable member for East Hills. One can never doubt that his heart is in the right place; it is not certain whether his mouth and head are connected to it in the right manner. I find amusing the ignorance of most Government speakers in this debate about the history of building protection for consumers. It is a sad and sorry saga extending over many years. As long as I have been in this House the same problem has existed. Governments of both persuasions, unfortunately, have consistently failed to deliver to consumers in the home building industry access to proper redress, equity and justice.

The honourable member for Keira referred extensively to the licensing of building consultants. There was almost a suggestion that this was a newly emerging problem and that it was wonderful that the Government had got onto it quickly. I can tell members on both sides of the House that this bill will fail to reach its consumer protection target, as have all others put through this House on this matter. I did not intend to speak on the bill because I am so despairing about the capacity of governments to address the problem properly but I was inspired by the comments from the other side of the House to say a few words. Many years ago I fought for many years a building consultancy firm called, amongst many other things, Carstairs Building Advisory Service.

Mr Campbell: They probably changed their name every second day.

Mr ROZZOLI: That is exactly right. The gentleman who ran it not only changed the name of the firm many times in the course of his history; he also changed his own name. He had many aliases. During the difficulties I had on behalf of a number of builders in my electorate—there seemed to be a whole heap of people who looked to me as the only person who was giving them any support—the Government was of no assistance. My great friend and colleague the then consumer affairs Minister Syd Einfeld, for whom I had the greatest of respect, failed to do anything about this, as did his department. In the end, the only people who made inroads into the problem were members of the fraud squad, to whom I give great credit. These shonks develop a very complicated manner of working which makes it very difficult, without a lot of time and effort and money, to go through the evidentiary trail to pin down the wrongdoing. One of the reasons is that we never seem to get the legislation right to pin these people down in a simple, quick and efficient fashion.

Ultimately the gentleman who ran Carstairs Building Advisory Service served a period of time as a guest of Her Majesty in one of our local institutions. That was good. Since that time I have not heard of his going back into the business. That case is from the late 1970s and early 1980s, but we are still talking about the same problem today. We are talking about licensing building consultants. But when I look at the bill I despair at its framework and the complexity with which it has been put together. All the apparatus that we put in place will serve only to grind down the honest builder more and more while the shonks seemed to keep thriving under the system. A person in my area—anyone in the department dealing with these issues will recognise the person I am referring to without my having to say the name—has been involved in a dispute. The original difference of opinion between the builder and the home owner was about \$1,800. Subsequently, the matter has turned into a farce which has cost at the very least \$1 million and possibly \$2 million. It is very difficult to calculate the exact figure.

The way in which the department has handled the matter is a monumental disaster. The builder concerned is a man of great honesty and integrity who continually wins awards for the excellence of his building standards. Yet the original complaint that founded the litany of disaster that has followed involved a difference of opinion over less than \$2,000. Any system that allows such a situation to get so far out of hand is absolutely bereft of commonsense or ability to address the problem. That is why, amongst other things, this bill will fail to achieve what it seeks to achieve, because the culture for dealing with these problems is wrong from the bottom up.

I am not going so far as to say that the people who administer the system are themselves corrupt, but the lowest I can put it is that they are incompetent. In many cases they are badly motivated. Under that system people make mistakes and later those mistakes have to be dealt with under the existing legislative framework. Rather than having a mechanism that cuts back to the original source of the problem, it get worse and the case ends up in court with long and complex legal proceedings—at least it did in the case I am referring to. That system further raises the cost to the taxpayers, the builder and the industry.

In relation to the HIH Insurance disaster, one must remember that HIH is an international conglomerate that is also in trouble in other parts of the world. I would be the first to say, as I said earlier this week in debate on the urgent motion involving One.Tel, that I have absolutely no sympathy for directors who do the wrong thing. So far as I am concerned they should finish up in gaol if they visit disasters such as the collapses of HIH and One.Tel on ordinary people. I refuse to be associated with those sorts of people. Leaving that aside, the New South Wales Government set up legislation which quite rightly required that builders take out compulsory insurance so that a pool of money would be available from which home owners could seek redress if something went wrong.

Government members conveniently ignore the fact that irrespective of what happened with HIH, the Government has a fiduciary duty to continually check the prudential security and viability of the insurers that it forced builders to go to to take out insurance. The concept of setting up regulation insurance should go through all the processes that a builder goes through to take out insurance. It is incumbent on the Government as a fundamental fiduciary duty to ensure, as best as it can through its prudential examination, the security of insurance companies to which it inevitably directs builders. That is where the Government failed demonstrably and it will, I trust, be the subject of the close subsequent investigation into the collapse of HIH Insurance.

The Government failed to meet its fiduciary duty to builders who were forced to take out insurance under this type of legislation. This legislation is analogous to shuffling the deck chairs on the *Titanic*. The legislation appears to be great, logical and it ought to work. However, I ask honourable members to reflect on the fact that this is the latest episode in the long-running saga—it is a little like "Blue Hills" or *Days of Our Lives*—of attempts to address the problem. The bill will not address the problem any better than earlier legislation, because the necessary analysis to come up with an effective and simple solution is not happening. I cannot say why that is not happening.

The people who are generally involved in addressing that problem are intelligent, but they have got themselves into a bureaucratic bind in which they cannot see the wood for the trees. They cannot come to terms with the fact that the system has demonstrably failed all the home owners of this State forever and a day. They need to realise that the system is continually failing and that we need to go back to square one and start again rather than graft onto what we have already: a structure which, if subjected to home building inspection, would be condemned. Instead of building on the shaky structure we should go back to square one and rethink the process. I say that based on an examination of history. It is easy for honourable members who do not have that knowledge of history to read the legislation, to think at first glance that it looks good, and to support it.

Given the experience of history, this legislation is no more likely to work or give the protection sought by home owners than any previous legislation. Irrespective of the new measures undertaken in an endeavour to bring the building industry into line, the shonks, the wheeler-dealers, and the less-than-honest people involved in the building industry will still find ways of getting around this type of legislation. Sadly, it is often the gullible, naïve, trusting person who is caught. Often those building their first dream home have little experience of those sorts of things.

As a member of Parliament I continually receive complaints and hear sad and sorry stories about these matters that are upsetting and distressing to the people involved. It is of great concern to me that after all this time I have an intuitive feeling that we are no closer to the solution now than we have ever been. I call on honourable members—and I do not care which side of the House they are on—to have a long, hard think about the history of this type of legislation and to question whether this bill is the way we should approach this matter. Should we go back to the beginning as if no legislation were in place and find a better and more effective way to approach this matter? Many people have never received redress under the legislative packages that have been brought in during the years. As legislators we stand indicted for our failure to do our job in that regard.

Mr CAMPBELL (Keira) [11.57 p.m.]: Initially I thought that the contribution of the honourable member for Hawkesbury strongly supported the legislation. For the first half of it he had me very much on side, but then he strayed a little. For whatever reason, he finished by saying that many families get into strife as a result of people doing the wrong thing. Clearly we have to keep building on what we have. However, it is interesting to note that with the exception of the honourable member for Hawkesbury, not one member of the Liberal Party has contributed to this debate. All contributions from the other side of the House have been from the National Party. The city Liberals, as opposed to the country Liberals, have shown no interest in this debate. They have not come into the House to talk about it.

Mrs Skinner: We haven't finished yet.

Mr CAMPBELL: I am making the point that members of Country Labor are here and I am pleased that we have been able to shame members of the Liberal Party other than the honourable member for Hawkesbury into taking part in the debate.

Mr Debnam: We will discuss Wollongong City Council next.

Mr CAMPBELL: That would be fine; we can discuss any local government authority that you like. The honourable member for Burrinjuck asked about the Government's vision on this matter. The Opposition's vision is a rear vision: it keeps looking backwards; it keeps going back to the past instead of admitting that problems in the home building industry continue. As the honourable member for Hawkesbury said, none of us can deny that, we all have heard stories and I have one that I may mention shortly. We all have heard stories from our electorates that tell us that we have to keep moving forward.

After six months of consultation and discussion this bill takes a forward step rather than follow the rear-vision debate of the past. Importantly, the Minister for Fair Trading has gone to considerable trouble to ensure that the community generally, and interest groups associated with the building industry, have had an opportunity to look at the bill and comment on it. The Master Builders Association certainly has had an opportunity to do that. Although it may not be totally satisfied with the end result, consultation does not necessarily mean that the Government absolutely agrees with every proposal put up during the process. I acknowledge and thank the Minister for consulting.

The main purpose of the proposal is to improve consumer protection in the home building industry through reforms to the Home Warranty Insurance Scheme and the contractor licensing system to establish a better process for the resolution of building disputes and to alter the jurisdiction of the Fair Trading Tribunal. The bill contains a package of reforms for the home building industry related to licensing, insurance, dispute resolution, contracts and the Fair Trading Tribunal. That fits very well with the best traditions of Labor governments, which seek to ensure the protection of consumers in this State. Consumer protection in the home building industry is the responsibility of the Department of Fair Trading under the Home Building Act. The Act aims to protect consumers through the contractor licensing scheme and the associated disciplinary process, the Home Warranty Insurance Scheme, and through the resolution of dispute and the provision of consumer advice.

The need for home building reform has arisen from a review of the legislation—and rightly so because it is appropriate for government to review existing legislation—as well as from concerns raised by home owners, consumer advocates, industry associations, insurers, builders, members of Parliament and other interested parties. The reforms set out in the bill are intended to significantly improve the level of protection for consumers by tightening the licensing system, speeding up the disciplinary process, increasing penalties for non-compliance with the Act, making the insurance scheme fairer and more accountable, establishing an early intervention dispute resolution system, and raising community awareness of remedies that are available when things go wrong.

In addition, members of the building industry will benefit through these reforms, especially those relating to dispute resolution and continuing education. With regard to licensing reform, the review of licensing in the New South Wales home building industry recommended that a number of changes be made to the licensing system. A major recommendation to change from a contractor licensing system to a business licensing system is not supported at this time. Instead, based on consultation with builders, consumers and industry associations, the Government believes that the current licensing system should be enhanced to provide a greater level of protection for consumers and a simpler system for builders. A further review will be conducted.

With regard to insurance reform, under the Home Warranty Insurance Scheme introduced in 1997 the Home Building Act, subject to certain limited exceptions, provides that persons contracted to do residential building work costing more than \$5,000 must arrange insurance cover for the work. Since November 1999 all applicants for a new licence or existing licence holders seeking to renew a licence as builders, and certain other categories, will be required to provide proof that they have, or are eligible to obtain, insurance cover for future work. Consumer complaints about the system mainly relate to the claims handling processes of the insurers. From the industry perspective, the main complaint is that insurers have unreasonably raised both the financial requirements and premiums. After almost three years of operation it is clear that further reform is needed.

Small businesses in my area have told me they have difficulty in obtaining insurance because of the bureaucratic structures and detailed requirements of insurers. As business operators they believe those requirements are particularly onerous and make it difficult for them to obtain insurance. The dispute resolution

process also forms part of this bill and without doubt most honourable members have war stories to tell about this process. As a result of representations by consumers, the department's ongoing monitoring of the insurance scheme, and consultation with building groups, insurance groups and the Home Building Advisory Council, there is a clear need to better define where an insurance claim can be made and to establish a new dispute resolution process for the industry.

There is general consensus amongst interest groups that an alternative dispute resolution process is required to deal with residential building disputes that is simple to follow, cheap to use, provides a quick resolution, and is attached to the Fair Trading Tribunal. In addition, all interest groups recognise that an integral feature of any process is early intervention. Unless the parties are brought together at the initial stage of the dispute, the dispute can rapidly escalate and the chance of informally resolving the dispute decreases substantially.

In this regard I wish to tell a war story about a constituent of mine who entered into a contract with a builder to do repairs to her roof for \$5,900. Over a period of four years the tribunal sent this builder back four times to repair the original botched job. Each time he made it worse, to the extent that an award was made against the builder in the sum of \$25,000. My constituent made a claim in the Local Court in an endeavour to extract that sum from the builder, and a further claim has been made by her against the builder in the sum of \$20,000 for costs incurred in employing consultants and the like to recover the \$25,000. The project started out with a contract price of approximately \$6,000 and has resulted in an award of \$25,000 and a further claim of \$20,000. Who knows how much has been spent by both parties, the tribunal and the Government along the way? It is that type of war story that the dispute resolution and reform might address, and that is appropriate.

When things go wrong, and at the end of the day when the shonky builder is held to account, the penalties are important. The bill provides that the existing penalties be doubled, and I support that. The penalties should be substantial for those who create so much misery for families along the way. They should be as tough as possible. This process looks forward; it seeks to build on what we have learned from past difficulties, rather than take the rear-vision approach of the Opposition—although I understand that the Opposition will vote for the legislation, in any case. I commend the bill and look forward to consumers and families receiving the protections it provides.

Mr DEBNAM (Vaucluse) [12.08 p.m.]: I take issue with a number of comments made by the honourable member for Keira. One is clearly the attitude of the Coalition. The honourable member for Keira needs to remember that the bill should be seen in the context of history, and the Labor Party must learn from history. It was elected in April 1995 and more problems have arisen in this area of regulation since then. A number of changes have been made to regulations and a number of regulations have not been enforced because the Labor Party does not do its homework. When it came to office in April 1995 it had not done its homework. It had run a cynical election campaign promising the earth—it was a scorched earth policy across New South Wales. Bob Carr basically promised anyone anything.

Labor found itself in government in April 1995 and it did not know what to do. It was saved by the bureaucracy and the public sector. Some of the Minister's comments in his second reading speech inspire me to think that some professionalism remains in the New South Wales public sector. The speech highlights a number of problems; it is not in denial because it was written by the public service. However, this Government is in denial, as are Labor members who have spoken in this debate. The honourable member for Hawkesbury pointed out that home building problems are a sad and sorry saga that has continued over successive governments. This is an area of major concern to millions of people in New South Wales, and Parliament has still not got it right. This bill is another band-aid measure from the Carr Government. It should go back and do its homework and see what other improvements it can make.

This bill can be described overall as an admission of the failure of regulation in New South Wales. I will refer later to some of the particular failures of this Minister and his predecessors. The Minister's second reading speech points out time and time again that previous legislation enacted by the Carr Government did not work. It did not work in some very obvious areas, simply because the Government did not do its homework. It remained in a state of denial for as long as possible, despite continual representations and advice from the department highlighting concerns. When the Government finally realised it had better do something about this issue, it introduced this band-aid bill and blamed everyone else. In his second reading speech the Minister stated:

The current system of consumer protection for the home building industry was established in May 1997.

The Carr Government came to office in April 1995, and things have gone downhill for the State ever since. The Government did not do its homework when it introduced that legislation. The Minister continued by saying that it had become "patently clear" that there were major problems and that:

... consumers and builders alike have expressed dissatisfaction with aspects of the current legislative regime.

The Government has taken four years to try to sort out some improvements and include them in this band-aid bill. The Minister went on to say that one of his major concerns is:

... the apparent ability of shonks to continue to operate in the industry.

We are pleased to hear that the Minister is worried about that. The Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs is at the table. One of his colleagues clearly applied that general comment to Labor councils in New South Wales and the obviously incestuous arrangements between those councils and the building industry that prevail in many areas. The Minister should address that issue. He should do his job on behalf of the people of New South Wales. He should give away one of the cars that he has garaged across the State, stay in his office, and do his job. I urge him to investigate some of these concerns and get to the heart of the matter. The Minister has not done that to date even though the Minister for Fair Trading referred in his speech to:

... the apparent ability of shonks to continue to operate in the industry.

That is partly the problem of the Minister for Local Government, and he should do something about it. The Minister said further in his second reading speech:

In recent years there has been an increase in the use of building consultants by consumers in the home building industry.

There is one reason for that: the planning legislation in New South Wales is so complex that I defy those who are not experts in the field to find their way through it. It is no wonder that there has been an explosion in the number of planning and approval consultants in New South Wales since April 1995. That has not happened in other States that have simpler systems. I thank the Minister for making that point in his speech. The Minister for Local Government should go to his colleague the Minister for Urban Affairs and Planning and do something to simplify the system in New South Wales. The Government has made various attempts to change the planning system in the past couple of years, but it has still not got it right. The system remains extremely complex and the man in the street cannot make progress with it. The Labor Party has generated an industry in building consultants, and I am pleased the Minister for Fair Trading acknowledged that in his second reading speech. The Minister went on to comment on various problems, and said:

I hasten to add that these issues arose prior to the HIH Insurance collapse, which was in no way linked to the company's provision of home warranty insurance in New South Wales.

The Minister is a very cynical operator. He is at least partly, if not mostly, responsible for some of the problems experienced by HIH in New South Wales, but he has denied it. I will return to that point. The Minister should have done his job instead of seeking all possible cheap publicity regarding his portfolio. While he was out seeking cheap television and press publicity, he was not doing his job in the office. The department obviously warned him, but the Minister was not interested. A little later in his second reading speech the Minister said:

This bill also contains various provisions to improve the monitoring of the Home Warranty Insurance Scheme.

That is obvious because we must do a lot more to improve that monitoring. I will return to that point later. The Minister has been remiss in this whole area. Talking about a requirement in the 1997 legislation, he said:

This requirement had an unintended result ... the improvements in dispute resolution the 1997 Act was meant to bring have not eventuated.

Those improvements have not eventuated because the Minister did not do his homework. Labor tripped into Government in April 1995. It did not know what it was doing and it had to figure out its course of action. In 1997 the Government eventually introduced legislation, which has caused massive problems. The Government did not get it right because it did not do its homework—and it has taken four years to attempt to address the situation. Various honourable members have mentioned continuing problems and, as the honourable member for Keira said, there is no shortage of war stories that highlight the real problems with regulating building in New South Wales.

I turn to the attack that the honourable member for East Hills launched against the Master Builders Association [MBA]. This is the way the Labor Party runs government in New South Wales. The strategy was picked up from Paul Keating and it has been entrenched in Ministers' philosophy: If there is any disagreement whatsoever on the part of any industry body, launch a personal attack. The honourable member for East Hills, who is obviously a cricket fan, said that the MBA "can't read, can't write". When the Government attacks the people it is trying to work with, it creates dissent throughout the industry. That will not help it get this legislation right.

This bill is not yet right, and Labor will have to work on it in its remaining 21 months on the Treasury benches. The Government will have to work with organisations such as the MBA, and I suggest that the vicious comments by the honourable member for East Hills will not help the Government to resolve many of these issues. There can be no doubt about it: HIH is a Carr crash. HIH crashed because the Carr Government failed in its responsibility to New South Wales.

Mr Woods: What about APRA?

Mr DEBNAM: Who failed? The Minister for Community Services was the first Minister to fail with HIH. The Minister for Fair Trading, and the Minister for Industrial Relations, the Hon. John Della Bosca, also failed. They are three failed Ministers for a start. For whom do they work? They work for Bob Carr. That is why HIH is a Carr crash. The Government is responsible; it should stop blaming someone else. Why is this Government in a continual state of denial? Why does it not take it on the chin and do something about the problem? Those Ministers should be held personally responsible for the current situation. Referring to the HIH saga, the Leader of the Opposition said:

When the Home Building Act came into force in May 1997, the Carr Government in a desperate attempt to accredit approved insurance underwriters for the scheme, signed up HIH Casualty and General Insurance who were not even listed in the phone book.

The then Minister for Fair Trading, Fay Lo Po', signed up HIH just 24 hours before the Act came into force, refusing to heed Opposition warnings to impose a moratorium on the start of the regulation until the necessary infrastructure was in place.

The Leader of the Opposition highlights the various responsibilities of the Minister. I will come back to that. The approach of the Labor Party to any problem is to play cynical, shallow politics. That is a problem for New South Wales. This Government has been on the Treasury benches for a little over six years, and since then New South Wales has had increasing problems in every area of regulation. One could almost summarise the Carr Government as "a failure of regulation". I will not go into the Government's approach to corporatisation, which it has totally messed up. I will leave that to a later date and stick with its failure with regulation.

What did the Coalition do in the upper House in relation to HIH Insurance? We called for an inquiry? What did that the Government do? The Government fought tooth and nail in the upper House to avoid an inquiry. What a bunch of cynical HIH hypocrites! That is not a stutter. HIH is a Carr crash. The Carr Government is responsible for it. In his second reading speech the Minister discussed all these issues at length. At page 22 of the first of two volumes of the 1999-2000 Annual Report of the Department of Fair Trading there is a paragraph headed "Home warranty insurance monitored". Generally, we do not take notice of the headings of various paragraphs in most publications, but the word "monitored" is used. The report states:

Amendments to the Home Building Act made in 1997 established a Home Warranty Insurance Scheme that replaced the government operated schemes. The following five companies or their agents were approved by the Minister for Fair Trading to offer Home warranty insurance.

The first company listed is HIH Casualty and General. In case honourable members missed it, the words prior to that were, "The following five companies or their agents were approved by the Minister for Fair Trading". That was a Minister of the Carr Government. Who was it? At that time it was Faye Lo Po'. The Minister for Fair Trading approved HIH. As I outlined previously, and the Leader of the Opposition has outlined in great detail, the Minister for Fair Trading approved HIH in a great rush. One has to ask why. I might come back to that a little later. Two paragraphs later the report states:

The intention of the private insurance scheme is to provide consumers with direct access to the insurer for claims processing and to enable insurers to take recovery action against the contractor. The Department monitors—

I repeat—

The Department monitors approved insurers' claims-handling procedures and provides information to consumers on avenues for dispute resolution.

The present Minister, Mr Watkins, received a series of representations on HIH. He, and the department, knew that there were problems. What did the Minister do? He ignored them. The people of New South Wales had to suffer for years with this company, as it did everything possible to delay settlement disputes, and the present Minister for Fair Trading was responsible. It is no wonder that he scurried out of the Chamber just before I spoke.

Mr LYNCH (Liverpool) [12.23 p.m.]: Unlike the previous speaker, I will try to restrict my comments to the bill. This bill is a matter of considerable interest to me for two primary reasons. One is that the Liverpool local government area has been claimed to be the largest growing area in New South Wales for a number of

years. A whole series of new estates are being developed in south-west Sydney in my electorate, which includes Hinchinbrook, Green Valley and Cecil Hills and a range of neighbouring suburbs, such as a Wattle Grove, Prestons, Carnes Hill and Hoxton Park. With developing suburbs, new houses are built. Inevitably, even at a statistical level, that means a significant number of complaints about the nature of the buildings and the conduct of the builders involved. People in my electorate who have had concerns about the building industry will welcome this legislation, if it tightens the current legislative regime, as it is proposed to do.

My other interest in this legislation relates to the extraordinary emotional commitment that people make to building a house. It is one of the most substantial investments people will make in their lives. If it goes wrong, it is an absolute catastrophe for them. Several members have spoken today of how a dream home has turned into a nightmare—words that unfortunately many of us have used over the last few years. Whilst it is a cliché, it is an accurate presentation of the difficulties many people have with builders. This legislation, which proposes to regulate building work and builders, is a positive step. A tightening of the renewal process and an early intervention scheme to resolve disputes are a welcome addition to the current legislative scheme.

I have dealt with a number of complaints about difficulties with builders in my electorate. Perhaps the most notorious was a firm called Reef Pools, whose principal was Ken Burke. He probably rates as one of the most despicable people ever to engage in building practices in this State. The number of complaints received about him were legion. He, and the corporate entities he was responsible for, had an appalling standard of work and were regularly guilty of unforgivable delays. Some time ago Faye Phillips, who had a house at Hinchinbrook, came to my office. She had the horrific complaint of sewage collecting in her swimming pool, which had been constructed by Reef Pools. Approximately 20 other couples attended my office with her.

When I made inquiries of the Department of Fair Trading, I was told that about 70 more complaints had been lodged against Reef Pools. This matter occurred some time ago, but the problems are ongoing. Mr and Mrs Williams, who have corresponded with me, contracted in 1998 to have a pool built by Reef Pools. Three years later their problems are ongoing. They received a letter from Liverpool council dated 6 December 2000 which refers to an "unauthorised raised wall section to the eastern (curved wall) elevation" on their property. That letter included a rather frightening paragraph which states:

Council is not permitted to give retrospective approval for works after they have been undertaken. Therefore you are to within thirty (30) days submit a structural engineer's details and report certifying the variations to the structural variations of the swimming pool wall. In respect to the matter of safety and loss of opportunity for safe access to the pool, this entire issue is not one for Council as the works undertaken are illegal. Council may proceed, if not satisfied with requested certification, to issue a demolition order on the unauthorised works.

Such catastrophes remind us of the significance of these incidents. The complaints against Reef Pools read like a horror story, and people are still suffering the consequences three years later. Reef Pools is not the only builder I have had difficulties with in my electorate. Many people have come to talk to me about difficulties in housing construction in the new release areas. People such as Ben Ward, Bruce Etherington, Sharon Giannine and Peter Young have come to me in the past 12 months to complain about builders, delays in construction and thoroughly inadequate construction standards. If a tightening of the legislative regime is implemented by this legislation, every member of the House will support it. Given the time frame for this debate, I will leave my comments there.

Mrs GRUSOVIN (Heffron) [12.28 p.m.]: I support the Home Building Legislation Amendment Bill and hope it will provide effective protection for consumers. I have listened intently to this debate, and have noted in some of the contributions a degree of cynicism as to whether the legislation will be effective. I believe that the Minister has made great strides in addressing very defective consumer legislation that failed to protect consumers. If we were frank we would admit that the legislative amendments put in place in 1997 were gravely flawed. Since then, consumer protection has been going backwards, particularly with home building. As a member whose electorate was devastated by the Sydney hailstorm just two years ago, I have had a very wide exposure to the building problems that many of my constituents experienced.

I feel very much for the very good, very efficient, very credible builders who, because of the present circumstances and the collapse of HIH, are in grave difficulties. Many of those builders have provided good building practices for their clients and have caused no problems. But the climate in this State has allowed shonky builders to operate without any control. I understand the dilemma for the Department of Fair Trading; I understand that officers of the department have been frustrated by the limitations of the legislation under which they have had to operate. I am very pleased that the Minister assured the House in his second reading speech that the bill will improve the delicate balance between better regulation and a better deal for consumers, as well as a fair go for builders. I am also pleased that he has given a commitment to further consultation and an improved process.

I hope that will occur not only during the course of this debate and in the other place but through the Minister taking a proactive rather than reactive approach to problems that will inevitably arise because, unfortunately, no legislation can deliver absolute perfection. I have worked very closely with a number of constituents who have experienced the very worst of problems in these last years. Among the victims of this one builder—Prince Construction—are two family members. I cannot begin to express my angst and frustration in witnessing what has occurred to innocent victims of builders who have been able to use every technical malpractice in the book to allow them to continue to ravage innocent people. I am very pleased to be able to inform the House that Prince Construction is now in liquidation, and its licence has been surrendered.

However, the company is in liquidation only because in the early part of this year the builder sought to have his company put into liquidation. Had that not occurred my constituents would have continued to be in limbo. Unfortunately, they will not be helped by the legislation we are currently debating. I am hopeful that consumers will be afforded the protections currently denied my constituents. I am very pleased to note that in the month of May Peter Yassa, who operated as the Director of Prince Construction, had his licence suspended. If one were to look at the liquidation proceedings and circumstances of Prince Construction, one would note that the total outstanding debts of \$644,057—roughly \$250,000 of which is owed to the directors, that is Peter Yassa and his wife, Sharon Yassa—includes substantial debts to very large and well-known companies in the building industry. I am aware that, in the course of the last couple of years, a number of those companies have become involved in expensive court proceedings in an attempt to secure the money owed to them.

One of the largest debts in the wind-up proceedings, \$93,000, is to Doyles Construction Lawyers. Peter Yassa was so litigious that if anyone attempted to deal with him, whether that person was the consumer or the supplier, he went straight into court. My constituents were aware of his inadequate, irresponsible building work and terminated his contract. Unbeknown to them, on the basis that they were refusing to pay him further money he filed a cross-action in the District Court six days before they terminated his contract. That precluded my constituents from having the matter dealt with by the Fair Trading Tribunal. As with other litigants, he continued to delay the matter through the District Court. If the company had not gone into liquidation, my constituents would continue to be in a very precarious situation. They have incurred substantial legal debts in an attempt to try to save their homes.

Building a home today is a substantial commitment. Usually people have only one opportunity to secure their home and their future. If anything goes wrong, as it did in this case, they become totally exposed and face the loss of everything, and an inability to ever put another roof over their heads. I have lived with it first-hand and I know the despair, the anger and the sheer frustration of so many people who have had such a rotten deal and who, unfortunately, will not be helped by this legislation. However, I am reassured by the undertakings given by the Minister. The proposed amendments will provide for close monitoring of the insurance scheme. Prior to 1997 a totally self-funded building insurance scheme was available to consumers. The system has become very adversarial. It seems that, if at all possible, insurers are determined to pay out nothing to victims of shonky builders. We will have to monitor closely how these matters are handled by the insurer. I welcome the legislation, which will deliver more effective consumer protection in this State.

Mr COLLIER (Miranda) [12.37 p.m.]: I welcome the bill. I note that the Minister for Fair Trading undertook extensive consultation with major stakeholders over 18 months. The bill will tighten up the home building legislation, improve the monitoring of the home and building insurance scheme, and provide protection for those who buy off the plan. Mrs Pont, one of my constituents who lives at Loftus, wanted to buy into a unit development in Miranda, but she discovered a potential gap in liability insurance. The developer started off with a builder who went bankrupt. The developer then decided that he would take over, which he did for a while. He then employed another builder. The development was effectively built by three different builders.

Apparently, some of the defects appeared to be attributable to the second period when the developer had taken over. The problem was that there was no identifiable insurance attached to that period. People who wanted to buy into the unit development could not be assured that they had continuous coverage under the home warranty assurance legislation. When this matter was first brought to my attention I raised it with the developer, who assured me, "Oh yeah, it's all there, mate. We're right. We're all covered." But he could not produce documents to prove it.

The Ponts wanted to complete the contract but the developer was attempting to weasel out of it. He offered to agree to rescind the contract because Mrs Pont was making too many waves. She said that she wanted to go ahead with the contract. She informed the builder that she wanted to live in the unit, but that she wanted reassurance that her property was protected by insurance. What next occurred was that the developer decided to

issue the Ponts with a notice to complete. The builder effectively demanded that they buy the property, even though he could not guarantee that the home-building warranty insurance would cover the gap.

I am grateful to the Minister for Fair Trading for his intervention in this matter. The Department of Fair Trading had to drag the builder, kicking and screaming, to the Supreme Court in order to obtain an injunction to restrain him from proceeding with the notice to complete. They were expensive proceedings and they continued for the better part of six months. I have in front of me a letter dated 12 May which indicates that the Department of Fair Trading was successful in having the developer withdraw the notice to complete, and also successful in forcing the developer to take out insurance coverage for the gap in the insurance period between the builder going bankrupt and the third builder coming on board—the period when the developer decided to do a bit of building work himself.

The Ponts are covered, but their case demonstrates the importance of this bill. Instead of having to make application to the Supreme Court and spending thousands of dollars on injunctive proceedings, the Department of Fair Trading will have additional powers. It will be the port of first call, the place where proceedings can commence and matters can be dealt with expeditiously. The bill will make it an offence for a contractor to knowingly mislead the Director-General of the Department of Fair Trading—in the way that I believe the developer attempted to mislead me by saying that he had insurance cover and that there was not a problem. It was only because Mrs Pont wanted the unit and insisted on her rights, and because she would not be fobbed off by the developer, that the Department of Fair Trading was intervened and spent a lot of taxpayers' money to get what truly belonged to her. As a result, not only Mrs Pont but also the 60 others who bought units in the development are protected.

I congratulate the Minister for Fair Trading and officers of his department, with whom I worked closely, on taking this developer to court to obtain for Mrs Pont and others like her what is rightfully theirs. I also congratulate the Minister on having introduced this bill, which will provide better protection for these consumers. It will also give those who wish to buy off the plan a five-day cooling-off period. It will provide them with a way out and with faster access to the Fair Trading Tribunal. I support the bill.

Mr PICCOLI (Murrumbidgee) [12.43 p.m.]: A number of members of the Opposition have addressed the bill in detail. I support their comments and will not oppose it. The bill addresses a number of matters, but I believe that there are a number of other very pressing issues relating to the building industry. As late as this morning I was contacted by Quiprite Pty Ltd, a company in Griffith in my electorate, which is facing some very difficult times in its business because of problems arising from the collapse of HIH Insurance. Quiprite sent me a copy of a letter that the company forwarded to the District Manager, Australian Business Ltd, seeking assistance. For the benefit of the House I will read part of that letter:

Our company Total Leisure Pty Ltd install swimming pools. In the past we would purchase insurance from HIH via the local Council. With the demise of HIH we have had to apply for insurance from the remaining two insurance companies Dexta and HIA. Applications were forwarded to them via courier express on 18th April 2001.

Since then we have received a letter from HIA on the 20th April 2001 requesting further information.

On 1st May we sent the requested details along with an assessment fee of \$110.00.

We ring daily to HIA. Reception answer the call and transfer us to a message bank where we get absolutely no response. Dexta do not even answer the phone.

Today this is the problem we face:

1. We derive 66% of our income from the sale and installation of swimming pools.
2. We have not been able to undertake work since 1st May, which equates to approximately \$125,000 income.
3. We have laid two staff off and a third has been reduced to 1 day per week.
4. A fourth person will be laid off next week.
5. We are currently negotiating an overdraft extension in order to remain viable.
6. It has been reported to me that Dexta usually handle 2000 applications per year. They have received 7000 applications in 6 weeks.
7. It has been stated that both insurance companies may not have the underwriting capacity to handle all the applications.
8. It has been suggested to get owners to take out homeowners applications with councils in order to get the plans approved. This is fine but the Department of Fair Trading states that any licensed person who undertakes work (including goods supplied) over \$5,000 must issue a homeowners insurance certificate. It has been rumoured that the Department of Fair Trading is checking and fining any builder in this situation.

9. It has been indicated that it may take 3 to 6 months or maybe longer for the insurance certificates to be issued.

10. This business cannot possibly sustain its viability over this period of time.

This same situation will be affecting any builder who is applying to Council for processing of building plans for homeowners.

This problem is not an insurance problem it is a Government Legislation problem. The Government needs to recognise their legislation in regards to homeowner building applications is stopping companies like ours from operating.

My suggestion, which I have already passed to my local State Member of Parliament Adrian Piccoli, is that Councils hold a payment in trust until insurance certificates can be issued. The only problem with this is if the insurance companies ultimately will not accept the client then the government must underwrite those particular building applications issued by Councils where the money is held.

The collapse of HIH Insurance has caused a number of problems for many people throughout New South Wales and Australia. Quiprite in Griffith is one business that has been seriously affected by the collapse of HIH Insurance. Whilst the bill deals with a number of anomalies within the building industry, issues such as those raised by Quiprite in its letter to Australian Business Ltd are important and it is equally important that they should be dealt with quickly. Perhaps the Government did not have time to include in the bill measures that would have assisted that company, because the HIH Insurance issue is current. I hope that the Minister in his reply will address some of the issues raised by Quiprite because it is a successful business in Griffith that employs a number of people. As stated in its letter, that company will have difficulty continuing in business unless something can be done to assist it. Such assistance would only need to be in place for a relatively short period, until the insurance industry is sorted out following the collapse of HIH Insurance. In the meantime any assistance will help businesses such as Quiprite to survive.

Mr NEWELL (Tweed) [12.48 p.m.]: The aim of the bill is to improve consumer protection in the home building industry through various reforms. The bill contains packages of reforms for that industry relating to licensing, insurance, dispute resolution, contracts and fair trading. The reforms are the result of a review of the legislation undertaken in the past 18 months. The review addressed a range of issues, as contained in the bill. My remarks on the bill relate to problems similar to those encountered by other members in relation to building disputes. Some of the first representations members would have made on behalf of constituents would have concerned people having difficulty with some aspects of the building industry. I have made such representations to the Minister.

The bill will remove the need for the director-general of the department to give 48 hours notice of the issuing of a public warning if there is an immediate risk to the public. It will be an offence for a contractor to knowingly mislead the director-general as to whether an order of the Fair Trading Tribunal has been complied with. The purchaser of a dwelling from a spec builder will be able to rescind the contract of sale if the required home warranty insurance is not taken out. Concerns of my constituents have covered the gamut of various aspects of building, from earthworks, plumbing and drainage to general building. People in the industry have had a mindset that they have a right to operate in the industry.

In putting forward this bill the Government is attempting to change that mindset, to instil in people that they do not have a right to work in the industry but must work with the rules and provide a service to the consumer. The bill is about protecting the consumer from some of the problems that have arisen. Many of the problems in my electorate may have been avoided if inspection of particular aspects of building work had been undertaken as required. Had some of the people licensed through the local government system to tick off work been more stringent, the problems could have been addressed. I do not know whether there is a mateship system in operation, but one tends to be cynical and to come to that conclusion.

I estimate that a quarter to a third of complaints could have been nipped in the bud had action been taken early. Some of my representations to the Minister for Fair Trading have dealt with aspects of the licensing system. Those issues are addressed in the bill. Licensed builders have gone broke or, after having an order made against them by the tribunal, have disappeared into the ether and reappeared within a month or so working under a licence held by a subcontractor or a family member. Those builders have considered it fair that they should be able to continue working in the industry in the way they had in the past. I look forward to putting some of those people out of work. Licensed builders from Queensland come across the State border to work in my electorate. Many carry dual licences, but not all of them. Local tradespeople would like more policing of licences, particularly in the border region of the Tweed. I look forward to the situation being tightened considerably.

I welcome the new insurance provisions. Certificates issued before 15 March will be validated by the bill to ensure that consumers rights are protected in relation to the HIH Insurance collapse. I commend the

Government for working so quickly and effectively to give consumers this further protection. I commend the bill and look forward to seeing how it functions in practice. Some Opposition members were critical of consumer protection in the building industry in the past. This is an ongoing problem. Legislation may be amended but people try to get around the provisions and it is sometimes necessary for amendments to be made later. I look forward to the bill giving consumers of services provided by the building industry, particularly in my electorate, the protection which they so rightly deserve.

Mr GAUDRY (Newcastle—Parliamentary Secretary) [12.57 p.m.]: I join my colleague the honourable member for Tweed in congratulating the Minister on bringing forward the bill. It is the result of 18 months of consultation with all people with an interest in the building industry, including consumers. It is part of an ongoing series of reforms relating to the building industry to increase consumer protection, to act against shonky builders, and to deal with the turgid processes that have occurred within the Fair Trading Tribunal. Insurance companies have also approached the Government on the matter. The purchase or major renovation of a house is the principal decision in the life of a family. If people are in conflict with the builder or do not understand a contract, resolving the problems can result in years of emotional stress and difficulty.

The collapse of HIH Insurance has emphasised the need for action. Many examples have been given in the debate of consumers caught by shonky builders. The collapse has also comprehensively demonstrated the absolutely deficient oversight of the insurance industry by the Australian Prudential Regulatory Authority and the almost beyond belief contemptuous behaviour of the principals of insurance companies in leaving thousands of people in the lurch and awarding themselves massive amounts. I commend the Minister on the consultation process.

The second reading speech shows that consultation was right across the building industry—the Housing Industry Association, the Master Builders Association, the Master Painters Australia Association, the Master Plumbers and Mechanical Contractors Association, the National Electrical and Communications Association, the Swimming Pool and Spa Association, the Landscape Contractors Association and the Building Industry Skills Centre. Since the draft bill was released 47 submissions have been dealt with. That consultation has continued up until this week. In the context of the HIH collapse, Robert Fuller from the Master Builders Association at Newcastle made it clear in discussions with me that he appreciated the opportunity to have input into the preparation of the bill during the consultation period.

As late as last Friday the Minister met with Robert Fuller and other representatives of the association, HIH Insurance, the insurers, the pool and spa group and landscapers to work out guidelines of communication in relation to the problems faced by the building industry in seeking reinsurance through Dexta or the Housing Industry Association. Last Monday the Minister held discussions with the Master Builders Association about issues facing builders in Newcastle, where a great number of builders were insured through the HIH home warranty insurance scheme. I understand that following those discussions a clinic will be run in Newcastle in the next week involving the insurers, the industry associations and the Department of Fair Trading. The clinic will focus on assisting builders to return to work. The bill demonstrates the Government's quick and full response to problems facing the building industry. The honourable member for Murrumbidgee may not have read the part of the Minister's second reading speech which stated:

I turn now to additional provisions included as a result of the devastating HIH collapse. The bill contains a savings and transitional provision which places beyond doubt that certificates of insurance issued by contractors on or before the provisional liquidation of HIH on 15 March 2001 are valid. This should address the widespread confusion which has arisen on the part of builders, developers and consumers as to whether they could continue to rely on these certificates and whether they were in breach of the Act.

In the case of consumers who had HIH home warranty insurance in place as at 15 March 2001 they will be covered by the New South Wales Government's rescue package.

That is a clear indication of the Government's commitment and rapid response through this legislation. I will cite one example which indicates clearly how people have been caught by the HIH collapse. My constituents Mr and Mrs Fishpool of 101 Ridge Street, Merewether, signed a contract with a licensed builder, W. J. Harris Constructions Pty Ltd, who held home warranty insurance with HIH. However, Mr and Mrs Fishpool did not realise that the builder was in deep trouble before he started the job. People started phoning them and going to their house looking for the builder to get money owed to them for previous work. The builder's men continued to work on the job and made out that nothing was wrong. My constituents were harassed by the builder for money and when it came to drawing money for payment he said that he was still waiting for more equipment to arrive.

The builder put blue board over the places where windows should have been and asked to be paid. When my constituents refused to pay until materials arrived the builder walked off the job. He abandoned the

job, having been paid \$66,000 towards a \$107,000 job, leaving my constituents with \$40,000 to pay to finish the job. Mr and Mrs Fishpool were forced to live in a house that had been absolutely destroyed by the builder. Rain has penetrated the roof, half the extension has no roof, the ceiling has been destroyed. The legislation will address those sorts of problems created by shonky builders. I congratulate the Minister and the Government on their continuing action on behalf of consumers and on improving the building industry.

[Debate interrupted.]

DISTINGUISHED VISITORS

Mr ACTING-SPEAKER (Mr Mills): Order! I acknowledge the presence in the gallery of delegates to the Committee for Cultural Relations with Foreign Countries from North Korea led by Mr Kim and Mr Pak. I welcome also Mr Lee, the Consul-General of South Korea, who attended the meeting of the New South Wales Parliament Asia Pacific Friendship Group. I welcome them to the Parliament of New South Wales.

HOME BUILDING LEGISLATION AMENDMENT BILL

Second Reading

[Debate resumed.]

Mr WINDSOR (Tamworth) [1.05 p.m.]: I will speak only briefly in this debate. I had assumed that amendments were to be moved by the Opposition to meet the concerns that some of my constituents have raised. That does not seem to have been the case. I bring to the attention of the Minister some of those concerns and perhaps next week I will relay those concerns to him in a written form for his consideration when the bill is dealt with in the upper House. It may well be that amendments will be moved in the upper House. I congratulate the Minister on the way in which this legislation has been processed.

There will always be problems with any legislation, but the process of seeking consensual arrangement in relation to the bill is to the Minister's credit. The legislation probably leans a little towards consumer protection rather than taking account of the genuine concerns of the building industry. The Minister may have already heard the concerns of the building industry. It is important to note that there has been an extended period of consultation during which the Minister and his staff have held meeting with interested parties, including myself. The Minister should be given due credit for that.

I will briefly run through some areas of concern. I acknowledge, as most members of Parliament do, the concerns that consumers have from time to time about the Department of Fair Trading and the building industry. Item [13] of schedule 1 inserts new subsection 40 (2B), which gives the director-general the ability to reject an application for the renewal of a licence if the applicant has been involved in the management of a company that has been the subject of a winding up order within a period of five years before the date of the application. The Master Builders Association is concerned that this provision is inconsistent with the current bankruptcy period of three years and the consequential problems that creates.

I ask the Minister to look closely at that. I am concerned about new section 120, which relates to the register. There are concerns that recording a caution on the register constitutes more of a penalty than a caution and, therefore, the caution in isolation should be sufficient. At this time I will not expand on concerns about the cooling-off period. The Minister is aware of concerns about kit homes, and those concerns should be revisited from a slightly different perspective. Perhaps we can deliver a better outcome. Division 2 of schedule 4 deals with building disputes, and the proposal for early intervention in building disputes is supported by the Master Builders Association. The association also welcomes the further amendments to the first draft of the bill.

The Master Builders Association is of the view that the bill can be further strengthened if all applications to the tribunal are required to go through the early intervention process rather than giving the discretion to the tribunal. I will elaborate on that in writing to the Minister. Division 4, which relates to the jurisdiction of the Fair Trading Tribunal in relation to building claims, is under consideration. The bill proposes that \$500,000 should be the limit of the jurisdiction, although that is regarded by some as too high. Claims in amounts up to \$500,000 represent only 1 per cent of the claims to the tribunal, whereas 80 per cent of claims relate to amounts up to \$100,000. Some of my constituents believe that \$100,000 should be the limit of the jurisdiction rather than the \$500,000.

The powers of the tribunal are also of concern because they may encourage a jackpot mentality. Any work the subject of a dispute should be rectified and the discretion to make a monetary order could be viewed as

taking the easy option rather than focusing on the work. The question of how the value of such monetary orders is formulated also arises. I will put that matter in writing in a broader perspective and provide that to the Minister prior to debate in the upper House. I know that the process of consultation is ongoing.

The collapse of HIH Insurance is related to the bill. Only yesterday I rang the Minister's office. I compliment the member of his staff to whom I spoke on her quick reaction to my concern about the renewal of building licences, a concern that is shared throughout the building profession. Ian Lightfoot, the principal of a building firm that has been operating in Gunnedah for many decades, Lightfoot Building, contacted me yesterday to say that the firm's building licence is due on 11 June and the company is having difficulty getting its home warranty insurance renewed. He has been given an indication that the company will receive an interim licence. However, he believes that insurance problems could arise if that process is followed. Undoubtedly, many others are in the same situation. It is important that the growth of reputable building businesses not be inhibited, and any assistance that can be given to them would be greatly appreciated. I thank the House for the opportunity to make a contribution to this debate. I will not be able to remain in the Chamber for the Minister's reply but I will read it with interest tomorrow.

Mr WATKINS (Ryde—Minister for Fair Trading, Minister for Corrective Services, and Minister for Sport and Recreation) [1.13 p.m.], in reply: I thank members representing the electorates of Oxley, Georges River, The Entrance, Cabramatta, Port Stephens, Coffs Harbour, Kiama, Burrinjuck, East Hills, Hawkesbury, Keira, Vaucluse, Liverpool, Heffron, Miranda, Murrumbidgee, Tweed, Newcastle and Tamworth for their contributions to the debate. All members who have spoken about this most complex matter understand that this debate has many aspects. However, I would have liked to have heard more from more Opposition members about their detailed concerns or about possible amendments to the bill as I understand amendments will be moved in the upper House. The members who have spoken in the debate understand that the Government is trying to bring some clarity and certainty to this contentious and difficult matter.

As I said in my second reading speech, the bill has something for everyone. It tries to address the most critical problems facing insurers, builders and consumers across the board. It is not perfect but no legislation can be. Home owners are the big winners, and rightly so. I am confident that the bill goes a long way towards addressing the consumer protection issues that are of concern to all honourable members. I have received representations from most members of the House about building works that have gone bad. Those sorts of problems cause such pain and difficulty for families because in many ways their homes are their most expensive and precious possession.

In my second reading speech I made it clear that the consultation and the improvement process will continue until the bill passes through the upper House. I give that commitment to the honourable member for Tamworth, in particular, who I understand will provide me with suggested amendments and submissions on his areas of concern. I will consider those before the bill is received in the upper House and if the changes are reasonable they will be made. The preparation of the bill has been a long and exhaustive process. I thank consumer groups, insurers and, in particular, representatives of the Master Builders Association and the Home Industry Association. We have had many meetings about the detail of the bill and the representatives of the groups I have mentioned approached that consultation with a positive manner in an endeavour to achieve the best outcome for consumers and builders.

A balance must be struck between consumers and builders. I commend the honourable member for Tamworth for his thoughtful comments about the building industry, especially in regional New South Wales. We must ensure that New South Wales has a strong and vibrant building industry. That is critical to the health of our economy and to the delivery of the dreams people have about owning their own homes. The bill provides a balanced approach to achieving that goal. The Master Builders Association and the Home Industry Association still have concerns and we will continue to consult with their representatives until the process is finished. I reiterate my support for the good, decent, hardworking builders and tradesmen of this State. Bearing in mind the exigencies of the economy and problems faced by the industry, building is a difficult profession.

In conclusion I want to make some remarks about the effect on New South Wales of the HIH collapse, something that has been outside our control. No-one would have expected the collapse of such a major insurer and it has caused real human problems in our State. Many consumers had home building warranty insurance with HIH—not the wider range of insurance for which I am not responsible such as public indemnity and public liability. The steps taken by the Government to provide assistance to consumers have been effective. I have had contact with many people who thought they were out of pocket and their dreams were gone, but the Government's rescue package has now made a difference to their lives.

In some ways we have moved on from that. Money is going out to those needy people; the scheme is going well. However, the problems the collapse has caused to builders is currently of great concern to me. Many builders are waiting for insurance and are unable to continue work. Some have laid off apprentices, which is especially disturbing, and other tradespeople. We have been working tirelessly, and that is not a cliché, to try to achieve a resolution of that problem. I have met weekly or fortnightly with representatives of insurers and building associations and some progress is being made.

At a meeting held last week under the auspices of my department I was pleased to note that there was better communication between insurers and the building associations. That will ensure that any problems that arise are dealt with quickly. These groups are doing their utmost to get through the applications as quickly as possible and both have different ways of assisting builders in need. HIA Insurance Services [HIAIS] has a 60-day insurance scheme with a rapid turnaround that gets builders working again. We are putting builders in touch with HIAIS as quickly as possible. Dexta, the other main insurer, has a different way of operating and the MBA is helping builders to communicate with that organisation when necessary.

I discussed the current situation with the main players on Monday. It was drawn to my attention that Newcastle has been hit particularly hard because of the high level of insurance with HIH in the Hunter. We have established a clinic that will travel to Newcastle and bring builders into immediate contact with insurers. It is slow progress, but we are getting people insured. There is light at the end of the tunnel, although I acknowledge that it has been a very difficult time for builders. It is out of our hands and those of the MBA, HIA and the other remaining insurers. HIH should not have collapsed, but that issue will be dealt with by the royal commission and in other places.

In conclusion, I draw the attention of the House to the contribution of some extremely hard-working people in my department. They include Chris Aird, Mary-Louise Battilana and Anthea Taylor—to whom the honourable member for Tamworth referred. I thank all of my staff who have been involved in these matters. I reiterate the fine work of Jane Fitzgerald, my chief of staff, who has driven the process of consultation and intelligent discussion in my place to achieve a piece of legislation that meets the needs of the men and women of this State as far as is humanly possible. Whether builders or consumers, they should be thankful for her involvement in this process, and I offer her my deepest thanks. I am sure that we will achieve a good outcome. I look forward to the debate in the upper House and to the passage of this bill so that we can make this State a better place for both builders and consumers.

Motion agreed to.

Bill read a second time and passed through remaining stages.

[Mr Acting-Speaker (Mr Mills) left the chair at 1.23 p.m. The House resumed at 2.15 p.m.]

STATE GOVERNORS INCOME TAX ARRANGEMENTS

Ministerial Statement

Mr CARR (Maroubra—Premier, Minister for the Arts, and Minister for Citizenship) [2.15 p.m.]: On 5 June the Prime Minister announced plans to remove the income tax exemption for the Governor-General and State Governors. In New South Wales the change will come into effect after the term of the current Governor, Professor Marie Bashir, concludes. I need not remind honourable members what a fine appointment she is. As a result of this change the salary of future State governors will be increased slightly so they continue to receive the same after-tax income. The salary increase will be made by way of regulation under the Constitution Act 1902.

Under the Governor's Salary Regulation, the New South Wales Governor receives an official salary of \$107,905. The tax-free status for vice-regal positions goes back to the days when governors were brought here from the United Kingdom. As representatives of the Crown, they were not required to pay tax. Today eminent Australians fill these vice-regal roles. It is only appropriate that, along with other members of our community, governors should pay tax. In 1993 the United Kingdom Government decided in conjunction with the Queen that she should pay income and capital gains tax for the first time. The change being presented by the Federal Government is sensible and timely.

KU-RING-GAI CHASE NATIONAL PARK BUSHFIRE ANNIVERSARY

Ministerial Statement

Mr DEBUS (Blue Mountains—Attorney General, Minister for the Environment, Minister for Emergency Services, and Minister Assisting the Premier on the Arts) [2.18 p.m.]: I bring to the attention of the

House that tomorrow marks the first anniversary of a tragic event. One year ago four New South Wales National Parks and Wildlife Service officers lost their lives in a hazard reduction operation at Ku-ring-gai Chase National Park. Today I am sure that honourable members of this House join me in remembering George Fitzsimmons, Claire Deane, Erik Furlan and Mark Cupit. Our thoughts are also with three of their fellow officers who are still recovering from the terrible injuries they sustained in this tragic incident, and with their families, friends and colleagues.

Of the three injured staff, one, Jamie Shaw, remains in the Burns Unit of Royal North Shore Hospital and is making steady improvements to his mobility after undergoing major skin grafting operations. The other two injured officers, Luke McSweeney and Natalie Saville, are now mobile and have been able to catch up with friends and colleagues. Since this tragedy, three memorials to those who died have been established. Perpetual study awards honouring each of the four staff have been developed in accordance with their specialist fields. In April this year the first two inaugural awards, honouring Claire Deane and Erik Furlan, were presented to students of the Bush Regeneration II Certificate course at the Northern Sydney Institute of TAFE at Ryde.

Claire Deane, who was a well-known and respected former student of that course, was honoured with a special award. Her parents proudly presented that award at the institute's award night in April. Erik Furlan was also honoured with an award for "Outstanding Practical Achievement and Field Work in Bush Regeneration". The National Parks and Wildlife Service has initiated two awards in honour of George Fitzsimmons and Mark Cupit in the fields of marine mammal management and field officer skills. George and Mark were two outstanding field officers, and their families supported the establishment of these two perpetual awards for the continuation of the work they did. The George Fitzsimmons Award for Marine Mammal Management and the Mark Cupit Award for Excellence in Field Officer Skills will be managed by the National Parks and Wildlife Service as part of its ongoing staff training.

Other memorials have been established, by the Mount Kuring-gai community and by the colleagues of those who died, at two separate sites. Last Sunday I had the privilege of attending a dedication service. The honourable member for Hornsby was also present, and I am sure he will agree that it was a moving ceremony. The service was held in Seaview Avenue Park in Mount Kuring-gai, where the Mount Kuring-gai residents and Hornsby shire council erected a community memorial. The memorial is a clear recognition of the value that that community places on the work undertaken by National Parks and Wildlife Service staff, both in bush regeneration and hazard reduction programs. In particular, the memorial will commemorate the lives of those four officers whose work related directly to protecting the homes of local residents from bushfire.

A special memorial, a bush rock seat constructed by the National Parks and Wildlife Service staff containing an engraved plaque, was recently erected along the track in Ku-ring-gai Chase National Park near the site of the tragedy. That memorial was recently unveiled by staff in the presence of family members. Under the tragic circumstances of last year, families and staff have been coping extraordinarily well and have a positive outlook towards the future. I am sure that all honourable members of this House will join me in thinking of bereaved friends, families and colleagues on this very sad anniversary.

Mr O'DOHERTY (Hornsby) [2.22 p.m.]: I join with the Minister for the Environment in recognising the first anniversary tomorrow of that dreadful day when four National Parks and Wildlife Service volunteers lost their lives and others were seriously injured. This tragedy happened in an action that was designed to protect life and property in the Mount Kuring-gai area, which adjoins Ku-ring-gai Chase National Park. Many honourable members will remember that day. Members who may have experienced a disaster or tragedy of this kind in their electorate will know how important that day is in my memory, as it would be in the memory of the Minister. I recall that the House was sitting, and we were advised during the sitting that a tragedy had occurred. I, like the Minister, headed out to the area and spoke with those who were present: service workers, volunteers, and local residents. During that week I spent some time talking with the residents in particular and others who had been involved in the tragedy.

The residents of Mount Kuring-gai, whom I represent, and people throughout the Hornsby area are very much aware of the work done by volunteers and service staff involved in this controlled burn operation. They very much appreciate the work that was done on their behalf. I said at the time, and it is still true today, that the sense of tragedy is made deeper because this operation was to protect the lives of others. It was an operation on behalf of the community. The community has a very real sense of shared tragedy and mourning with the families directly involved. When I attended the memorial service last Sunday, at which the Minister was also present, that feeling came through very strongly. One year after the tragedy the community continues to reflect on it on a daily basis. As one comes into Mount Kuring-gai the bush is what one sees: the bush is what defines that community.

The proximity of Mount Kuring-gai to Ku-ring-gai Chase National Park helps define what the community is about. The people in the Mount Kuring-gai area are a very close-knit community. Such events often define our communities. The tragedy has brought people in the community closer together with a very real and deep reflection each day on the sacrifices that were made on their behalf. They would want me to say how much they appreciate the memory of those who died, and how much they share in the loss of those families who were directly affected.

I thank Mark Burnett and Roland Briefrel of the Mount Kuring-gai Residents Action Group for their work in helping to establish the memorial in Seaview Park and arranging the dedication service last Sunday. I thank the Minister and personnel from the National Parks and Wildlife Service for what they have done to help to perpetuate the memory of the officers who lost their lives. Most importantly, I thank the officers who lost their lives. George Fitzsimmons, Erik Furlan, Mark Cupit and Claire Dean are forever, in a way that cannot be unravelled, a part of the lives and community of Mount Kuring-gai.

DISTINGUISHED VISITORS

Mr SPEAKER: I acknowledge the presence in the gallery of the newly elected Speaker of the Western Australian Parliament, the Hon. Fred Riebeling. He is accompanied by a former Clerk of this Parliament, who is now a Clerk in the Western Australian Parliament, Peter McHugh, and the Hon. Michael Baume, a former member of the Senate in Canberra. We welcome them to this Parliament.

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**.

McDonald's Moore Park Restaurant

Petition praying for opposition to the construction of a McDonald's restaurant on Moore Park, received from **Ms Moore**.

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**.

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**.

Redfern, Darlington and Chippendale Policing

Petition praying for increased police presence in the Redfern, Darlington and Chippendale areas, received from **Ms Moore**.

Inner East Sydney Policing

Petition praying that the House prevents the closure of Woolloomooloo, Paddington, Redfern and four other inner eastern suburbs police stations and praying for adequate police resources, including uniformed foot patrols, in the inner east area, received from **Ms Moore**.

Surry Hills Policing

Petition praying for increased police presence in the Surry Hills area, received from **Ms Moore**.

Inner East Sydney Police Resources

Petition praying that there be an immediate increase in police resources in the inner east, that there be an increase in the uniformed police foot patrols to deter crime and that an effective police recruitment drive be developed to properly resource community policing, received from **Ms Moore**.

Eastern Suburbs Police and Community Youth Club Closure

Petition praying that the House stops the Board of the Police and Community Youth Club New South Wales Ltd from closing and selling the Eastern Suburbs Police and Community Youth Club, received from **Ms Moore**.

Genetically Engineered Food

Petition praying that the House suspends the commercial release and trials of genetically engineered crops, supports the implementation of mandatory labelling of food derived from genetic engineering and funds independent scientific research to investigate the potential risks to health and the environment, received from **Ms Moore**.

Chatswood High School

Petition asking the House to support the retention and refurbishment of Chatswood High School, received from **Mr Collins**.

Frederickton Public School

Petition praying that priority be given to the construction of buildings at Frederickton Public School, received from **Mr Stoner**.

Non-government Schools Funding

Petition 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 Richardson**.

Vaucluse Electorate School Closures

Petition requesting funding for public schools and opposing the merging of local schools, received from **Mr Debnam**.

M5 East Tunnel Ventilation System

Petition praying that the Government review the design of the ventilation system for the M5 East tunnel and immediately install filtration equipment to treat particulate matter and other pollutants, received from **Ms Moore**.

Thirroul Railway Station

Petition calling on the Minister for Transport, and Minister for Roads to fund easy access facilities at Thirroul railway station, received from **Mr Campbell**.

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**.

Hawkesbury-Nepean Catchment Management Trust

Petitions praying that the House reinstate the Hawkesbury-Nepean Catchment Management Trust as soon as possible, received from **Dr Kernohan, Mr Merton, Mr Rozzoli and Ms Seaton**.

Animal Experimentation

Petition praying that the practice of supplying stray animals to universities and research institutions for experimentation be opposed, received from **Ms Moore**.

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**.

Blue Mountains National Park Fire Management

Petition praying that the boundary of the Blue Mountains National Park in the vicinity of Bowen Mountain remains as it is, in accordance with recommendations of the local Rural Fire Service—the Grose Vale Brigade—and that the management of the fire buffer zone remains within the jurisdiction of the Rural Fire Service, received from **Mr Rozzoli**.

Manly Lagoon Remediation

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

White City Site Rezoning Proposal

Petition praying that any rezoning of the White City site be opposed, received from **Ms Moore**.

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**.

Recreational Saltwater Fishing Licences

Petition opposing the introduction of recreational saltwater fishing licences and praying that the House fund the buy-out of commercial licences, research and fish restocking from the State budget, received from **Mr Stoner**.

QUESTIONS WITHOUT NOTICE

POLICE EMERGENCY LINE

Mrs CHIKAROVSKI: My question is directed to the Minister for Police. In light of his guarantee just three years ago that "anyone can call 000 at any time from anywhere and be confident of an emergency response", and of the subsequent failure of 000 as revealed today, why is he refusing to insist on an independent audit of 000 and the police communications centres?

Mr WHELAN: This is one of the saddest cases that I have encountered and I extend my sympathy to the family and friends of Mrs Alchin. The matter is currently the subject of an internal police investigation. It has also resulted in very serious criminal charges against four people who are in custody and will appear in court next week. I can, however, inform the House that Commissioner Ryan has ordered a review of all six VKG communications centres. The review was requested on 16 March. Terms of reference have been established and an audit team selected. It will be conducted by the Government's independent internal audit bureau. The audit will examine all aspects of Police Service communications centres, including staffing, training, workloads and rostering. Because the matter is currently before the court, I cannot comment any further.

COUNCIL OF AUSTRALIAN GOVERNMENTS

Mr BARTLETT: My question without notice is to the Premier. What is the Government's position in relation to the Council of Australian Governments meeting tomorrow in Canberra?

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

Mr CARR: The honourable member has asked a fine and serious question on a day when the House is honoured by the attendance of students from Baulkham Hills High School and Wyong High School. The Council of Australian Governments [COAG] is a forum for the nation's elected leaders to work together. The agenda for tomorrow's meeting demonstrates the breadth and seriousness of the questions before the nation's leaders—human cloning, reconciliation, salinity, energy policy, natural disaster arrangements and preparedness for foot and mouth disease. They are all serious issues, each one the subject of intensive work in this State. Another urgent matter will be raised tomorrow, that is, HIH insurance.

The Federal Government took months to recognise the intensity of the community's feeling on the collapse of this insurance giant. The company went into provisional liquidation on 15 March. The Federal Government agreed to a royal commission on 21 May. It has put HIH on the current agenda, presumably to secure the support of the States for its royal commission, but it has not shown the States the terms of reference, it has not named the commissioner and it has not announced a starting date. The Federal Government has put HIH on the COAG agenda—presumably to secure the support of the States for its royal commission. But it has not even shown us the terms of reference. It has not named the commissioner. It has not announced a starting date. It is not hard to draw up terms of reference for an inquiry as simple as this. We drafted terms of reference and submitted them to the Commonwealth a good three weeks ago.

The royal commission must get to the bottom of the HIH disaster. Prudential regulation of the insurance industry is a Commonwealth responsibility. The Australian Securities and Investment Commission and the Australian Prudential Regulatory Authority are Commonwealth bodies. Policy holders are entitled to know why these Federal Government bodies—the authorities that families thought were the ultimate safeguard—did not act on the warning signs that could have prevented this disaster that has cost Australia so much.

Human cloning is on the agenda for discussion tomorrow. In New South Wales we have been working through the moral, ethical, scientific and medical issues associated with human reproductive technology. Last Monday the State Cabinet formally endorsed a ban on the creation of a living human being who is a clone of an existing human being or a previously existing human being; and trans-species fertilisation, that is, the creation of human-animal hybrid embryos. Legislation to give effect to these bans is imminent. I will, however, continue to argue strongly for the protection of legitimate medical research. Stem cell research could present spectacular breakthroughs in serious diseases that affect humankind. It offers hope of better treatment for diabetes, Parkinson's disease and Alzheimer's disease. Genetic research may result in cures for childhood cancer or cystic fibrosis.

Another issue to be discussed is reconciliation. I put it on the COAG agenda last November, and Premier Bracks has ensured that it will be considered by the heads of government tomorrow. Labor Premiers are taking the lead—reflecting the Australian public's desire for progress towards genuine reconciliation. COAG will also consider two important environmental issues. I will be reporting on this State's commitment to salinity. We have put \$52 million into the salinity strategy and we have agreed to the national action plan. We are now waiting for further funding details from the Commonwealth. New South Wales will put in its share.

I will be advising the heads of government of my support for an open and competitive energy market. But I will be making the point that the market must embrace the principles of sustainable development. In April I called on the Prime Minister to express public support for the Kyoto Protocol. At COAG I will be seeking his support for compulsory national greenhouse targets applying to the electricity sector. The New South Wales Government is committed to playing a leading role in a global effort: we cannot go it alone. Today I want to release for consultation a proposal for a new national approach. Our proposal is that the Commonwealth and all States and Territories adopt a new national compulsory scheme.

The proposal would work as follows. We would set a per capita greenhouse gas emissions reduction target of 5 per cent for electricity retailers on 1989-1990 levels. This would be done through compulsory benchmarks and it would be phased in by 2005-2006, to allow electricity retailers time to adjust. Penalties would be imposed on electricity retailers who fail to meet annual targets. Retailers would avoid payment of penalties by supporting the development of low-cost greenhouse abatement projects such as plantation-based carbon credits, faster take-up of natural gas-fired power generation and renewable energy.

A market to trade emission reduction certificates would be created in Sydney. This market would provide the platform for trading other environmental service products like carbon sequestration credits, salinity credits, and eventually biodiversity credits. The Government will consult with industry, environmental groups and other States before finalising these proposals. It is important that this be advanced on a uniform national basis.

The message I will take to COAG tomorrow is clear: HIH policy holders and the broader community want to know why the expensive collapse occurred, and they want an assurance that it will not happen again. The Commonwealth must immediately announce the details of the royal commission. On the ethical issue of human cloning and the urgent environmental question of greenhouse gas emissions, New South Wales will continue to take seriously its responsibility as Australia's largest State—leading Australia in these critical national debates.

CHILDREN BURNS TREATMENT

Mr ASHTON: My question is to the Minister for Health. What is the latest information on childhood burn injuries and new treatment techniques?

Mr KNOWLES: It may interest the House to know that in any one year approximately 860 children are treated at the New Children's Hospital at Westmead for burns and scalds. Of those 860, about 190 to 200 are hospitalised because their burns are so severe. This year, unfortunately, the indicators suggest that even though we have just reached winter there has been a 15 percentage increase in attendances at the hospital for burns and scalds. As we come into winter this is a timely reminder for parents, particularly of little babies and children under four, to take the necessary precautions to prevent burns and scalds occurring. We have all heard stories about a little baby knocking a scalding pot off the stove and being disfigured for life.

This was the case with a child recently admitted to Westmead hospital. He was so badly scalded that the burns caused severe brain damage. He has been irreparably injured for the rest of his life. At 60 degrees Celsius, immersion will cause third-degree burns in just one second. Hot water burns like fire. Hot drinks and hot meals such as soup or noodles, which are particularly popular as snacks for little kids, are part of an alarming trend of increased scalding injuries. Noodles stick to the skin and continue the burning process, causing deeper burns and requiring more extensive treatment. Parents should also remember that children are easily scalded from the hot water in humidifiers and from hot bowls of water used for steam inhalation treatment.

[Interruption]

I wonder what parents would make of that reaction by Opposition members. I am warning parents about the danger of children being scalded during winter and they are referring to the relative merits of people in the press gallery. An interesting comment from the clinicians at Westmead concerns humidifiers. If children

have a cough or croup, steam does not do much to relieve the condition. However, having hot water in the bedroom during the night increases the risk of scalding. There is clear evidence from attendances at the hospital of that being the case. Therefore the temptation to use steam should be resisted.

Noodles cause contact burns, which in winter are the most common with children. But during winter there are other things that we should all be careful of: hot water bottles, overheating electric blankets—especially for babies in relation to sudden infant death syndrome. Flammable or loose clothing, especially pyjamas, are involved in an unnecessarily high proportion of young children presenting to our hospitals with severe burns, especially during winter. The New Children's Hospital at Westmead, which operates the major paediatric burns unit for the State, is at the forefront of treating burns and scalds. Currently, doctors at the hospital are about halfway through trials of two new treatments. One is known as the laser Doppler scanner, which measures the depth of burn by determining how much blood is in the various layers of the skin. That new technique provides a more accurate level of diagnosis and it is expected that all serious burns patients will have the benefit of the new technology by the end of the year, when the trial is completed.

The second treatment on trial is known as negative pressure treatment. It involves the removal of the fluid containing inflammatory chemicals out of the burn and wounds. Negative pressure treatment lessens pains and aids the healing process. It should be available to all burn victims by the end of the year. Perhaps the most exciting new treatment adopted by the New Children's Hospital at Westmead involves the spraying of a culture of the patient's own skin cells over the burn area. This new technique has proven to be extremely effective in helping deep burns to heal at a much faster rate and, of course, minimising complications.

It is appropriate that I acknowledge formally in this House the great work of the men and women of New South Wales Fire Brigades, who, through their fund-raising efforts in support of the burns unit at the New Children's Hospital at Westmead, have funded much of this research and new treatment programs. The money has been well spent by people who do a magnificent job. The money they have raised has been dedicated to the development of the treatments and trials and, of course, allows the trials to be rolled out not only to children but also to adults. That is one of the good aspects of the Government's metropolitan services plan, which I announced this week.

We now have an integrated network of adult burn units linked to the paediatric network. The facilities at Concord and the Royal North Shore hospitals will also share in the results and share the new treatments. That is one of the practical benefits of networking. But today's message is a simple one: Despite the best treatment, all that magnificent work and the latest techniques, the internationally regarded paediatricians say that the best way to deal with burns is to prevent them from happening in the first place. As winter commences this is a timely reminder, particularly to mums and dads of small children, to take the necessary precautions around the home to stop little kids from being burnt in the first place.

POLICE EMERGENCY LINE

Mr SOURIS: My question is directed to the Minister for Police. How can the Minister say that the 000 police system is working when only last Saturday while a Casino shopkeeper was being bashed his daughter was asked by the operator for a description of the attacker and to put her father on the line before the police response was activated?

Mr WHELAN: I will have the matter examined and reply to the House in due course.

NAMOI GROUNDWATER TASK FORCE

Mr WINDSOR: My question is to the Minister for Land and Water Conservation. Will the Minister advise the House on the current position of the joint State and Federal governments' Namoi groundwater task force recommendations for structural adjustment to water entitlements?

Mr AMERY: Before I answer the question I inform the people in the gallery from the Raymond Terrace, Mayfield, and Tomaree branches of the Australian Labor Party that if they thought that was a good question asked by a member of the Opposition, it was not. The honourable member for Tamworth is an Independent member. We do not generally get good questions like that from the National Party or the Coalition. I have had a personal involvement in the groundwater task force. I attended a public meeting in Gunnedah which was attended also by the Deputy Prime Minister, John Anderson, and the honourable member for Barwon.

I spoke with a number of irrigators about the groundwater supplies in the Namoi Valley. We debate important water issues from time to time but in the Namoi Valley there is a particularly difficult problem for not only governments but also for communities to adjust to. I refer to underground water supplies coming from the aquifers. I acknowledge that a number of zones have different numbers and different problems. Basically, the total entitlement to irrigators in that part of the State is about 510,000 megalitres. If all the irrigators took up their irrigation entitlements they would be able to access 510,000 megalitres from the groundwater supplies.

The average use is 160,000 megalitres. During the 1994-95 drought the maximum use was 320,000 megalitres. The problem is that the aquifers have a recharge rate of only 210,000 megalitres. Therefore, one can understand the problem that the community and the Government has had—210,000 megalitres of water coming into the system, and the potential for more than 500,000 megalitres to go out. In the 1980s a policy was worked out between the department and the irrigation industry under which all of the water supply would be harvested, and after a period it would run out.

In more recent times the industry and the Government agreed that we should get to a sustainable level of water use from the aquifers. That is what this whole process has been about. I commend the honourable member for Tamworth because, as I said at the public meeting, he has been an honest broker through this whole process. He easily could have taken the hard line of some of the irrigators and said that there should be no change all, or, if there is to be change, that there should be full compensation. The honourable member for Tamworth does, however, believe that the Government should contribute a substantial amount of money.

Following the meeting, the honourable member for Tamworth moved that a task force be set up comprising representatives of the Federal Government, the State Government, the local community and so on. The honourable member for Tamworth may not realise this, but in the last day or so the Deputy Prime Minister took credit for this initiative. In outlining the problems he said something like, "That is the reason I set up the task force". At that meeting the Deputy Prime Minister resisted the proposal to establish a task force as suggested by the honourable member for Tamworth. The reason the task force was set up was because the honourable member for Tamworth threatened to walk out of the meeting unless the proposal was accepted, and the Deputy Prime Minister backed down and agreed to it.

Mr Slack-Smith: Point of order: The Minister is misleading the House. It was not the case that John Anderson—

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

Mr AMERY: I stand by my recollection and I bet the honourable member for Barwon would find a few irrigators who would agree that that is what happened. I understand that the honourable member for Tamworth has been talking to my staff about his concerns about the task force report of late last year. He has asked me to update it. I have not taken a recommendation directly to Cabinet yet, and I cannot give him a finite answer today. However, I can make some general comments. The department and the task force will look at a three-pronged process in an endeavour to resolve this problem. The first prong is to not dramatically cut the allocation but to slowly adjust the arrangements over a 10-year period so that the impacts will be absorbed over a long time. A 10-year period will allow the community to adjust.

Second, we must look at a way of working on trading arrangements within the Namoi. That is a difficult case study but we believe we can put in place trading arrangements to give farmers flexibility in how they handle future planning when water allocations are reduced. The next issue is a touchy one, about which the honourable member for Tamworth and I may disagree—not on the principles but on the amounts involved. We will need to look at some process of adjustment within the area, but not compensation, which is what the Deputy Prime Minister was talking about.

I said to those who attended the public rally that, to be honest, the Government would never consider compensation if the Government were ever to reduce a previously high allocation; it would never make monetary compensation for the difference. That will not be the case. However, the Federal Government, the State Government and perhaps the industry could work on some of type of rural adjustment package, which is the general tenor of the task force report, and come up with some agreement on principles. I cannot say we will all agree on the numbers but we should be able to agree on the principles.

In conclusion, I thank the honourable member for Tamworth, who has honestly pursued this matter on behalf of his community; he has been an honest broker. He is up against the Deputy Prime Minister, who is

playing politics in this matter, and I will give an example. When my agencies spoke with the Federal agencies all through this week and last week, the Federal agencies said they were virtually working off our proposal; they did not have one of their own. The Deputy Prime Minister is talking about some proposal, yet his agencies do not have it. Some sort of political stunt is emanating from this process. I have answered the question the best way I can. When Cabinet has decided on the numbers involved in the process, we should be able to tell those in the task force that we have a workable solution to this difficult problem for the community of the Namoi Valley.

CROSS-CITY TUNNEL

Mr MOSS: My question without notice is directed to the Minister for Transport, and Minister for Roads. What is the latest information on the Government's plan to build a cross-city tunnel and related matters?

Mr SCULLY: I am happy to announce today another major step in the delivery of the cross-city tunnel, a \$400 million project that will deliver 1,600 jobs over a three-year period.

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

Mr SCULLY: I am pleased to say that it will involve up to 78,000 motor vehicles coming off surface central business district streets into the tunnel connecting the western and eastern distributors, bypassing 18 sets of traffic lights and saving about 20 minutes of travel. Today the Roads and Traffic Authority [RTA] will approach the short-listed tenderers and ask them to submit tenders for the construction of this project.

Mr SPEAKER: Order! The Leader of the Opposition will remain silent.

Mr SCULLY: The three short-listed tenderers are by Baulderstone Hornibrook, Leighton Contractors, and Transfield Multiplex. Subject to planning approval the Government expects the cross-city tunnel to be open to travel in 2004, as promised.

Mr SPEAKER: Order! The Leader of the Opposition will remain silent.

Mr SCULLY: At least this side of the House is interested in the runs we already have on the board. The Eastern Distributor is open for business. The Opposition is not whingeing any longer. It is saying that it is a great project. The M5 East is ahead of schedule, and the cross-city tunnel is another major milestone. The Government has finished other projects. The Woronora Bridge has been opened. That was a great day and the honourable member for Miranda, the honourable member for Menai and the honourable member for Heathcote were there with the Premier at that terrific opening, which people in those communities appreciate.

Other projects were the light rail extension and the two country rail lines, one of which, the Cowra to Blayney line, is in the electorate of the honourable member for Lachlan. I thank him for supporting the Government and for the bipartisan support he gave to that project. The three amigos kept talking about Windsor Road. What did they do? I am pleased to report to the House that while we speak the bulldozers and trucks are out there delivering the Windsor Road project. It will be brought forward. Members of the Coalition need to be told about this, because they were out there on the weekend preaching mischief about this Government's record in delivering projects.

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

Mr SCULLY: They misled the public and engaged in mischievous conduct in not telling the public the truth. These projects need to be talked about.

Mr SPEAKER: Order! I place the honourable member for Epping on two calls to order.

Mr SCULLY: I mention the environmental impact statement of the western Sydney orbital and transitways.

Mr SPEAKER: Order! The Leader of the Opposition will cease interjecting.

Mr SCULLY: On Saturday the shadow Minister for Transport was spruiking to the media, saying that the transitway project is not going off as it should be. The Government put legislation on the table to make it

happen. The shadow Minister for Transport wandered over and said, "We are opposed to that." On Saturday he fully supported it being brought forward, but by Tuesday he said that the Opposition is opposed to the legislation that will make it happen. We are getting on with the job. Legislation is on the table and it will go through. The Lane Cove tunnel is another project that Opposition members have been squealing for.

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

Mr SCULLY: The environmental impact statement is nearing completion. A project management team and consultants are on board, so it will be coming up later. The House should fully appreciate that delivering projects of this size and quality requires a team of dedicated public servants. It is not just a matter of the Opposition coming into Government or the Government performing over a sustained period of years. High-quality public servants are needed to deliver, and one in particular who stands out above all the others is Ron Christie, who, with his wife, is present in the public gallery.

Mr Merton: He didn't come by train.

Mr SCULLY: Thankfully, Ron Christie had a lot longer at the helm than Wayne Merton did as justice Minister. I think he deserves a copy. The poor old sod, here he was—

Mr Hazzard: Point of order: I am sure that under the standing orders the Minister would not want to mislead the House and he is aware that quality is much more important than quantity.

Mr SCULLY: I do not think the House wants to hear how Greiner appointed Wayne Merton, how he sold his legal practice and how Fahey then dumped him. It is appropriate that the House hear what Ron Christie has contributed in more than 47 years of dedicated public service.

Mr SPEAKER: Order! I do not wish to pre-empt the Minister, but obviously he is about to say something complimentary about a senior public servant. The House should listen to what the Minister has to say.

Mr SCULLY: It is appropriate that we talk a little bit about Ron Christie's record in the public sector. In 1954, at age 17, he joined the railways. Over the next 32 years he rose to the rank of Deputy Chief Executive of the State Rail Authority. He went on to become Director-General of the Department of Public Works. He then became Chief Executive of the Roads and Traffic Authority, Chief Executive of the Olympic Roads and Transport Authority, Co-ordinator General of Rail and subsequently Acting Chief Executive of the State Rail Authority. We all know of his success in delivering Olympic transport.

Last night many people paid appropriate tribute to Ron Christie. Representatives of both sides of politics were in attendance at the function. Wal Murray was there—we have heard a lot about him—and he came up to me and said that he had a delightful time as Minister for Public Works while Ron Christie was director-general. Ron was appointed by Laurie Brereton and Wal Murray kept him on, as we did. That proves that Ron Christie served both sides of politics well over decades. Ron's 98-year-old mother was there last night to see the man that she sent off to work as a 17-year-old attend his retirement function. It was very special for me and many others to see a man in his mid-60s who has done half a century of extraordinary work bring his mother to his retirement function.

I do not intend to list the projects that Ron Christie has worked on. Suffice it to say he was involved in the town water and sewerage program, which benefited thousands of people. He was involved in the public works program following the Newcastle earthquake, the construction of the Sydney Aquatic Centre at Homebush Bay and the construction of the Eastern Distributor and the Traffic Management Centre at Redfern. I invite those who have not seen the centre to do so. It was Ron Christie's idea and his legacy to traffic management in the city. However, his crowning glory is Olympic transport. Ron Christie said from the moment the Olympic flame was extinguished that he did not want to take any of the credit. He lived up to that assertion by ensuring that those who he believed deserved the credit—thousands of public servants, volunteers, railway workers and those on the public and private buses—were recognised.

However, Ron Christie is the one person above all others who deserves the credit for the delivery of Olympic transport. I think most members on both sides of the House would agree with that. On behalf of the New South Wales Parliament, I take this opportunity to say to Ron Christie, who is in the public gallery: Thank you for a job well done; thank you for your 47 years of dedicated, committed public service to the people of this State. We wish all the very best to you and to your family and we thank you sincerely and deeply for your commitment. Goodbye and farewell.

Mr J. H. Turner: Point of order—

Mr SPEAKER: Order! This is a unique occasion and I am sure the shadow Minister for Transport would like to make a contribution.

Mr J. H. Turner: On behalf of the Liberal and National parties, I wish Ron Christie and his wife all the very best in their retirement. Ron Christie has done a wonderful job for both sides of politics, but, more importantly, for the people of New South Wales. My dealings and the dealings of my colleagues with Ron Christie have always been professional and courteous. We always knew that he would take our State forward.

POLICE EMERGENCY LINE

Mr TINK: My question is directed to the Minister for Police.

Mr SPEAKER: Order! I am sure not one person in the gallery was impressed by that behaviour.

Mr TINK: Will the Minister advise the House when he first learned about the 000 failure and why he has not apologised personally, given his personal and public assurances about the 000 emergency helpline in the past?

Mr WHELAN: In answering the question asked by the Leader of the Opposition I offered my profound sympathy to the family and indicated that the matter is before the court. Those involved are facing very serious charges, including murder.

SALINITY

Mr BLACK: My question is directed to the Minister for Agriculture, and Minister for Land and Water Conservation. What is the latest information on market-based solutions to salinity?

Mr AMERY: The honourable member for Murray-Darling is one of those keeping a watchful eye on the rollout of the recommendations from the Salinity Summit that was held in Dubbo. I am pleased to advise him today of the kick-off of a program that I believe will reveal a new way of dealing with many natural resources issues, particularly salinity. Earlier this week the Government approved the framework of a new Environmental Services Trading Scheme. This is a forward-looking initiative that opens the door to a new way of managing our natural resources, including the major problem of salinity that the Premier has mentioned today. It will involve the introduction of a trading system that uses environmental services—or salinity—credits. These credits will reflect the value of the off-site environmental benefits of works undertaken on a property. They will therefore provide financial incentives to land-holders to manage their land as sustainably as possible.

The project was generated by the New South Wales Salinity Summit, which was held in Dubbo last year. At that summit stakeholders asked the Government to examine market-based ways of managing salinity problems. This request was carried forward into the New South Wales salinity strategy, which was launched by the Premier in Wellington last August. It was then developed by a salinity experts working group comprising a team of leading financiers from across the State. There has also been valuable input from key interest groups such as the New South Wales Farmers Association and the Nature Conservation Council.

The Government will kick off the Environmental Services Trading Scheme with an initial investment of \$2 million, which will be funded through the Environmental Services Investment Fund. On 2 July we will call for expressions of interest from land-holders who may wish to take part in this new scheme. We are looking for 20 farmers from across the State—15 from inland and five from coastal properties, which, ideally will be located in areas known to contribute to salinity problems. An environmental services team with the Department of Land and Water Conservation will then work with each of the 20 land-holders to develop a plan of management to regenerate parts of their land. Once this regeneration work is carried out, the Government will fund it by purchasing the environmental credits that it produces. Over the next two to three years the Government will work with those 20 land-holders to determine valuable information about a number of issues. Because the scheme is still developmental, these issues will include: the best way to measure environmental credits; the best way to handle financial arrangements; the cost of providing environmental services—

Mr SPEAKER: Order! There is far too much audible conversation in the Chamber.

Mr AMERY: —and the best ways to benchmark environmental outcomes.

Mr SPEAKER: Order! My previous warning includes the honourable member for Hornsby.

Mr AMERY: Is that who it is? I was wondering who that fellow with the beard was. I believe that is his new image. Speaking of hair, the Deputy Leader of the Opposition should grow his beard back. Chris Hartcher has the numbers. A reference panel will also be established to advise me on how this process is developing. Panel members will include representatives from government agencies and industry groups, including the New South Wales Farmers Association and the Nature Conservation Council. In time, this program will expand to allow temporary and permanent trading in environmental services.

Mr SPEAKER: Order! The honourable member for Mulgoa will remain silent.

Mr AMERY: The original 20 farmers will be able to trade their environmental credits with other farmers in their catchments.

Mrs Skinner: Point of order: I draw attention to a point of order I made earlier this week. This is the time on the program of this House for questions without notice. If the question was without notice, I want to know why the Minister for Agriculture has such a long and turgid speech prepared. I ask that the Minister be directed to answer the question without his notes.

Mr SPEAKER: Order! The honourable member for North Shore would be aware that it is not my function to ask the questions. I will give the honourable member the call when the Minister has concluded his answer and she will then be in a position to ask the Minister that question.

Mr AMERY: It is just anticipation, that is all. In a fully functioning environmental services market, land-holders can earn credits by undertaking works which will provide benefits beyond their own properties. Some National Party members might be interested in this. On the other side of the market, other farmers may want to clear their land for cropping purposes or carry out some other activity which, say, would adversely affect the watertable or other environmental factors. The farmer would subsequently be in debit, and may choose to buy some credits from his or her neighbour. It may be more cost effective to buy credits from a neighbour than to regenerate his or her property. This will all vary according to the quality of the land involved. Land-holders can make money from this scheme, and they can make a profit on the credits, depending on market demand.

This project is a major step forward in land and water management and conservation in this State. It is exciting, forward thinking and economically and environmentally sustainable. The Government is pleased to be able to kick-start the process. It will be a market-based mechanism for managing natural resources, particularly salinity. I look forward to reporting back to the House—when, no doubt, the honourable member for North Shore will take another point of order—when we receive progress reports on this very exciting project which will help control salinity in the future.

Mr SPEAKER: Order! Does the honourable member for North Shore wish to take advantage of my offer?

Mrs Skinner: I took a point of order. Would you prefer, Mr Speaker, that I repeat my point of order? Will you rule on my point of order?

MINISTER FOR EDUCATION AND TRAINING CORRESPONDENCE

Mr STONER: My question is directed to the Minister for Education and Training. Why have Department of Education and Training officials been instructed that no matter what mistakes are made or how long it takes the Minister to respond to complaints from the public, letters drafted for his signature should never include an apology?

Mr AQUILINA: I would be happy to take a question from the honourable member for Oxley in relation to a matter dealing with details of my portfolio.

Mr STONER: I ask a supplementary question. Is that the reason why the Minister has not apologised personally to the boy at Cecil Hills High School, who was the victim of his media stunt?

Mr SPEAKER: Order! That is not a supplementary question. It does not arise from the Minister's answer and I rule it out of order.

WESTERN SYDNEY PARKLANDS

Mr LYNCH: My question without notice is to the Minister for Urban Affairs and Planning. How is the Government protecting and enhancing parklands and open space for the people of western Sydney?

Dr REFSHAUGE: I am delighted to inform the House of a major environmental initiative, one which demonstrates this Government's commitment to preserving and enhancing the landscape and biodiversity of western Sydney. I am particularly delighted to speak to this matter as this is Western Sydney Environment Week. Nearly 5,500 hectares of regional open space will be secured for this and coming generations through a new regional environmental plan. Sydney regional environmental plan No. 31 comes into effect this week. The plan means that all parklands are being brought together under the one planning instrument, making sure they are protected and cared for as a whole. It also explicitly sets out that recreation and conservation are the primary considerations when making any decisions about the parklands.

The plan also means that any future proposals for roads and utility services in the parklands must respect these primary values. This new plan covers a massive area, 25 times the size of Centennial Park. It makes a vital contribution to the wellbeing of western Sydney. The plan means that the people of western Sydney will have access to large tracts of open space, both for active recreational use and for quiet enjoyment. The plan also ensures the conservation of the rich biodiversity of the area. The area covered by the new plan, which is known as Western Sydney Regional Parklands, stretches for 26 kilometres. The parklands begin north of Blacktown and extend to the south of Liverpool.

The parklands include the creeklands along Eastern Creek and the hills and ridges which form the backdrop to Sydney's western edge in Fairfield and Liverpool. The parklands have spectacular views across the Cumberland Plain to both the city and the Blue Mountains. They include areas of rare and endangered plant communities, as well as other areas of bushland which will be accessible for picnicking and walking. The parklands are now home to major sporting and recreational facilities which can be used by people from across the State, and indeed around the globe. They include the Olympic Equestrian Centre, the Olympic shooting facilities, the Olympic softball facilities, Fairfield City Farm, Narraginy Reserve and Eastern Creek Raceway.

Mr SPEAKER: Order! Far too many members are engaging in private discussions.

Dr REFSHAUGE: It is time to take stock. The new plan promotes a more consistent, holistic and strategic approach to the management of the parkland. Along with the Department of Urban Affairs and Planning, Blacktown, Fairfield and Liverpool councils each have a role in assessing and approving development in particular parts of the parklands. Local Aboriginal communities and the National Parks and Wildlife Service also have a role. Through the Government's enlightened action, the future of this outstanding area has been guaranteed.

Questions without notice concluded.

CONSIDERATION OF URGENT MOTIONS

Rice Industry

Mr AMERY (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [3.27 p.m.]: I ask the House to give priority to this urgent motion because of dramatic changes in the international rice market and the future of the rice industry in this country. With a Federal election expected to be held later this year, there is potential for a change in Federal policies and the possibility of deregulation of the rice industry. The rice industry anticipates conflicting responses about the future management of the industry. I ask the House to give this motion priority.

Gaming Industry Central Monitoring System

Mr OAKESHOTT (Port Macquarie) [3.28 p.m.]: My motion is urgent for several reasons. Firstly, a well-publicised gaming package is to be delivered some time over the next couple of weeks. Secondly, only last week we saw yet another delay to the introduction of the central monitoring system in New South Wales. This system should have been up and running six months ago. Yet a news release from the TAB indicates it is still in the software development phase. The Department of Gaming and Racing is still working for solutions with the manufacturers. That means that 12,000 gaming machines cannot be linked up to the overall central monitoring system. Yet this is the very reason for staff cutbacks in the department.

Mr Ashton: Point of order: The member opposite has now been talking for 45 seconds, but he has not yet once mentioned the word "urgent". He has to show why the matter is urgent. At the moment he is beginning to get into the actual debate.

Mr SPEAKER: Order! It is a little early in the debate for me to rule on the point of order.

Mr OAKESHOTT: As *Hansard* has already recorded, this motion is urgent because we are about to see a gaming package, because the central monitoring system has been delayed once again and because internal documents reveal that 18 jobs, which are important in the enforcement, monitoring and compliance within the Department of Gaming and Racing, will be cut back, it will not be done. The motion is urgent because we now have confusion. According to yesterday's *Sydney Morning Herald* report the Minister is using different starting figures to last week's budget and different figures to the Public Service Association. We have embarrassing statements coming from the Minister of the day, and we need clarity.

Mr Gibson: Point of order: Only yesterday we debated whether people were using their five minutes to put their case, rather than establish why their motion should be heard in preference to any other motion today. At the time, Mr Speaker, you said that nobody had taken a point of order, therefore you thought that the speaker should be able to continue with his statement. So far the honourable member has talked about the budget and the future of the gaming package, which is a three-month period. The standing orders are very clear about what he must establish. The standing orders say that a member must establish why his motion is more important than any other motion to be heard by this House today. He has not done that. Honourable members on the other side believe that all they have to say is "It is urgent because" without giving the facts, but that does not apply under the standing orders of this House. Honourable members opposite know the standing orders as well as we do.

Ms Moore: To the point of order: I ask you, Mr Speaker, to allow this member to have five minutes to establish why his matter is more important and more urgent and, therefore, should be heard by this House. We should be able to vote intelligently, having been given adequate information. The honourable member for Blacktown is trying to waste time. I ask you to give this member his democratic right.

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

Mr OAKESHOTT: Clearly, four matters of relevance in the past week demonstrate that this motion is particularly urgent to be heard by this House. We are desperately in need of clarity on staffing figures. The Public Service Association says that staffing of the compliance division will be reduced to 60, the Minister says it will be 89, yet the budget papers say it will be 130. The Minister and the budget are in conflict within the space of one week. It is extraordinarily embarrassing when a Government Minister does not even know what is in his budget documents. We need to know what is going on. In regard to the impact of the cutbacks in this department, the motion is urgent because the responsible gaming package, as this internal document suggests, will not be delivered as a result of staff cutbacks within the department. It is a significant statement in this document, which has been around for 12 months. For the Premier, the Treasurer and the Minister for Racing and Gaming to ignore this information is a blight on the Government. It is a disgrace. Cutbacks have continued.

Question—That the motion for urgent consideration of the honourable member for Mount Druitt be proceeded with—agreed to.

RICE INDUSTRY

Urgent Motion

Mr AMERY (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [3.33 p.m.]: I move:

That this House:

- (1) supports the \$700 million rice industry in New South Wales, which supports more than 2,000 rice farmers, about 8,000 direct jobs and 38,000 flow-on jobs;
- (2) express alarm at the heavily subsidised American rice being dumped on international markets—particularly in Japan; and
- (3) condemn the Federal Government for continuing its push to full deregulation of the New South Wales rice industry.

Honourable members will know that New South Wales has about 99 per cent of Australia's rice industry, which is located primarily in the Riverina region and is valued at \$700 million. The industry supports more than 2,000 farmers, as the motion indicates, about 8,000 direct jobs and about 38,000 flow-on jobs. To anyone travelling through the area the presence of the rice industry and its benefits for regional development would be only too obvious. More than 85 per cent of our product is exported to 72 countries. Among these export markets are Japan; Hong Kong; Singapore; New Zealand; Papua New Guinea; the Middle East; and the Pacific Islands. Our crop is competitive domestically—85 per cent of all rice eaten in Australia is grown locally—despite the fact that subsidised imported rice enters Australia with no restrictions.

New South Wales has a vibrant rice industry but, sadly, it remains under a cloud and will continue to be under a cloud for as long as the Howard Government remains in office. The Federal Coalition is doing nothing to address the imbalance of international competition in the rice industry. Our industry is struggling to remain competitive as a result of heavy subsidies of the European and American industries. The Federal Coalition is threatening the industry with deregulation, and has done so since we decided, not long after coming to office, to maintain deregulation. Neither the industry nor the Government wants deregulation. The Americans are currently dumping heavily subsidised rice onto the market, particularly in Japan, which is driving down the price of rice worldwide. As a result Australian rice sold in Japan has dropped from \$US450 a tonne to \$US210 a tonne, a decline of more than 50 per cent.

Similar impacts are experienced in Hong Kong and the Middle East. This invariably has a flow-on impact, with lower prices paid to growers, down from \$A230 to \$A180. Impact will also be felt further down the production chain. Meanwhile, American subsidies are at an all-time high, with 50 per cent of American farm income coming from government handouts. It is interesting to note that American rice growers are subsidised by about \$265 a tonne. In other words, a rice farmer in America gets more money in subsidies than a rice farmer in Australia gets for the sale of his product. But because of overproduction much of the American crop has no market outlet. Asian countries, particularly Thailand and China, are also reporting record crops. Several Asian countries that usually import rice, such as Indonesia, Malaysia and the Philippines, are cutting back dramatically this year on imports.

Another factor that is impacting on the rice industry at this time is the continued threat of deregulation by the Federal Government. The Federal Coalition has pushed for deregulation since the national competition policy review more than three years ago. The New South Wales Government has continually resisted such a policy shift. Although there have been many negotiations, the industry continues to have hanging over its head a \$2 million deduction in tranche payments as a result of the competition policy review held by the New South Wales Government some years ago. As I have said previously, and I know many rice farmers share this view, it is nothing short of blackmail. The Commonwealth Government knows that New South Wales cannot afford to lose \$10 million a year in tranche payments.

The industry is well aware, and accepts, that if the Commonwealth Government carried out its threat the State Government would be forced to deregulate the industry. But we would be very reluctant to do that and it would be against our better judgment. Fortunately we have so far managed to fight off this threat. Meanwhile there has been a ray of light from the Federal sphere. The Federal Labor Opposition has announced its support for a single desk rice marketing arrangement in a media release issued by the Federal shadow Minister for Agriculture, Forestry and Fisheries, Gavan O'Connor. The media release states:

Labor believes that retention of the single desk will provide the rice industry with the certainty and stability it needs to further develop its export potential.

He also acknowledges that Australian rice growers operating through their single desk have been successful in cracking open one of the most difficult and lucrative rice markets in the world: Japan.

Mr Piccoli: Who did that? Tim Fischer.

Mr AMERY: He points to the American and European subsidies and their dumping on key markets.

Mr Piccoli: Will you acknowledge Tim Fischer's role in that?

Mr Amery: Is the honourable member saying that the Rice Marketing Board did not succeed in getting its product—

Mr Piccoli: Absolutely; it was done with the great assistance of Tim Fischer.

Mr AMERY: It is interesting to hear the honourable member for Murrumbidgee, whose electorate covers most of the rice industry in this State, refute the facts about the industry's success in growing different varieties of rice. I might say that is of equal importance. Gaining access to the Japanese market was the result of the work that industry does with the department in order to determine the varieties of rice preferred by the Japanese.

[Interruption]

The honourable member is now trying to back away from that statement. He should not interject while I am speaking; he only gets himself into trouble. Gavan O'Connor said:

This is not the time to take away one of the few advantages Australian growers have in their marketing battle with the northern hemisphere giants.

I am extremely pleased with that ringing endorsement from the Federal shadow minister. I am sure that those involved in the rice industry will also be pleased to hear it. I understand that representatives of the rice industry have been involved in negotiations with the Federal Government and the Federal Opposition in relation to this matter. If only the Federal Coalition would take heed of those warnings from the rice industry. If only the New South Wales Opposition, particularly the National Party, would put pressure on its Federal colleagues to make them see sense and make a statement similar to that made by the Federal Opposition.

Recently I received a letter from the mayor of a local council in the Riverina about this issue. The Mayor of Leeton shire, Joe Burns, sent me a copy of a letter he had written to the Deputy Prime Minister, John Anderson, and a copy of a non-committal reply from Mr Anderson. The mayor of Leeton has a good understanding of the rice industry. It is, after all, a prominent focus in his region and in his council area. He called on the Federal Government to defer any further action on the national competition policy review until a more balanced international trading market is in place. He pointed out that the national competition policy process is seriously flawed. His letter stated:

Whilst it recognises the competitive strengths of the Australian rice industry, it has not addressed the impact of the undermining of the strength by the corrupted international rice trading environment.

I agree with his comment that the critical mass is vital for the Australian rice industry if it is to have any chance of remaining competitive. That has been made possible through current marketing arrangements that are in place under the New South Wales Rice Marketing Act.

Mr Piccoli: He is a very good mayor.

Mr AMERY: I agree, he is a very good mayor. The mayor of Leeton rightly pointed out that the New South Wales Riverina is highly reliant on the success of the Australian rice industry. The whole region is underpinned by the rice industry: 1,000 direct jobs and 38,000 indirect jobs, as I said earlier. That is in addition to the fact that 85 per cent of rice consumed in Australia is grown locally in southern New South Wales. That is very important. If we lose our hold, we could see a flood of imported rice coming into this country. That is unnecessary and would exacerbate the problem that already exists. This is an important issue and I am pleased that, although there was a competing urgent motion this afternoon, a division was not called for. That means that the Opposition believed this to be the most important matter to be debated today.

I urge honourable members on both sides of the House to support this important motion, which calls on the Federal Government to say once and for all that if we go through another public benefit process, another review, and it is decided that the regulations should be kept in place, the Federal Coalition Government will not penalise New South Wales by \$10 million per year, as it has threatened to do, and that it will do what the Federal Labor Opposition has said it will do. I commend the motion to the House.

Mr PICCOLI (Murrumbidgee) [3.43 p.m.]: I move:

That the motion be amended by leaving out paragraph (3) with a view to inserting instead the following paragraphs:

- (3) condemns the State Government for its water reform and native vegetation agendas/reforms, which are having a much greater impact on the rice industry than any other Government policy; and
- (4) congratulates Tim Fischer and the rest of the Federal Government for their work in opening new markets and for their efforts in reducing international trade barriers.

First I want to clarify a couple of matters. There was some argument a year or two ago about the \$10 million that was being withheld. Because of the excellent work of Federal National Party members Kay Hull and Tim

Fischer, in whose Federal electorates the substantial amount of rice in New South Wales is grown and who have done a great deal of work within the Federal Coalition, I understand that the \$10 million is not being withheld from the New South Wales Government. I want to clarify that and to correct the Minister's misleading statement.

This season has resulted in an absolutely record crop for New South Wales rice growers. The reason that increasing amounts of rice are being grown is because all available water these days is being used for growing rice. Water was previously being used for other purposes such as the spring irrigation of wheat and the spring or autumn irrigation of pasture, any water that farmers have is now being used to grow rice. That is because things have become very tough for irrigation farmers and they have to be very careful how they use their water. The record crop is not a result of the availability of increased amounts of water, thereby allowing rice farmers to grow more rice. It is not as simple as that.

Is the New South Wales Government blaming the Federal Government for the fact that the United States of America subsidises its rice farmers? How is that the fault of the Australian Federal Government? I am a little perplexed by that statement. The Federal Government and, undoubtedly, the Federal Opposition are concerned about the levels of subsidy support for American and European farmers. The Federal Government certainly cannot be blamed for that. The Federal Government should be congratulated on the work it has done in an attempt to reduce international trade barriers. There was reference to the rice industry having broken into the most difficult of the world's markets: Japan. The rice industry has always done fantastic work in developing new varieties of rice. I commend the industry for the varieties it has developed that are appropriate to the market it is trying to penetrate.

A great deal of work has been done by the former Deputy Prime Minister and Minister for Trade, Tim Fischer. He did an enormous amount of the work, in conjunction with the rice growers co-operative, to gain access to the Japanese market. Australia currently exports approximately 200,000 tonnes of rice to the Japanese market, which is certainly one of the most lucrative markets for the rice industry. If anything were to happen to cause us to lose that market, that loss would have serious consequences for the rice industry. I believe that Tim Fischer and the Federal Government should be congratulated for the work they have done. I also congratulate the present Minister for Trade, Mark Vaile, who has been working hard with Kay Hull and Tim Fischer to make sure that the rice industry remains the successful industry that it is.

Mr Slack-Smith: Good Nationals.

Mr PICCOLI: That is right. They are all good Nationals and they are all working in the interests of the rice industry and Australia. I guarantee that no member of the National Party will do anything that might adversely affect the rice industry. I note a letter was written by the Mayor of Leeton, Joe Burns. He is very proactive. He spoke to me about a letter he wrote to John Anderson. From memory, the reply he received was to the effect that Kay Hull was dealing with the matter. She is no doubt dealing with it very effectively. If the Minister would like to speak to her at any time about the rice industry, I am sure she would be pleased to speak to him. For the benefit of those members who are unaware of the fact, Kay Hull is the Federal Member for Riverina. She is doing a great deal of work and receives a great deal of support from the rice industry, not only in her electorate but also in the electorate of Farrer. She is working in the interests of the entire rice industry, not merely rice growers in her electorate.

I admit that some water reforms have been necessary, but irrigation farmers are very worried about the future of their industry. It is death by a thousand cuts. There was the heavy-handed implementation of the cap. There were the additional flows to the Snowy. Now there is the question about what happens if salinity targets are not reached. Water may be taken off the irrigators for dilution flows to meet salinity targets that would not otherwise be met. Irrigation farmers are constantly under the hammer. If it is not one thing it is another. They do not even have a chance to properly fight one battle before another battle begins. Those are the sorts of things that are causing a great deal of concern to irrigation farmers across the State—not only rice farmers but particularly to rice farmers—who are so heavily dependent on water for their farming activities. Only last year, despite endless pleas for property rights within water, unfortunately the Government did not grant them in the Water Management Bill. Farmers do not even know what asset they have or how long they will have it. That is an enormous concern.

Native vegetation issues are also of great concern to irrigation farmers, particularly rice farmers. A number of people, particularly within the Conargo shire, have sought approval for the development of their land, particularly for the growing of rice. Their applications have been refused because of the native vegetation

legislation, particularly with respect to the plains wanderer, which is causing concern and anguish in the industry in south-west New South Wales. People want to get into the industry, grow more rice, be more productive, earn more money and create more jobs in New South Wales, but water reform and native vegetation issues are a real hindrance. They are two of the major issues for individual farmers.

One fellow from the Conargo shire came to see me. He bought a farm and received approval to develop his land for rice. Then the regulations changed and the approval was withdrawn—after he spent several hundred thousand dollars sinking bores and doing other things. That matter has been taken up with the Department of Land and Water Conservation. These are very serious issues for individual farmers. They have implications for the whole industry. Trade is obviously an important issue for an industry that exports 85 per cent of its production. I am happy with what the Federal Government has done to assist trade. But water reforms and native vegetation legislation should enable farmers to operate with certainty. Uncertainty is causing many problems. The deregulation issue has now been dealt with. I am confident that the Coalition will not deregulate the industry. *[Time expired.]*

Mr BLACK (Murray-Darling) [4.53 p.m.]: I am more than pleased once again to support my colleague the Minister for Agriculture, and Minister for Land and Water Conservation in a matter that relates to the bush. This debate is about national competition policy. I have listened for the last 10 minutes to the honourable member for Murrumbidgee. He has not said one word about the subject of this debate: national competition policy. In fact he moved an amendment to delete the reference to national competition policy from the motion. That is what the honourable member for Murrumbidgee has done. I just hope that all the people in the rice industry in Murrumbidgee get to know that their member failed to support them in this matter. He referred to Labor criticisms of National Party Ministers and members. The ideologically driven National Party leaders in this matter include, first, Deputy Prime Minister John Anderson. He is up to his neck in trouble in the seat of Gwydir. No wonder: his own constituents are turning on him on the issue of national competition policy. Second is the Federal Minister for Agriculture, Fisheries and Forestry. And who is driving this attack on the rice industry in the main? None other than the Hon. Warren Truss.

This is not the first time that this issue has been discussed. The New South Wales Government is defending the rice industry. But the honourable member for Murrumbidgee does not want any criticism whatsoever of his Federal National Party mates. What a hypocrite! It was only a matter of the year or so ago when one of the driving forces of the rice industry founded the Irrigation Council of New South Wales. It was one of my constituents, Laurie Arthur. His concern then—and it is still his concern—was competition policy. The Riverina Regional Organisation of Councils [RIVROC] was not quoted today. It covers five councils in the electorate of Murrumbidgee but only two in Murray-Darling. RIVROC stated:

In order for Australian exporters to have any chance to compete against their heavily subsidised competitors, it is essential that the Australian industry has the critical mass and organised marketing provided by the existing arrangements facilitated by NSW legislation.

RIVROC respectfully request your support in ensuring that the push towards deregulation in pursuit of [national competition policy] principles does not lead to the demise of an efficient and totally unsubsidised industry.

I am more than happy to give a copy of the letter to the honourable member for Murrumbidgee at any time. Seven councils, signed by Paul Goodsall, wrote to me asking me to save them from Federal Government National Party elements. The Minister for Agriculture, and Minister for Land and Water Conservation referred to a media release that was put out on 19 April, two weeks after the announcement by our Federal Labor colleagues. The critical part reads:

Labor believes that retention of the single desk will provide the rice industry with the certainty and stability it needs to further develop its export potential and to continue to address the problems associated with a rising water table in the Riverina and to ensure the industry has a sustainable future.

That is the position of Federal Labor. There is no such position by the Federal National Party, supported by the honourable member for Murrumbidgee, who is prepared to sell out the rice growers by ensuring that there is no certainty or stability in the industry. I refer to another great mayor, Joe Burns. All mayors are great. He has been doing his job. He stated:

The most important, key issue that your Government could address to provide an environment which could allow our Australian rice industry to work its way through this difficult period is to defer any further action on the rice [national competition policy] review until such time as the Government can deliver trading arrangements that allow rice to be sold into Japan and the EU ...

Growers in California are receiving \$265 a ton subsidy—nothing like in Australia. They are marketing as 29 pools to a central desk in Japan. If the Australian rice industry is to stand on its feet we have to maintain a single desk operation. *[Time expired.]*

Mr SLACK-SMITH (Barwon) [3.58 p.m.]: I suspect that the Minister believes there is an election coming on, and that is the reason he has decided to bag John Anderson twice in one afternoon. The Minister is trying to pull a cheap political stunt. Members on this side of the Chamber do not support the deregulation of the rice industry. It is obvious that the honourable member for Murray-Darling, learned as he is—I could not quite hear what he said, because he would not speak loudly enough—did not mention anything about the Americans with their subsidised hand-outs to farmers. The beef and cotton industries are subsidised, as are the wheat and corn producers. I am a cotton grower from the north-west of the State, and we are considering growing rice in that area. The major exporter of soy beans to Europe is the United States of America. That industry is also subsidised

I agree with the Minister, as I sometimes do, that 50 per cent of the income of American farmers comes from not doing anything. About 50 per cent of their income comes from a subsidy for leaving land fallow, not even ploughing it, and being paid for crops that they were supposed to grow. The other 50 per cent comes from produce. My mind boggles at how a country can support such an inefficient system. Besides that, the Americans are lousy farmers. The reasons that they have the latest machinery and the latest gear are, first, because their machinery is much cheaper than ours and, second, the Americans have this great idea that they should knock off at 4 o'clock in the afternoon and go home. Australian farmers run their machines around the clock. That is a fair indication of how lax and inefficient the Americans are. There are some good farmers in America, of course, but I can honestly say that they are not a patch on Australian farmers.

I am concerned that the Minister did not acknowledge the good work done by the former National Party leader and former Minister for Trade, Tim Fischer, in securing many good rice sales, especially in cracking the Japanese market. Tim Fischer also opened the American market to wool and produce through Mexico and he has been a great supporter of the rice industry. The motion has thrown a red herring across the path of this House because 98 per cent of rice farmers want to continue with the present marketing regime. The subject matter of this debate is a fairly dead issue. It is obvious that the Government is so arrogant that it wastes time debating a Federal issue instead of dealing with the problems New South Wales is experiencing, including higher taxes and rising crime rates. It is obvious that the Government is totally out of touch with everyone in New South Wales and it is so arrogant that it believes that everything is going so well it should not have to consider the issues which need to be dealt with. The Australian rice industry is the third largest rice industry in the world. That is not a bad effort! It earns over \$600 million for Australia; it is a great industry. Let us keep it exactly the way it is.

Mr MARTIN (Bathurst) [4.03 p.m.]: I support the motion and completely reject the amendment moved by the Opposition, which was obviously hatched in desperation.

Mr Slack-Smith: You are just jealous you didn't think of them.

Mr MARTIN: How could anyone be jealous of the National Party? Let's be realistic! We have a strong rice industry and much of what was said by the honourable member for Murrumbidgee is correct. I acknowledge the role played by the industry, New South Wales Agriculture and the research people and by Tim Fischer as Minister for Trade, particularly in the difficult Japanese market. The success of the industry has not come about by accident, and that is why it is important that we protect it. We are not talking about water reform or native vegetation. This is all about national competition policy. It is time to draw a line in the sand.

A couple of weeks ago I attended a conference at which Kim Beazley, who many judge will be our next Prime Minister, laid out the Labor Party's platform in relation to the national competition policy. The rice industry is a great example of an industry where the line can be drawn in the sand. The New South Wales Government, through the Minister, has shown where it stands. It has been prepared to stand up to the Federal Government's threat to withdraw tranche payments to the tune of \$10 million to date under the national competition policy. The Federal Government has not hit us with that penalty over the past couple of years, but the threat is there, and it would act on its threat tomorrow if it got the chance.

There has been some talk about the previous Labor Government having a hand in the national competition policy, and it did. But it never intended it to be interpreted as it has been by the Federal Coalition Government under John Howard and John Anderson. We have to get back to a fair dinkum interpretation of community benefits. At this stage we should say that enough is enough. Although we were forced to vote for dairy deregulation there were no entreaties by members on the other side to go to Warren Truss or other members of the Federal Government to turn that around. They are slaves to deregulation and to national competition policy.

That is why neither the shadow Minister, the honourable member for Barwon, whom I thought made an embarrassing contribution, nor the honourable member for Murrumbidgee, who at least showed a bit of passion, mentioned the national competition policy. They ignored it, because they know that the people who can do something about it are their Federal counterparts. My colleague the honourable member for Murray-Darling spoke about the rice industry in the United States of America. There is no question that the \$35 billion that is currently expended on agricultural subsidies gives the American industry a great advantage. We have to meet that challenge.

We need the Federal Government to stand up to the Bush administration instead of grovelling, which is all we have seen since January this year. The Federal Government needs to make a worthwhile effort to stand up to the Americans and use other strategies to bring them to heel on this important issue. The last thing we want is to have this strong, vibrant industry threatened by dumping by our allies in America or anywhere else. The situation in the United States of America is fairly deplorable, as its rice growers co-operative has said. American subsidies are at a record high. Fifty per cent of America's farming income comes from government hand-outs. Rice subsidies translate to about \$265 per tonne to the American farmers. That is more than our people are earning.

I ask members on the other side of the House to support the Minister's motion. We should tell the Federal Government that the big threat to the rice industry is the Federal Government's interpretation of the national competition policy, and it should be thrown out. Further deregulation should not even be considered. We must stick with the policy that the Federal Labor Party has developed for a single desk. I ask the members opposite to support that. They have mischievously ignored that all the way through this debate. It is now time for them to say whether they are in or out. I commend the motion to the House.

Mr AMERY (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [4.08 p.m.], in reply: I thank all honourable members who have contributed to this debate: the honourable member for Murray-Darling and the honourable member for Bathurst from the Government side, and the honourable member for Murrumbidgee and the honourable member for Barwon on the Opposition side. The Opposition tried to avoid the central theme of the debate.

The rice industry wants security for the future; they do not just want increased success on pricing and export markets, they also want to keep the regulated system in place. This Government also wants that. The New South Wales Government has received a commitment from the Federal Opposition that should it form government, and we decide to keep the regulations and the single-desk process going, a Federal Labor Government will not impose a penalty against New South Wales. That message was clear.

The honourable member for Murrumbidgee said that the issue was resolved. The matter is not resolved and the rice industry knows that. The Opposition amended the motion and the Government rejects that as a nonsense. They referred to water reforms and native vegetation. The honourable member for Murrumbidgee said that the water reform process will kill regional economies and wind back production on agricultural produce. The Government has always said that the water reform process is about the efficient use of water—

Mr Martin: A sustainable level.

Mr AMERY: As the honourable member for Bathurst interjects, a sustainable level of water. The proof of the pudding is in the eating. A couple of years ago the honourable member for Murrumbidgee made that same claim. The water reform process is continuing and there have been several reviews of the cap, and if what he said was the case, there would be a reduction in the production of rice in New South Wales. In fact, the previous high level sought to be achieved by the rice industry was 1.3 million tonnes. The industry feared that if it had a bad season the level would drop below one million tonnes.

I understand from speaking to the rice industry that the latest harvest is about 1.7 million tonnes, an amount never before achieved—and this was during a time when the Opposition said that the water reform process would wind back production. That story can be repeated. The honourable member for Murrumbidgee even asked me a question about it once, suggesting that the water reform process would downgrade production. That argument goes out the window.

Mr Piccoli: Say that farmers are better off under these water reforms.

Mr AMERY: Farmers are better off under the water reform process. Farmers in the rice and cotton industries up north are big water users, and both those industries have left the National Party behind in this

debate. We should give credit to the rice industry in the Murray. They also are big water users and still have those environmental concerns. However, farmers in irrigated areas have actually lowered the water table through water management plans and improved water efficiencies, all part of the water reform process. The industry has left the National Party behind, considering it irrelevant to this debate.

Remarks were made about salinity targets and so on. Surely there cannot be any argument about the fact that we need to somehow cap the level of salinity within our waterways. Communities and catchments have to work to bring salinity levels down. Do farmers believe they will have a future if salinity takes over their catchments? Nobody would believe that, and farmers certainly do not. On salinity, native vegetation management and water reform the National Party has been left behind.

I thank my Country Labor colleagues for their support. The honourable member for Murray-Darling hit the nail on the head when he said that the Opposition and the National Party are running scared on competition policy because they never want to make a decision. They want to talk about it—and the Prime Minister and the Deputy Prime Minister will talk about these issues from time to time—but they never want to make a final decision or give an assurance. That point was raised by the honourable member for Bathurst, who said that competition policy is still very much part of a weapon to be used against government in debating whether regulations should be kept. I thank honourable members for their contributions.

Pursuant to sessional orders business interrupted.

BUSINESS OF THE HOUSE

Private Members' Statements: Suspension of Standing and Sessional Orders

Special Adjournment

Motion by Mr Whelan agreed to:

That standing and sessional orders be suspended to permit:

- (1) private members' statements to be taken forthwith and that there be no quorums or divisions for the remainder of the sitting; and
- (2) at the conclusion of private members' statements the House to stand adjourned until Friday 8 June 2001 at 10.00 a.m., and the House to adjourn this day without a motion.

PRIVATE MEMBERS' STATEMENTS

FAMILIES FIRST MACARTHUR

CSIRO SCIENCE BRIEFING

Mr WEST (Campbelltown) [4.15 p.m.]: There are a number of hardworking groups in Campbelltown working with children and families. One of them operates in Campbelltown and other parts of Macarthur to provide support to parents and children with disabilities. Until recently it was known as Families First Macarthur, but the name is in the process of being changed. For many years parents have worked tirelessly to ensure that this program continues, holding trivia nights, raffles and the annual auction and dinner. In recent years it has become harder to raise the funds needed to run this valuable service.

I am pleased to advise the House that the State Government has stepped in to ensure that this important service continues, by providing \$200,000 in recurrent funding for an intensive support program for families with children with a disability in the Macarthur area. This funding will go to KU children's services to assist their innovative early intervention and family support program in the Macarthur area. The Government strongly supports this initiative by families in the Macarthur area and with the support of the KU children services will ensure that quality programs are delivered to disabled children and their families. The program was set up to provide early intervention and family support services for children with disabilities from birth to school age and their families. I congratulate the Minister for Disability Services on her commitment to this service.

Involvement of families is essential in this model. Families are assisted in dealing with issues that arise after the birth of a child with a disability. It is particularly important that parents and other family members

become confident in approaching a different role as a parent or relative in overcoming the feelings of grief and stress. Family members are involved throughout the process. They identify specific needs, they develop formal and informal support, and build on strengths within their own families. The program also includes participation by non-disabled siblings. Children are encouraged to pursue their own learning in playful interaction with others. The program has particularly encouraged fathers to participate in these activities.

A stepping-stone program facilitates transition from early intervention to preschool environments. This activity occurs in a mainstream or early childhood program so that children with disabilities are not segregated in the day-to-day environment. Evaluation and research into this program has included assessment of the parents' perceptions. The research has found that there is a high satisfaction rating by parents and family members. That satisfaction is borne out by the support that the State Government is providing. This funding is demonstration of the Government's commitment to improving opportunities for families with disabled children. I join with Karen Walden and other parents in welcoming this news.

I would also like to congratulate the patron, Noelene Brown, who was very nearly the honourable member for Southern Highlands in this place, who, overcoming her better judgment, accepted the chance to play for Families First Macarthur on *Who Wants to Be a Millionaire?* Half of the winnings were to go to Families First and the other half to a home viewer. As a result, Noelene raised \$62,500 for the service, just missing out on a larger sum because she did not know that Freddie Mercury was born in Zanzibar. This money will allow the completion of works for the Families First centre and, together with the money provided by the State Government, will allow the centre to continue to provide a top-class program for families of children with disabilities.

I would also like to touch on one other matter affecting my region. Only yesterday at the CSIRO science briefing "Jobs for the future: Where will they come from?" Julian Crib outlined Australia's strengths and weaknesses in technology and know-how; not just in information technology but in water, landcare and other environmental areas. I am pleased that the Mount Annan Botanic Gardens in the Macarthur region is a leader in plant-growing techniques. Part of the know-how is shown in the development of propagation techniques for *actinotus helianthi*, or flannel flower. What is so special about this particular flower is that it is the New South Wales official floral emblem of the Centenary of Federation.

I am pleased that the Macarthur area is continuing this tradition by developing varieties of the flannel flower for celebrations this year. Already Star Bright is on sale—a shining light of Federation. Soon other varieties, such as the Parkes Star, will become available. Not only is this a fitting Centenary of Federation project, it will also provide future employment. The gardens hold a wildflower festival in September, and this September a new visitors centre will be open. It will encourage more and more people to visit the gardens and develop an interest in native plants. I congratulate Landcom on its support for the gardens and the \$3,000 rebate that it offers to those who plant native species on adjacent properties. This know-how, developed by the botanic gardens, has been extended to the Wollemi pine and it will be available in years to come as part of a joint commercial venture, which will create more jobs.

MAINLAND COTTAGES

Mr HARTCHER (Gosford) [4.20 p.m.]: Mainland Cottages at Peat Island Centre on the Central Coast is a community centre where people with intellectual and other disabilities live. While it is not a group home, it is a community within a community. The people who live there feel a sense of belonging—as, indeed, they should. Their parents, friends and other loved ones also feel that they have a place in this community. Parents and guardians are heavily involved in the community and this involvement takes the form of anything from social visits to participation in the Peat Island Residents Welfare Association, which was formed to protect the interests of residents.

Unfortunately, it appears that the Ageing and Disability Department and HomeCare does not want this community to continue. This follows on from the recommendations of the Richmond report, which advocated that all institutions for people with intellectual disabilities should be closed and their residents moved to group homes. That would certainly be a noble idea—if the said institution were not also a supportive community for residents and if there were group homes for them to go to.

The crisis surrounding the lack of supported accommodation, including group homes, under the Carr Government is well known. So too is the failure by this same Government to adequately fund services for people with disabilities. As always, it is the ordinary citizen who suffers the effects of such failures. The son of

Shelly Beach resident Anita Reidy—who is the hard-working and dedicated president of the welfare association—lives at Mainland Cottages in a cottage that forms part of a group of four. Nine other residents also live there. The cottages are supervised by staff who see to residents' health and welfare needs. Some of their duties include implementing behaviour management plans; ensuring that residents participate meaningfully in the community; and supporting and nurturing residents' skills, such as assisting with meal preparation.

Until February this year two staff members were rostered on duty from 3 p.m. to care for residents in these four cottages. On 4 February 2001 the staff were reduced to one officer. This poses significant problems for both that staff member and the 10 residents. For example, how can the staff member give emergency medical attention to one resident without leaving the others unsupervised or putting them at risk? Many of the residents have serious medical and behavioural problems. How can one staff member—no matter how effective—manage the problems of 10 people? The staff are dedicated, hard-working and committed, and enjoy wonderful reputations.

The numbers simply do not add up. Despite numerous letters from the welfare association to the department about this matter, Peat Island Centre still has only one staff member to care for residents in these four cottages. I urge the Minister for Disability Services—whom I am delighted to see in the Chamber—to examine the situation and see whether something can be done. I do not expect the Minister to be aware of this particular situation, but it presents an unfortunate challenge for the one remaining staff member. In light of the fact that behaviour management programs for residents are part of the process, it is extremely concerning that one staff member must care for 10 residents—particularly at night.

Staff numbers at Mainland Cottages have not been restored to their February 2001 level, and residents' parents, guardians and other loved ones fear that those residents may be put at risk. It is not hard to imagine many of those risks. For example, fire could break out in one of the four cottages, one of the residents could suffer a medical emergency, or there could be an intruder. These people have suffered intrusions in the past and would be very frightened by another similar occurrence. It would clearly be better to have two staff members, who could handle the situation more adequately.

I acknowledge that there will never be enough resources to help these residents; assistance will always be limited. However, I urge the Minister to examine the situation and, given various other constraints, possibly remedy the matter and restore that extra staff person so that island residents can be assured of the best possible care and quality of life. These residents are wonderful people who are loved by their families and are valued members of our community. They deserve the best, and many reports and studies have been undertaken to ensure that that is what they get. I ask the Government to make sure that happens.

Mrs LO PO' (Penrith—Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Women) [4.25 p.m.]: The honourable member for Gosford was right to refer to our 12-year devolution program, of which there are 10 years remaining. We are aware that institutions of the type that the honourable member described will remain open for the next 10 years. Some people who were institutionalised as children have never had the luxury of being able to walk to the corner shop to buy an ice cream, for example. They have not done the things that we enjoyed doing in our childhood. Some of them have never experienced the luxury of sitting at a sidewalk cafe and enjoying a cappuccino. We are keen to introduce devolution so that these people can have some sort of life. The sorts of things that we no longer find exciting are the things that they are yet to experience.

The devolution program will extend for the next 10 years and we must deal with people properly during that time. The honourable member for The Entrance has also made representations to me about this matter. I will consider the issue raised by the honourable member for Gosford and provide a response. I assure honourable members that the Government is committed to getting people out of institutions. Family life is beneficial to all people, regardless of whether a family member suffers from a disability, and we are desperately keen for everyone to have good experiences. Having said that, we must proceed carefully and consider what will happen to those who are still institutionalised.

SUDDEN INFANT DEATH SYNDROME

Mr ANDERSON (Londonderry) [4.27 p.m.]: Sudden infant death syndrome [SIDS] is the name given to the sudden and unexpected death of an infant who seems to be well, or almost well, and whose death remains unexplained after a thorough post-mortem examination. In 1988, when Red Nose Day first started, about 500 Australian babies died from sudden infant death syndrome. With funding from Red Nose Day, SIDS

organisations produced programs that resulted in that figure dropping to 134 deaths in 1999. Australian SIDS organisations agreed recently to extend their family support programs, including the 24-hour crisis outreach service, to families of all children—from conception to six years—who have died suddenly and unexpectedly, regardless of the cause.

Since the inception of Red Nose Day, Richmond High School in my electorate of Londonderry, with the assistance of the local community, has raised in excess of \$180,000 for this great cause. In 2000 Richmond High School raised \$50,000, which led to the question last Tuesday: "If you raised \$50,000 last year, what were you doing all the other years?" The fact is that the program is developing dramatically and the school's success is amazing. The SIDS launch signifies the beginning of a month-long campaign to further the awareness of the SIDS program and to raise funds to continue research into the cause of sudden infant death syndrome, for family counselling and support services, and for the Reducing the Risks of SIDS campaign.

SIDS New South Wales thanked the principal, Mr Ken Gill, Mrs Pat Pilgrim and the Student Representative Council of Richmond High School for their support and the effort they have made over the years for Red Nose Day. The program was launched last Tuesday at Richmond High School. On behalf of the Minister for Education and Training I had the pleasure of attending the launch, which was addressed by the patron of SIDS New South Wales, Police Commissioner Peter Ryan. Mr Ryan thanked Richmond High School for its great effort over the years and its continuing support for such a worthwhile initiative. He congratulated the school council and school community, especially Principal Gill and Mrs Pilgrim, whose support has been integral to the ongoing programs at the school.

The young people themselves are the greatest beneficiaries of all these programs, because they are learning a great deal from the SIDS program, in which they actively participate. They are learning about the community and interacting with it. Those young people can hold their heads up anywhere because they are outstanding representatives of the community. It was a great privilege for me to represent the Minister, but it is an even greater privilege for me to say that a school in my electorate has taken up the challenge and raised considerable funds. Such support is to be encouraged. The Minister saw fit to do so by making a very generous donation of \$1,000 towards this year's campaign.

Last year the school raised \$50,000. Already this year the campaign has been given a tremendous boost. With corporate sponsorship and community donations, over more than \$10,000 has been raised in the first week. With the Minister's contribution and the efforts of our students, SIDS will receive a worthwhile donation this year when the program culminates in a dinner at Richmond High School. I offer my congratulations to all of our school community for the part it has played in this worthwhile exercise.

Mrs LO PO' (Penrith—Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Women) [4.32 p.m.]: These types of programs are crucially important because, to a certain degree, we have lost our social capital. Communities used to look after each other. As the honourable member for Myall Lakes would know, I come from Cessnock, where he was born. The way that communities would look after each other in times of difficulty is a thing of the past. As the honourable member for Londonderry said, we have to start making young people aware through their schools that they have obligations as members of the community. It is not just a matter of take all: it is give and take. Young people have to understand that they need to be there for each other and make our communities strong again, because no government in the world could afford the amount of money that communities expect.

The enrichment of the social capital around schools and the involvement of young people as part of the social capital is absolutely crucial. We all support the Sudden Infant Death Syndrome program. I have never yet worn a red nose—I have hung one around my neck—and I do not expect to ever wear one. We know the importance of this program. However, I am looking at the global issue. It is an important program, but, most importantly, young people should know they have a responsibility to be part of the social fabric of their community. I congratulate the honourable member for Londonderry on bringing this matter to our attention.

FORSTER-TUNCURRY ROAD SIGNAGE

Mr J. H. TURNER (Myall Lakes—Deputy Leader of the National Party) [4.34 p.m.]: I wish to raise a concern in my electorate about signage on the Pacific Highway to Forster and south of Forster down through Pacific Palms, Tarbuck Bay and other places. When the Coolongolook to Buladelah bypass was opened a couple of years ago, the Roads and Traffic Authority [RTA] unilaterally took it upon itself to change the signage to Forster. Previously, travellers either went up the highway to Failford, turned right and then came back down to

Forster, or took the Lakes Way—a very scenic and beautiful trip, although a very dangerous one because the Minister has failed to come up with the \$6 million he promised to create a link road. But that is an issue for another time.

As I said, once the bypass was completed, the RTA unilaterally decided that the preferred route to Forster-Tuncurry was via the Pacific Highway and Failford Road. I raised questions about this matter in the House, to which I received an answer in February. I can assure the House that the RTA's decision is having a deleterious effect on businesses, particularly motels and tourist-orientated businesses, in Forster-Tuncurry. With proper signage, motorists would be able to decide whether to take the scenic tourist road through the Lakes Way or, alternatively, drive up the freeway to Failford. Although the council has gone through a costly exercise of erecting significant billboards advertising the Forster area, many travellers are driving past. They get to Failford and decide that they might as well go further north. Proper signposting is essential so that people have the option of taking the Lakes Way or Failford Road. In a letter to me, Mr Denis Hallett, a motel operator and the President of the Foster/Tuncurry Motel Association, wrote:

It is with some degree of frustration I write to you about what can only be described as a simple problem with serious complications.

1. Tourism which is the lifeblood of Foster/Tuncurry is under threat due to a lack of travellers detouring through and staying in our town. This is due to a lack of destination signage.
2. Newcastle District Branch of the RTA has been approached regarding the erection of more destination signs but appear not to want to help. Contradiction in standards and sign requirements seem to be the main problem. Even our own Great Lakes Tourism Committee through the Council Traffic Committee cannot interpret the requirements when they made submissions.

In my dealings with the RTA on this matter it has been bloody-minded and has refused point-blank to accede to any commonsense approach to erecting correct signage. Mr Hallett continued:

3. I cannot understand why Port Macquarie who have the two entries to town have more than six destination signs to the southern side and at least six destination signs on the north of side, whilst Foster/Tuncurry's Failford entrance has only one north and one south and one on the turnoff. If both are major towns how come they are not treated equally.
4. The Lakes Way north and south should be adequately signposted as an alternative route via the Scenic Drive as they are the two shortest routes off the highway to Forster and Tuncurry.

In a letter addressed to me dated 30 May, the Foster-Tuncurry and District Chamber of Commerce and Tourism wrote:

Tourism is the lifeblood of Forster Tuncurry and indeed the entire Great Lakes region. We feel that the lack of adequate destination signage on the Pacific Highway is hindering visitors to our region.

It is suggested that green destination signs be erected both north and south of the Lakes Way Scenic Drive turnoff, plus north and south of the Hallidays Point turnoff, to complement those already in existence at the Failford Road turnoff.

We suggest that we let the visitors to our area decide which route they wish to travel by providing them with adequate signage to enable them to make that choice.

It is our duty to ensure that all assistance is given to local businesses. Adequate highway destination signage will help to attract passing tourists, who in turn will help boost our region's economy.

I totally endorse those comments. Mr Hallett again wrote to me questioning the RTA's position. Clearly, the intransigent RTA does not understand the finer role that tourism plays in our community and in coastal areas. Proper signage is essential so that people have time to decide which route to take before they get to a turn-off. In this case, drivers have about 500 metres to make a decision. That is simply not good enough. We must have adequate signage on the Lakes Way so that people can take that route if they wish. *[Time expired.]*

LAKE MACQUARIE ENVIRONMENT

Mr HUNTER (Lake Macquarie) [4.39 p.m.]: I wish to draw the attention of honourable members to the great concern of many constituents of the Lake Macquarie electorate about the Lake Macquarie environment. Also I would like to outline the action the Government has taken and is taking to alleviate those concerns. It is opportune to raise this matter this week as last Tuesday, 5 June, was World Environment Day. Since its election in 1995 the Government has undertaken a lot of work to deal with environmental issues that are of concern to local residents in the Lake Macquarie catchment. Millions of dollars have been spent on lead remediation in the Lake Macquarie area; restoration and rehabilitation projects are under way around the

catchment; and land around the lake has been secured and is being preserved for future generations. Most people in the Hunter region would regard Lake Macquarie as the jewel in our crown; that is why the State Government is committed to cleaning up the lake and preserving it for future generations.

The Government is spending something like \$7.7 million to clean up Lake Macquarie. Lake Macquarie City Council has levied ratepayers to bring the fund to in excess of \$10 million for three years of projects around the lake. One of the first uses of the funds was to appoint Jeff Jansson as clean-up co-ordinator for the Lake Macquarie catchment. I congratulate him on doing a very good job. Funding has been directed to stabilisation works undertaken at a number of locations affected by erosion. Local land care and community groups have sought that funding and they have carried out a lot of work in the catchment. I recognise the good work of land care groups, made up of volunteers who work for the community.

Mr Acting-Speaker—my parliamentary colleague the honourable member for Wallsend, whose electorate covers part of the Lake Macquarie catchment—and the honourable member for Swansea, who is in the Chamber and whose electorate also covers the Lake Macquarie catchment, would be aware of the numerous land care groups in our local area that are working to improve the health of Lake Macquarie. I am sure we would join together to congratulate the volunteers on their great work. I was very pleased to be able to support local land care people by working with the area health service to have the old community health cottage, which was based in Toronto, given to Lake Macquarie Council. The building was relocated to Croft Oval at Fennel Bay, and it is now the headquarters for all land care groups in the Lake Macquarie area. They are very pleased to have it.

My other parliamentary colleague the Minister for Gaming and Racing and member for Charlestown has entered the Chamber. He also has been a strong advocate for the restoration and rehabilitation of Lake Macquarie. I know that he, too, supports the great work of volunteers in land care and community groups throughout the Lake Macquarie area, where a lot of work is being undertaken. Current projects include a \$600,000 foreshore stabilisation scheme at Salts Bay Beach in the electorate of Swansea, and the building of stormwater quality improvement devices in the Fennel Bay area at a cost of more than \$300,000.

This project, which is in the electorate of Lake Macquarie, involves the replacement of a section of existing concrete drainage channel at Ward Street, Blackalls Park with a constructed wetland. It is very pleasing to drive past that area and see the project under way. An additional wetland will be built opposite Todd Street in Blackalls Park. The project also involves the installation of two commercial pollutant traps, one at Bay Road and the other at Elizabeth Street, Fennel Bay. As most people would know, the clean-up work was inspired by the Premier's task force headed by Ian Kiernan, the respected environmentalist who works with Clean Up Australia.

We were certainly pleased to have Ian visit Lake Macquarie to work with community groups, the council, members of Parliament and government to devise the plan, and it is pleasing to see that it is being implemented. Other funds have become available under the stormwater pollution grants and funding for flood plain management. Overall, the Government is doing an excellent job in restoring and rehabilitating the Lake Macquarie area. Lake Macquarie is the largest coastal saltwater lake in Australia. It supports a wide range of environmental habitats, and is an important recreational and tourism centre. It is important also for its estuarine habitats. The Government has recognised the regional and State importance of the lake, and is delivering funds that were recommended by the Premier's task force.

Mr FACE (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development) [4.44 p.m.]: I congratulate the honourable member for Lake Macquarie on raising this very important issue. The health of Lake Macquarie has been the subject of debate for many years. Many people have had a lot to say about it, but it was not until the term of this Government that something was done. I compliment Lake Macquarie Council for moving towards recognising the need to curb development and urban sprawl along the edges of the lake, especially on the east side, and the need for siltation traps to prevent sedimentation from going into the lake.

When I was a child people threw everything into the lake. It has been the playground of the people of the coalfields, as the Minister for Community Services, at the table, would be able to attest. Miners enjoyed their recreation in the area. But the pressure on the lake due to urban sprawl, not from those who use it for recreational purposes, has created long-term problems. The clean-up by volunteers during Clean Up Australia has gone a long way to overcoming many of the problems. One of the most vexed questions is the long-term financial commitment to ensure the viability and health of the lake. It is not something we are doing just for now; we want to ensure its long-term future.

The other vexed question is fishing. Recently the honourable member Swansea tried to hold a meeting about a proposed aquatic reserve to resolve long-term fishing problems. He was badly let down. Probably nine-tenths of the people who attended the meeting were decent people who wanted to find a solution. Unfortunately, I would describe the other one-tenth as a lot of drunken so-and-sos. They created the most appalling exhibition. Some people have an agenda about fishing. To the credit of the honourable member for Swansea and fisheries officers they kept their tempers, and the honourable member was able to keep the meeting on course.

NORTHERN BEACHES HEALTH SERVICES

Mr HUMPHERSON (Davidson) [4.46 p.m.]: I draw the attention of honourable members to health services in my electorate, particularly those on the northern beaches. In the past year there has been some debate on the northern beaches about the prospect of a new, centrally located, level five hospital, which could cater adequately for the needs of the quarter of a million people, or thereabouts, who live in the various areas of the northern beaches. The locations of the existing hospitals are not optimal. Manly Hospital is located in an area that was probably appropriate at the turn of the last century, but it is now particularly inaccessible by road and it is not central to the broader population.

To a lesser degree, Mona Vale is not optimally located because it is in the northern part of the northern beaches. Although it services the needs of those who live in the Pittwater council area, the bulk of the population, which lives around Warringah and Manly, cannot be adequately catered for by a single Mona Vale hospital. Even though 30 per cent of people on the northern beaches continue to use the existing hospitals, it is a sad reality that as services at these existing hospitals have been wound down over the past years—in particular the past six or seven years under the Labor Government—70 per cent go elsewhere; they either leave the area or access public hospital services.

The quality of the staff—the reason many people are very passionate about their local hospitals—should not be a determining factor because it is becoming confused, unfortunately, with the quality and location of the hospital buildings. A new and better facility located centrally would be augmented by moving the high-quality staff at both those hospitals to a new location. Unfortunately, confidence in existing hospitals has diminished. A survey was conducted by the Northern Sydney Area Health Service, which offered three options to those who wished to respond. It was very broadly responded to by thousands of people across the community. Option A, which was to maintain the location of Manly and Mona Vale hospitals, and provide level-four health services across both sites, was not warmly welcomed by a substantial part of the community. Option B, which was to locate level-four health services at Mona Vale, was warmly welcomed only by those who actually live in the Pittwater area, but it was certainly rejected by those who live elsewhere in Warringah, particularly Manly.

Option C, a proposal for a new hospital in a central location to provide level-five hospital care facilities—the proposal that I believe would serve the broader interests of the community—was certainly welcomed by the majority. For the benefit of those who live in Warringah, and in the electorate I am fortunate to represent, I would like to refer to some statistics. The preferred option of a new centrally located hospital, whilst supported by only 7 per cent of Pittwater residents, was supported by 57 per cent of Manly residents—who might be expected to support the existing Manly Hospital—68 per cent of Belrose residents, 68 per cent of Frenchs Forest residents and 72 per cent of Forestville-Killarney Heights residents: all in all, 49 per cent of Warringah residents.

It is clear that the people I represent, and with whom I have a close empathy about this matter, support a new centrally located hospital. In addition to a centrally located facility, there is a need also to maintain Mona Vale as a health facility for residents in the northernmost part of the northern beaches, and in the Pittwater-Mona Vale area. I seek a commitment from the Minister that he is genuine when he refers to a new hospital. It has gone through the consultation process, but, apart from the rhetoric, we have yet to see anything substantial so far as the allocation of funds and identification of a location for the hospital.

There are few potential locations, and I am concerned that there may not have been full consideration of available sites. I am of the view that a sensible location would be somewhere near to the Warringah Road-Wakehurst Parkway intersection. The Department of Housing owns some land that adjoins Forest High School which could form part of the proposed facility. The Department of Housing is progressing development of that land, but I am even more concerned that such development would close, in large part, the potential for a new central facility. I call on the Minister for Health to do all he can to ensure that that land is not developed; and that the Minister for Housing is asked to hold back on his plans so that it can be incorporated with other vacant land near that intersection to ensure that the option of an optimal, centrally located level five facility for the people of the northern beaches can proceed.

Mr DANIEL VAUGHAN AND GIO AUSTRALIA

Mr ORKOPOULOS (Swansea) [4.51 p.m.]: I raise a matter that affects a constituent of mine, Daniel Vaughan, and his family's attempt to recover his reputation—especially his ability to obtain insurance. Both my predecessor and I have sought, over time, to assist Mr Vaughan to negotiate his way through the system. Briefly, the history of the case is as follows: Mr Vaughan had a comprehensive insurance policy with GIO Australia. He had an accident and made a claim. GIO Australia rejected the claim, on the basis of fraud, and returned his insurance premium. The Local Court heard the claim on 13 November 1996. GIO Australia subsequently filed an amended grounds of defence, producing two proposal forms—one which GIO stated under oath had been rejected, and a second obtained by Mr Vaughan, allegedly by fraudulent means because he had not notified the insurer of the rejection of the original proposal.

In court Mr Vaughan was advised by his legal representative on two points: first, that he had signed both proposal forms for insurance; and, second, that he could not submit two proposal forms. The court found in favour of GIO Australia because of its amended defence. Mr Vaughan senior subsequently wrote to GIO Australia to elicit the reasons for its refusal of the first proposal as stated in the amended grounds of defence. To the question, "Why was Mr Vaughan not advised of the rejection?" The response from GIO Australia was, "Policy was not rejected. (I understand that Daniel phoned GIO to advise that he did not wish to proceed with first proposal)." To the question, "Why was the first contract not cancelled and the premium returned?" the company responded, "Not relevant, policy was accepted."

Honourable members should bear in mind that the court found in favour of GIO Australia that Daniel Vaughan had fraudulently not disclosed information. However, under oath GIO Australia declared a case for fraudulent non-disclosure of information which it subsequently refuted in correspondence to Mr Vaughan senior. In my book that is perjury. Mr Vaughan senior has, over the years, sought through my office to obtain action by the Attorney General and by the Minister for Police by way of investigation of GIO Australia for having committed perjury in the prosecution of its case against his son. This goes to the heart of the two issues that have led me to speak out on the Vaughan family's behalf.

The first issue is the length to which this insurer, GIO Australia, has gone to deny a legitimate claim for insurance by an individual. On Friday 17 February 1995, Mr Vaughan went to GIO Australia in Newcastle and sought a quote for motor vehicle insurance for a new car that he had purchased. He was asked to fill in a proposal form so that the office could assess the proposal for a quote and a quote was given on the form submitted. On the following Monday, 20 February, Mr Vaughan senior went to GIO Australia at Charlestown with a signed proposal form on behalf of his son, verified that the premium payable was the same as that given three days previously, and paid the premium quoted. GIO Australia used the fact that a form was used on the Friday, in order to determine the quote as a formal proposal—notwithstanding the fact that no money was paid on that day. I believe that in court GIO Australia perjured itself through a fabricated and misleading amended defence, and that this matter should be referred to the Director of Public Prosecutions.

The second important issue is that, although the police have investigated the matter and exercised discretion not to pursue the matter of perjury, what rights do ordinary citizens have against large corporations? What faith can members of the general public have in the insurance industry, given its apparent practices, or in the willingness of responsible authorities to investigate and prosecute criminal activity, no matter how small the amount involved? The Vaughan family are strong believers in the law and speaking the truth. There can be no stronger breach of the truth than a major insurer, such as GIO Australia, committing perjury in order to save \$20,000 from a motor vehicle accident claim. The insurance industry proclaims, as an article of faith, its dependence on good faith. This case proves to me that it will go to any lengths to deny any good faith with this family and so many other citizens of this State.

COMMUNITY RADIO

Ms HODGKINSON (Burrinjuck) [4.56 p.m.]: I refer to the importance of community radio in rural towns, in particular Yass FM 100.3 and the valuable role it plays. Yass FM 100.3 was formed a year ago and I attended its anniversary and official opening last weekend. It was a great day. All the presenters who were there received certificates from the station's board chairman, Brian Millett, as did those who have recently completed program training courses. While there is much more to community radio, funding continues to be very important, as does the valuable assistance of local businesses. They are called on to provide a great deal of sponsorship, for every raffle, every spellathon, every sponsorship—and they never falter. Local businesses keep a town running in many more ways than merely selling goods.

It is so impressive that small businesses—many of them struggling to make a dollar, keep locals employed, meet charges and taxes thrust on them by government at all levels and pay landlords—always manage to support community events. Local businesses have been more than generous in their support of local community radio, Yass FM 100.3. Community radio provides young people with an opportunity to gain self-confidence. For example, many programs are run by young people, and young people are also well represented on the board of Yass FM 100.3. The programs on offer include The 3 Stooges, which is run by Peter Chatwin and his friends every Sunday night. Every Saturday morning David Cassidy and Steve Curtis bring young people and schoolchildren involved with local sport into the studio and interview them. Certainly the kids might not do more than mutter a "yes" or "no" very quietly, but for many of them it is a great opportunity to experience the wonderful world of the electronic media. I believe it is a great way to boost their self-confidence and belief in themselves.

Cherie Carey, another young person, runs Cherie's Box of Chocolates on a Saturday afternoon. Schoolchildren also come into the studio on one afternoon a week to learn how a radio station operates. Kim Wrigley, another young person, fronts the Sunday afternoon program. Other regular presenters, who also give their services voluntarily and produce great programs, include: Warren and Vicki Williams—who not only run their own shows but also fill in a lot for others. There is Brian Millett with Brian's Brew, and Harry Smith, who runs the local pizzeria, also manages to produce Classic Country.

Other presenters include Kayleen Wright, who is doing a show for new mums; Geoff Frost and Chris Gaffney, with "Yes Yass It's Saturday", presenting music, news and local affairs; Rob and Lynne Groves, with great "Young Country" music; Ken McNally and Sylvia Surr, with "Just Worship"; Dave Croker, who also has a great show, as does Wayne Murphy; David Brown, the Deputy Principal of Yass High School, who also cooked up a mean sausage sandwich at the opening last Saturday; the Agony Aunts, who come into the studio to give humorous or serious advice to help those with a dilemma; David Hodgkinson, with the rural report, which I have had the pleasure of presenting and for whom I will be filling in during July; Peter Gibbs, who does a great job with Pet Care; and many more presenters. I once again congratulate Yass FM 100.3 on its first anniversary. It truly benefits the community in more ways than simply providing great music, information and fun. It plays a very important role in youth development and self-confidence in the Yass district.

BASS HILL AND BANKSTOWN WEST PRIMARY SCHOOLS

Mr ASHTON (East Hills) [5.01 p.m.]: I draw attention to the condition of two infants-primary schools in my electorate, Bass Hill Primary School and Bankstown West Primary School. The schools need urgent upgrading to provide a satisfactory learning and teaching environment and a safe school site to comply with the occupational health and safety legislation for both teachers and students. Recently, together with many honourable members, I had the opportunity to visit many primary schools in my electorate while presenting Federation medallions to students. Those visits were wonderful opportunities to see the excellent work done in our government schools by teachers, students and parents alike.

In the past few weeks I have visited East Hills Boys High School, Picnic Point High School, Sir Joseph Banks High School and the Noor El Houda Islamic College at Condell Park. I was fortunate to open the new covered learning area at Tower Street Primary School, Panania, and I thank the teachers, students and parents who struggled to raise their 50 per cent share of the funding needed for that covered outdoor learning area. I presented Federation medallions at Bass Hill Primary School, Bankstown West Primary School, Panania North Primary School, Panania Public School and the Noor El Houda College. The parents and citizens associations, school councils and principals took that opportunity to show me around their schools. Much of what I saw ranged from excellent teaching, computer facilities and very good classrooms, to some very old buildings and classrooms, particularly at two school sites.

I have raised the condition of the schools with Department of Education and Training officers and the Minister's staff. While I welcome the huge increase in the 2001-02 budget to increase expenditure on rebuilding and refurbishing our older schools, I am advised that Bankstown West Primary School and Bass Hill Primary School will not see vital and necessary building upgrades in the near future. Last year the Bankstown West Public School was omitted from the new priority school funding program, after years on the old DSP program. That is a difficult decision to understand, given that the surrounding schools maintained access to the new primary school funding program.

Bankstown West Public School needs a proper car parking area. To access parking spots, teachers must drive through the playground and park near trees and the like, and that is not very safe. More importantly, the

school desperately needs a new administration block. The present one, which I have inspected, is totally unsatisfactory. It is a large demountable building, placed on the site as a temporary administration block after fire damaged the original building more than 16 years ago. Despite my persistent requests I have received no information about the truth of those allegations or about why the administration block has not been replaced.

With the growth of administration in schools, the needs of information technology, storage and occupational health and safety issues which affect not only teaching staff but also the clerks, I believe that there is an urgent need for this administration block to be replaced. Bankstown West Primary School suffers in comparison to other primary schools in the area because of its poor appearance with very old classrooms and temporary administration block. I call on the office of the Minister for Education and Training to immediately search the files and advise me of the current situation at Bankstown West in relation to the administration block.

Bass Hill Primary School has a brick building that has been condemned and closed. The original brick classrooms were established in 1923. That makes the school about the second oldest in the East Hills electorate and Bankstown district. I have inspected the building and its historic rooms; it should be reopened. I have visited another set of classrooms at the school and saw a room in which the rising damp and mould pose such a health hazard to students and teachers that it cannot be used.

The Government has recognised the urgent need to upgrade our older schools. In that way we can continue to provide excellent facilities that go with the excellent staff in our schools. I ask my colleague the Minister for Education and Training to personally examine the building problems at Bass Hill Primary School and Bankstown West Primary School to determine what can be done to help in view of the increased expenditure announced in the budget for older school refurbishment.

I will continue to make representations on behalf of those schools and their communities. I am confident of a positive outcome when the Minister becomes aware of the problems that I have outlined. In many cases the Government is proud to announce the building of new hospitals, new school rooms and the like, that often apply to new and expanding areas of the State. The older established areas are the losers. Their buildings are often 70 or 80 years old and tend to fall into neglect, and are put into the too hard basket. I ask the Minister to immediately address some of my concerns.

DEATH OF Dr DEREK PALMER

Mr WOODS (Clarence—Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs) [5.06 p.m.]: Dr Derek Palmer was a highly respected and dedicated doctor at Grafton. He died tragically in a motor vehicle accident west of Grafton recently. To say that Dr Palmer will be sadly missed by the people of the Clarence is an enormous understatement. For 41 years he worked in Grafton, delivering at least 4,000 babies and providing confident and heartfelt counsel to scores of mothers. He was a compassionate and caring man, respected by the entire community. People in metropolitan areas may not recognise the tremendous faith and trust that rural people place in their doctors, particularly those working in obstetrics, as Derek Palmer did. It was a trust and faith that he never betrayed.

The Clarence Valley also has Derek Palmer to thank for the tremendous success of the famed Grafton July Racing Carnival. Dr Palmer was a member of the Clarence River Jockey Club for 24 years and was its chairman for 18 years. It was his guiding hand that has maintained the Grafton July Racing Carnival as the premier racing event in regional Australia. Originally from Ireland, Dr Palmer embraced the Clarence Valley as his home. It was an embrace that was returned, with warmth, by the people of the Clarence Valley. Dr Derek Palmer was a good man who will be very sorely missed. On behalf of the people of the Clarence electorate, I extend my sincere condolences to his family.

Mr AND Mrs TRANSTON AND WESTERN QBE INSURANCE LTD

Mr GEORGE (Lismore) [5.07 p.m.]: On behalf of the constituents of the Lismore electorate I add my condolences to the Palmer family. I acknowledge and appreciate the comments made by the Minister for Local Government and endorse his comments. I have received a plea from Brett and Rebecca Transton as a result of the storm that devastated Casino on the night of 17 January. A note they forwarded to me stated:

Hoping you can help us resolve this matter in the near future as we are finding the stress of it all a bit much, on top of what we have already being going through with our daughter.

Earlier the honourable member for Swansea mentioned an insurance problem, and this is another insurance problem, involving a young couple who insured their house in good faith. As a result of the devastation at Casino, they are left in an unenviable position. Mr and Mrs Transton contacted their insurance company, Western QBE Insurance Ltd, on the night of the storm. As requested, on 16 February they faxed the company a quote for the roof by a local builder. The company advised them that an assessor would inspect the roof. However, when the assessor arrived no-one was at home.

The Tilecoat report arrived on 21 February. Originally its quote did not refer to any storm damage. I stress that Tilecoat never mentioned any repairs done because of the hail damage caused by the storm that struck Casino. Brett and Rebecca Transton were unhappy with the quote for that reason and that it would not cover the damage caused by hail. They then rang and spoke to Tilecoat and in the end, because of frustration, they had an argument with the company. As a result Tilecoat has now said that it does not want to do the job. Its quote for the job was \$2,477. Following several discussions with Western QBE the Transtons then requested two additional reports from Munters and Roofshield. The Roofshield quote came in at \$4,966 and the Munters' quote was also an amount far greater than the quote given by Tilecoat.

There was a lot of toing and froing between the Transtons and Western QBE and, as a result, Western QBE said that it would only pay on the original quote from Tilecoat, which I remind the House had said that it no longer wishes to do the job. The couple are left with an offer from of the insurance company of a cheque in the amount of \$2,477, yet the company who gave them the quote is not prepared to do the job. The insurance company will not listen to this young couple. The next cheapest quote is from Roofshield for \$4,966. That quote includes the cost of replacing 50 tiles for those that were dented, so that company has referred to the roof being damaged by hail whereas the cheaper quote from Tilecoat did not.

I have spoken to the claims officer at Western QBE, who said the offer was the best the insurance company could do. He said that the couple had an offer of a cheque, they should get the job done and all would be well. It is not acceptable for the young people to be put in that situation by a major insurance company. They have been told that if they are not happy about it they can appeal. That is not acceptable to a family who is going through a hard time because of the storm and a problem with one of their children. I ask the Minister for Community Services to make this case known to the Treasurer.

Mrs LO PO' (Penrith—Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Women) [4.12 p.m.]: I certainly will. There is a community intolerance now to the hard-edged part of the corporate sector. We are seeing it in a range of matters. They give people at the very end of the pecking order a take-it-or-leave-it proposition. Young people have to get on with their lives because they have more of their lives to live. They should be looked after. We need to intervene and ensure that everything is done to help this young couple. I will refer the matter to the Treasurer.

POLICE EMERGENCY LINE

Mr DEBNAM (Vaucluse) [5.13 p.m.]: I wish to talk about emergency calls and I am pleased that the Minister for Police is in the Chamber. As I read the article in the *Sydney Morning Herald* this morning about the 000 call that went terribly wrong, I experienced great horror. However, I remembered the speech that I had given in this House on 28 February. Although the problem addressed in the *Sydney Morning Herald* article this morning clearly was not in my electorate, I would suggest to all members in this House that tremendous problems with emergency calls to 000 occur in their electorates every single day. This problem is well worth talking through with the police and with Telstra. In this House on 28 February I outlined my experience with 000 calls: the line dropping out and the lack of police action. I raised a number of issues and asked the Minister for Police to look into them. I also raised the question of the Telstra call centre. I had a number of conversations with Telstra and visited its call centre. I want to read a couple of quotes from my speech on 28 February in which I said:

There are problems in the interface between Telstra and police. Police take about 14 million calls a year on the emergency line, two-thirds of which are nuisance calls.

I can now correct that by saying that Telstra takes about 12 million calls a year on the emergency line, two-thirds of which are nuisance calls. I also said in that speech:

I ask the Minister for Police to address my concerns resulting from the experience I have referred to ... I call on the Minister for Police to urgently review the call centre arrangements and the interface between Telstra and emergency services for all calls in New South Wales. As I said at the outset, there are continual problems with emergency calls to the Ambulance Service. I am not sure how many calls to the fire brigade result in problems, but there are certainly problems with calls to police. It is time to fix the problem, because a loss of life could result.

At that time little did I know that a terrible loss of life would result from those unfortunate arrangements with emergency calls. I visited the Telstra call centre on 19 April and had a look at what happens to the huge number of calls that go through. I will shortly come back to that and to my observations on that visit. I received a reply from the Minister for Police that was signed on 4 May in which the Minister responded:

... reply to your Private Members Statement in the Legislative Assembly on 28 February 2001 concerning emergency call arrangements.

He went on to say that if one police response call centre is overloaded the call goes to another. He spoke for another two paragraphs about Telstra. I now know why in that letter he said absolutely nothing about the review I called for on 28 February. I know that he realised at that point that he had tremendous problems. I return now to my experience with the call centre in April. It is quite an experience to sit and listen to the huge number of calls coming in—as I said, 12 million a year across Australia, about 60 per cent of which are not legitimate. Most of the calls that are not legitimate are put through to the police. As a result, the interface between Telstra and police is totally overloaded. That is why it was so urgent that the Minister review the interface with Telstra.

It is disturbing to listen to the emotion in the calls for help. If the Minister were to do that he would quickly realise, as I did, that there is an obvious problem, both in the number of calls and the way the not-quite-genuine calls were managed and the way they were put through to the police. It was obvious that police were dismissing a large number of calls which could be serious calls for help. I return to my speech of 28 February. In the last sentence I said:

It is time to fix the problem, because a loss of life could result.

Now we have evidence that either the incompetence of the Minister for Police or lack of interest in his job has caused a terrible tragedy. He has been in the job for six years and he has not addressed the problem. It is time he did. I do not think he will, because he was sacked from the front bench once before and he should be again. It is time for the Premier to take charge of this issue and to take it out of the hands of the Minister for Police, and undertake an urgent review of the interface between Telstra and all emergency services.

Mr WHELAN (Strathfield—Minister for Police) [5.18 p.m.]: The matter raised by the honourable member is serious, but as one who was dumped from the shadow ministry, he should think seriously about how he has trivialised an important issue. In question time today he was obviously not listening. He has not kept abreast of what is happening, and he is not aware that the commissioner has issued a statement this afternoon—

Mr Debnam: From overseas?

Mr WHELAN: That shows how much he has trivialised the issue. For the benefit of the House and for the record, I indicate that the Commissioner of Police today ordered a general review and audit of the Police Service communications and dispatch centres as part of the service business and improvement program. I advised the House that that was requested on 16 March. If the honourable member has any complaint about the operation of 000 and police involvement, he should send those complaints to the audit. I regard them as serious, as does the Government and the Police Service. The only one who wants to trivialise the loss of life in this most unfortunate incident is the honourable member, and I am ashamed.

WESTMEAD MILLENIUM INSTITUTE

Ms HARRISON (Parramatta) [5.19 p.m.]: I have some wonderful news for the House regarding the Westmead Millennium Institute. The institute, which is Australia's newest research facility, is situated on the Westmead Hospital campus in my electorate. Honourable members will be aware that last year the Westmead Millennium Foundation was the beneficiary of the proceeds from the Andrew Ziolkowski Memorial Dinner. The institute opened only last June but it has already broken new ground, including recent research breakthroughs in the fields of melanoma, HIV-AIDS, hepatitis C, herpes vaccines, breast cancer, leukaemia, liver cancer prevention and immunology. The Westmead Millennium Institute currently has more than 150 scientific and technical staff, and I am pleased to inform the House that three of those researchers will soon have their works published in prestigious international science journals.

Lidija Bosnjak and Gavin Morrow will both have research papers published in the *International Journal of Virology*. Rebecca Arnett-Mansfield's findings were published in the 1 June edition of the respected journal *Cancer*. Gavin researched the varicella zoster virus, which is the herpes virus responsible for chicken pox. His research provides the first evidence as to how the virus can affect the immune system's dendritic cells

as well as how the virus is transported. Lidija's work looks at how the herpes simplex virus infects the dendritic cells in the immune system. When infected by the virus these cells cannot stimulate an immune response, which results in the spread of the virus. The fact that some cells survive might explain why people recover from cold sores. Rebecca's research centred on uterine cancer and she also investigated the female hormone progesterone. Rebecca studied different grades of cancer and the levels of progesterone receptors, A and B. She found that there is a balance between the two receptors in normal tissue but that in the case of cancer there is an imbalance or only one of the proteins is present.

I am delighted to see young PhD students such as Gavin, Lidija and Rebecca achieving such worldwide recognition. Their research is yet another example of breaking new ground in several key areas of medical research. While I am speaking about the wonderful work of the Westmead Millennium Institute, I must inform honourable members that it is open to the public this week as part of the institute's contribution to Medical Research Week. There will be conducted tours and this afternoon there was a free lecture entitled "What's In Your Genes", which will cover topics such as family links to cancer and the herpes virus, which were studied by Gavin and Lidija. The Minister for Health is currently considering a submission from the Westmead Millennium Institute, which is seeking funding of \$8 million to complete its stage 2. The Minister is looking closely at this submission, which of course I support. Completion of the Westmead Millennium Institute is vital to the creation of a globally competitive health and medical research hub on the Westmead Hospital campus.

I again congratulate Gavin, Lidija and Rebecca on the publication of their research. I also congratulate the institute on its outstanding achievements to date and wish it well with its Open Week. I thank the Premier for visiting the Westmead Millennium Institute about a fortnight ago to receive on behalf of the institute a cheque from the Arab Bank. That cheque was presented on behalf of the Arab community, which had raised funds for the institute. I appreciate the Premier taking the time to acknowledge this important contribution. Earlier this morning I put information about the Westmead Millennium Institute under members' doors to make them aware of the great work that it is doing. That work benefits not only the people of Parramatta and this State but, as evidenced by the publication of research in world journals, all humankind. I urge honourable members to look at that information. It contains some case studies that make very interesting reading.

MENANGLE AND APPIN ROADS

Ms SEATON (Southern Highlands) [5.23 p.m.]: Both Menangle and Appin roads in my electorate have been the scene of tragedy for many families. There were eight fatalities on Appin Road between 1995 and December 1999 and three recent fatalities. There were also three fatalities recently on Menangle Road. A count conducted two or three years ago found that Appin Road copes with 9,500 vehicle movements, and that number would be considerably higher today. It is basically a country road that is dealing with dense urban traffic moving between Campbelltown, Appin and the coast. Many industrial vehicles, including coal trucks, use the road.

In response to the three recent fatalities and a good deal of community anxiety about the state of Appin Road, \$280,000 was committed in August last year following crisis meetings with the Appin Road Action Group [ARAG] and the Minister for Transport, and Minister for Roads. I spent a good deal of time in discussion with ARAG, and we managed at least to get that issue onto the Government's radar screen. A commitment was also made to conduct a stage 5 road safety audit to examine longer-term issues regarding the road. That audit has now been completed and it identified some of the more complex problems that we must address. As we did not know what those problems were, money was not committed to those projects at the time.

However, we need to know the size of the funding commitment to the next stage. The auditor found that further investigation was needed of the construction of overtaking lanes and that action was required to address pavement failure due to poor sub-base drainage or a lack of, or blocked, roadside catch drains. The audit found deteriorated road shoulders with pronounced drop-offs. It called for the installation of chevron alignment markers at curbs; the removal or protection of fixed objects within the clear zone; the provision of delineation units on guard rails; the removal of some trees; better or more prominent signage, including curve warnings; and a reduction in the speed limit from 90 kilometres to 80 kilometres between Appin and the Copperfield Drive roundabout, together with other speed limit changes.

Some of that work has been completed. Last week I met Christine Towndrow, the Mayor of Wollondilly; Graham Taylor, the general manager; Peter Cassilles, the engineer; and Debby Dewberry, from the office of the Federal member for Macarthur. As we drove along the road we were pleased to observe that some of the more superficial, smaller scale improvements had been made. However, we would like to know where the Roads and Traffic Authority is at regarding the audit's broader recommendations and what long-term funding

commitments will be made to complete that work. I emphasise that there were three deaths recently on Menangle Road. Road deaths in the Wollondilly shire overall increased from three per annum to 12 per annum last year. Menangle Road has a major impact on road safety in Wollondilly. I do not want Appin Road to be the only focus of attention; we must ensure that Menangle Road is improved in parallel.

Menangle Road is a regional road in the Wollondilly shire, but it becomes a State road when it crosses into the Campbelltown area. Menangle and Appin roads have very similar needs, and there has also been an RTA audit of Menangle Road. I think it is time for the RTA to provide an update on both roads, including the progress it has made in implementing recommendations of both audits and details of the budget for Appin Road and future budget allocations for Menangle Road. I rang the Minister's office last week to ask whether an RTA official could be made available to speak with me to provide that update. We are mired in bureaucracy at present: Letters have been requested and sent. We must proceed quickly.

The office of the Federal member for Macarthur has extended an invitation to consider the needs of Appin and Menangle roads with a view to developing a joint approach, using a combination of State and Federal black spot funding to upgrade both roads. That would address the vulnerability of those roads to fatalities. I am seeking the Minister's help in facilitating my meeting with an RTA official to get an update, which will also give me the opportunity to communicate to that person the concerns of Wollondilly Shire Council, particularly those of Mayor Towndrow, and to get on with the job.

Mr MOSS (Canterbury—Parliamentary Secretary) [5.28 p.m.]: I am sure the remarks made by the honourable member for Southern Highlands will be taken seriously by the Minister for Transport, and Minister for Roads. I see no reason why a Roads and Traffic Authority representative could not at least advise the honourable member on the progress of the measures that have been established to bring both those roads to an acceptable standard. I will pass on the honourable member's concerns to the Minister.

ROCKDALE-BINT JUBAYL SISTER CITY AGREEMENT

Mr THOMPSON (Rockdale) [5.29 p.m.]: Last Sunday I returned from a self-funded two- week visit to Lebanon with a delegation of citizens and councillors and officers of Rockdale City Council. The main purpose of our delegation's visit was to formalise a sister city agreement between Rockdale and Bint Jubayl, a town and region in south Lebanon. The delegation travelled extensively throughout south Lebanon and had a very busy schedule attending official meetings, inspections and functions. Rockdale is a very multicultural district and virtually all corners of the world are represented there. The majority of our local Lebanese community came to Australia from south Lebanon, many from the Bint Jubayl region. The delegation met with numerous dignitaries and visited schools, hospitals, rehabilitation clinics, orphanages, institutions for the disabled, churches and mosques. I will mention a few of the meetings attended by the delegation.

We visited the ancient city of Sidon and had a meeting with the mayor and his officials. We also had discussions with their counterparts in the city of Tyre and attended official functions with local members of Parliament. In Bint Jubayl we attended a reception hosted by the District Governor. That was just one of a series of events in which we were involved in Bint Jubayl. There were also tree-planting ceremonies and the official signing of the sister city agreement. We visited two schools in that town and delivered to the primary school a letter from the principal of one of my local schools, Athelstane Public School. This will initiate closer contact between the children of those schools, and possibly the broader communities in Australia and Lebanon.

Our delegation visited the notorious Al Khiyam prison where political prisoners were incarcerated during the Israeli occupation. We heard of gross acts of inhumanity, including torture, that had taken place in that gaol, and we met several of the surviving victims. The Red Cross held a welcoming function for us, which was attended by many of the local voluntary organisations and other local citizens. In the village of Ain Ebel we met the Maronite Bishop in the 800-year-old Church of the Assumption. On another day we met the Deputy Governor of Nabatiyyeh and we inspected a great school there which, like a number of other institutions, is run by the Amal organisation. We also had meetings with the Governor of Baalbek, the Ministers and members of Parliament.

Mr George: Can I go next time?

Mr Moss: Provided you pay your own way.

Mr George: I always pay my own way.

Mr THOMPSON: The honourable member for Lismore would be more than welcome. In Beirut we inspected the massive Solidere project, which involves the rebuilding and renovation of the centre of old Beirut, and we had discussions with the project manager and planner. We also had a meeting with the mayor of Beirut city. The head of the Higher Islamic Shi'ite Council greeted us also and we had an interesting meeting with him in the company of Mr Jamil Hanna of the Australian Embassy. During a visit to the Armenian sector of Beirut, the Borj Hammoud district, we met with a representative of the Armenian patriarch and later with the mayor and local council officers. A memorable event was our time spent with the Al-Mabarat organisation. Its founder, Sayed Fadlallah, greeted us and later we attended a dinner organised in our honour by the Al-Mabarat Foundation. This organisation operates a whole range of institutions in Lebanon, including schools, orphanages and hospitals.

Overall, our visit to Lebanon was most enjoyable, but it was also hard work. Our time there coincided with the first anniversary of the south's liberation from Israeli occupation. Evidence of the occupation was everywhere. The destruction was enormous and the people had clearly suffered greatly. There is a huge number of orphans and disabled men, women and children. When the Israeli forces finally withdrew just 12 months ago, they left behind about 150,000 landmines scattered throughout the region. Of course, landmines are indiscriminate and many innocent people, including children, have been killed or maimed. I also want to mention our delegation's visit to Qana in south Lebanon.

On 18 April 1996 an estimated 800 civilian people were sheltering at a United Nations peacekeeping base in Qana. On that day, Israeli artillery shelled the base, killing more than 100 innocent men, women and children and wounding a further 100-odd. A subsequent UN investigation suggested that the UN base had been deliberately targeted. This terrible event sent shock waves around the world and certainly made an impact on the Lebanese community, especially in my electorate where families and friends of many of the massacre victims live. It was, therefore, with both pride and sadness that on 21 May I joined with Rockdale City Council Mayor Shaoquett Moselmane in laying a wreath on the massacre memorial in Qana. A further highlight of our visit to Lebanon was an audience with His Eminence Cardinal Sfeir. The Australian Ambassador, Mr John Fennessy, joined us on this occasion, as he did on some of our other meetings in Lebanon. His advice and assistance, and that of his officers and staff at the Australian Embassy, were greatly appreciated by me and all the other participants in the delegation.

Mr MOSS (Canterbury—Parliamentary Secretary) [3.34 p.m.]: I note that the honourable member for Lismore interjected during the contribution made by the honourable member for Rockdale, asking whether he could go next time. I interjected that he could go provided he paid his own way. Honourable members will note that the honourable member for Rockdale indicated that this was a self-funded trip. For that reason it will not get any publicity. No-one will know about this trip because the honourable member, like many members who go on trips, paid his own way. That never gets mentioned in the media. The honourable member represents many people who come from Lebanon. By going to Lebanon he has gained a greater knowledge of that land and a greater appreciation of the culture of the Lebanese people, which will enable him as the local member to serve his constituents more effectively in the future. I congratulate him on his initiative in going to Lebanon and seeing first hand the country where so many of his constituents come from.

SHARKS LEAGUES CLUB REDEVELOPMENT

Mr KERR (Cronulla) [5.34 p.m.]: I speak about the redevelopment of Sharks Leagues Club. The current proposal to rezone 10 hectares of land in Woollooware was first mooted by the Sharks in 1999. Since the middle of 1999 and up to the lodgement of the Sharks rezoning application in December 2000, several meetings have taken place with councillors, council officers and various government agencies. Options for the precinct were discussed openly at these meetings. In addition, there has been extensive community consultation by the Sharks. The Sharks have publicly demonstrated a commitment to a communication and dialogue with the community and council. The Sharks have established a community advisory group consisting of many community organisation participants. The Sharks have run open forums, including a club project open day, held staff briefings, organised letterbox drops and established a toll-free number for community inquiries. The forums communicated various alternatives for the site. Concerns raised by the participants during the process were addressed and designs altered accordingly.

Council received the application fees necessary to allow the commencement of the zoning assessment process on 5 February 2001. Cronulla Sharks view the planned project as a community project. The leagues club exists for the members and community and provides a vital social benefit to the community at large. Sharks are a non-profit organisation and any surplus funds are ploughed back into local projects and community support. A

number of benefits that flow from this development include the provision of a significantly improved environment through an extensive program to upgrade the land, waterways and visual amenities, the provision of contributions to upgrade Captain Cook Drive between Gannons Road and Woollooware Road intersections, the provision of funds to further enhance the public amenities and recreational areas of the Cronulla area and the provision of upgraded sporting fields through a significant investment of \$1.4 million in a high school ground, which currently is not used by shire residents.

The rezoning application for the Sharks community project was lodged with Sutherland Shire Council in December 2000. To this date the rezoning application is still not on public exhibition. On Monday night, 4 June, at an environmental meeting, Councillors Smith, Spencer and Hurley voiced strong opposition. They are, like the mayor, all left wing. Councillor Smith is now living in Balmain, so the council obviously has a tiger in its tank when it comes to football. The council has now cited the original land agreement as a reason for rejecting the development. The contract supposedly has a condition of sale whereby the western fields were to be used only for junior league. I call upon the mayor to produce that documentation.

I am advised, and it is particularly significant, that there is no evidence of any covenant, title or zoning restrictions. It is now almost six months since the rezoning application was lodged with Sutherland Shire Council. The public exhibition of these plans will end the uncertainty generated in the community. The people of the shire should be given the opportunity to view the proposal as soon as possible. They can then decide whether they support the project, and advise the council accordingly. It is significant that the Shire Watch, which supports the Australian Labor Party, should stand in the way of a public display of the plans. It is absolutely amazing that a group that purports to support the residents is preventing people in the shire from viewing the proposal, and forgoing the transparency and accountability that such a display would provide. It is despicable to try to prevent the people from knowing what is proposed, and to try to hide the proposal from the public.

NORTH HEAD MANAGEMENT PLAN

Mr BARR (Manly) [5.38 p.m.]: I draw the attention of honourable members to the need for an integrated plan of management for North Head. The site is a unique and underappreciated treasure at the gateway of Sydney Harbour. The challenge of managing the fragile and irreplaceable natural and cultural values of this area is difficult. The task is not progressed by a bunker mentality in some parts of the State Government and private sector in managing their areas of North Head. As well as the North Head sewage treatment plant, about which I have spoken previously, and the police college, which is a controversial issue, there are three major players on North Head: the Quarantine Station and associated national park; the former School of Artillery; and the Catholic Church as the owner of the former seminary site and associated land at St Patrick's estate.

Each of these areas faces increasing development pressures, and has been the subject of great controversy. Proposed development on St Patrick's estate has been partially approved by the Land and Environment Court, despite some significant opposition. A draft local environmental plan covering future development in the estate is expected to allow further encroachment. The National Parks and Wildlife Service is locked in battle with the community over a proposal to effectively privatise the Quarantine Station—a priceless, historical asset—by leasing it for 45 years to a hotel developer. Planning for the future management of the Quarantine Station is at a crucial stage: decisions will be made that cannot be overturned without great difficulty. The future of the Quarantine Station is currently being fought publicly, and an environmental impact statement is expected to be released in the near future setting out the impacts of the proposed scheme.

It is a shame that the National Parks and Wildlife Service committed itself to a contract with the Mawlands hotel group before grappling seriously with any of the heritage or environmental issues. Poor planning may yet result in the loss of the integrity of the Quarantine Station as we know it. The last major area, the old School of Artillery site, now hangs in the balance. The Federal Government has established the Sydney Harbour Federation Trust, which has released for public consultation suggested possible uses for the site. The trust and its staff generally appear to have the best interests of North Head and the committee at heart. I commend them for their efforts to this point. It is disappointing that the State Government has been dragging its feet in terms of formal contact and communication with the trust. Recently, I wrote to the Minister for Urban Affairs and Planning asking for the section 22 committee looking into North Head to be reconvened. In response the Minister stated:

The membership of the Board has not been decided. Therefore I feel it would be premature to consider reconvening the Section 22 Committee.

Yet the board is not complete, but only because the State Government has failed to appoint its two representatives. I also refer to the words of Minister Debus in answer to a question without notice I asked him last year about the possibility of an integrated plan of management for North Head. The Minister said:

The moment the Commonwealth Government hands over the [School of Artillery] site to the State Government we shall be entirely happy to develop a plan of management for the entire site, taking in both the School of Artillery and the Quarantine Station.

Ownership is not really an issue. The Federal Government has agreed that the School of Artillery site will be handed over to the State in due course. In the interim it is common practice to provide integrated management for land with more than one owner. Ownership cannot be used as a credible reason for not contributing to an integrated plan of management. Although these three areas continue to be managed according to their priorities, the conservation and heritage values of North Head cannot be guaranteed. The endangered population of bandicoots do not know when they cross from church land to national park. Little penguins do not know the difference between a council reserve and a private backyard.

For this reason the announcement by the Minister for the Environment that critical habitat will be applied to the penguin nesting area is particularly welcome, as it can address management on both private and public lands. However, this is only a single step in the right direction. Much more needs to be done. The piecemeal approach adopted by the various managers of North Head land must end. The first step towards developing an integrated plan of management is the reconstitution of the section 22 committee, matched by a firm commitment by this Government to address North Head as a whole, and recognise it as the environmental and heritage treasure it is.

Mr MOSS (Canterbury—Parliamentary Secretary) [5.43 p.m.]: I congratulate the honourable member for Manly on his interest in the plan of management for North Head. Only last Sunday I was there with two Americans. I often take visitors to Sydney to North Head because they are filled up to the teeth with being taken to Watsons Bay and Bondi Beach. They very seldom see our northern beaches and North Head. One of the visitors said to me, "Isn't this fantastic! It probably looks the way it was when Cook sailed into the harbour." I had to correct him and tell him it was Philip who sailed into the harbour, but he was right. I agree with the honourable member for Manly that any additional development proposed for the North Head site must be handled very cautiously and very sensitively. There is no way that can be done unless one body oversees all areas of ownership. I congratulate the honourable member on bringing this matter to the House.

Private members' statements noted.

BUSINESS OF THE HOUSE

Bill: Suspension of Standing and Sessional Orders

Motion by Mr Whelan agreed to:

That standing and sessional orders be suspended and the resolution of the House varied to allow the introduction and progress up to and including the Minister's second reading speech on the Local Government Amendment (Enforcement of Parking and Related Offences) Bill.

LOCAL GOVERNMENT AMENDMENT (ENFORCEMENT OF PARKING AND RELATED OFFENCES) BILL

Bill introduced and read a first time.

Second Reading

Mr WHELAN (Strathfield—Minister for Police) [5.45 p.m.]: I move:

That this bill be now read a second time.

I am pleased to introduce the Local Government Amendment (Enforcement of Parking Offences) Bill. The bill makes several amendments to the Local Government Act 1993 that are designed to facilitate the Government's decision to transfer the responsibility for enforcement of on-street parking regulations from the New South Wales Police Service to local councils. The Government's decision to transfer this function follows a 1999 report by the Auditor-General into on-street parking in New South Wales. The report found that the efficiency

and effectiveness of parking enforcement in New South Wales was poor by comparison with other States, where the function is undertaken by local councils.

The Auditor-General's report recommended that the arrangements for enforcement be reviewed, including the involvement of councils. Subsequent reviews by interdepartmental committees have established that transfer of the function to local government is the option most likely to ensure that parking enforcement achieves its objectives of enhanced road safety and traffic flow and equitable access to parking space for motorists. The interdepartmental committees worked in consultation with the Local Government and Shires Associations and the Public Service Association. The Local Government and Shires Associations have represented all councils except the Council of the City of Sydney in negotiating arrangements for the transfer.

The associations are supportive of the initiative, as is the Council of the City of Sydney. One of the main considerations in making arrangements for the transfer of this function to councils has been protecting the employment entitlements of those who are currently employed by the Police Service as parking patrol officers. The function will be transferred only to councils that agree to offer employment to parking patrol officers currently employed in their areas. Salary rates will be at least equal to the officer's current salary rate. All leave entitlements will be paid out by the Police Service.

Superannuation entitlements as at the date of transfer will be funded by the appropriate superannuation fund, and superannuation coverage will continue through local government superannuation schemes. Parking patrol officers currently employed by the Police Service who accept offers of employment from councils will be paid up to 20 weeks salary as a termination payment under the terms of the Employment Protection Regulation 1995. Also, in cases where parking patrol officers cannot be offered employment by councils for medical reasons, they will be paid up to 52 weeks salary on termination of their employment with the Police Service in accordance with the Managing Displaced Employees Policy.

In order to facilitate the employment of parking patrol officers by councils, the Local Government Act must be amended. The Local Government Act requires vacant staff positions to be advertised and appointments to those positions to be made on merit from persons who have applied for appointment. An amendment in the bill will permit councils to appoint parking patrol officers currently employed by the Police Service without complying with these requirements. The Government's decision to transfer the responsibility for the enforcement of on-street parking regulations to local councils is subject to the Crown retaining a share of the moneys received from penalties and fines for parking offences.

It is proposed that revenue sharing arrangements will be entered into with a number of councils expected to benefit most from the transfer. Other councils will retain all revenues from enforcing on-street parking offences. Section 694 of the Local Government Act requires penalties and fines recovered in proceedings instituted by councils to be paid to the relevant council and allocated to its consolidated fund.

An amendment in the bill will enable the making of arrangements for the allocation, between a council and the Crown, of parking penalties and fines recovered in such proceedings. Any penalty or fine to which such an arrangement relates will then be able to be apportioned between the council and the Crown in accordance with the particular arrangement. In conclusion, the proposed amendments are essential for the effective implementation of the Government's decision to transfer the parking enforcement function to local councils. I commend the bill to the House.

Debate adjourned on motion by Mr R. H. L. Smith.

House adjourned at 5.52 p.m. until 10.00 a.m. Friday 8 June 2001.
