LEGISLATIVE ASSEMBLY

Friday 22 June 2001

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

Mr Speaker offered the Prayer.

APPROPRIATION BILL

APPROPRIATION (PARLIAMENT) BILL

APPROPRIATION (SPECIAL OFFICES) BILL

INSURANCE PROTECTION TAX BILL

STATE REVENUE LEGISLATION FURTHER AMENDMENT BILL

Second Reading

Debate resumed from 20 June.

Mr McBRIDE (The Entrance) [10.00 a.m.]: By way of introduction to my address on the budget, I will say that the Treasurer, the Hon. Michael Egan, has a reputation like all good Treasurers for being unpopular and disliked because that goes with the role of Treasurer. Having read some of the debates in the upper House I have realised that that started when he was a child. Even when he was a young man his favourite dog, Shady, left him, so he is ideally prepared to be a Treasurer. This budget demonstrates a dramatic change in the role of Treasurer because this budget is universally popular. Media commentary on this budget shows that it has been accepted by every sector of the community as being good for New South Wales and our country. I congratulate the Treasurer on delivering this seventh budget. During his stewardship as Treasurer of New South Wales, he has brought down seven budgets in the past six years. I congratulate him on his professionalism and commitment at a level that has not been achieved in any other area of government in Australia.

A special feature of the budget is that the Government will forgo more than $1 billion in taxes during the next four years in a move to make it the only State where people can withdraw money from bank accounts or use a credit card without paying tax. This is the sixth time that there has been a projected surplus in our budget, and in this case it is $368 million. We have had a record revenue of some $32 billion and, most importantly, to get the State going again following the Olympics there will be a $2.625 billion capital works program. The State debits tax has been long criticised by business groups and other members of the community. It is scheduled to be abolished by all States on 1 July 2005, but it has been brought forward to 1 January 2002. Combined with the 1 July abolition of financial institutions duty, it will mean that financial transactions in New South Wales will be tax free from 1 January next year—a reduction of $900 million each year in taxes on individuals and businesses. The financial institutions duty is one of Australia's most regressive taxes for the less able in our society. For example, a pensioner who withdraws $10 from a bank account is charged 30¢ for that transaction while a transaction of say, $100,000 only attracts a tax of some $4.

In relation to some portfolio areas, in education alone some $257 million will be provided for construction work on new schools or major upgrades of existing schools next year—a boost to everyone. In this Chamber the Minister identified the areas where that will be spread across the State. I am pleased with the commitment to capital works on the Central Coast. TAFE colleges will receive $86 million for new capital works. Spending on private schools has risen by 12 per cent on last year to $499 million. Of the State's 2,200 primary and high schools, 1,000 will get new or upgraded facilities—again the Central Coast will benefit. There will be a 5.6 per cent funding lift for primary schools, high schools and TAFE colleges. That is, $7.6 billion in 2002, up from $7.2 billion, with the majority earmarked for salaries. There has been a significant injection of funds in capital works, which will be evenly distributed throughout the State.

My view on education is that all governments have a responsibility to provide quality education for the whole of the State. It should not be the case that people who live in a particular suburb will get a better quality of State education than those who live in another suburb. It is my absolute total and philosophical belief that education should be provided equally to everyone throughout the whole of our nation, as health is provided equally, and we do that well. The community and governments have to be committed to do that throughout the whole of our nation. Any advantages that my family has had in life have been brought about through having a good education. For example, Mr Acting-Speaker, the honourable member for Liverpool, is a history buff and knows the history of Ireland quite well. He has two books in front of him that he uses as reference for parliamentary procedures. He also knows that in Ireland the rulers suppressed the people by taking education away from them. The rulers subjugated the community in that way. The ruling class saw the value of education and how it liberates ordinary people. I am certainly committed, and it is important that the Government has reinforced the commitment, to improve education throughout our State.

The total health budget is more than $8 billion. The redevelopment of Westmead and Auburn hospitals will cost $178.5 million over the next six years. The redevelopment of hospitals in the Hunter will cost $234 million over six years. Gosford and Wyong hospitals will be upgraded at a cost of $180 million. The money is available over two years, even though the schedule for the upgrading is four years. That will give some certainty to the continuation of the project and will also allow the project to be accelerated. If the project can be accelerated that money is available even though at the moment the upgrading is scheduled for some four years. It provides to the people in the health services area an incentive to accelerate the program and achieve greater efficiencies in planning and development. That is a clever incentive provided to the public sector. My experience as a member of Parliament is that if it is said that a project will take two years to complete, it will in fact take three or four years. The incentive could be a good strategic device to effect an improvement in capital works throughout the State.

A guaranteed $480 million a year, over the next four years, is provided for capital works. An extra $49 million in the coming financial year will kick-start western Sydney, Hunter and Central Coast developments. Almost $50 million, over five years, is committed for new ambulances and ambulance communication systems. I noted some criticism that the budget capital works commitments do not provide for a major increase in the number of hospital beds. I had a recent experience of hospitalisation. The procedure I had would normally have required a stay in hospital of about 10 days, but it is now an overnight stay. So the issue of hospital beds is something of a furphy. The honourable member for Burrinjuck expresses surprise at the statement. I am speaking from personal experience.

Ms Hodgkinson: So can I.

Mr McBRIDE: You may speak from personal experience as well, but you will find a shift from long-term confinement to day surgery, and so on. My wife has had a number of children. Some 28 years ago hospital confinement was well over 10 days. For the last child, born 11 years ago, the hospital confinement period was two days. Do the mathematics on that! I know that mathematics is a challenge for National Party members, but I suggest it would be worthwhile for the honourable member to do that exercise.

Mr ACTING-SPEAKER (Mr Lynch): Order! I suggest that the honourable member for The Entrance direct his remarks through the Chair. If he does so, he will not encourage interjections.

Mr McBRIDE: In transport, about $300 million will be devoted to rail, train and signal maintenance, and about $90 million will be spent on continuing work on 81 new-generation train carriages. Nineteen Sydney stations will be upgraded for disabled passengers. More than $11 million will be spent on general station improvements. There is still an issue regarding rail services in this State. Personally, I would like a change in the balance between the commitments to roads and rail, with a positive shift to rail infrastructure. That is the way I think we should be going. This Government, indeed all governments throughout this nation, should be looking at ways to get freight off our major roads and onto rail.

In social services, an extra $45.9 million has been allocated for community services. There is a 9.7 per cent increase for child protection. An extra $10.5 million is provided for home and community care, and $9.5 million is allocated to buy houses for disabled residents of boarding houses—a major issue in my community. The Central Coast generally has a major problem with housing for disabled people. In the justice portfolio, $159 million has been allocated for extra prisons and prison officers, along with an allocation of $23.6 million for two new Children's Courts, and $35.6 million for new and upgraded juvenile detention centres. The Yasmar juvenile detention centre is to be closed. That is just a snapshot of the budget allocations for the whole of the State.

I look now more particularly at the budget as it affects the Central Coast and specifically The Entrance electorate. This budget injects massive funds for Central Coast roads of $36.7 million, an increase of $9 million, or a 30 per cent increase on last year's allocation. A Central Coast group has been arguing the case for equity in infrastructure. As a result, the Government has been benchmarking infrastructure throughout New South Wales. It has been established that, per capita, the Central Coast has less infrastructure than most country and regional New South Wales centres. There are, of course, historical reasons for that and, given the opportunity at another time, I will expand on those reasons.

Today I will make some comparisons of dual carriageway infrastructure and land mass in the southern Hunter region and the Central Coast. The land masses of those areas are almost equivalent, as are the populations. But, in terms of dual carriageway, the Central Coast has less than one-fifteenth of that type of infrastructure in the Newcastle area. In The Entrance electorate, some $3.6 million is allocated to complete the $6.2 million Wyoming to Narara dual carriageway project. That will bring to a conclusion the $13 million Henry Parry Drive to Narara upgrade program. This $3.6 million allocation will complete the section of road starting basically at North Gosford and going all the way to the Manns Road intersection at Narara. That is a busy section of roadway, and I am pleased that the Minister accepted my recommendation that the final part of the work be completed—not in two stages but in one stage. The upgrading of our local road network has been my number one priority as the local member, along with education and health. With the strong support of the local community and local councils, we are starting to get some real results.

Road projects in The Entrance electorate total around $5.6 million. Those projects include $3.6 million to complete the Wyoming to Narara dual carriageway. They include also some $20,000 for planning to improve the Pacific Highway between Lisarow and the F3 at Ourimbah, which now has major bottlenecks in both the morning and afternoon peak periods, and sometimes during the day. I point out that the section of road from Gosford through to Ourimbah is the original, old Pacific Highway carriageway, a roadway whose origin goes back more than 50 years. It has been resurfaced, and bus bays and other improvements have been made, but it is the original carriageway alignment. There has been no change in that roadway for more than 50 years. Bear in mind that it carries about 34,000 vehicles a day. To put that into context, Windsor Road, which has a $323 million allocation, carries 34,000 vehicles a day, and the Pacific Highway at Ourimba carries 34,000 vehicles per day. Some 50 years ago the whole of the population of the Central Coast was 24,000; it now has a population exceeding 300,000. So this is a real issue for the local community.

Other road projects in The Entrance electorate include $300,000 to improve the intersection of the Pacific Highway and McDonalds Road at Lisarow, and new bus bays between Pitt Road and Ocean View Drive, Wamberal, totalling $150,000. Again, that is a section of road with a single-lane carriageway, so the works will reduce traffic congestion in that area. Other projects include $140,000 for improved pedestrian facilities from Kathleen Moreau Road and Apanie Avenue, Niagara Park, and the commencement of a Central Coast traffic study. As I said earlier when illustrating the position in relation to the Pacific Highway, a strategic plan for road infrastructure is needed on the Central Coast. We are using all existing infrastructure almost to capacity. I repeat, that section of the Pacific Highway has been the same for 50 years. Throughout the Central Coast we have hit the wall with the existing infrastructure. That infrastructure was put in place a long time ago and is now being used to the limit. Any improvements require major capital works. Central Coast residents will benefit from major roadworks at Avoca Drive, Tuggerah Straight and Brisbane Water Drive.

The health budget is to increase by $529 million this year. Of the $118 million to be allocated to the Central Coast, $100 million is for Gosford Hospital and $18 million is for Wyong Hospital redevelopment. I point out that $1 million has been allocated to complete stage two of the $6 million upgrade of The Entrance Public School. I was at the school last week with the principal, Alan Irwin, and I have to say that the redevelopment of that site is excellent. Before other honourable members redevelop educational sites in their areas they should take a good look at The Entrance Public School. A former jumble of buildings on the site, which basically provided no presence, status or even service to the community, has been totally restructured, increasing the useable play area and other facilities.

An amount of $2 million has been allocated in this year's budget for a community car park at Gosford and $3.5 million has been allocated for the relocation of WorkCover to Gosford. So there have been funding allocations in the budget for major improvements on the Central Coast. I refer now to other allocations that have been made: $1.4 million for a kitchen upgrade at Wyong TAFE; $600,000 to replace demountable classrooms at Budgewoi Public School; $500,000 for a new library building for Chertsey Public School; $110,000 for the commencement of an upgrade of Avoca Beach Public School; $4.7 million for the continuing upgrade of Wadalba High School, and $1.4 million for the stage one upgrade of Henry Kendall High School.

As well, an allocation of $1 million has been made to continue stage two of The Entrance Public School, an issue to which I referred earlier. And an allocation of $657,000 has been made for new classrooms at

Chittaway Bay Public School, bringing the allocation for that school to a total of $700,000. Major budgetary commitments have been made for education on the Central Coast. I refer now to policing and to the Livescan system that has been implemented both at Gosford and at The Entrance. An amount of $3.4 million has been allocated to enhance the computerised operational policing system [COPS], which is used by all New South Wales Police. New computer technology is being trialled by the Police Service. [*Time expired*.]

Mr COLLINS (Willoughby) [10.20 a.m.]: In addressing this year's budget I do so as the only member of this Chamber to have delivered a budget. In making observations about the twentieth budget that I have seen come before this Parliament I want to do so in a broader context initially before arriving at the specific allocation for my electorate of Willoughby. In the 20 years that I have been a member of this Chamber I have noted two seismic shifts that affect the budget outcome for this State or for this nation. They have been, and remain, globalisation and privatisation. To look at this budget in context, we need to make some comment about the effect of globalisation on the national and State economy and the fact that globalisation is seemingly unstoppable and, by definition, an international trend to which we are inextricably bound.

One of the side effects of globalisation has been the marginalisation of many people in the work force. Jobs have disappeared, companies have merged, takeovers have occurred and fewer people are needed to deliver services than was previously the case. We see an increasing gulf between rich and poor, between managers and those on the factory floor—those who are still fortunate enough to be left in the workplace. We see increasing agitation and public demonstrations, some of them violent, in other States and other nations and recently. It is an issue that I believe governments will need to address, including at a State level. It may well be an unstoppable international trend, but we must assess the social and local economic cost of globalisation. Not unrelated is the issue of privatisation.

Largely missing from the detail of this budget is any comment on privatisation and what policy the Carr Government proposes to pursue in relation to privatisation in future. For example, the largest outstanding issue to be resolved in this area is the privatisation of the State's electricity services, which has occurred in other States, most notably Victoria, and which puts New South Wales in a less competitive position. The cost to New South Wales of shelving or warehousing this issue will grow by the year. The value of the electricity system that New South Wales retains in government ownership will diminish by the year. The fact is that the Victorians have a significant lead on this State. It gives them a competitive advantage over this State. New South Wales consumers will—if not in the current budget year, in future years—suffer as a result of this degradation of our competitive position.

The issue is not discussed in the budget brought down by Treasurer Egan in this Parliament a month ago. It is something that remains on the agenda and that needs to be addressed. I am not an advocate of wholesale privatisation of every conceivable thing that might possibly be privatised. I believe that the policy debate on this issue has swung as far as it will swing; that the trend we have seen across State governments and oppositions for the last decade to 15 years has reached the end point. But at the end point of the swing is the issue of electricity privatisation, which neither side in this Parliament is talking about and which we need to talk about because it will have a future impact on our State budgets. It is something with which we must come to terms. While the public's patience for and tolerance of privatisation and its impact may be pretty much saturated—at about as much as they will take—I believe that this issue must be debated intelligently and must be resolved in the State and national interest.

That issue, which remains untouched by either side in this House, is one that must be debated and resolved in the next few years, or we will see future budgets adversely affected by the fact that we have been too timid and too cowardly to discuss and resolve the issue. This is probably the last major privatisation that this Parliament will need to address. I believe that we have fairly well exhausted the acceptable agenda of privatisations of State government utilities. There are few left to be privatised, given that the State has disposed of the State Bank and the State Government Insurance Office. But electricity remains on the books. I turn now to the Australian economic scene. Given the buoyancy of the United States economy, the continuing strength of the American economy, and the upbeat global economic scene, the Australian economic scene follows suit.

We have a new tax system. The goods and services tax [GST] is well and truly in place. One of the major beneficiaries of the goods and services tax is the State Government. Let there be no doubt at all that one of the reasons Treasurer Egan can deliver a budget in this place with sufficient funds to cover the services he talks about is that we have a new tax system and the national and State coffers are awash with funds. The national and State treasuries have never been better off, have never been better funded, have never had more disposable funds than right now, through the introduction of the goods and services tax. While there may be considerable angst and debate about whether the GST should apply in certain areas—for example, on books—I have absolutely no doubt that whatever the outcome of the Federal election later in the year the goods and services tax will remain substantially intact.

Any rollback position will be resisted by the States, who will say, "Do not roll it back too far, we like the funds, we like the cash flow, we like the certainty." I have been a Treasurer of this State who has gone cap in hand to Canberra in the time-honoured ritual where State Treasurers and Premiers would meet with the Prime Minister and the Federal Treasurer, and a game would be played out. Most government funding is completely tied up. As politicians we have little influence over changing major allocations of funding. Bureaucrats like us to haggle with great passion about relatively small amounts of money that might be spent on new initiatives, but the bulk of funding across all the major portfolios is completely locked up. So, when the State Treasurers meet with their Federal counterpart and argue for more funding, usually they are arguing about petty cash in the overall scheme of things. This is a game, a time-honoured ritual, that has entertained our politicians and the media for decades.

We need to take stock of that. We need to understand as legislators the limitations upon us and we need to make sure that that understanding is passed on to our electorates. Our scope for radical change in budgetary allocation is extremely limited. We can only play at the margins. Budgets are about what we do with marginal funding and new funding that becomes available and about how we prioritise the new projects we are going to tackle, because we are not in a position to dismantle and rebuild major portfolios like education, health, police and transport. We are simply not in a position to unravel those funds and make massive shifts of funding from one portfolio to the next. As legislators, we have an obligation to explain to our constituents those limitations on us.

In addition to the GST bonanza, the New South Wales Government is the recipient of increasing land tax. This is an issue that I attempted to raise when I was Leader of the Opposition in the run-up to the March 1999 election. I proposed to make it one of the deciding issues in that election. Since I was deposed as Leader of the Opposition the issue seems to have evaporated into thin air. Treasurer Egan is the beneficiary of a massive land tax windfall, and that windfall is going to increase year by year as more and more properties fall under the spell, the drag, of land tax. The State will increase its land tax collections over the year and that will hurt many people who are not multimillionaires. People who have made some provision for holiday homes for their leisure and recreation in retirement will be adversely affected. I believe that the State, in claiming to be so well provisioned with funds, has to acknowledge that it is only so because our State taxes have never been higher and the States are the beneficiaries of an automatic GST allocation which provides them with a guaranteed cash flow greater than has ever been the case in Federal history.

I turn now to my own electorate. On the credit side of the ledger it is good to see that there is some funding for the missing M2 link—about half a million dollars. Obviously that is not enough to do very much, but there is the acknowledgment that the missing link in the M2 needs to be provided for. There is an allocation for Cammeray Public School. That money was jointly agreed by the Commonwealth and the State, and announced by the State. When the Minister for Education and Training announced it, he did not get around to announcing that that money was from a Commonwealth program, but it is good to see that funding going into Cammeray Public School, because the lower North Shore, which includes my electorate, is seeing significant demographic change. Young families are coming back into the area and there is an increase in demand for places in the government school system. We want to provide the very best we can in government-funded schooling.

There is extremely modest funding for the Chatswood to Parramatta rail link, and what funding there is is being spent at the Parramatta end of the project, not the Chatswood end. I would have thought there is good reason, given the Government's stated intentions in relation to Chatswood High School, to start spending some money early at the Chatswood end of the project, if the people of Chatswood are to take seriously any claim by the Carr Government that the Building the Future document, which includes Chatswood High School, is meant to bring benefits to local schoolchildren. The people will be left with the unavoidable assumption that the proposed relocation of Chatswood High School is purely and simply a revenue grab by the Carr Government.

Missing from the budget documents is any specific reference to Chatswood police station. I am hopeful that the Minister for Police will soon be able to make an announcement about Chatswood police station. This project has been close to the top of the police capital works program on and off for years. Chatswood is the crossroads of the North Shore of Sydney. It is a logical place for police to have a major local headquarters and a substantial presence, given not only the growth in commercial and retail activities in the Chatswood business district but also the massive increase in residential numbers in Chatswood.

The budget has made no allocation for any improvement to the Scotts Creek vent provided by Sydney Water. There is no provision for any upgrading of the vent, which is the largest vent of its kind in the southern hemisphere and which makes my constituents guinea pigs of Sydney Water. There is no provision for improved filtration and monitoring, and I believe that is something for which the Government should be condemned. It is not good enough for my constituents to be used as guinea pigs. All I can say to other areas that are not yet affected is: Watch out. We have not seen the last of these vents. This will not be the last one. Other areas will be affected, and when it happens in Labor heartland I think the Carr Government might pay slightly more attention.

The Willoughby Paddocks issue, which is a financial issue, is unresolved; it is not addressed in the budget. The Roads and Traffic Authority must be less greedy and recognise that my constituents are entitled to public open space if we are to see a substantial residential build-up in areas such as Chatswood, Artarmon and St Leonards, where high-density housing is being provided. The trade-off must be to allow public open space some lungs for my electorate. The Willoughby Paddocks area, which is the subject of daily petitions in the Parliament, is a means of achieving that.

I note overall that there is some waste and slack in this budget. To take one example with which I am personally familiar, the waste in relation to the Conservatorium of Music, which is still under construction at the other end of Macquarie Street, is something in the order of $90 million. One of the last acts of the Fahey Government, in which I was Treasurer, was to provide $57 million for a Conservatorium of Music to be built at Rozelle. That project was quickly canned by the incoming Carr Government, which decided to rebuild the conservatorium on site in Macquarie Street. It was obvious that that would be a massively expensive decision by the Carr Government. The cost has blown out by something in the order of $90 million.

For all the schools, outback hospitals and so on around the State that are desperate for $1 million here or there, which would make a critical difference to the provision of local services, people in rural and regional New South Wales must come to Sydney, walk past the Conservatorium of Music and scratch their heads and wonder where this Government has set its priorities. So there is waste in the budget, which can be a lot tighter. The fact that the State is awash with funds is no excuse for waste of this kind. I believe that the Treasurer, in addressing his next budget, will have to tighten up considerably on this waste because of the unpredicted expenses the State is now encountering, such as the collapse of HIH.

Ms NORI (Port Jackson—Minister for Small Business, and Minister for Tourism) [10.40 a.m.]: I shall comment on the budget generally and then refer to its impact on my electorate. The Treasurer said that the budget will achieve a $368 million surplus in 2001-02 and a surplus in each of the following three years. It is pleasing that this is the sixth consecutive surplus budget. There are tax cuts of considerable value coming through this budget. It contains $1,215 million worth of new tax cuts over four years. The net effect of those tax changes will be to cut revenue by $352 million in a full year and $1,215 million over the term of the budget. This is also the fourth consecutive budget to deliver cuts to taxes. One initiative in the budget that I think all honourable members would support is the increase in concessions for pensioners on their electricity and gas bills by up to $31 a year. It is predicted that about 640,000 pensioners will be better off by between $8 and $31 a year. The budget also provides for the largest capital works program in the State's history, and it is the largest capital works acquisition program ever undertaken by the State.

The State Asset Acquisition program will total $5,581 million, and it is an increase over previous years. It is predicted that this program, together with other measures, will sustain about 85,000 jobs a year. I am also pleased that the budget provides for lower government debt and other liabilities. The budget continues to reduce general government debt. Of course, anything that helps cut the Government's annual interest bill means that more money is available for the kinds of social programs—support for schools, hospitals, transport and so on—that we all want to see receive adequate funding. I am pleased about the new schools program, and I will talk a little more about that. The centrepiece of the education budget is $1,750 million over the next four years to renovate and renew old schools. I am pleased to see the economic outlook for the State. Although we live in slightly uncertain times, which are not helped by the collapse of HIH, the Government is delivering a strong economic outlook for the State. The budget has been a great Labor budget for the electorate of Port Jackson. In particular, I mention the very good news for Ultimo Public School. The community showed a great deal of concern about this school. Unfortunately, a certain degree of misinformation was being spread about the school's future.

However, I am pleased to say that, through my efforts in lobbying the Minister for Education and Training and through his support and that of the department, in this Labor budget $2 million has been allocated for the upgrade of Ultimo Public School. I know that the parents are very pleased about that. The upgrade will completely change the landscape of the school and the way it operates. The school has a growing population of children, and I am very pleased to have been able to deliver that upgrade. Once again the popular city west housing project has received Government support with an injection of funds of just under $13 million for the continuation of work on new home units. This project continues to be extremely successful; my electorate office continually receives inquiries about vacancies in city west properties. I think I have said this before and I will say it again: I genuinely believe that my electorate is one of the most beautiful urban electorates in Australia, if not the world.

Mr Fraser: What about Coffs Harbour?

Ms NORI: I said "urban".

Mr Fraser: Coffs Harbour is fairly urban.

Ms NORI: Urban cowboy. The harbour foreshore in my electorate has a mixture of public accessible parkland, traditional industries, housing, two high schools and a hospital. It is a unique urban environment. The Government has continued to protect and promote all aspects of our harbour foreshore. We have a working foreshore yet one that does not alienate local residents and tourists. After last year's budget I spoke at length about the Bays precinct, Rozelle and Blackwattle bays, and commended the Government for its commitment to public access to foreshore land while maintaining waterfront industry. Once again, the Government has committed considerable sums of money to this redevelopment.

This budget also delivers for health care. It provides the sixth consecutive substantial increase to the health budget. The Government is extremely serious about health care, and wants to provide the best possible health care from the resources that are available. The Government is committed to improving health facilities that are past their use-by dates. The redevelopment of existing services is continuing across the State in areas like Coffs Harbour, Macarthur, Wollongong, Shoalhaven, Royal North Shore, Sutherland and Tweed. In my view—and it is the Government's view—when existing infrastructure is no longer suitable, sometimes hospitals need to be moved.

This happened in my electorate when the Children's Hospital at Camperdown was moved. In this instance there is absolutely no controversy about selling the existing site in order to build a new hospital. On that occasion no-one suggested that sick children did not deserve the value of the Camperdown site to be directly transferred to the New Children's Hospital at Westmead. That great facility makes the experience of being in hospital so much better for children. I now have exactly the same situation in my electorate. The Minister for Health has made the decision to close the antiquated Rozelle Hospital and build a new facility at Concord to replace it. I cite the Minister's views from a recent article in one of my electorate's newspapers:

> Modern understanding of mental illness has shown us it is largely physiological. Patients need ready access to pharmacist, surgeons, physiotherapists, CAT scan machines and a host of other diagnostic and specialist care only found on a large, integrated, tertiary hospital campus.

Now that the decision has been made to close Rozelle Hospital, the master planning process is under way to decide the future use of the site. What the Minister seeks to do is recover from the Rozelle site just enough value to build the new facility at Concord and he is proposing the sale of a small part of the site to achieve this. I am very pleased to say that the Minister has agreed to my conditions: that the current amount of open space, as used and enjoyed by local residents, is to be retained and handed over as parkland; that heritage buildings and gardens are to be retained; and that there is to be no alienation of the foreshore. But I am not so pleased to report that a campaign of disinformation, distortion, half-truths and worse is being waged by a very well-resourced handful of people in my electorate.

We all know that the local community treasures these hospital grounds. Understandably, this disinformation has caused a number of people who have good intentions to have concerns about the future of the site based on the fact that they have not had the right information. I deeply regret this because I believe the local community will be the real beneficiaries when the final decision is made on the future use of the site. Deciding delicate issues such as this is hard at the best of times and requires goodwill, co-operation and input from the community. I think that the manipulation and manoeuvring that is taking place has a harmful effect on the community and on the community consultation process.

I want to lay to rest a few of the furphies that are being put about, particularly those in the latest expensive and glossy publication that has been widely letterboxed in the last couple of weeks. Myth No. 1 is that the existing use, the open space, is under threat. That is wrong. The hospital and the Ambulance Service will go—these are health decisions—but all other uses will be maintained. This means that the Sydney College of the Arts will stay, the Writers Centre will stay, the child care centre will stay, and Sydney University will stay. Myth No. 2 is that the Department of Health proposes to take 12.5 hectares for private housing. The figures just do not add up.

The people who are putting out this information have really got it wrong. Figures I have received show that the proposal of the Departmentof Health is that the 12.5 hectares, or more accurately the 12.79 hectares, covers everything—I repeat, everything—except the open space already committed to parkland under this process. That is, it represents the footprint of the heritage buildings, including Kirkbride, and two hectares of roads and paths in addition to the proposed area of housing, which is approximately 8.03 hectares. While I am on the subject of the proposed area of housing, I mention that myth No. 3 is that the proposal will steal the open space. That is just not so.

Anyone who looks at this proposal can see that it includes some housing along that part of Balmain Road that is currently occupied by, for example, the Ambulance Service and some other areas at either end of the site, mostly covered by buildings of no heritage value. Any degree of open space take in the proposal has been compensated for by the provision of corresponding open space. This scenario proposes the removal of all the non-heritage buildings on the site and an aggregation of the open space to make it more usable as a park, encompassing the historic Charles Moore and Japanese gardens. The public park that the Minister for Health will give my electorate is almost 48 hectares of open space. That will be the biggest park in the inner city after Centennial Park—three times the total size of Hyde Park.

But the glossy, expensive brochure refers to that area as "remnant park". Remnant park? It is 120 acres! The park will have a wide frontage to Balmain Road and it will sweep down to the water, broken only by heritage buildings. The public will be able to use and enjoy all this area, including the waterfront. The brochure then goes on to state that foreshore areas of the waterfront regions are harbour infill that cannot be built on anyway. Mr Acting-Speaker, the honourable member for Liverpool, might say to me, "So what?" My response would be that the area is open space now and it will continue to be open space, whether it is caused by nature or caused by infill. I also ask: So what? There was never any thought or proposal to build on it, and any suggestion or hint to the contrary is absolutely and simply mischievous. The brochure also states that swapping one hospital for another is not a valid proposal because of the special nature of the parkland at Rozelle.

The first point that must be made is that the land is not parkland. The land is hospital grounds which the public is welcome to use, but the grounds will become parkland under the proposal of the Minister for Health, which I support. I agree with the statement in the pamphlet that there are beautiful and historic gardens on the site that should be preserved, and that is precisely what the Government is trying to do. They will be preserved. Suggestions, hints and innuendo that they will be destroyed or built on are incorrect and malicious. I point out that it has been reported to me that one of the main activists on this issue visited at least one local public school and told young children that their secret garden was going to be destroyed and that they should tell their mummies and daddies to write to the Government, and to me, about it. What shameful manipulation! The glossy pamphlet also has a number of beautiful photographs of the grounds. All those areas are to be preserved. But the strong and, indeed, very dishonest implication in the pamphlet is that all those areas are under threat.

I would like the local community to become involved in the master plan process and to become involved in a constructive manner. I will be holding a meeting, a seminar, and information nights in July and all people, including the opponents of this plan, are encouraged to attend. But the debate has to be constructive and the interests of all stakeholders have to be considered. For example, I cannot agree with the Leichhardt Municipal Council or the community action group known as Friends of Callan Park, who say that they want the hospital redeveloped on that site. Never mind that that would not deliver for people with mental illness who need mental health facilities and that it would not be world's best practice. I do not understand why these groups, despite being told about this very clearly, want redevelopment of the Rozelle site. If the Government redevelops the hospital site at Rozelle, up to 10 hectares of parkland—parkland that these people so desperately want—will have to be built on to provide facilities to deal with mental illness. Of course, it would not officially be parkland because it will not be handed over as parkland; it will simply be part of a hospital.

The position of the Friends of Callan Park and the Leichhardt Municipal Council is highly irrational and highly illogical. I call on them—particularly a member of their leadership, Hall Greenland, who said at a public meeting recently that he thought redevelopment on the site was all right, even if it did mean that 10 hectares of public open space would be lost—to be up-front and honest with the local community and put that proposition to the test. See if the local people want to lose 10 hectares of open space by having the hospital redeveloped on the site. I would bet my bottom dollar that they do not! I have been called on by the Friends of Callan Park committee to consider why the whole site cannot be retained as open space. They say to me, "Why can't we have it all?" My response to the committee is this: The community is getting nearly 80 per cent of the site as parkland, and that is a great victory because the community is getting the best bits—the foreshore, the heritage buildings—and the heritage gardens will be protected. What is so wrong with only a part of the remaining land, not even 20 per cent, being transferred in value to a facility that will service the State of New South Wales, with some benefit going back to the taxpayer in the form of the state-of-the-art facility at Concord hospital?

I point out to the community that the site is being returned to the taxpayer in two ways. The overwhelming majority of the site will be returned to the taxpayers of Leichhardt, Rozelle, Lilyfield, Balmain and the inner-city areas. The very small part that the Minister for Health wants to sell in order to build a state-of-the-art facility will benefit the taxpayers of the whole of New South Wales. I do not think that is an unreasonable way to deal with the site; otherwise, what benefit would there be in redeveloping the site for taxpayers in Brewarrina, Penrith or Mount Druitt if the Government were to take the view that the protest groups could have all the site as parkland? Where would the money come from for the provision of facilities?

The money would have to come out of other goods, services and programs that affect the rest of the taxpayers of New South Wales. I think the taxpayers of New South Wales are being very generous—as, indeed, is the Minister for Health—in giving this magnificent parkland to the local community. I believe that local interests have been balanced with the best interests of all New South Wales residents who require mental health treatment. I am confident that the vast majority of residents in the Port Jackson electorate will realise that this is a great outcome for them and a great outcome for mental health. As I said, I will shortly be holding a community roundtable, and I encourage the Friends of Callan Park to participate in that roundtable, and not to boycott the master plan process. The master plan process is the means by which the community can have genuine input, and in my view it would be very silly to boycott it.

Ms HODGKINSON (Burrinjuck) [11.00 a.m.]: This is the third budget that this city-centric Labor Government has introduced while I have been the elected representative for the electorate of Burrinjuck, and this year's effort is no improvement on that of the last two years. I will do my best to refer to as many issues as I can in the limited time available. At the outset I have to say that this budget fails comprehensively the people of country New South Wales. It fails the people of Burrinjuck. It fails in the most important areas of health, education, policing, transport and taxes. After two years of financial cutbacks and stringency in the lead-up to the Olympic Games, the people who live in rural New South Wales deserve much better from this Government. The people of rural New South Wales pay more taxes than their counterparts in any other State in the country.

In the vital area of health this Government has comprehensively failed the patients of Burrinjuck and their families. Only 21 per cent of capital expenditure on health has been allocated to country areas. How will that provide relief for those who are suffering on the long waiting lists for elective surgery? Why does an elderly patient waiting for a hip replacement have to wait for up to 18 months for surgery at Goulburn Base Hospital, when the same surgery can be carried out within four months at Rachel Forster Hospital in Sydney? Why was the Southern Area Health Service not included in the additional growth funding, to allow an increase in medical and surgical procedures? Urgently needed upgrades for Wagga Wagga Base Hospital and Goulburn Base Hospital have been ignored. Crookwell District Hospital recently had to get a farmer in with a portable generator when the hospital's emergency power system failed during an 11-hour blackout.

Mr Fraser: Unbelievable!

Ms HODGKINSON: It is unbelievable, but it is true. Doctors in Yass are desperately crying out for an ultrasound machine at Yass Hospital, and there is significant concern in Tumut over the future level of that area's health services. Many patients in my electorate routinely have a return journey of hundreds of kilometres to access basic diagnostic services such as ultrasounds, dialysis and CT scans, with almost no access to public transport. There is also a desperate need for increased respite care in the electorate of Burrinjuck, particularly the city of Goulburn, for adults of all ages. This budget addresses none of these problems. The number of people waiting for elective surgery in rural hospitals has grown from 9,000 in March 1995 to 19,311 in March this year. Of that number, 305 are in Goulburn and 165 are in Wagga Wagga. Twenty-one patients have been waiting more than 12 months for surgery.

The second of Labor's comprehensive failures relates to educational facilities. Wollondilly Public School has again missed out on having its demountable library replaced, despite being the highest priority for the Queanbeyan district for more than three years. Yass Public School has temporary classrooms that have been there for 50 years. The buildings are tired and old, and of course they are now a health hazard. The students at Yass Public School also have to hold their school assembly in an open-sided covered outdoor learning area [COLA] in temperatures that are often well below freezing. I can assure members that when a gale comes up in Yass and goes through one of those COLAs, it is very, very cold for the students.

Yass High School urgently needs a music practice room for its school band, which currently has to travel to Berinbi Public School in South Yass for practice sessions. Previously, about 70 students, fully equipped with brass instruments, instrument cases and music stands, had to cram into one small classroom in Yass Public School to conduct band practice. That is a terrible state of affairs; indeed, it breaches every occupational health and safety standard one could imagine. However, it is absurd that the students now have to travel about three kilometres to another primary school for band practice after school. I would like to compliment the Yass High School band; it really does an outstanding job. The band often plays on Anzac Day and Remembrance Day, and also at town functions, and it does so very well.

While the students of Yass Public School freeze in winter, those at Five Mile Tree Public School at Crooked Corner bake in summer in temperatures well over 40 degrees because this Government will not allocate sufficient funds to allow the installation of airconditioning units. A tree which used to shade the main school building died last year and there is now absolutely no protection for the steel building. But the Government will not install an airconditioning unit. Not one school in the electorate of Burrinjuck is referred to in the budget papers. That proves that Labor does not care about country areas.

The third of Labor's failures relates to roads. The Treasurer has cut roads funding by $70 million in real terms. This follows a cut of $111 million last year. Only one main road, Main Road 54, is specifically referred to in the rural budget paper, and that is a project that is already under way. For years I have been trying to prise the proudly western Sydney-centric Minister for Roads out of his ivory tower in Farrer Place to come and see first-hand the state of our local and regional roads, but he refuses point-blank.

In relation to the approaches to Adelong, this Government had to be dragged kicking and screaming into action to protect the lives of children travelling to Tumut on a school bus that was having to dodge B-double timber trucks on a dangerous blind corner. A concerted campaign by me and many locals took more than 18 months to get action on that issue. It is a terrible indictment of the Carr Labor Government that it cannot act swiftly, even when the lives of our children are threatened. The Oallen Ford Road in Mulwaree shire is also a route that places at risk the safety of children travelling on school buses, yet all the Minister can do is blame the local council. Additional funding is also urgently needed for improvements to the Rye Park-Gunning Road, Main Road 241.

I draw the attention of the House to the terrible condition of many roads in the Tumut region. The roads were constructed mostly during the late 1960s and were designed to last for only 25 to 30 years. Certainly it was not intended that they would bear the very heavy loads of today's logging traffic. Despite the many petitions I have tabled in this House, and my many pleas, together with those of local councils, progress associations, roads action groups, and concerned citizens such as Louise Halsey, the Minister for Roads continues to show an outstanding indifference to these concerns.

I note also with concern that the State black spot program has again been cut, from $19 million to $13 million. I noted with extreme interest the contribution to the budget debate of the Minister for Agriculture and member for the suburban electorate of Mt Druitt. He smugly informed the House that "The electorate also does well when it comes to improving transport and roads." The suburban Minister for Agriculture has dismally failed his portfolio responsibility by being unable to make the Treasurer realise that country roads are the lifeblood of agriculture in this State. It is country roads that transport food to his suburban supermarkets, and indeed to all suburban supermarkets, and those roads are being ignored by this Government. The only government to address this problem is the Federal Liberal and National Government, with its Roads to Recovery program. This State Labor Government continues to shirk its responsibilities to its citizens.

Community safety and the protection of the people of New South Wales is one of the most basic functions of government. Yet, here too, the Carr Labor Government has failed. The Treasurer has offered no guarantee for the future of small country police stations such as those at Jugiong, Gunning, Collector and Boorowa. There will be no new police stations for Burrinjuck. The Premier's commitment to rural New South Wales is amply demonstrated by comparing the $26 million allocated in the police budget to asset acquisition in Surry Hills, Parramatta, Kogarah, Zetland and Balmain with the $3.9 million allocated to regional capital works.

This is the third year in a row that the Treasurer has said he will increase the number of police officers, yet every year more and more officers leave the service. Last year there were 12 fewer serving police officers than there were in 1999, when the Premier promised he would increase police numbers by 1,000—and we all remember that promise. The total Police Service strength for the whole of 2000-01 is projected to rise by a paltry 65. I will believe in the Treasurer's promise to increase police numbers when I see them on the beat. The progress towards the commitment to provide an extra 1,000 police officers can only be judged by the results—and the results are very discouraging.

Public housing is another area of significant concern for the electorate of Burrinjuck, particularly in and around Goulburn. I receive many representations about the lack of suitable housing, poor maintenance, long waiting lists and vacant properties. Department of Housing staff have admitted to me that they are having significant problems with maintenance contractors. In fact, this was reiterated by the honourable member for Mulgoa on Sydney radio on the day after the budget, when she and I were interviewed on radio 2BL.

Maintenance contractors are unable to get maintenance work done quickly so families are not able to be placed in homes. It takes about five weeks to get a house fixed under the current ailing system and many families in crisis are placed in caravans because they have nowhere else to go. Despite those significant problems, this budget has cut capital works spending on public and community housing by $11.3 million and the capital budget for housing has been reduced by 7.4 per cent in real terms to $372.5 million. With more than 98,000 families on the public housing waiting list throughout New South Wales, those reductions can only be described as unconscionable.

The Treasurer said in his Budget Speech that he has prepared a separate budget paper for rural and regional areas. That statement is rather like the Country Labor myth: at best it is a very flexible approximation of the truth. The Treasurer's separate budget paper is nothing more than a collection of budget verbals, and it also adds to that ever-increasing divide between city and country which federally the National Party is trying to bridge. As with most things emanating from the Labor Party, one definitely has to read the fine print, which states, "for complete details see Budget Paper No. 4". That separate budget paper also includes the urban conglomerations of Wollongong, Newcastle and the Central Coast. It is no wonder this city-centric Government is perceived as being out of touch with rural issues if this is its idea of the country.

Taxation is another area in which the Government has failed to keep faith with the people of country New South Wales. This Government is happy to take taxes from country people, but shows no commitment to the principle of equity. A classic example of that is the $273 million allocated for suburban transport asset acquisition works, which compares miserably with only $6 million in funding for CountryLink: that is, $273 million versus $6 million.

The Treasurer has again failed to make good on his promises to reduce the level of payroll tax. My electorate borders about half the Australian Capital Territory. The Government of the Australian Capital Territory is dedicated to supporting small businesses, which is why in its budget it lifted the threshold for payroll tax to $1.5 million. Unlike the Carr Labor Government, the Australian Capital Territory Government is working hard to ensure that small business gets a fair go. But just across the Australian Capital Territory border businesses in small towns like Gundaroo, Murrumbateman and Wee Jasper and in the larger centres of Tumut, Gundagai, Yass, and Goulburn are saddled with a rate of 6 per cent and a threshold of $600,000.

Why is there that clear discrepancy? Because this Labor Government just does not care about its citizens who live west of the Blue Mountains. Why will the Treasurer not make good on his promise to reduce payroll tax to 4 per cent? His failure to honour his promise makes it all the more difficult for small businesses that are struggling to make ends meet. That is especially true for businesses in areas near the Queensland, Victoria and Australian Capital Territory borders who look at their interstate competitors and ask, "Why does our Government not act to help us compete on an equal footing?"

There is no vision or commitment to regional development or agricultural programs in this budget. Spending on regional assistance programs has fallen by about one-third, and the allocation for the Department of Agriculture has been reduced from $232 million last year to $224 million this year. If ever a department needed more funding—not a cut or a slashing of $6 million—I would have thought it was the Department of Agriculture. There has been no extra provision made in this budget for the State's contribution to the National Action Plan for Salinity, which means that one of the most serious threats to rural New South Wales has been funded only to the level of $13 million which was announced last year. That is disgraceful compared with the $700 million over seven years allocated by the Federal Government to combat salinity.

The recent mid-term review of the national ovine Johne's disease program found that there has been a severe socio-economic impact on affected producers as a result of implemented control measures. Despite inflicting that harm on sheep producers, the review also found that the existing control policies have failed to halt the spread of the disease from high-prevalence areas. The review recommended the provision of financial, managerial and social assistance for affected producers. The New South Wales National Party conference just last weekend recognised that need by supporting a program which will implement compensation for affected producers, make widely available the Gudair vaccine, provide more research into accurate testing for the disease, and develop a more effective vaccine.

What has the Carr Labor Government done? It has allocated a mere $2.28 million towards ovine Johne's disease. Again we see the true colours displayed by this Government. It does not care about country New South Wales. Less money will be spent on agricultural research, less assistance to farmers in need, less assistance for natural disasters and, due to this budget, fewer farmers, as more and more will be increasingly forced off the land by the anti-rural and anti-farmer policies of this Government. The proof is in this budget.

Another serious threat to agricultural production in New South Wales is the spread of noxious weeds. Many local councils throughout the electorate of Burrinjuck have had their funding for weed control cut year by year by this Government. At the same time, I have received many complaints from land-holders about the failure of State Government bodies such as the National Parks and Wildlife Service and the railways to control noxious weeds which are spreading from government land onto their properties. That is a very serious matter and one for which the Government should take more responsibility. I have made numerous representations on such cases and sometimes the Minister acts quickly and sometimes he is just too slow. I ask the Parliamentary Secretary, the honourable member for Canterbury, who is at the table, to once again take up this important issue. There is real need for more funding to control noxious weeds, yet the response of this Government is only to maintain funding in real terms, a mere $6.887 million!

I welcome the inclusion of funding in this budget for water treatment and sewage services in Brungle, a small community about halfway between Gundagai and Tumut, with a population of about 100, a significant proportion of whom are Aboriginal. The drinking water supply for Brungle does not meet drinking water standards. I have been working hard for more than two years to get this funding so that the residents of Brungle can enjoy the same basic rights enjoyed by the constituents of the Minister for Land and Water Conservation, that is, clean drinking water. Two years to get action—what a disgrace! Unlike Mount Druitt and the rest of Sydney, Brungle has only two public facilities: the school and the Brungle Memorial Community Hall. The hall could be said to be the centre of the community's social life. It is used for church services, christenings, birthday parties and wakes. The local volunteer fire brigades use it, and visiting Aboriginal health clinics are also run from the hall. Sadly, the community is having trouble maintaining its hall.

The citizens of Brungle do not enjoy the same benefits as their Sydney-based fellow Australians. They do not have a local doctor, ambulance service, paid firefighters, supermarkets, churches, public transport, local hospitals, preschools and community health centres. Nor do they have access to the Area Assistance Scheme, run by the Minister for Urban Affairs and Planning, which helps local communities to develop projects involving the community in self-help programs and improving community services and facilities. But this is a Labor Government, and the Area Assistance Scheme is restricted to western Sydney and the Newcastle and Wollongong areas.

There is no comparable funding scheme available to the majority of country New South Wales. That is another magnificent example of the caring attitude of this city-centric Government— one does not count if one does not live in the inner city. Why is this Government spending $50 million to bail out a failing private enterprise at Sydney Olympic Park, as mentioned by the honourable member for Willoughby, when the same small amount in the Burrinjuck electorate would massively reduce the waiting lists in hospitals, completely fix the local road system or address the other serious problems in housing, policing, education, water, public transport and disability services.

Last year I concluded from the 2000 budget that the Carr Labor Government had no plans for rural and regional New South Wales, and that it had a deficit of knowledge of areas west of the Great Dividing Range, and that has been proved time and again. Unfortunately once again the Carr Labor Government has offered further convincing proof of the truth of that conclusion. Once again the Premier and his anti-country Labor mates have failed those who live to the west of the Blue Mountains. Once again I can cite examples of that by what is in this year's budget. Year after year it fails in such important matters as health, education, policing, transport and taxes in country areas. Mental health is another very serious issue and one about which I have made considerable representations.

The Parliamentary Secretary, the honourable member for Canterbury, who is at the table, may recall that Goulburn had a large mental institution known as Kenmore. When that facility was devolved its residents went into group homes. But no funding is available for respite for those people who look after the former mental patients, and that has to change. The Government must understand that country communities need the same services as those that are available in metropolitan areas. We are not nobodies. We live in very important rural communities. I, as the elected representative for the people of Burrinjuck, will continue to push this Government to give us fair and equitable funding. But we have not seen that in the electorate of Burrinjuck. For those people in the gallery, Burrinjuck lies from Marulan and Goulburn to Tumut, Adelong and Batlow, and it encompasses also beautiful towns such as Yass, Boorowa, Crookwell and Murrumbateman. We are yet to get our fair share of funding from the Carr Labor Government. [*Time expired.*]

Mr MOSS (Canterbury—Parliamentary Secretary) [11.20 a.m.]: Contrary to the remarks made by the honourable member for Burrinjuck, I knew that the 2000-01 budget would be well received across New South Wales. I knew that because the Carr Labor Government has an excellent track record of producing responsible budgets. However, I did not expect the accolades this budget received from areas such as the business community and the rural sector. I have yet to see any criticism of this budget in any newspaper, including country media. It seems that everyone is expressing great satisfaction with, and great support for, this budget—all except one insignificant group, and that is the New South Wales Opposition. But, judging by the calibre of debate on the Appropriation Bill and cognate bills, I would say that the Opposition really is desperate to find anything in the budget to criticise. The paltry responses from Opposition members showed that the Carr Government has come up with a budget that once again proves its credentials as a sound financial manager.

One budget measure that has been particularly well received is that the abolition of the debits tax is brought forward by four years. Bringing the abolition of that tax forward by four years means that on 1 July this year there no more government tax will apply to bank accounts, because I believe the financial institutions duty is also to be abolished at the same time. Government taxes with respect to bank accounts always have been a bone of contention. People are very critical of these sorts of taxes simply because they are taxed for placing their money in a bank account. It is a little like the fees we had to pay for a radio and television licence, just for the privilege of owning a television or radio.

These sorts of taxes are always regarded with great disdain. They are viewed as a very cynical means of raising revenue. In fact, the Treasurer referred in his Budget Speech to bank taxes as "most regressive" taxes. They are regressive, simply because they are not based on one's means; they are not even based on the provision of any government service. The debits tax is just a means of revenue-raising, and it eats into people's savings. In the early days after its introduction the debits tax was a pittance. But, over the years, interest rates have continued to drop, and at the same time bank taxes have continued to rise—so much so that these days one must have a lot of money in savings to have the interest earned exceed the taxes and charges on banking. This irks people, because they must now pay for the privilege of having a bank account. Hopefully, with the abolition of the debits tax, which has been brought forward to coincide with the abolition of the financial institutions duty, from here on the bank accounts of most people will start to grow rather than decrease.

The M5 East is a major Government project, which is very much within the electorate of Canterbury. All up, the project will cost $116 million. Some $40 million of that $116 million is being spent in the Canterbury electorate. This year's budget allocates $6.5 million for works in the Canterbury electorate alone to complete the M5 East, which is a very important link, stemming from King Georges Road at Roselands through to Mascot. It will take in not just one but two tunnels of two-lane roads. In other words, the two tunnels will have dual carriageways. Those tunnels are more than four kilometres long, which will make them the largest tunnels in Australia.

It is fair to say that the M5 East is progressing with a measure of opposition. We all know that there is criticism of the emission stack, which of course is necessary with the construction of a tunnel. However, that opposition to the M5 East pales to insignificance when measured against the great project that this is. Not only is this project seen by the public as a great engineering feat, but it must be emphasised that the M5 East is a road that is totally funded by the New South Wales Government, and therefore it will be a toll-free road. Of course, the tunnel section of the road—the four kilometres of tunnel—is saving the Wolli Creek, because the tunnel diverts traffic from Wolli Creek, whereas the road planned some years ago was to cut through Wolli Creek.

Most of Wolli Creek is in the electorate of Canterbury. It is one of the few remaining pieces of natural bushland in metropolitan Sydney. So with the M5 East we will have a tunnel that will save an important piece of natural bushland although it is a significant section of a major road that will be toll free. This budget, of course, will ensure that the M5 East—a road commenced by this Government—will be finished within only a few months. It will be of tremendous benefit not only to all Sydney motorists and visitors to Sydney, but particularly to those who reside in the Canterbury-Bankstown and inner south-west regions, because it will divert through traffic from residential streets in those areas. Accompanying that road will be a cycleway to run adjacent to the road all the way through to Mascot.

While I am on the subject of roads I should mention that only a few weeks back I had the great pleasure, on behalf of the Minister for Transport, to open an improved section of the Pacific Highway in the Coffs Harbour area. I was interested that the honourable member for Burrinjuck said that only the Federal Government is committed to country roads. The Pacific Highway around Coffs Harbour would have to be regarded as a country road. That part of the upgrade of the Pacific Highway, under a 10-year program, is to cost $2.2 billion. This Government is ploughing $1.6 billion into that project, while the Federal Government has come good with $600 million. The Carr Government's contribution towards the upgrade of the Pacific Highway represents 73 per cent of the total cost of that upgrade. So it is bunkum to say that this Government is not interested in doing anything for roads.

The Coffs Harbour project is a great one. For instance, 84,000 plants have been put in along this new section of dual-carriageway road. All of those plants have been grown from seedlings collected from the local area. A koala habitat has been devised so that the local koala population will not be hindered by the road; koalas on both sides of the road will have a safe haven, where special trees have been planted to provide food for them. The Government will spend $83 million to improve just four kilometres of the Pacific Highway. There is more to these projects than just building a road. This area of road includes a number of bridges and two massive roundabouts.

I am pleased with the funding for local roads in my electorate. Distinct from general maintenance and regional road grants, my electorate will receive over $400,000 in this year's budget. An amount of $130,000 has been allocated for roundabouts and other traffic management measures; $60,000 has been allocated for pedestrian signals adjacent to Campsie shopping mall, where there is at present tremendous pedestrian and motorist congestion; and $200,000 has been allocated for a new set of traffic lights in Beamish Street, Campsie, which is one of the most congested streets in Sydney. Once again the Government has come good with some excellent funding for traffic management and funding to ease traffic flows in my electorate, in particular for the installation of two new sets of traffic lights.

As part of the Drug Summit plan of action, there is an allocation in this year's budget of $50 million, which proves that the Government's fight against drugs did not just stop at the Summit that was held two years ago. The Government is still ploughing money into a multitude of programs. I am pleased to have an opportunity to speak about the Government's attitude to drugs as a lot has been occurring in my electorate at a local level. Amongst the recommendations of the Drug Summit was a call for action at a local level.

My colleague the honourable member for Lakemba and I recognised this. Some time ago we organised a local drug action forum which brought together those interested in drug issues, such as schools, police, medical representatives, representatives from the Department of Housing and representatives from various welfare agencies. As a result of that initial meeting, subcommittees were formed to deal with major drug issues. I had the pleasure of convening the community education and prevention committee. The three subcommittees that were formed came up with an action plan which covers every aspect relating to drugs, ranging from prevention and early intervention right through to rehabilitation. That draft plan will be given to a broader community forum to consider and perhaps expand upon.

That broader community forum will also establish a local drug action team to implement and co-ordinate the plan. I commend the Government for its allocation in this year's budget for additional methadone, detoxification and rehabilitation programs and other treatments. I support harm minimisation programs as opposed to taking a zero-tolerance attitude to drugs. I also appreciate the views of those who support zero tolerance. The Government, through its many and varied programs and its support for drug-related agencies across the State, is accommodating those who rely on harm minimisation as a means of rehabilitation, and those who are working on zero tolerance against drugs.

I refer to some other minor items which are of major significance to the Canterbury electorate. Every year under the Carr Labor Government there is a surprise for my electorate. Three years ago a new school was almost completed. Millions of dollars were poured into Campsie primary school, resulting in a new hall and a new library—a total makeover for a school in need of great repair. A lot of money was spent on that school.

Two years ago my electorate benefited from a brand new $84 million hospital in Canterbury. Last year law and order was on the agenda and a brand new police station was built at Ashfield. Ashfield police command covers about 60 per cent of the electorate of Canterbury.

This year transport in Canterbury is the big winner, with $2.2 million being allocated for a completely new railway station at Campsie. That $2.2 million is part of a $5 million project, which will be completed next year. Campsie railway station will be totally rebuilt. Two lifts will be installed for disability access, a new concourse area will be constructed and new ticketing offices will be built—and appropriately so, as Campsie is the second busiest station on the Bankstown line. The area, which comprises a bus terminus, taxi ranks and a large shopping centre, is in great need of lifts for disabled access.

There is an allocation of $4.5 million in this year's budget for the building and completion of 23 new units of accommodation in the Canterbury electorate. Canterbury, which is in great need of additional public housing—it is also a built-out electorate—has one of the highest waiting lists for public housing in this State. That is because of its proximity to the city of Sydney. The average income in my electorate is below the State average. Therefore, many people are in need of public housing. However, as Canterbury is a built-out electorate, it is hard to accommodate additional housing. But the Government has managed within just one year to come up with $4.5 million for 23 new units of accommodation. I refer to some other general issues in the housing area. An amount of $50.5 million will be spent this year in the central Sydney region of the Department of Housing for renovation and repair of public housing accommodation. Canterbury will also receive $1.5 million for the maintenance of stormwater and sewerage facilities, something on which we are always concentrating. I am pleased that our local State emergency services will receive new computers to the value of $5,000.

The 2000-01 budget has been hailed by all as a responsible budget. It amazes me that, once again, the Government has produced a budget that lowers taxes and at the same time increases expenditure and produces a surplus. Many people ask: Why is this so? How does this come about? It really baffles me. I am sure that Treasury officials would be able to give us a number of reasons for that. I know of one major reason. The Government has managed to reduce taxes and at the same time increase expenditure. It has not only reduced taxes; it has abolished some taxes, such as the debits tax, altogether. I referred to that issue earlier in my contribution to debate on these bills. The Government has been able to do that because it is committed—as it has been committed for the last seven years—to reducing State debt.

Obviously, the more we reduce debt, the more we save in interest payments. In the last three years the Government has managed to save nearly $1,000 million a year in interest payments. That money is being redirected to schools, public transport, hospitals and policing. That is why this budget has been so well received by all, with the exception of a few whingers on the Opposition benches who are finding it hard to pick out anything in this budget that they can criticise. The Government deserves to be congratulated on yet another year of expert management of the New South Wales economy. For that reason, I have no hesitation in supporting these bills.

Mrs SKINNER (North Shore) [11.39 a.m.]: In developing a health policy for the future, I am looking at measures that will have to be introduced now to meet community needs in 2012. The choice of the year 2012 is not accidental. That is the year in which the bulk of the baby boomers will turn 65, and many more will be in the over-85 age group. In the years preceding 2012 the Government will have to deal with an ageing population, an ageing health work force, population shifts, new technology and treatments, greater public expectations, shorter hospital stays and new ways of delivering health care.

In March 2000 the Government released the report of the review of the New South Wales health system by the New South Wales Health Council headed by John Menadue. While the report has led to three-year budgeting, which is a good thing, it has not led to any improvement in major problems in the New South Wales health system, such as a rigid and bureaucratic administration; lack of transparency and accountability; poor budget forecasting, with money allocated to specific programs underspent or overspent, with uncertainty created by juggling from one to the other; a run-down in population health services; people waiting longer for rationed services; the worst record of medical misadventure in the country; ageing infrastructure; and lost opportunities in developments from biomedical research.

On 5 June the Government released the report of the Greater Metropolitan Implementation Group. That report addressed the provision of a range of specialised services, access to treatments needed on a regular basis, trauma services, district hospitals, emergency departments and intensive care. In responding to inquiries about the Coalition's reaction to the plan, I indicated that a number of its recommendations mirrored suggestions I had been making for years. Those recommendations included better access to health care, such as dialysis treatment, by the chronically ill, and the establishment of a cardiac catheterisation laboratory on the Central Coast. It is hardly surprising that I had been calling on the Minister for Health to do those things. I had listened to practitioners and the communities they serve for six years. The Minister is making much of the fact that he has suddenly discovered the importance of listening to practitioners. If he had been doing that for the past six years we would not have the problems that have emerged in recent times.

For example, on 17 August last year the Government refused to debate my urgent motion calling on the Minister for Health to provide funds so that a 15-year-old Grafton girl could be given her dialysis treatment at the local hospital. A lack of local funding had forced Nyree Manning to live at the New Children's Hospital at Westmead for six months, hundreds of kilometres away from her family and friends. On 13 December I called on the Minister for Health to guarantee better access to treatment for Central Coast cardiac patients who were being forced to wait too long for urgent attention. That call followed revelations that at least one Central Coast patient had died while waiting for an angiogram and others were at risk because no beds were available at city hospitals.The Coalition supports the call by doctors and nurses for better local access to such services. The Coalition's claims have been on the right track.

Since the release of the metropolitan hospital plan I have been briefed by Professor Kerry Goulston, who chaired the implementation group, and Professor John Dwyer, one of its members. I put on record my gratitude to them and my thanks for that briefing. That constructive, forward-looking meeting addressed a number of issues and came up with ideas about directions they wish to take to progress that plan. Professor Dwyer wrote a letter to the Minister, who read it to Parliament on the day the plan was released. In that letter the professor called for a bipartisan approach. I had no prior notice of the contents of the plan, which is a 164-page document with complex recommendations. Sadly, the Minister refused a request by the committee to provide me with a briefing before the plan was released. Had he done so I would have been able to form a more considered opinion so that when I was asked by the media one hour after the release of the report for a comment on behalf of the Coalition I could have spoken with a little more authority.

However, I am happy to say that as a result of looking through the plan my initial comments have not changed much. Initially I had concerns about some of the detail in the plan, particularly in relation to emergency departments and the role of hospitals. During the briefing Professor Goulston and Professor Dwyer agreed with me that the report gives rise to many unanswered questions and leaves much work incomplete. It also has implications that will concern many in the community. For example, the report notes:

> … quality of existing data was queried consistently by clinicians … the lack of reliable throughput, quality and outcome data were stressed by clinicians in every discipline.

The report also refers to outdated equipment with inadequately funded or co-ordinated replacement plans, increasing workloads due to shedding of visiting medical officer [VMO] positions, and difficulty in attracting and retaining staff. During our meeting the professors agreed with me that there are major implications in the need for major capital works upgrades. I will come back to capital works later. The report also recommends substantial changes to emergency departments, as the Coalition had previously flagged from a leaked working paper that suggested the closure or downgrade of as many as 11 hospital emergency departments.

Under the plan emergency departments must treat a minimum of 20,000 cases each year. They must be no closer than 20 kilometres or a 30-minute drive by private car from another emergency department and they must serve a minimum population of 200,000 people. Equity factors must also be taken into account. The plan proposes that some emergency departments become walk-in clinics. Using those criteria, three Sydney area health services each have one emergency department too many. They are South Eastern Sydney Area Health Service, the Northern Sydney Area Health Service and the South Western Sydney Area Health Service. When considered alongside data from the Government's "New South Wales Public Hospitals, Comparison Data Book", the emergency departments with clouds hanging over their current status include Fairfield. Is it to be closed? The minutes of the implementation group meeting on 23 February, which I received after putting in an application under freedom of information provisions, state that Fairfield Hospital does not "want to do some things, therefore ED not wanted/required". That means that Fairfield will lose its emergency department. It is spelt out in the minutes of the group that the Minister listens to and receives recommendations from.

Other emergency departments that face uncertainty include those at Sydney Hospital, the Sydney Eye Hospital and Ryde, Mona Vale, Manly, Auburn and Mt Druitt hospitals. Will they become walk-in clinics or will they be downgraded? Are the emergency departments at Camden, Concord and Hornsby hospitals to be downgraded from their current levels? If the Minister wants to verify what I am saying, I recommend that he reads the Government's 164-page metropolitan hospital plan, which he has endorsed entirely. These matters are all highlighted in that plan. Frankly, I am surprised that the Minister has not taken time to read the report that raises those concerns.

The plan also proposes dramatic changes to metropolitan district hospitals, which will be reclassified. Canterbury, Blacktown and Sutherland hospitals will be metropolitan general hospitals, and Wyong and Campbelltown hospitals will be growth area hospitals. Specialty hospitals will treat only people on elective waiting lists; they will have no emergency departments. That is spelt out in the minutes I referred to earlier. Community hospitals will provide the same services as polyclinics and possibly geriatric assessment, treatment and rehabilitation services. The implementation group minutes that I obtained under freedom of information provisions spell out that community hospitals will do only minor surgery and will have no emergency departments, no high-dependency units, no intensive care units, no cardiac care units, and no paediatric or obstetric wards.

While the report identifies Canterbury, Blacktown, Sutherland, Wyong and Campbelltown hospitals as fitting into the two high-level brackets, it fails to nominate a category for the remaining two lower level groupings. The question communities will want answered is: Will our hospital be one where only waiting list patients will be treated or will my hospital be a polyclinic for lower-level treatments? The district hospitals identified in the report that have not been given a classification include Auburn, Bankstown, Fairfield, Hornsby, Manly, Mona Vale, Mt Druitt, Sydney, Sydney Eye, Ryde, Sutherland, Hawkesbury, Blue Mountains, Camden, Bulli and Shellharbour hospitals.

Those recommendations have profound implications for local communities. It is imperative that the health Minister come clean with the people—and, it appears, his Cabinet colleagues—spells out the future and allows them to engage in debate about changes he is proposing to their local hospitals. The Government has indicated that it will start implementing its policy of dollars following patients from 1 July, in line with the recommendation in the report that, to implement changes, it is essential that budget holding be implemented. That means that an area health service would hold funds expended on all health services for its population, whether those services were provided by that area health service or another one. As previously indicated by the Coalition—indeed, it is listed on my web site—the net gain or loss to each area health service from the total application of patient fees flowing in and out of their areas is profound. I remind honourable members that my web site is *www.jillianskinner.com*. The last time I gave my web site address I had many hits.

Mr Moss: Boring!

Mrs SKINNER: It is not boring. My web site received more hits from Government members than that of any other member. It was very interesting. Members opposite commented that they found my web site very informative. I shall return to funding for Canterbury Hospital in a moment. In 1999-2000, areas that experienced net gains were the Central Sydney Area Health Service with $64.6 million and the South Eastern Sydney Area Health Service, with $103.3 million. All other areas experienced net losses ranging from $51.4 million in the South Western Sydney Area Health Service to $2 million in the Northern Rivers Area Health Service. As the implementation group report states:

> One of the objectives of population based funding through the RDF and implementation of the budget holding from 2001-02 is to see more secondary services provided locally.

The Coalition is committed to a policy of providing high-quality services as close as possible to where people live. We now wait to see whether the Minister is truly committed to implementing budget holding across the board and the contribution that he and clinicians will make to the debate, and whether there will be real inroads in providing much-needed services in local communities, thus shifting the funds to areas which currently experience net losses. While clinicians advise me that many of the implementation group's recommendations have not been properly costed, and there is wide scepticism about sufficient funds being provided to make the changes, the Minister claims that money to implement the recommendations has been allocated in the budget brought down on 29 May.

The budget for the next financial year provides that 22 per cent of the total State recurrent budget goes to health. If the figure were 25 per cent, as it was in 1997-98 and as the health Minister consistently claims, there would be an additional $921 million in the health budget this year, as can be seen from chart 4.1 in the budget papers. However, as it stands, the recurrent health allocation increased by only $350 million this year, $127.445 million of which is the increased Commonwealth grant. Of the extra $350 million, $138 million is needed to cover award increases of 3 per cent, $86 million for a 2.5 per cent increase in other operating expenses—which is a very conservative requirement as the increase in health costs is normally greater than the inflation rate—and an extra $87.4 million to be spent on specific initiatives previously identified by the Minister.

That is a total of $311.4 million, and that does not include the $327 million to cover debts carried forward from the previous financial year. So where is the money coming from if the Government metropolitan hospital plan is about increasing access to services, rather than rationalising and saving money? Access to services is rationed now, as waiting lists and lengthy waiting times attest. Some 44,707 people were waiting for elective surgery when the Carr Government came to office, on a promise by the Premier to halve hospital waiting lists or resign. There are now 34,000 people on the waiting lists. More than 8,000 have waited more than a year, compared with 1,600 when the honourable member for Macquarie Fields became health Minister.

An additional 12,225 people are waiting for elective medical treatment, with 661 having waited more than 12 months. Furthermore, these lists have been artificially reduced because over the past year or so some procedures are no longer counted, including cataract surgery at Westmead Hospital. The budget papers released on 29 May show why lists continue to grow. In 1989 the rating agency Standard and Poor's found that the Carr Government "had a perennial problem in forecasting" in portfolios such as health, and that has again proven to be accurate. This year's budget papers show that last year's budget was revised up by $58 million.

The budget blow-out would have been worse except for the unexpected windfall of $80 million contributed by privately insured patients. However, the Government's poor health budget forecasting is having an impact on elective patients. The budget papers show that last year health administrators shuffled money from one service to another in an exercise of robbing Peter to pay Paul which left people waiting for elective treatment out in the cold. They show that the budgets for a number of programs were blown out.

How did administrators find funds to bring overall area health service budgets more or less on line? They needed to do this to meet their performance agreements requirements, including the proviso that they achieve favourable budget results to collect benefits or bonus payments. They did it by diverting money budgeted for overnight acute inpatient services which is allocated to treat elective patients. In last year's budget $3.35 billion was provided to treat those patients. This year's papers show that that figure was revised down to $3.10 billion, a difference of $250 million. In other words, $250 million of the budget that provides funds to treat elective patients was diverted to top up the programs that were running over budget.

Clinicians across the State have complained that they are allowed less time in operating centres and must cancel operations; emergency departments are gridlocked because beds are closed; medical supplies are insufficient; and too few nurses are employed on the wards. As I am running out of time, I give honourable members a commitment that over the next few days or weeks I will specifically raise problems brought to me by doctors at Canterbury Hospital, who fear that the lack of recurrent funding for that hospital is threatening its future viability.

Mr Moss: Do you want to close Canterbury Hospital?

Mrs SKINNER: The honourable member for Canterbury talks about closing hospitals. The Government has built a new hospital but it has threatened the future viability of that hospital because it has not provided sufficient recurrent funding for doctors to operate. The honourable member should meet with the doctors and heads of units at Canterbury Hospital and ask them whether they have enough money. I will return to that matter later. The budget papers show that the total number of acute hospital care staff dropped from 40,685 in 1998-99 to 36,093 in 2000-01. That is a reduction of more than 4,500 staff over three years. No wonder patients cannot get into hospitals for treatment and doctors are scathing about inaccurate elective treatment waiting times.

As to capital works, the Government has made much of extra spending on health capital works in the next financial year. The truth is that the Government has cut or underspent health capital works funding for almost the entire six years it has been in office. Hospitals which have had capital works projects delayed include Tamworth, Tweed Heads, Dubbo and, in my own area, Royal North Shore. Last year $16.6 million was allocated to the much-needed redevelopment of Royal North Shore Hospital facilities, but only $6 million was spent. Of the $2 million allocated to the hospital's lifts, only $50,000 was spent.

I have spoken to many people and received numerous letters about the condition of Royal North Shore Hospital, including the maternity department. Recently I received a letter from Mr Hawse of Katoomba, who wrote to the Minister for Health about the appalling conditions his daughter had to endure in the labour ward. On 1 May this year the lifts to the second floor maternity ward had broken down and everyone, including women in labour, was forced to climb two flights of stairs to the ward. Apparently the lifts were also out of order again on 2 and 3 May. That is totally unacceptable. There is insufficient time available for me to outline the implications of the budget for my electorate of North Shore. I will post those details on my web site and hope that everybody, including all Labor members of this House, will take the opportunity of reading how my electorate has suffered.

Ms ANDREWS (Peats) [11.59 a.m.]: I could hardly believe my ears when I heard what the honourable member for North Shore, who preceded me in this debate was saying. As a member of the Carr Labor Government, I am very proud to record the vast improvements that the Government has made in the most important area of health care. I will outline those improvements in detail during my speech. I speak in support of the Appropriation Bill and cognate bills. The seventh budget delivered by the Treasurer, the Hon. Michael Egan, demonstrates once again that the Carr Labor Government, under the premiership of Bob Carr, is not only a responsible government when it comes to fiscal management but also is a very compassionate one. The Carr Labor Government has always upheld the belief that social justice is a core requirement of good government. This year's budget meets criteria set down by the Government under the document "Supporting People and Strengthening Communities", presented in February 2000. I intend to outline during my speech how this budget achieves that objective in a number of ways and through a variety of portfolios.

Representing an electorate with a large number of senior citizens, I am always interested in the budget allocation for the all-important areas of community, ageing and disability services. It is pleasing to note that the 2001-02 budget provides for an all-time record level of funding of $1.7 billion for community, ageing and disability services. Under community services, $424.9 million has been allocated for child and family support services, which is an increase of $35.6 million, or 9.1 per cent. Of that total, $179.7 million will be spent in regional areas, including the Central Coast. The allocation of $424.9 million will include $121.2 million, or a 9.7 per cent increase, towards protecting children from abuse and neglect, and includes $4 million in recurrent funding to provide an additional 60 case workers within the Department of Community Services. Funding in this all-important area has more than doubled from $49 million in 1994-95.

An allocation of $165.5 million has been made for out-of-home care and foster care, and that amount includes an additional $12.5 million for foster care to meet projected increases in demand and in growth of the need for services. The amount of $100.6 million has been allocated for the Supported Accommodation Assistance Program [SAAP]. This program helps community organisations to provide accommodation or other support services for people who are in need. The sum of $37.6 million has been allocated to provide support and help to children and families during the year, including support through the Family and Individual Support Program. The amount of $105.1 million has been provided in the budget to assist the community in providing child care and related services. This is an increase of 4.8 per cent.

A total of $65 million has been allocated for support services and concessions to help socially disadvantaged families. This funding includes $20.1 million for community development projects entailing services that help to strengthen local communities; $16.6 million for youth support services; $4.3 million for financial assistance to vulnerable families; $13.7 million in concessions, including $7.9 million to help financially disadvantaged people to pay their energy bills. The new Department of Ageing, Disability and Home Care has been funded to the tune of $1.1 billion. This record funding will ensure that services that improve the lives of our senior citizens and people who have disabilities are well resourced.

The Home and Community Care Program [HAAC] has received a boost in funding of $10.5 million, taking the New South Wales total contribution, including funding that has been allocated directly to the Department of Health, to $127.4 million to boost the HAAC program to $317.9 million. HAAC services include meals on wheels, community transport, home nursing and social support. Approximately $2.7 million has been allocated for the next phase in the comprehensive dementia program. This is part of a program worth $11 million over four years. The sum of $600,000 has been allocated for the seniors information technology strategy, which is part of a $1.7 million program over three years. Initiatives for disability services in the 2001-02 budget include $804.3 million for disability support services through government and non-government services allocated through the Commonwealth-State Disability Agreement. Commonwealth funds are set at $164.1 million and the balance is the New South Wales Government's contribution. Moreover $13.5 million in additional funding has been granted for community-based accommodation support services. The sum of $5.5 million has been provided for one-off funding for immediate assistance to individuals on assessed need.

In addition to all that, $4 million extra has been provided for respite services in the community and $2 million extra has been provided for new equipment for children who have disabilities. The budget has also allocated $9.5 million in capital to the Office of Community Housing to purchase housing for people who are moving from licensed residential centres to funded and supported accommodation. An extra $2.9 million has been provided to support people with disabilities who are moving from large residential facilities into community-based services. In addition there will be $2 million extra for in-home support and $2 million extra for development of crisis prevention strategies. There will also be improved early intervention and related family support programs for children and young people.

Of particular interest to many of my constituents is the Treasurer's announcement that the pensioner electricity rebate scheme will be standardised. Responsibility for its administration will be transferred from the Department of Community Services to the Ministry of Energy and Utilities. From 1 January 2002, a single uniform rebate of $107 per annum for both gas and electricity will be introduced, at a total cost of $67.5 million. Under the new scheme, 600,000 pensioners will be better off by between $8 and $31. Energy Australia's pensioner electricity customers will benefit by $22.

I congratulate my colleague the Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Women, the Hon. Faye Lo Po', for again securing extra funding for the various aspects of her portfolio. The demands made in her portfolio areas are increasing year by year. I can honestly say that many of my constituents have benefited from the increased funding that has been made available in every budget since Labor came to office in this State. Once again, the Carr Government has made a big commitment to the delivery of services to children and young people, families, people with disabilities and senior citizens. One of the most commendable and far-reaching programs adopted by the Carr Government has been the Families First strategy.

This strategy aims to increase the effectiveness of prevention and early intervention services in helping families to raise healthy, well-adjusted children. Service networks are being developed for families to achieve that goal. These services offer a wide range of support from before birth and during the children's early years. I am delighted that in this budget $16.1 million has been allocated to implement Families First in 11 areas throughout the State, one of which is the Central Coast. The Carr Labor Government is serious about ensuring that the recommendations that came out of the Royal Commission into the New South Wales Police Service, known as the paedophilia inquiry, are carried out. In this regard, additional recurrent funding has been allocated to meet the costs of proposed accommodation support programs for juvenile offenders in rural and regional New South Wales.

Working in partnership with children and young people, families, schools and community-based organisations and government agencies to help make this State a better place for more than 1.5 million children and young people who live here is the role of the Commission for Children and Young People. In 2001-02, funding of $5.496 million will be provided to the commission. That amount includes an additional $300,000 per annum for mandatory employment screening; $192,000 for a media campaign targeting excessive punishment of children; and $154,000 for research into sudden infant death syndrome. Youth at Risk programs are currently being run out of the new Umina Police and Community Youth Centre. These programs have had enormous success. It is pleasing that in this budget $1.8 million has been allocated for the TAFE Youth at Risk program. The program provides support for disadvantaged young people by providing pathways for further education and employment.

Many doubts have been raised in many quarters in my electorate about the future of the Area Assistance Scheme [AAS]. This scheme's future has been well and truly secured with an allocation in the budget of $10.5 million. The AAS has assisted a number of volunteer and non-profit organisations in my electorate including, more recently, the Central Coast branch of Riding for the Disabled, which received $20,000 under the scheme for a project that is being undertaken at the Mount Penang site. In the Health portfolio, over $8 billion has been allocated in the budget. This is an increase of $406 million over last year's allocation and an increase of $2,537 million since Labor came to office in this State. The Government's commitment to a three-year rolling health budget will be of great benefit not only to my constituents in Peats but also to all Central Coast residents.

The major redevelopment of Gosford Hospital, which is located within my electorate, will commence this year with an allocation of $13.5 million. Major redevelopment of both Gosford Hospital and Wyong Hospital has been brought forward and included in the budget for a total amount of $190 million. I am pleased to commend the Minister for Public Works and Services, and Minister Assisting the Premier on Citizenship, who was the Minister at the table when I commenced my speech. This work represents a new era for the delivery of health services on the Central Coast. It will mean better facilities for all those who work in Gosford Hospital, as well as the patients.

The Minister for Health, the Hon. Craig Knowles, recently announced that arising from the report of the Greater Metropolitan Service Implementation Group, which is co-chaired by Mr Jon Blackwell, the Chief Executive Officer of the Central Coast Area Health Service, a number of health care services would be delivered to Gosford Hospital through the new networking system. Those new services include cardiac angioplasty, magnetic resonance imaging and bone marrow transplants. Major networked services operating out of Gosford Hospital will include neurosurgery, stroke and gynaecological oncology. These new services will give the residents of the Peats electorate and other parts of the Central Coast fairer access to health services.

The education budget has been allocated funding in the amount of $7,630 million—an increase of $1,840 million, or 32 per cent, since Labor came to office in 1995. Over six years, $1.1 billion has been invested in new school facilities. Treasurer Michael Egan announced the commencement of a 10-year schools improvement plan in this year's budget. Over the next four years $1.1 billion will be committed to the education budget, with more than $257 million being allocated this year. The allocation of $7,192 million for annual expenses exceeds last year's $336 million allocation. This funding will enable the expansion of the State numeracy and literacy plan, with $117 million to be spent in 2001-02. It will also allow the school maintenance program to be expanded with funding of $157 million. As we all know, modern technology quickly outdates. To this end, 90,000 school computers will be replaced over time. Provision has also been made for an additional 25,000 computers in the State's schools.

I welcome the announcement that $160 million will be made available over four years for targeted student welfare programs, and that $46 million will be allocated to launch a new program to deal with seriously disruptive children. Henry Kendall High School in my electorate will undergo an upgrading program costing $2.4 million. Funding of $1.4 million has been allocated in this budget for the first stage of that program, and work is expected to commence once the school community has approved of the plans. Additional funding of $13 million will support approximately 80 adult and community education organisations throughout New South Wales. Youth justice initiatives will be funded with an allocation of $4.9 million. This will enable the Department of Juvenile Justice to implement and maintain a range of community-based services and programs. These programs include post-release support, mentor programs, legal assistance to clients in custody; bail accommodation and general accommodation support services; family, alcohol and other drug services; and preventive youth work services targeting departmental clients.

Youth justice conferencing, which is now entering its second year, will continue to be funded, with an allocation in this year's budget of $4.2 million. Under the program, young offenders are brought face to face with their victims through the conferencing process, enabling offenders to understand the impact that their offending behaviour has had on their victims. Arising from the Drug Summit held in May 1999, a number of initiatives have been put in place in a genuine endeavour to tackle the drug problem. In continuing to implement its Drug Summit plan of action, the Carr Government has projected more than $50 million to be spent in 2001-02 on a number of Drug Summit projects, and my electorate of Peats will benefit from those projects. The regional project manager for the Hunter and Central Coast has established a community drug action team on the Woy Woy Peninsula. This team is now in the process of developing locality-specific responses to drug problems.

The Police Service budget this year is $1.6 billion, which includes provision for 200 additional police officers. It is pleasing to note that the Carr Government is on track in meeting its commitment to the people of New South Wales to provide 1,000 additional police officers, making a total of 2,110 police officers available for the frontline by December 2003. The residents of my electorate will benefit from the $7 million provided in this budget to fit operational police vehicles with mobile data terminals [MDTs]. The completion date for this project is 2001-02. MDTs provide police with instantaneous access to police computer systems, transforming police vehicles into virtual mobile police stations. Undoubtedly, this initiative will save crucial time and enhance the efficiency of the New South Wales Police Service.

Other highlights of the police budget that will assist the residents of the Peats electorate include $2.8 million to further enhance the electronic investigation database, thus allowing police to electronically store evidence on a central database that is accessible from all New South Wales police stations; $3.4 million to enhance the computerised operational policing system, commonly known as COPS, which is used by all New South Wales police; and $485,000 for the Police and Community program, which brings police, youth and community groups together to jointly identify crime prevention and community safety initiatives. I acknowledge the support provided by all Ministers, particularly the Minister for Forestry, the Hon. Kim Yeadon; the Minister for Local Government, the Hon. Harry Woods; and the Deputy Premier and Minister for Urban Affairs and Planning, the Hon. Andrew Refshauge, who have been in the House have while I have delivered my contribution.

I am pleased to acknowledge that an allocation of $2.6 million has been provided in the budget for the construction of 12 Department of Housing units at West Gosford, Lisarow and Kariong. There are long waiting lists for public housing in my electorate. These are due to the reluctance of the Howard Federal Government to provide sufficient funds to this State to help overcome the critical housing shortage. Department of Housing tenants in the Peats electorate will benefit from the $22.3 million to be spent in the Hunter region, which includes the Central Coast, for improvements to departmental properties. These improvements include new kitchens, bathrooms, floorcoverings and painting.

I also acknowledge that a number of roads projects will take place in my electorate over the forthcoming 12 months. I particularly refer to the widening of the F3. On 17 May the Prime Minister visited the Central Coast and my electorate of Peats and made a grand announcement that the F3 would be widened from Hawkesbury River to Calga. When the Federal budget was brought down on 22 May, not one cent was allocated for widening the F3. Quick off the mark, the New South Wales Minister for Roads and Transport, the Hon. Carl Scully, and the Australian Labor Party candidate for Robertson, Trish Moran, put pressure on the Federal Government. As a result, $2 million was allocated for preconstruction work to be done to the F3. Of course, Minister Scully subsequently announced that the project was progressing. It is amazing what can be achieved when pressure is brought to bear.

Work has commenced on improving the intersection of Pacific Highway, Brisbane Water Drive and Manns Road West Gosford, and $2 million has been allocated in this budget for that project. Safety improvements will also be carried out along Brisbane Water Drive, and funding has been allocated for planning for a longer-term solution to that intersection. In the northern part of my electorate, $54,000 has been allocated for the second stage of the cycleway on the Pacific Highway at Ourimbah, which goes past the recently upgraded Ourimbah Public School. Funding of $480,000 has also been allocated to plan the widening of the Pacific Highway from Railway Crescent to the F3 at Ourimbah. I take great pleasure in congratulating the Treasurer, the Hon. Michael Egan, on once again bringing down a budget of which we can all feel very proud, a budget that is in surplus and will bring many benefits to the people of New South Wales, and particularly to my constituents in the Peats electorate.

Mr OAKESHOTT (Port Macquarie) [12.19 p.m.]: It is a pleasure to speak on the Appropriation Bill, and cognate bills. As the shadow Minister for Gaming and Racing and shadow Minister for Sport and Recreation I will refer to some issues in relation to those portfolios later in my speech. However, it is important to get on the record some important issues to the local community of Port Macquarie and the mid North Coast. Without a doubt the most significant ongoing issue in Port Macquarie is the Port Macquarie Base Hospital. Ten years ago it was an ideological concern in this Parliament when, for the first time in New South Wales, a privately run public hospital facility was introduced. During those 10 years we have seen a hospital deliver value for money and quality of service. However, now we have new concerns in relation to management restructuring within the private company, Mayne Nickless. The company has now restructured its organisation away from the original principles of health care in Australia, to deliver in this new era what is termed Mayne Health. We are concerned about the decentralisation of management to its Melbourne-based operations and we will lose a locally important organisation.

The organisation is now trying to almost franchise the delivery of health services in its 61 hospitals throughout Australia. Within that process there is a reluctance by the management team to recognise the unique features of Port Macquarie Base Hospital, which honourable members have talked about in this Parliament for the past 10 years. The key principle in regard to Port Macquarie hospital is that it should be treated like a public hospital. It is run, owned and operated by a private company on the proviso that it would deliver public health services to the Port Macquarie community. That is an important principle in the delivery of health services to the Hastings Valley. The concern in the past six months is whether that key principle has been treated as lower priority than it should be. The Port Macquarie Health Council and various community leaders have run a very strong community-based campaign to really put the pressure on both parties to the contract, that is, the State Government and Mayne Health. Both parties to the agreement should recognise that that key principle should be treated as the number one priority.

Today in Port Macquarie the Director-General for Health, Mick Reid, and the Deputy Director delivered what they call a four-point plan to deal with the many issues of concern expressed during the past six months about management. I support and encourage the implementation of the four-point plan. I have spoken to the director-general about the proposal. It is an important step forward and I would hope the broader community falls in behind it. However, some significant challenges are ahead. The next step, based on the four-point plan, is a campaign to change the ethos at Port Macquarie hospital to one of no secrecy. In the past I have said that the original architects, when structuring the contracts delivering Port Macquarie Base Hospital, made a mistake in treating the financial information as commercial in confidence. That has done a lot of harm and caused the community to lose faith in the local hospital and the delivery of this model.

To some degree the success or failure of this four-point plan is based on whether there is full disclosure throughout the restructure. That will involve a fourth change to the contract. Despite what many people think, during the past six or seven years there have been three minor changes to the contract, done through agreement between the parties. On the back of activity such as the ongoing community campaign, the four-point plan released today by the director-general, and the community poll conducted throughout the Hastings Valley, the next steps will be to change the contracts and to have the delivery of full and frank financial information in relation to Port Macquarie Base Hospital. That would be a significant change in the contractual arrangements but a very positive step forward to establish and re-establish community faith in the delivery of public health services to the Port Macquarie area.

During the past couple of months I have conducted a poll. I sent out 21,847 surveys and had a significant return rate of 5,500—in direct-mail terms a return rate of one in four is a significant and successful survey. Many of the returns had personal notes attached to them about good and bad experiences at the local hospital, which is valuable information. At the moment an upper House inquiry is looking at various issues relating to the delivery of value for money and quality of service in all non-metropolitan major hospitals. It will be a valuable benchmark of where the Port Macquarie Base Hospital fits in with its peer-based hospitals. Processes are now in place that will enable grievances to be aired, and provide more facts on how to improve the existing structure. I am pleased that the director-general is in town today to address that ongoing concern. It is the starting point to delivering a new structure and a new era of community support for Port Macquarie Base Hospital.

Other issues of major concern raised in the poll were the lack of parking in the local area, particularly in the central business district, the state of local roads and the lack of footpaths in the local area. They are primarily local government issues and I encourage the State Government to work with our local Hastings Council to deliver a better level of service in those areas. The survey revealed the ongoing concern from the local community that the Oxley Highway and its upgrade is not being delivered. The Roads and Traffic Authority has had plans to re-route the Oxley Highway and provide substantial improvement to this important entry and exit to Port Macquarie for nearly 20 years. Unfortunately, despite planning and negotiating with local authorities the rerouting will happen some time soon but, for some reason, six months ago the RTA dropped the ball and said it would only do some minor upgrade work to the existing route.

Mr Campbell: Is that a failure of the local member?

Mr OAKESHOTT: It is interesting that we have had broad bipartisan support to take on the Minister, who has supported his department, the Roads and Traffic Authority, by not going ahead with the rerouting. The support includes the local Australian Labor Party office as well as the local Coalition, both Liberal and National parties, all of whom have expressed concerns that the Minister for Roads has not listened to the local community and government in pushing ahead with the rerouting. Major subdivisions have been planned and are going ahead in the west of Port Macquarie along the Oxley Highway route, which have now been thrown into a spin. West is really one of the only directions in which Port Macquarie can spread. There are now genuine safety concerns about entry and exit routes to the existing Oxley Highway.

Unless this very dangerous road is rerouted there will be more accidents and, potentially and sadly, deaths on that road, the existing Oxley Highway. I encourage the Minister to listen to all sectors of the local community, because they are giving out one clear message: that is, to push ahead with this rerouting and for the Minister not to listen to his RTA bureaucrats, who are trying to save money, and to recognise that safety is a far greater priority than saving a few dollars. The future of Port Macquarie, the most significant and largest growth area in New South Wales, is at risk if entry and exit routes to this part of the Oxley Highway are not delivered by Minister Scully.

I now turn to the issue of a university for Port Macquarie. I am pleased that the general manager of Hastings Council this week met with the Minister for Education and Training, Mr Aquilina, to discuss a future expanded university presence in Port Macquarie. I am pleased that the State Government has offered its support. I am pleased and encouraged by the Federal Government's budget announcement of more equivalent full-time placements in regional and rural areas. If Port Macquarie can access some of those placements, and if we can get all three levels of government to work together to deliver this facility, that will be a significant win and a significant step forward for Port Macquarie. I am a great believer in programs such as work for the dole, but I strongly believe there is a direct correlation between long-term unemployment and an inadequate length of stay in education. If we are successful in encouraging many more people in the Port Macquarie area to stay in education longer, that will do a lot to deal with what is still a significant and entrenched long-term unemployment issue on the mid North Coast and the North Coast of New South Wales.

So there are more than education issues at stake in the delivery of a university facility for Port Macquarie. There are significant employment issues and significant standard and quality of life issues. Anyone who lives in a regional or rural area should have choices of employment based within that person's local community. Quality of services is an important part of that. For example, if I grow up in a regional or rural area I should be allowed to work wherever I want, and I should be able to attend a university or school of my choice. That university or school should have a standard equivalent to the standards enjoyed anywhere else, including in particular metropolitan centres.

Mr Gaudry: Tell us about the Camden Haven High School.

Mr OAKESHOTT: That was a pleasing initiative delivered and completed over the past 12 months. That initiative certainly is supported by the Opposition. At the Kendall Central School students and staff have been working in, I think, more than 30 demountables. That was becoming an atrocious situation. But there is another issue with the Camden Haven High School. Though it has been open for less than 18 months, we have seen the introduction of one or maybe two demountables onto the site. What sort of planning is that for education? It seems that planners, when building schools, have a fear of empty permanent classrooms. I cannot get my head around this sort of planning for schools in significant growth areas, as is the case with the Camden Haven High School and Tacking Point Public School. They have not been open very long at all. Port Macquarie has the largest growth rate in New South Wales. Yet, within eight months, those schools are already using demountable classrooms.

There must be obvious cost benefits in building a school larger than is needed at the time of planning. I would have thought that would be obvious and good planning. Unfortunately, it seems it is not. We have a system bent on using demountable classrooms, with all the transportation and movements around the State that that system involves—and at extraordinary expense. The Camden Haven High School is a good example of that. That school could have been built a little bit bigger to accommodate the growth in the local area. Notwithstanding that, the Camden Haven High School is a pleasing initiative. One of the matters I mentioned in the budget debate last year was the demountable classroom replacement program. That is why I was pleased with the $50 million program provided by this year's budget. I have not heard any other honourable member speaking about this matter, so I might be wrong in what I say about it, but I was very pleased that $50 million had been attached to that program. Whilst that is a drop in the ocean within an education budget, it is nonetheless a significant start. I hope that this program will be expanded. I hope that, as a matter of priority, growth areas like the mid North Coast will be the first to access this demountable classroom replacement program. But we will wait and see.

Only recently I spoke with a teacher at Laurieton Public School who had been teaching for 25 years. She made the clear point to me that she has taught in a permanent classroom for only two of those 25 years, and both of those were at a detention centre. I thought that was a very good example of the use of demountable classrooms in the New South Wales education system at the moment. I do not regard them as an appropriate learning environment, particularly in some of the warmer climates on the coast of New South Wales. In many cases, they are well beyond their use-by date. For example, the Laurieton Public School library is based away from the main building. Whenever there is significant rain, many books are lost because of leaks in the library. These are all small costs incurred at the time. We need a commitment to proper planning and the building of permanent classrooms, because those small costs add up and eventually exceed the cost of better planned facilities.

I will now touch on matters from each of my portfolio areas. The slash and burn is still going on within the Department of Gaming and Racing, with a further 18 jobs being under threat, including those involved with the delivery of the harm minimisation packages being passed through this Parliament. That is because, simply put, there are insufficient staff to deliver all the initiatives that have been addressed by this Parliament. Internal documents clearly show that. Central monitoring systems are behind schedule, and projects are not being delivered according to plans. Yet still we see slashing and burning within the Department of Gaming and Racing. We must have a commitment from this Government to enforcement, monitoring and regulation within the racing and gaming industry. Part of that is to do with at least maintaining, if not increasing, staffing allocations in those relevant areas. Until we see such a commitment, any of the packages that come through this Parliament, and any of the upcoming gaming packages to which the Premier likes to refer so often, will mean nothing, because in practical terms the department has insufficient staff on the ground to enforce compliance by the various sectors of the industry with the legislation that is being passed by this Parliament.

The Licensing Court is a great example of this. It has been put to me that over $200 million worth of development applications lodged with that court are being held up simply because the Licensing Court is underfunded. One has only to look at the Local Court annual review, which was released in the past 10 days, to learn of the astounding number of applications that are pending. I think there is currently a three-year wait in the Licensing Court. Both general and casino prosecutions are being held up. There is a huge backlog of work in that area. Callovers are being conducted because the backlog extends to March. We have had deferral from the end of last year of the technical standards issue—one of the key issues in relation to poker machines. That issue has been deferred by the Licensing Court because it simply does not have the resources to deal with the matter. If there were a commitment from this Government on this issue, areas that are very much at the coalface would be resourced.

The sport and recreation portfolio was subjected to review by the relevant estimates committee last night. There has been much talk about the future of the Homebush Olympic site. That provides one very good practical example of the Government dropping the ball post the Olympics. The Junior Commonwealth Games for 2004 were lost by Perth to Canberra. Did the New South Wales Government put in a bid for those games? No, it did not. These are major events that this Government should be chasing and supporting, yet for some reason it did not even put in a bid for the Junior Commonwealth Games. As a result, in 2004 the people of New South Wales will have to travel to Canberra and spend their money there, when the Government should be trying to ensure that that money is spent in New South Wales and at the same time do something to utilise the Homebush site. In conclusion, might I say that I have been pleased to speak to the budget. The number one issue for the Port Macquarie electorate is a return to community faith in the local hospital. I would hope that this Government is committed to helping me and the local community do that.

Mr MILLS (Wallsend) [12.39 p.m.]: I am pleased to support the 2001-2002 New South Wales budget bills. I could best describe this budget as upbeat as it has positive benefits for New South Wales and for people in the Hunter region, especially with regard to health. Therefore it is a good Labor budget, and I am delighted to support it. I am proud to have worked with my Labor colleagues in the Hunter region. The Parliamentary Secretary, the honourable member for Newcastle, who is in the Chamber, worked hard with the Government and with Ministers to ensure that the benefits of a good Labor budget also went to the Hunter region.

The 2001-02 budget is a good budget because social expenditure is strong, for example in education—an issue to which I will refer later in some detail. It is a desire of this Labor Government to have government schools competing with private schools, so it has spent big on upgrading buildings and facilities in government schools and it has increased spending on students in government schools. This budget is a good budget because there are tax reductions. Financial taxes have been removed, payroll tax has been reduced and there are no petrol taxes. In the past financial year there have been arguments federally about petrol taxes. It has been said that people should have done a lot better. Even the Prime Minister said that it is now time for the State to lower some of its petrol taxes. New South Wales has no petrol taxes.

The 2001-02 budget is a good budget also because this Government is retiring debt, and it has been doing so for some time. Of course, that helps to maintain our triple-A rating, which means that we pay lower interest rates on all government loans. The Treasurer, in his Budget Speech some weeks ago now, began by talking about education. That is a good place for me to start. One major issue of concern in my community at the moment relates to the relative funding of government schools and private schools. I know—and anybody with an understanding of the education system would know—that this debate has been generated by the Federal Coalition Government. It has been public about this issue; it certainly has not hidden anything.

Doctor Kemp, the Federal education Minister, made sure that everybody knew that the Federal Government wanted to shift the balance away from the funding of government schools towards greatly increased funding for private schools. That was the aim of the Federal Government. It asserted that it had something to do with choice. I think what that really means is that the Federal Government intends to try to force people to choose private schools by denying resources to the government school system. Many constituents in my electorate say to me, "Why on earth is the Government using taxpayers' money of any sort to put into private schools? Why are we doing that?" When I try to give them a history lesson by going back to Prime Minister Menzies and Prime Minister Whitlam and I refer to the way in which taxpayer funding of private schools arose in this country, they say, "We are here now. Forget the history. We think that taxpayers' money should be spent only on government schools."

I could argue on equity grounds, but the sorts of arguments being put forward by John Howard and David Kemp in the Federal Coalition Government go beyond equity. They want more than equity for our private schools. It is good for me to be able to say that our State Labor Government is doing its duty in relation to government schools in New South Wales, which receive regular, large increases in government funding. I have gone through the budgets of the Carr Labor Government from 1996-97 until the present day to determine what we have been doing. I have taken figures straight from the budget papers, which are publicly accessible. Anyone has access to the budget papers.

I refer to funding of government schools in New South Wales by the Carr Labor Government. Let me tell honourable members what happened over the last five years, and I will include in those statistics the statistics for this year's budget. Funding for government schools in New South Wales was as follows: $4.2 billion in 1996-97; $4.35 billion in 1997-98; $4.6 billion in 1998-99; $4.9 billion in 1999-2000; $5.0 billion in last year's budget; and $5.26 billion in this year's budget. That represents funding for primary and secondary government schools in New South Wales by the Carr Labor Government. Also published in the budget papers is the number of government school students—an issue to which I will refer later. The total number of government school students has remained much the same: in 1996-97 it was 761,000 and it is estimated in the coming year to be 759,000.

This Government also funds some non-government schools. Some of that funding comes from the Federal Government—money that this Government simply passes on—and other funding comes from New South Wales taxpayers. The figures for the same six years—1996 to 2001—for the funding of non-government schools is as follows: $333 million, $381 million, $411 million, $428 million, $443 million and $498 million. Again, the budget papers for New South Wales give the number of non-government school students as 305,000 in 1996-97 and up to 348,000 in the coming year. Let us then calculate the per capita funding for primary and secondary schools in New South Wales, using a dollar rate for each student.

Last year, in the government schools funded by the New South Wales State Labor Government, the funding rate per student was $6,583 and in non-government schools the funding rate per student was $1,325. In the coming budget, the funding per student goes up from $6,583 in government schools to $6,922 per student. That is what I meant when I said earlier that this Government is increasing its spending for every student in New South Wales. Last year, State Government funding for non-government schools was $1,325 and in the coming year funding for non-government schools will be $1,431. So the funding ratios remain much the same.

What happens in Commonwealth budgets? With the help of the Canberra Parliamentary Library and with the help of Kelly Hoare, the honourable member for Charlton, and her staff, I have been able to obtain both previous and current Commonwealth budget figures. The Commonwealth does an interesting thing; it projects its education expenditure for the next few years. It is instructive to read these things and see what the Commonwealth is doing overall in education, but I will restrict myself to schools. For the years 1999-2000 the actual expenditure by the Commonwealth on non-government schools was $2,883 million compared with its lower expenditure on government schools of $1,909 million.

The figures for the year just ending were given in this year's budget papers as $3,359 million, or should I call it $3.36 billion, for non-government schools and $1.95 billion for government schools. The estimate for next year for non-government schools is up from $3.36 billion to $3.6 billion and for government schools is up from $1.95 billion to $2.04 billion. Projections for future years go up, with increases in expenditure for both non-government and government schools for the next three years. It is projected that in 2004-05, $4.48 billion will be spent on non-government schools and $2.3 billion on government schools. The key is to look at the ratios of non-government school spending to government school spending by the Howard Coalition Government.

This is what the people of Australia, and particularly the people of New South Wales, ought to be considering when they vote in the Federal election later this year. This is what the Coalition Government intends to do. In 1999-2000 the ratio of spending on non-government schools to government schools was 1:51. In the year just finishing, 2000-01, that ratio went up to 1:72. No wonder there was an explosion of anger by supporters of the government school system all around Australia at that massive increase in the ratio of spending by the Federal Coalition Government. This year the ratio will be up to 1:77. Despite the Federal Minister for Education, Training and Youth Affairs saying the people did not like the enrolment benchmark adjustment scheme, which cut back on the funding for government schools in New South Wales, we have an increase in the ratio of non-government to government schools in the coming Federal budget. There have been motions in this Parliament, supported by both sides, if I recall, stating that we did not like the EBA scheme because it cut back on funding for government schools in New South Wales.

Projections over the next three years show that the ratio goes up to 1:83, to 1:89, to 1:91. So, before we know it, if the Coalition Government is re-elected, there will be double the expenditure on non-government schools by the Federal Government compared to government schools. That fact should be widely known by the people of New South Wales when they cast their ballots. They should know that their taxpayer funds will be used to shore up the rich schools in the private sector, because that is what the Federal Minister for Education, Training and Youth Affairs and the Prime Minister are setting out to achieve in their education policy.

I want to speak about only one aspect of education in my own electorate, and that is to commend our Government for what has happened in the past 12 months with the establishment of Callaghan College. My colleague the honourable member for Newcastle has one campus in his electorate, the Waratah High School campus, and Jesmond and Wallsend high schools are in the Wallsend electorate. The Government has spent something approaching $1 million in upgrading the schools for the commencement of the new combined senior-junior high school system that kicked off this year—the complete adjustment between the senior and junior high school systems will not be complete for several years.

The Government has made a commitment, certainly in the Hunter, that these schools will be upgraded to suit the needs of the new college, and that planning process is now under way. Almost $1 million was found to make sure that the students from year 11 coming from all over the area into the new Jesmond campus will be able to benefit right from the beginning from a more adult learning environment. Upgrades also at Wallsend and Waratah will assist the junior students. I can report that Callaghan College has been well accepted by the parents. The enthusiasm of the staff for the system is commendable and the parents and the students are enjoying the experience and are working constructively to see that the new Callaghan College becomes a success.

I now refer to health. This budget has seen the announcement of a response to a long-running expectation in the Hunter region that the State Government would start a program of reinvestment in new hospital buildings. Although we have the magnificent John Hunter Hospital up on the hill, a big teaching hospital that is 10 years old this year, other hospital stock has been declining. The Minister for Health is listening. A community committee on which even the two mayors served has been working for four years to get recommendations on what should be done. We are looking at the redevelopment of Belmont hospital, including a new emergency department, and a new bone and joint centre and ambulatory care centre at John Hunter Hospital for many of the acute services currently provided at the Royal Newcastle Hospital.

There will be a redeveloped Mater hospital, including a new emergency department, new wards and new facilities for treating cancer and blood disorders. The Mater hospital is the centre of excellence for oncology in the Hunter region and, indeed, in much of the north of New South Wales. The Minister has solved a very difficult political problem, because the Mater hospital needed new building stock. Much of the hospital has been in a bad condition for some time. The Sisters of Mercy, who own and operate the hospital, have not been in a position to attract private sector funding support of any sort. The sisters have tried and failed to get Catholic sector financial support, but the Mater hospital is so important to the spread of services in the Hunter region that our Government will make sure that we provide funding for the Mater to keep going as a first-class hospital, particularly for oncology.

I look forward to some arrangements being made down the track as to how that fits in with the overall control and direction of the hospital, given the additional capital responsibility that the State has picked up. The $234 million program starts this year with $2 million of planning money. Over the next six years that $234 million will be spent. I am looking forward in particular to the new bone and joint centre and ambulatory care centre at John Hunter Hospital. That will be one of the two or three major centres for orthopaedics in New South Wales. There is no doubt that the medical staff, principally already in the region, will welcome this development.

When the Premier gave his mid-term report at the end of March there was some concern by local people, including my own mayor, Councillor Kilpatrick. He was most concerned that the Premier's mid-term report would not include anything for the Hunter. I guess he was jumping the gun but I wrote to him at the time and advised him that the Minister promised that we would not be left out. As it turned out, of course, we were correct. Even the *Newcastle Herald*—which is not known for its friendly responses to the Labor Party and likes to encourage people not to vote Labor because it continually promotes the idea, and has done for 30 years, that Labor does not look after its safe seats—changed its mind. The health result, the education result and the other results I am about to mention will show that Labor does look after its Labor heartland.

The day before the budget was delivered the *Newcastle Herald* whinged and said we were not getting our fair share of health funding. Needless to say it changed its mind the following day when it heard the announcement about the Newcastle strategy. We are now in the second year of the big health recurrent three-year program. The increases were guaranteed over three years. There was a certainty of funding. Clinicians were involved in planning how to spend the extra cash. The Hunter increase was big enough to give the Hunter, for the first time in living memory, its fair share of recurrent health funding. That is important. Labor is looking after its heartland.

Interesting projects in the future include general practitioners working in emergency departments. The Hunter rehabilitation spinal cord injury service has opened; the detoxification unit currently on the campus at Wallsend will be moved to Belmont hospital; and a brand-new building for 12 drug and alcohol detoxification beds will be constructed at Belmont. So action is progressing locally on some Drug Summit issues. Funding has been provided for the Wallsend after-hours primary care centre. The centre is still operating, although its opening hours have been reduced. The emergency department at John Hunter Hospital will be revamped in the next 12 months or so. On 2 June an advertisement for a research chemist appeared in a Sydney newspaper, and stated:

> **The location** will be in the cosmopolitan city Newcastle with its schools, university, sports facilities, restaurants and superior arts, culture & entertainment facilities. Enjoy sailing on Lake Macquarie, fishing in the rivers or the bountiful Hunter Valley vineyards on your doorstep—and housing you can only dream about is very affordable.

I note that the advertisement does not state that the Hunter has a big stadium. One feature of this budget is the $50 million allocated to the Sydney Olympic Park Authority. The Treasurer said that we want more tourists at the old Olympic precinct. I think the way to get tourists to the Olympic precinct is to do what they do in Rome, Greece and Egypt: that is, let these great monuments fall down, then tourists come to look at the ruins. We could stop spending $50 million a year on the Sydney Olympic Park Authority; instead, we could divide the $50 million between the Hunter and the Illawarra and we would get stadiums, the ruins of which no-one would need to visit. I commend the budget bills to the House.

Debate adjourned on motion by Mr Gaudry.

LEGAL PROFESSION AMENDMENT (DISCIPLINARY PROVISIONS) BILL

Bill introduced and read a first time.

Second Reading

Mr GAUDRY (Newcastle—Parliamentary Secretary), on behalf of Mr Debus [1.03 p.m.]: I move:

> That this bill be now read a second time.

The Legal Profession Amendment (Disciplinary Provisions) Bill is a comprehensive package of amendments to ensure that the Law Society Council, the Bar Council and the Legal Services Commissioner have adequate powers to protect the public from barristers and solicitors whose conduct indicates that they are not fit to practice.

Mr Carr: A worthy piece of legislation.

Mr GAUDRY: Absolutely. Honourable members will recall that I foreshadowed the introduction of this bill in a statement to the House on 7 March 2001. In that statement I described the Government's response to the very serious allegations made in the media about the conduct of a small number of barristers in relation to their taxation affairs. The behaviour of these barristers is now notorious and, according to press reports, includes failure to lodge tax returns over several years; non-payment of tax once it has been assessed; the transfer of assets to spouses, former spouses and family trusts, apparently to escape taxation liability; and, in one case, a barrister who has never held a tax file number.

A number of barristers have been bankrupt in circumstances in which their only creditor is the Australian Taxation Office [ATO]. Despite their bankruptcy they have continued to maintain a lifestyle that would be considered affluent by most people—living in waterfront houses, taking overseas holidays and driving expensive cars. The Australian Taxation Office is responsible for taxation matters, and it remains unclear why the ATO failed to pursue the barristers concerned or to raise the problem with me or my department as the agency responsible for the administration of the laws governing the profession. All legal practitioners must be people of good fame and character, and must adhere to the highest moral and ethical standards in both their professional life and private affairs.

Once I became aware of the allegations I acted quickly to ensure that the public is protected from such conduct by members of the legal profession. On 9 March 2001 a regulation was gazetted to impose on solicitors and barristers an ongoing obligation to disclose to the Law Society Council and the Bar Council respectively the commission of acts of bankruptcy or indictable offences. The amendments before the House have been drafted to complement the approach taken in the regulation, and will ensure that the councils have a range of options to act against such practitioners. The amendments to the Act demonstrate the seriousness of the Government's commitment to ensuring that the reputation of the legal profession is not compromised by practitioners who treat their legal obligations with disdain.

I turn now to the content of the bill. Firstly, the bill amends the licensing provisions of the Act to require a practitioner who commits an act of bankruptcy or who has been found guilty of an indictable offence or a tax offence to show cause why he or she is a fit and proper person to hold a practising certificate. The bill places an obligation on the Law Society Council, in the case of solicitors, or the Bar Council, in the case of barristers, to suspend, cancel or not issue a practising certificate to such a person if the council is satisfied that the act of bankruptcy or the indictable offence or tax offence was committed in circumstances that show that the person is not a fit and proper person to hold a practising certificate.

In addition, the councils will have new, express powers to refuse to issue or to take away the practising certificate of a person who fails to notify certain matters without reasonable cause, does not show cause to the satisfaction of the council or fails to provide additional information requested by the councils. I anticipate that these new powers will make it easier for the councils to act against practitioners who have failed to pay their tax debts or who have committed serious offences. The bill also confers new powers on the Legal Services Commissioner to deal with practitioners who have committed acts of bankruptcy or who have been the subject of findings of guilt for indictable offences or tax offences.

The commissioner will be able to take over from a council its consideration of whether such a practitioner should hold, or continue to hold, a practising certificate at any time. Further, the bill requires the commissioner to take over a matter if a council has not made a determination about the fitness of the practitioner to hold a practising certificate within three months of being notified of the act of bankruptcy or the finding of guilt, or when the council received notice of the event, unless the commissioner agrees to extend the period by one month. If the commissioner takes over a matter, the commissioner will stand in the shoes of the relevant council and will have powers to suspend or to cancel practising certificates. The commissioner will also be able to direct the relevant council to refuse to issue a practising certificate to the practitioner concerned.

Both the commissioner and the councils will have considerable powers to investigate the conduct of practitioners surrounding the bankruptcy or offence. The powers in the bill are modelled on the existing powers in the Act for the investigation of complaints under Part 10. Most importantly, to ensure that the councils and their commissioner conduct their investigations quickly, the bill provides that a practitioner is automatically suspended if the council or commissioner has not completed its investigation within three months. This three-month period can be extended to four months at the discretion of the commissioner. The commissioner can ask the Supreme Court to remove the suspension, and the court will have a broad power to remit the matter to the relevant council or commissioner, or to make a determination itself. This provision will provide a powerful incentive to both the councils and the commissioner to move swiftly to resolve matters, and to practitioners to fully co-operate with investigations.

The bill also gives the Legal Services Commissioner and the Legal Profession Advisory Council new powers to oversee rule making by the councils. The councils will be obliged to give the commissioner and the council 28 days notice of the making of a rule, unless it is urgent, so that they have an opportunity to make representations concerning the rule. The commissioner can also ask the council to review any rule, and at the conclusion of the review, report to the Attorney General. The Attorney General will then have the power to declare a rule to be inoperative, if it is not in the public interest.

The Legal Services Commissioner will also have new powers to monitor the licensing activities of the councils under part 3 of the Act. The councils, for example, will be required to advise him of the notifications that have been made by practitioners who are bankrupt or who have been subject to findings of guilt for indictable offences or tax offences. This information can be used by the commissioner, among other things, to consider taking disciplinary action using his powers under part 10 of the Act. The commissioner will also have a power to monitor generally the exercise of regulatory functions by the Bar Council and the Law Society Council, other than in relation to the imposition of conditions on practising certificates.

The commissioner will be empowered to report to the Parliament on the exercise of his new functions. The bill amends the definition of professional misconduct in the Act, to remove any doubt that the conduct of a legal practitioner involving an act of bankruptcy, or the commission of an indictable offence, or a tax offence, is professional misconduct if the conduct would justify a finding that the legal practitioner is not of good fame and character or is not a fit and proper person to remain on the roll of legal practitioners. This amendment will apply to conduct that occurs before or after the commencement of the provision. The amendments also introduce a new power for regulations to be made to declare any breach of the Act or regulations to be professional misconduct. This new power can be used to target specific shortcomings within the profession and will enhance the powers of the commissioner and the councils to act against miscreant practitioners for specific breaches.

Finally, the bill amends the Administrative Decisions Tribunal Act 1997 to confer on the President of the Administrative Decisions Tribunal a new discretion to vary the composition of panels which deal with legal profession disciplinary matters. The president will now be able to select a panel of between two and four members from a pool of judges, legal practitioners, and lay members, provided that any panel must have at least one lay member. A panel of four members must have at least two lay members. The object of this change is to ensure that, in serious disciplinary matters, a judge presides over the deliberations of the tribunal instead of a practising lawyer, as at present. This will enhance public confidence in the objectivity of the disciplinary system. I am confident that the changes to the system for disciplining practitioners, rule making and the composition of the tribunal will enhance public confidence in the integrity of the system of the regulation of the legal profession. I commend the bill to the House.

Debate adjourned on motion by Mr Fraser.

HOUSING BILL

Bill introduced and read a first time.

Second Reading

Mr GAUDRY (Newcastle—Parliamentary Secretary), on behalf of Dr Refshauge, [1.14 p.m.], by leave: I move:

That this bill be now read a second time.

I am pleased to be able to introduce this bill to the House. This is not a major review of housing policies and the legislation that supports them; instead, this bill will bring about a number of relatively small, but important, changes to the housing legislation. These changes will reflect some of the developments across the housing portfolio in recent years and they will also refine and extend the powers of the New South Wales Land and Housing Corporation in a number of areas.

In New South Wales there are three Housing Acts—1912, 1976 and 1985. The Housing Act 1985 came into effect on 1 January 1986 and created the new Department of Housing and the Land and Housing Corporation. These Acts no longer provide an adequate or administratively straightforward framework for the Government's full range of housing assistance programs. This bill will improve the administration of the housing legislation by consolidating the existing legislation into one Housing Act. In addition to consolidating the earlier Housing Acts, the bill repeals the Home Purchase Assistance Authority Act 1993. The Home Purchase Assistance Authority was established in 1993 as a separate, single-purpose statutory corporation. This was designed to simplify the management of HomeFund and to improve accountability by creating a single authority dedicated to its administration.

Over the past eight years the authority has been very successful in fulfilling its statutory functions. The HomeFund scheme has been restructured with the provision of substantial financial relief and assistance for those borrowers in hardship. The restructure has placed the HomeFund scheme on a more sustainable financial footing and has provided a sound basis for the ongoing management of the loans remaining in the scheme. The Home Purchase Assistance Authority has also been instrumental in achieving a negotiated settlement of the long-running HomeFund class action litigation which was initiated by HomeFund borrowers in 1994. That settlement was approved by the Federal Court in March 2001 and has been accepted by the overwhelming majority of HomeFund borrowers.

As part of a range of measures designed to streamline administrative arrangements within the housing portfolio, the staff of the Home Purchase Assistance Authority were transferred to the Department of Housing in April 1999. Those staff currently administer the Home Purchase Assistance Authority Act as a specialised and accountable unit within the department. In the light of these developments there are benefits in centralising the remaining administrative functions of the authority with those of the Department of Housing. The authority will be dissolved, with its assets, rights and liabilities transferred to the Land and Housing Corporation. This will improve the co-ordination and integration of the State's various housing assistance programs as well as reducing operational expenses.

This bill will also update the legislation to help address the problem of rental rebate fraud. The Department of Housing leases its residential properties at market rent. However, households with incomes below specified limits are eligible for a rent rebate. Since April 2000, all new public housing tenants eligible for rebates have been required to pay 25 per cent of their household income in rent. Over 90 per cent of current public housing tenants receive a rental rebate. In 1999-2000, rebates granted amounted to $550 million. An earlier rebate fraud amnesty and subsequent subsidy reviews indicate that between 5 per cent and 10 per cent of tenants may, inadvertently or deliberately, be abusing the rebate system.

The current legislation does not provide sufficient power for the Land and Housing Corporation to fully investigate and deal with rental rebate fraud, despite the substantial increase in the proportion of tenants who receive a rental rebate. In the early 1990s the regulations under the Housing Act 1912 were allowed to lapse under the Subordinate Legislation Act 1989. Those regulations gave extensive powers to the Land and Housing Corporation in relation to granting and revoking rental rebates and in relation to investigation. The Land and Housing Corporation currently relies on sections 48 and 49 of the Housing Act 1912, and on existing contractual and administrative principles of law.

This bill will provide the necessary powers to deal with rental rebate fraud. The powers will include the capacity to investigate suspected rebate fraud, cancel or vary a rebate, and require repayment of arrears where a rebate has been fraudulently claimed. The bill will not establish a harsh or punitive system. The Land and Housing Corporation will continue to be governed by privacy principles and legislation. Tenants' rights will not be changed at all, including the right to appeal decisions to an independent appeals committee. However, taxpayers and the vast majority of tenants who do the right thing deserve to be certain that everyone is paying their fair share.

The bill also includes a relatively minor change giving the Land and Housing Corporation the power to meet any obligations that might be agreed by the Government under the current and future Commonwealth-State Housing Agreements. This will ensure that the legislation is sufficiently flexible to support future directions for the housing portfolio. There are similar provisions in the New South Wales Aboriginal Housing Act 1998. As well as updating the legislation, the bill will facilitate some important policy directions. The housing policy and funding cuts by the Federal Government provide a strong incentive for us to seek out the co-operation of others, notably local governments, not-for-profit organisations and the private housing sector, to find innovative and practical partnership solutions to housing challenges.

It is important that the ongoing viability of the social housing sector is improved by increasing the capacity to raise revenue and encourage investment in social housing. In this context, the powers of the New South Wales Land and Housing Corporation will be refined and extended in line with two key objectives. The first is to attract investment in, or enter shared arrangements for, social housing as well as related activities such as tenant employment or provision of integrated support services. The second objective is to be able to provide for a fee or otherwise for corporate, technical and information technology [IT] services. Services may be provided to other government and non-government agencies within or outside New South Wales. The Department of Housing and the Treasury have liaised extensively to identify appropriate mechanisms to implement these objectives. The Department of Public Works and Services has also been consulted.

The result of this liaison is that the bill will extend and refine the powers of the New South Wales Land and Housing Corporation in three important areas. First, the bill will amend the legislation to extend the range of purposes for which the corporation may enter joint venture arrangements. The purposes will be expanded to include provision of housing-related services and products, and to implement the objects of the Housing Acts and such other purposes as the Treasurer may approve. The legislation notes the role of the Treasurer in approving entry into joint ventures. Under the current legislation, the Land and Housing Corporation is able to enter into joint ventures with the approval of the Minister. However, this power is limited to involvement in joint ventures for the purpose of acquiring, developing, managing or disposing of land. Joint ventures that are not based around land are currently outside the provisions of the Housing Acts.

The New South Wales Land and Housing Corporation has been participating in joint ventures for some time, but these have been focused on physical construction only. The amendments will give the corporation the capacity to enter joint ventures involving additional support services. This is increasingly important as more and more people with complex needs seek help with their housing. The second change is that the capacity of the New South Wales Land and Housing Corporation to form and take interests in private corporations, including subsidiaries, will be amplified, and the corporation will be given the capacity to form trusts. As is the case with joint ventures, this will also be subject to the agreement of the Treasurer.

The current legislation provides no explicit power to form subsidiary companies or trusts and generally only allows the corporation to act on a commercial footing when the corporation is involved in a joint venture. In addition, even where joint ventures involving investment in affordable housing are possible, the current housing legislation fails to reflect the relative sophistication of financial structures required by contemporary markets. The bill will amend the legislation to give the corporation the power to form subsidiary companies and trusts so that the corporation can better transact business and undertake particular roles within the objects of the Act. The third change will give the corporation the ability to capitalise on expertise developed within the corporation and provide goods or services to other authorities and non-government entities in exchange for payment of a fee for service. This capacity will be limited to individuals or organisations involved with the provision of housing or in the housing industry.

The Land and Housing Corporation has been approached by other housing authorities and organisations to provide information, advice and systems. The expertise developed by the department in information technology, residential design and related services, as well as corporate systems, has provided an asset that could return some funds to the organisation. In its entirety, this bill will result in small, but significant, changes. On the one hand, it will update the housing legislation to reflect some of the developments and achievements we have made in recent years. On the other hand, it will support important policy directions for the future of the housing portfolio and help facilitate stronger, more diverse partnerships to better help the people of New South Wales with their housing. I commend the bill to the House.

Debate adjourned on motion by Mr O'Doherty.

House adjourned at 1.27 p.m. until Monday 25 June 2001 at 10.00 a.m.